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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
## Washington, D.C. 20549

# FORM 10-K

**(Mark One)**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2025**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from _____ to _____**

**Commission file number 001-42043**

# Silvaco Group, Inc.

**(Exact name of Registrant as specified in its charter)**

| Delaware | 7372 | 27-1503712 |
|---|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(Primary Standard Industrial Classification Code Number)** | **(I.R.S. Employer Identification Number)** |

**Silvaco Group, Inc.**
**4701 Patrick Henry Drive, Building #23**
**Santa Clara, CA 95054**
**(408) 567-1000**
**(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Common Stock, par value $0.0001 per share** | **SVCO** | **The Nasdaq Stock Market LLC** |

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☒ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☒

The aggregate market value of common stock held by non-affiliates of the registrant (9,563,608 shares), based on the closing price of the registrant's common stock as reported on the Nasdaq Global Select Market on June 30, 2025 of $4.72, was $45,140,230. For purposes of this computation, all officers, directors, and 10% beneficial owners of the registrant are deemed to be affiliates. Such determination should not be deemed to be an admission that such officers, directors, or 10% beneficial owners are, in fact, affiliates of the registrant.

As of March 09, 2026 the registrant had 31,440,906 shares of common stock, $0.0001 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Part III of this Form 10-K are incorporated by reference from the registrant's definitive proxy statement for its 2026 annual meeting of stockholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Form 10-K. Except with respect to information specifically incorporated by reference in this Form 10-K, the proxy statement is not deemed to be filed as part of this Form 10-K.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, or this Annual Report, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the current views of management of Silvaco Group, Inc. with respect to, among other things, its operations, its financial performance and its industry. Forward-looking statements include all statements that are not historical facts. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believe(s)," "expect(s)," "potential," "continue(s)," "may," "will," "should," "could," "would," "seek(s)," "predict(s)," "intend(s)," "trends," "plan(s)," "estimate(s)," "anticipates," "projection," "will likely result" and or the negative version of these words or other comparable words of a future or forward-looking nature. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors include but are not limited to: (a) market conditions; (b) anticipated trends, challenges and growth in our business and the markets in which we operate; (c) our ability to appropriately respond to changing technologies on a timely and cost-effective basis; (d) the size and growth potential of the markets for our software solutions, and our ability to serve those markets; (e) our expectations regarding competition in our existing and new markets; (f) the level of demand in our customers' end markets; (g) regulatory developments in the United States and foreign countries; (h) changes in trade policies, including the imposition of tariffs; (i) proposed new software solutions, services or developments; (j) our ability to attract and retain key management personnel; (k) our customer relationships and our ability to retain and expand our customer relationships; (l) our ability to diversify our customer base and develop relationships in new markets; (m) the strategies, prospects, plans, expectations, and objectives of management for future operations; (n) public health crises, pandemics, and epidemics and their effects on our business and our customers' businesses; (o) the impact of the current conflicts between Ukraine and Russia and Israel and Hamas and the ongoing trade disputes among the United States and China on our business, financial condition or prospects, including extreme volatility in the global capital markets making debt or equity financing more difficult to obtain, more costly or more dilutive, delays and disruptions of the global supply chains and the business activities of our suppliers, distributors, customers and other business partners; (p) changes in general economic or business conditions or economic or demographic trends in the United States and foreign countries including changes in interest rates and inflation; (q) our ability to raise additional capital; (r) our ability to accurately forecast demand for our software solutions; (s) our expectations regarding the financial and other impacts of current and future litigation (including our ongoing litigation with the former shareholders of shareholders of Nangate Denmark ApS); (t) our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act and as a smaller reporting company under the Exchange Act; (u) our expectations regarding our ability to obtain, maintain, protect and enforce intellectual property protection for our technology; (v) our status as a controlled company; (w) variations in certain financial statement line items from the estimated figures presented herein upon the completion of the Company's financial reporting process; (x) our use of the net proceeds from our initial public offering and (y) the factors described in Part I, "Item 1.A. Risk Factors". These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Annual Report. Silvaco Group, Inc. undertakes no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by law.

## NOTE REGARDING INDUSTRY AND MARKET DATA

This Annual Report contains market data and industry statistics and forecasts that are based on independent industry publications and other publicly available information. Although we believe these sources are reliable, we do not guarantee the accuracy or completeness of this information and we have not independently verified this information. In addition, the market and industry data and forecasts included in this report may involve estimates, assumptions and other risks and uncertainties and are subject to change based on various factors, including those discussed in Part I, "Item 1A. Risk Factors," contained in this Annual Report. Accordingly, investors should not place undue reliance on this information.

### Part I

*Unless otherwise indicated, "the Company," "we," "our," "us" and "Silvaco" are used in this report to refer to the businesses of Silvaco Group, Inc. and its consolidated subsidiaries.*

### Item 1. Business

#### Overview

Silvaco Group, Inc. is a provider of technology computer aided design ("TCAD") software, electronic data automation ("EDA") software and semiconductor intellectual property ("SIP"). Our solutions are used by engineers to optimize semiconductor manufacturing processes and efficiently bring semiconductor products to market. Our differentiated solutions enable our customers to increase productivity, accelerate time-to-market and reduce development and manufacturing costs.

Our TCAD solutions are used in the semiconductor industry to model and optimize manufacturing processes and device performance. This includes foundational TCAD software and more advanced artificial intelligence (“AI”) machine learning (“ML”) for process development, called Fabrication Technology Co-Optimization (“FTCO™”). We are a pioneer in the leverage of AI to redefine manufacturing process development in partnership with customers.

Our EDA software is used by semiconductor companies to design, simulate, and verify semiconductors. Our EDA products include SPICE modelling and simulation, parasitic extraction and reduction, standard cell generation and optical proximity correction.

Our SIP portfolio includes a range of products, including foundation technology, such as standard cells and memory compilers, as well as a suite of interface technologies. Our SIP portfolio benefited from recent acquisitions, most notably Mixel Group, Inc. (“Mixel”), which is positioned for growth as we roll out Mixel’s quality processes to the rest of the organization.

Our customers include foundries, integrated device manufacturers (“IDMs”) and fabless semiconductor companies.

**Corporate Information**

Silvaco was incorporated in the State of Delaware in 2009 under the name Saratoga International, Inc., and changed its name to Silvaco Group, Inc. in November 2013.

Our headquarters are located at 4701 Patrick Henry Drive, Building #23, in Santa Clara, CA 95054, and our headquarters’ telephone number is (408) 567-1000. We have 12 offices worldwide.

Our website address is https://www.silvaco.com. Our website and the contents therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K. Through a link on the Investor Relations section of our website, we make available the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the SEC: our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. All such filings are available free of charge. In addition, the SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

**Growth Drivers**

Our software solutions enable customers to simulate and optimize semiconductor manufacturing processes as well as design, simulate and verify innovative semiconductor products. Growth in demand for these tools is driven by key trends, including the launch of more advanced manufacturing processes by foundries and IDMs, as well as advancements in many end markets, including memory, automotive, quantum computing, photonics, data center, cellular technologies and AI.

Our growth prospects are enhanced by the inherent differentiation embodied in our products. We design our solutions to address our customers’ biggest challenges. We differentiate based on efficiency, cost, performance, and time to market. Our leadership in AI-powered process development is a good example of a solution that accelerates time to market for our customers while dramatically reducing their development costs.

We see these trends as a powerful growth opportunity for Silvaco. As semiconductor companies continue to define new generations of more complex products and processes, they increasingly leverage our growing suite of differentiated software solutions and semiconductor IP.

**Our Products**

We define our solutions in three product categories: TCAD, EDA, and SIP.

**TCAD Solutions**

Our manufacturing process development solutions include traditional TCAD tools combined with leading-edge AI/ML simulation tools.

Our traditional TCAD tools enable simulations of existing and new technologies for device performance optimization. Our solution is designed to provide complete, fast, and accurate results, allowing customers to explore trade-offs in performance, power, size and reliability and optimize their final design.

Our FTCO AI/ML solution uses manufacturing and simulated data to create a computer model or “digital twin” of manufacturing processes that can be used to simulate the fabrication process in "real time". This “digital twin” serves as a simulation platform through which customers can run countless experiments to analyze many variables and improve yield due to variations in a wide range of parameters in the manufacturing process. All of this is done without the need to run physical wafers which can be time-consuming and expensive. We have partnered with Micron Technology, Inc. for the development and deployment of these AI/ML tools.

Both solutions are designed to help reduce the time and manufacturing cycles spent developing semiconductor technologies and help reduce costs and accelerate development cycles. By reducing the need to run expensive and time-consuming experiments, our solutions enable customers to rapidly and cost-effectively bring their products to market. Our AI-augmented solutions include GPU-enablement for plasma simulation and photonics, which are recent additions to our product portfolio from our acquisition of Tech-X Corporation.

Typical applications include simulation of process variation; device performance; thermal effects; optical intensity; plasma chamber and radiation effect.

Our FTCO AI/ML solution provides compatible data structures that can be used with our EDA modeling, analysis, simulation, verification and yield enhancement tools.

We also provide design services, expert training and workshops on our latest manufacturing process development solutions.

**EDA Solutions**

Silvaco offers a full, production-proven IC-CAD signoff design platform, comprehensive automated standard cell library creation and characterization solutions, and advanced IP management tool suites.

Its IC-CAD design flow supports the complete path from design capture and circuit simulation through layout design, physical verification, parasitic extraction and reduction, and post-layout analysis including statistical variation and yield analysis, enabling silicon-accurate verification and predictable signoff.

The automated standard cell library solutions accelerate development through layout generation, optimization, parasitic-aware characterization, and variation-aware modeling to deliver high-quality libraries optimized for power, performance, and area.

In addition, Silvaco's IP management tools address the growing complexity of modern SoC development by enabling efficient onboarding of third-party IP, structured reuse of internal IP, version control, traceability, and secure collaboration across distributed teams.

**SIP Solutions**

The number of third-party IP design blocks incorporated into customers' semiconductor designs has increased as system-on-chip ("SoC") architectures grow more complex and development cycles compress. Customers increasingly rely on pre-verified and silicon-proven IP to reduce design risk, manage costs, and accelerate time-to-market.

Our SIP portfolio offers a comprehensive portfolio of solutions for SoC designs, including hard and soft IP, foundational libraries, and embedded memory technologies. These SIP solutions are designed to integrate into customer designs across a range of process technologies and end markets.

Silvaco's SIP portfolio includes:

***Interface IP***

- Production-ready and Custom silicon-proven mixed-signal IP solutions for high-speed interfaces, including Mixel® MIPI® C-PHY™, D-PHY™, and M-PHY® as well as LVDS and other multi-standard SerDes

- Production-ready and silicon-proven soft IP solutions supporting industry-standard interfaces, including MIPI® I3C, Arm® AMBA® interconnect fabric, and peripheral components

***Logic Libraries and Physical IP***

- Production-ready and Custom Standard cell logic libraries, including Core, Power Management, Engineering Change Order ("ECO"), Advanced Compute, and physical completion library components

- Libraries are designed to support performance, power, and area optimization requirements across a range of applications and process nodes

***Embedded Memory Solutions***

- Production-ready Embedded memory compilers for both volatile and non-volatile memory technologies

- Memory solutions incorporate integrated test and repair features intended to improve yield, reliability, and manufacturability

***Automotive IP***

- Production-ready IP solutions for automotive applications, including CAN FD and CAN XL, designed to meet safety, reliability, and security requirements for automotive electronics

Silvaco's SIP products are typically incorporated into customer designs early in the development cycle and may remain in production for extended periods. This pattern is particularly common in markets with long product lifecycles, such as automotive, industrial, and robotic applications. Silvaco's SIP is also deployed in higher-volume markets with shorter product cycles, including mobile, consumer drones, edge AI computing, Internet of Things ("IoT"), and mobile-adjacent applications such as AR, VR, and wearables. As a result, Silvaco's SIP business is influenced by customer design activity across a range of end markets, adoption of industry standards, and broader trends in semiconductor integration and system complexity

**Customer Support**

We provide a consistently high level of customer support and training to ensure our customers extract the full value of our solutions. This support is provided through a global network of application engineering teams.

Customer support includes frequent software updates. We also offer workshops to increase customer productivity through courses offered worldwide, as well as online training.

**Product Warranties**

We generally warrant our products to conform to material specifications for a limited period of time. We also provide customers with limited indemnification with respect to claims that their use of our software products infringes on patents, copyrights, trademarks or trade secrets. We have not experienced material warranty or indemnity claims to date.

**Growth Strategy**

We intend to take the following actions to deliver value to our customers:

- Focus on large, growing markets where we have cemented ourselves as a trusted solutions provider. We seek to expand our presence in multiple growing markets, including display, automotive semiconductor, memory, quantum computing, photonics, data center, and AI markets.

- Enhance our competitive advantage by addressing unique customer needs. We pride ourselves on research and development agility, allowing us to design capabilities specific to customers' requirements and, where appropriate, integrate those capabilities into our software solutions.

- Focus on a portfolio approach to the licensing and sale of our software platform. We seek to differentiate ourselves through the breadth of our software and SIP offerings, addressing the full design cycle needs of our customers.

- Expand our customer base. We believe that we can both expand our customer base and grow within our existing customers. This growth will be enabled by our global salesforce and application engineers.

- Establish, maintain and expand relationships with key technology providers and academic partners. We have relationships with SIP providers, foundries, design service companies, EDA companies, our commercial customers and academia. We plan to continue to expand our ecosystem to maximize our reach, integrate into established flows and offer world-class solutions.

- Continue to seek strategic acquisitions to accelerate growth and expand our market footprint. We intend to continue to target acquisitions that allow us to expand our solutions portfolio to better service our customers' needs.

**Customers**

We provide end-to-end solutions such as software, design IP, and world-class support to a global and diverse customer base of engineers and researchers in both semiconductor companies and academia. We aim to support our customers' use of our products to solve semiconductor design challenges spanning the levels of atoms, devices, and systems. Through decades of collaboration with academia, we have created an end-to-end solution for display visualization and simulated stress-testing coupled with an integrated support system and SIP services. With our combined platform, we believe we can attract new customers, retain existing ones, and create upsell opportunities. As of December 31, 2025, we had over 800 customers that relied on our solutions worldwide, of which over 200 are academic institutions.

As of December 31, 2025, our revenue was geographically distributed as follows: 54% from customers in Asia, 38% from customers in the Americas, and 8% from customers in Europe.

### Sales

We work closely with our customers to meet their specific and complex needs. We utilize account managers to engage customers early in their design-in cycles and collaborate with them throughout the design journey. We rely primarily on direct sales channels across the world and augment our sales efforts with distributors in growth or emerging markets, such as Israel, India and Southeast Asia. To handle the complexities of the industry, we use account managers with specialized knowledge who cover and can speak to all company products. In addition, we rely upon field application engineers for product specialization and our sales operations to handle universities and smaller sales opportunities.

Although the specific terms of our contracts vary from customer to customer, the license agreements are commonly one or three-year commitments. Sales cycles vary depending upon the product and offerings along with the specific needs and complexities of the individual customer. Manufacturing process development and EDA opportunities generally have a sales cycle of six to nine months whereas SIP opportunities generally range from three to nine months. Renewal engagement generally starts six to 12 months prior to license expiration.

Our sales and marketing teams have international coverage segmented into three distinct regions: the Americas (U.S. and Brazil), Europe, the Middle East, and Asia (“EMEA”) and Asia-Pacific (“APAC”), which includes Japan, China, Korea, Taiwan and Singapore.

### Research and Development

Our success is inextricably linked to our ability to deliver new innovative solutions and maintain our existing product portfolio. Our research and development (“R&D”) priorities are centered around our three main product areas described above. Our R&D team evolves existing products to address new customer challenges and deliver next generations of even more innovative and unique solutions to the industry’s largest challenges. R&D efforts are central to our long-term business success. We therefore expect to continue making significant investments in this area going forward.

### Intellectual Property

Our patents and other legal intellectual property protections are created when we believe we have developed proprietary and unique technologies that may impact our customers’ businesses and help differentiate our products. We utilize patents to provide protection for our developed products, helping maintain product differentiation. Currently, our patent portfolio is focused on SIP (fingerprinting and DNA-analysis), circuit and standard cell design, generation and optimization, cell libraries with many cells, memory cells and arrays, physical verification, simulation of light emitting diodes, (“LED”), and other related spaces. Our accomplishments of developing our technology and products, and our ability to compete worldwide, is made possible by our commitment to develop and maintain leadership of our products and to stay current with filings to protect our intellectual property.

We rely on patent, copyright, trademark, and trade secret laws, as well as confidentiality and non-disclosure agreements, other contractual protections, and distribution of software licenses only to protect our technologies and proprietary know-how. As of December 31, 2025, we had 47 issued U.S. patents expiring generally between 2026 and 2039, 5 pending U.S. patent applications, 4 issued foreign patents (including 2 French patents, 1 Taiwanese patent, and 1 Japanese patent) expiring generally between 2032 and 2041, and 9 pending foreign patent applications (including 2 pending Taiwanese applications, multiple pending European patent applications, and multiple pending Japanese patent applications). We did not have any pending International Patent Cooperation Treaty applications as of December 31, 2025. Our issued patents and pending patent applications generally relate to SIP characterization, standard cells, memory, physical verification, LED simulation, computational lithography, optical proximity correction, multi-patterning and photomask optimization, semiconductor manufacturability modeling and yield enhancement, and mixed-signal physical layer interface technologies. As of December 31, 2025, we had 16 U.S. registered copyrights. As of December 31, 2025, we have obtained registered U.S. federal trademarks for Mixel Mixed-Signal Excellence, SILVACO, Simulations Empowering Your nnovations, Tech-X, USim, VIRTUAL WAFER FAB, VSim, and VORPAL and have pending applications for FTCO and PCAIO.

### Competition

We compete most frequently with Synopsys, Inc., Siemens EDA, and Cadence, Inc. by providing specialized differentiation that is generally unavailable from larger EDA companies. We also compete with other tools providers, customers with their own EDA capabilities and other IP companies, including Keysight Technologies, Inc., Schrödinger, Inc., CEVA, Inc., Zuken Ltd., Huada Empyrean, M31 and Primarius Technologies. Some of our competitors have made or may make acquisitions and/or have entered or may enter into partnerships or other strategic relationships which may alter their ability to compete with us. We compete based on the market segments we serve, technology leadership, product efficiency, ease of integration, ease of use, payment structures, customer support, and time to market. In the SIP segment, we compete based on PPA, idle power consumption, data movement performance and time to market.

For more information on risks related to competitive factors affecting our business, see the relevant discussions throughout Item 1A. “Risk Factors.”

### Government Regulation

We face increasingly stringent and evolving regulatory challenges. We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws in the United States and other countries in which we conduct activities, including the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and the United Kingdom Bribery Act 2010, which generally prohibit companies and their employees, agents, intermediaries and other third parties from directly or indirectly promising, authorizing, making or offering improper payments or other benefits to government officials and others in the private sector. Noncompliance with these regulations could subject us to investigations, severe criminal or civil sanctions, settlements, prosecution, loss of export privileges, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, whistleblower complaints, adverse media coverage and other consequences. We are also subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws. For example, certain of our software solutions are subject to U.S. export controls and sanctions, including the Export Administration Regulations, U.S. Customs regulations, and the economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control, which may limit our ability to export our software solutions and technology or may require export authorizations and conditions prior to export. We regularly engage with outside experts and review our internal compliance related to such U.S. export controls laws, regulations and sanctions programs and have filed certain voluntary disclosures related to potential violations of such U.S. export control laws and regulations and sanctions programs. Such voluntary disclosures remain pending and if an enforcement action is brought against us in relation to such potential violations, such actions could result in the imposition of significant penalties against us. Furthermore, because we may process personal data in the ordinary course of our business we are, or may become, subject to numerous data privacy and security obligations, including federal, state, local, and foreign laws, regulations, guidance, and industry standards related to data privacy and security, including, without limitation, the EU GDPR and the UK GDPR, the CCPA and other U.S. state laws. These privacy and security laws may increase our compliance obligations and exposure for any noncompliance. See Item 1.A. Risk Factors for additional information about the laws and regulations to which we are or may become subject and about the risks to our business associated with such laws and regulations.

### Employees and Human Capital Resources

As of December 31, 2025, we had 406 employees worldwide, including 105 full-time equivalent employees located in the United States, consisting of 61 in research and development, 18 in sales and marketing, and 26 in general and administrative. We also have 99 full-time equivalent employees located in Egypt. We consider relations with our employees to be good and have never experienced a work stoppage. None of our employees are either represented by a labor union or subject to a collective bargaining agreement.

#### Compensation and Benefits

We offer competitive compensation programs that link compensation to business and individual performance. We also offer a bonus program, 401(k) match, Employee stock purchase plan and equity compensation.

#### Information about our Executive Officers

The following table sets forth certain information regarding our executive officers as of March 4, 2026:

| Name | Age | Position |
|---|---|---|
| Dr. Walden C. Rhines | 79 | Chief Executive Officer |
| Christopher Zegarelli | 51 | Chief Financial Officer |
| Candace Jackson | 41 | Senior Vice President, General Counsel and Corporate Secretary |

*Walden C. Rhines, Ph.D.*, has served as our Chief Executive Officer since August 2025, and as a member of the Board since September 2022. From March 2020 to June 2025, Dr. Rhines served as President and Chief Executive Officer of Cornami, Inc., a fabless semiconductor company. Since January 2015, Dr. Rhines has also served as a member of the board of directors and as chair of the compensation committee of Qorvo, Inc. (Nasdaq: QRVO), a fabless semiconductor company, and its chairman since November 2023. He served as a member of the board of directors of PTK Acquisition Corp. (NYSE: PTK), a special purpose acquisition company, from July 2020 until September 2021 and served on its audit, nominating and compensation committees. From October 1993 to March 2017, Dr. Rhines served as Chief Executive Officer of Mentor Graphics Corporation, an EDA company, and chairman of its board of directors from 2000 until its acquisition by Siemens in March 2017, pursuant to which the company was renamed Mentor Graphics, a Siemens Business. Following the acquisition, Dr. Rhines served as President and Chief Executive Officer of Siemens EDA (formerly Mentor Graphics, a Siemens Business), from March 2017 to October 2018, after which he served as its Chief Executive Officer Emeritus until September 2020. Dr. Rhines received a B.S.E. in engineering from the University of Michigan, an M.S. and Ph.D. in materials science and engineering from Stanford University, and a M.B.A. from the Southern Methodist University, Cox School of Business.

*Christopher Zegarelli* has served as Silvaco's Chief Financial Officer since September 2025. Prior to joining Silvaco, he served as Senior Vice President Finance at Infineon Technologies AG, a global semiconductor manufacturing company, from October 2023 to September 2025, and as Chief Financial Officer of GaN Systems Inc., a global leader in GaN power semiconductors, from June 2021 until its acquisition by Infineon in October 2023. He served as Chief Financial Officer of Thermal Engineering International Inc. from 2019 to 2021, and as Chief Financial Officer of indie Semiconductor from 2016 to 2019. Mr. Zegarelli has extensive experience in the semiconductor industry, having served in progressively senior roles at Intel Corporation, Qualcomm Incorporated, and Broadcom Inc. Mr. Zegarelli has a B.A. in Russian and International Economics from Middlebury College, and an MBA in Finance and Strategy from the University of Michigan.

*Candace Jackson* has served as Silvaco's Senior Vice President, General Counsel and Corporate Secretary since September 2024. Prior to joining Silvaco, she was Deputy General Counsel of global fabless semiconductor design company Synaptics Incorporated from July 2021 to September 2024. She served as Associate General Counsel of aviation company Aerion Corporation from February 2021 until the company wound down its 20-year development operations in June 2021. She was a Senior Associate at the law firm of Mayer Brown LLP from September 2018 to February 2021 and an Associate from June 2015 to March 2016 where she served as securities and corporate governance counsel and led capital raising transactions for public companies of all sizes. From April 2016 through June 2018, she served as Assistant General Counsel at food distribution company US Foods Holding Corp. (NYSE: USFD) where she led the company's IPO and the exit of its controlling stockholders and established its securities and corporate governance function. Ms. Jackson began her career as a securities and corporate governance lawyer at financial services firm Primerica, Inc. (NYSE: PRI) where she served as Senior Attorney following its spin-out from Citigroup, and as an Associate at law firm Husch Blackwell LLP. Ms. Jackson has a B.A. in Sociology from the University of Michigan, and a J.D. from the Emory University School of Law.

## Item 1A. Risk Factors

*A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes. Our business, results of operations, financial condition, and prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe to be material. If any of the risks actually occur, our business, results of operations, financial condition and prospects could be harmed. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.*

**Risks Related to Our Business and Industry**

- We operate in highly competitive industries, and if we do not continue to meet our customers' demand for innovative technology at competitive prices, our products may not remain competitive.
- Our operating results are subject to significant fluctuations and, as a result, period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicators of future performance.
- The growth of our business depends primarily on the semiconductor and electronics systems industries.
- Our success depends on sustaining or growing our software license revenue and our maintenance and service revenue, and the failure to increase such revenue could negatively affect our results of operations.
- Our success depends on the interoperability of our software solutions with our customers' intended use cases and with products and services of other companies, including our competitors.
- We may have to invest more resources in research and development than anticipated, which could increase our operating expenses and negatively affect our operating results.
- Our operating results and revenue could be adversely affected by customer payment delays, customer bankruptcies and defaults, or modifications of license terms.
- The global nature of our operations exposes us to increased risks and compliance obligations.
- We face risks associated with doing business in China.
- Our operations could be disrupted by political and social instability, acts of war, terrorist activity or other similar events, which could adversely affect our business, financial condition, and results of operations.
- Our employees have in the past, and our employees, consultants and third-party providers may in the future engage in misconduct that materially adversely affects us.
- Periodic reorganizations and adjustments to our employee base, including our recent headcount reduction, could temporarily impact productivity and adversely disrupt our sales, and may not.
- Variations in actual sales activity from sales forecasts could adversely affect our business, financial condition and results of operations.
- We may not realize the anticipated benefits of our acquisitions or investments, our business could be disrupted because of acquisitions or investments and, depending on how we finance or fund such acquisitions or investments, we could use significant amounts of cash or incur substantial debt.

**Risks Related to Our Technology, Intellectual Property and Information Technology Systems**

- If we fail to protect our proprietary technology, our business will be harmed.
- We may not be able to continue to obtain licenses to third-party software and intellectual property on reasonable terms, if at all.
- We may be subject to intellectual property litigation, regardless of success or merit, that could cause us to incur substantial expenses, reduce our sales, and divert the efforts of our management and other personnel.
- If we are unable to protect our proprietary technology and inventions through trade secrets, our competitive position and financial results could be adversely affected.
- Our software licenses contain third-party open source software components, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to deliver our software licenses or subject us to litigation or other actions.
- We may not be successful in our artificial intelligence ("AI") initiatives, which could adversely affect our business, operating results or financial condition.

**Risks Related to Data Privacy and Security**

- Cybersecurity threats or other security breaches could compromise sensitive information belonging to us or our customers and could harm our business and our reputation.

- Any actual or perceived failure to comply with new or existing laws, regulations and other requirements relating to the privacy, security, processing and cross-border transfer of personal information could adversely affect our business, financial condition and results of operations.

**Risks Related to Our Status as a Controlled Company**

- We are a “controlled company” within the meaning of the rules and, as a result, qualify for and rely on exemptions from certain corporate governance requirements.
- The Stockholders Agreement grants the Pesic Family significant rights that may limit your ability to influence matters requiring stockholder approval.

**Risks Related to Legal, Regulatory, Accounting and Tax Matters**

- Litigation, government investigations or regulatory proceedings could have a material adverse effect on our financial position, results of operations and our stock price.
- We or our directors or officers may be subject to litigation proceedings, which are expensive, could divert management attention, and harm our business.
- Changes in tax laws could adversely affect our business, financial position and results of operations.

**Risks Related to the Ownership of Our Common Stock**

- Our stock price has been and may continue to be subject to fluctuations.
- We have experienced a material weakness in our internal control over financial reporting in the past, and any future material weakness or failure to maintain effective internal controls could impair our ability to report our financial condition or results of operations accurately and on a timely basis, which may adversely affect investor confidence and the value of our common stock.
- Future sales or issuances of our common stock could cause the price of our common stock to decline.
- If securities analysts or industry analysts downgrade our common stock, publish negative research or reports, or fail to publish reports about our business, our stock price and trading volume could decline.
- We do not intend to pay dividends on our common stock.

**General Risk Factors**

- Catastrophic events and the effects of climate change, pandemics or other unexpected events may disrupt our business and harm our operating results.
- Uncertainty in the global macroeconomic environment may negatively affect our business, operating results and financial condition.
- We are an “emerging growth company” and a “smaller reporting company” and any decision on our part to comply with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.

## Risks Related to Our Business and Industry

***We operate in highly competitive industries, and if we do not continue to meet our customers' demand for innovative technology at competitive prices, our products may not remain competitive.***

We compete against larger companies in the global semiconductor industry, as well as other smaller TCAD, EDA and IP vendors and our customers' internally developed solutions. Many of these competitors have greater name recognition and substantially greater financial, technical, and engineering resources than us. The industries in which we operate are highly competitive, with new competitors entering these markets both domestically and internationally. For example, China has implemented national policies favoring Chinese companies and has formed government-backed investment funds as it seeks to build independent EDA capabilities and compete internationally in the semiconductor industry. The demand for our products and services is dynamic and depends on a number of factors, including our customers’ budgetary constraints.

Technology in these industries evolves rapidly and is characterized by frequent product introductions and improvements as well as changes in industry standards and customer requirements. The adoption of AI technologies has brought new demands and also challenges in terms of disruption to both our business models and existing technology offerings.

In addition, AI-native companies and large technology companies with significant AI capabilities have increasingly sought to enter adjacent software markets, including markets in which we compete, and may be able to leverage their AI expertise, substantial resources and large datasets to develop competing solutions rapidly and at lower cost. Such companies may offer AI-driven alternatives to traditional software solutions that could displace or reduce demand for our products and services. At the same time, our customers and potential customers continue to demand a lower total cost of design, which can lead to the consolidation of their purchases from one vendor or displacement of their purchases by internal development. In order to succeed in this environment, we must successfully meet our customers' technology requirements and increase the value of our products, while also striving to reduce their overall costs and our own operating costs.

We compete principally on the basis of technology, solution quality and features, license terms, compatibility, reliability, interoperability among products and price and payment terms. Specifically, we believe the following competitive factors affect our success:

- Our ability to anticipate and lead critical development cycles and technological shifts, innovate rapidly and efficiently, and improve our existing software solutions;
- Decisions by semiconductor companies and/or OEMs to develop IP internally, rather than license IP from outside vendors due to strategic changes, enhanced internal capability, budget constraints or excess engineering capacity;
- Our ability to offer products that provide both a high level of integration and a high level of individual product performance;
- Our ability to maintain and improve upon our current research and development;
- The challenges of developing or acquiring technology solutions that meet the rapidly evolving requirements of next-generation design challenges; and
- Our ability to compete on the basis of payment terms.

If we fail to successfully manage any of these competitive factors or fail to address new competitive forces, our business, operating results and financial condition may be adversely affected.

***Our operating results are subject to significant fluctuations and, as a result, period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicators of future performance.***

Many factors have in the past and may in the future cause our bookings, revenue and net income (loss) to fluctuate, including, among other things:

- Changes in demand for our products and services;
- Product competition in the TCAD, EDA and IP industries;
- Our ability to innovate and introduce new products and services or effectively reallocate resources across our businesses to target the highest growth opportunities and meet customer demand;
- Failures or delays in completing sales due to our lengthy sales cycle, which often includes a substantial customer evaluation and approval process;
- Our ability to implement effective cost control measures and business transformation initiatives, including those related to our workforce;
- Our dependence on a relatively small number of large customers for a large portion of our revenue in a given quarter, and the impact of timing requirements and the value of contract renewals;
- Key customers continuing to renew licenses and purchase additional products from us;
- Changes to the amount, composition and valuation of, and any impairments to or write-offs of, our assets or strategic investments;
- Changes in the mix of our products sold, as increased sales of our products with lower gross margins, may reduce our overall margins; and
- Natural variability in the timing of intellectual property drawdowns, which can be difficult to predict.

Revenue recognition timing may also cause fluctuations, as the majority of our software license revenue is recognized at the start of the license period. Significant portions of our anticipated future revenue, therefore, will likely depend upon our success in attracting new customers or continuing or expanding our relationships with existing customers. However, revenue recognized from licensing arrangements can vary significantly from period to period, depending largely on bookings recorded during a quarter as well as the timing of the receipt of purchase orders, and is difficult to predict. Revenue that we anticipate will be recognized in a given quarter may end up being recognized in subsequent quarters as a result of the timing of the booking, the specifics of the licensing arrangements or other factors. For example, in the third quarter of 2024, we expected to receive a significant purchase order of approximately $5.0 million but the purchase order was not received until the first week of the fourth quarter. As a result, we did not recognize any revenues from that purchase order in the third quarter of 2024.

The timing of revenue recognition is also affected by factors including:

- Cancellations or changes in levels of orders or the mix between upfront products revenue and time-based products revenue;

- Delay of one or more orders for a particular period, particularly orders generating upfront revenue;
- Delay in the completion of professional services projects that require significant modification or customization and are accounted for based on execution milestones; and
- Customer contract amendments or renewals that provide discounts or defer revenue to later periods.

As a result, you should not rely on the results of any prior interim or annual periods, or any historical trends reflected in such results, as indications of our future revenue or operating performance. Fluctuations in our revenue and operating results could cause our stock price to decline and, as a result, you may lose some or all of your investment.

***The growth of our business depends primarily on the semiconductor and electronics systems industries.***

The growth of our TCAD, EDA and SIP markets is dependent upon the commencement of new design projects by semiconductor and electronics systems companies. The semiconductor and electronics systems industries are cyclical and are characterized by constant and rapid technological change, product obsolescence, price erosion, evolving standards, short product life cycles and wide fluctuations in product supply and demand. The semiconductor and electronics systems industries have also experienced significant downturns in connection with, or in anticipation of, maturing product cycles of both these industries and their customers' products.

The increasing complexity of designs of semiconductors and electronic systems, and customers' concerns about managing costs, have previously led to, and in the future, could lead to, a decrease in design starts and design activity in general. For example, in response to this increasing complexity, some customers have chosen to focus on one discrete phase of the design process or opt for less advanced, but less risky, manufacturing processes that may not require new or enhanced design solutions. If growth in the semiconductor and electronics systems industries slows or stalls, then demand for our products and services could decrease and our financial condition and results of operations could be adversely affected.

***Our success depends on sustaining or growing our software license revenue and our maintenance and service revenue, and the failure to increase such revenue could negatively affect our results of operations.***

Our revenue consists of software license fees, royalties, and maintenance and service fees. Our ability to continue deriving revenue from existing customers requires that we adequately service their needs and provide solutions that drive value. Securing and renewing software licenses may require significant expenditures and engineering resources without assurance of success, and failure to grow software license revenue would likely result in a corresponding decline in maintenance and service revenue. Because of the significant costs associated with qualifying new suppliers, customers tend to use the same or enhanced solutions from existing suppliers across successive products for extended periods; accordingly, failure to win a new customer may foreclose future sales opportunities with that customer for a significant period of time. We may not be able to maintain or expand sales to our significant customers, and customers can stop using our solutions, decline to renew, or terminate their agreements, often with limited notice and little or no penalty. The loss of, or a reduction in sales to, any significant customer, or our inability to attract new significant customers or secure new design wins, could negatively impact our business.

***Consolidation among our customers and within the industries in which we operate may negatively impact our operating results.***

Consolidation among our customers could lead to fewer customers, increased customer bargaining power or reduced customer spending on software and services. It could also reduce the demand for our software solutions and services if customers streamline research and development or operations.

Reduced customer spending or the loss of customers, particularly large customers, could adversely affect our business, financial position and results of operations. In addition, we and our competitors from time to time acquire businesses and technologies to complement and expand our respective software solutions offerings. If any of our competitors consolidate or acquire businesses and technologies that we do not offer, they may be able to offer a larger technology portfolio, additional support and service capability or lower prices, which could negatively impact our business and results of operations.

***Our success depends on the interoperability of our software solutions with our customers' intended use cases and with products and services of other companies, including our competitors.***

The success of our software solutions depends in part on their interoperability with our customers' intended use cases and with the existing products and services of other companies, including our direct competitors. Our customers' deployments may use multiple standards or software, which makes such interoperability critical. To the extent that software vendors, including our competitors, perceive that their applications or technologies compete with our software solutions or services, they may withhold cooperation necessary to ensure interoperability, decline to share access to or sell us their proprietary protocols or formats, or otherwise actively limit the compatibility and certification of our software solutions. Competitors may also fail to certify or support, or may cease to certify or support, our software solutions for their systems.

If any of the foregoing occurs, we could lose or fail to increase our market share and experience reduced demand for our services, any of which could negatively impact our business, financial condition and results of operations.

***We may have to invest more resources in research and development than anticipated, which could increase our operating expenses and negatively affect our operating results.***

We currently devote substantial resources to the research and development of new and enhanced software solutions. However, we may be required to devote more resources than anticipated to address requirements for specific target markets, competitors, technological advances in the semiconductor industry, our acquisitions, our entry into new markets, or other competitive factors. If we are required to invest significantly greater resources than anticipated without a corresponding increase in revenue, our operating results could decline. Additionally, our periodic research and development expenses may be independent of our level of revenue, which could negatively impact our financial results. There can be no guarantee that our research and development investments will result in software solutions that generate additional revenue.

We may also decide to increase our research and development investment to seize customer or market opportunities, which could negatively impact our financial results.

***Our operating results and revenue could be adversely affected by customer payment delays, customer bankruptcies and defaults, or modifications of license terms.***

Our customers have and may continue to face challenging financial or operating conditions, including due to macroeconomic conditions or catastrophic events, and delay or default on their payment commitments to us, request to modify contract terms, or modify or cancel plans to license our products. Our customers' inability to fulfill payment commitments, in turn, could adversely affect our revenue, operating expenses and cash flow. Additionally, from time to time our customers seek to renegotiate pre-existing contractual commitments. Payment defaults by our customers or significant reductions in existing contractual commitments could have a material adverse effect on our financial condition and operating results.

***The global nature of our operations exposes us to increased risks and compliance obligations.***

A significant portion of our revenue comes from outside the United States. During each of the years ended December 31, 2025 and 2024, 63% of our revenue was from international customers. In addition, we have significant non-U.S. operations. This requires us to recruit and retain qualified technical and managerial employees, manage multiple remote locations performing complex software development projects, and ensure intellectual property protection outside of the U.S. Our international operations and sales subject us to a number of increased risks, including:

- Economic slowdowns, recessions or uncertainty in financial markets;
- Uncertain economic, legal and political conditions in China, Europe, the Middle East and other regions where we do business;
- Government trade restrictions, including tariffs, export controls, economic sanctions or other trade barriers, and changes to existing trade arrangements;
- Ineffective or weaker legal protection of intellectual property rights;
- Difficulties in adapting to cultural differences in the conduct of business, which may include business practices in which we are prohibited from engaging by the Foreign Corrupt Practices Act or other anti-corruption laws; and
- Financial risks such as longer payment cycles, changes in currency exchange rates and difficulty in collecting accounts receivable.

Furthermore, if any of the foreign economies in which we do business deteriorate or if we fail to effectively manage our global operations, our business and operating results will be harmed. The complex relationships between China and the United States create inherent risk that political, diplomatic or military events could result in trade disruptions, including tariffs, trade embargoes and export restrictions. A significant trade disruption, export restriction, or the establishment or increase of any trade barrier in any area where we do business could reduce customer demand and cause customers to search for substitute products and services, make our products and services more expensive or unavailable for customers, increase the cost of our products and services, have a negative impact on customer confidence and spending, make our products less competitive, or otherwise have an adverse impact on our backlog, future revenue and profits and our customers' and suppliers' business, operating results and financial condition. For example and as described above, the ongoing geopolitical and economic uncertainty between the U.S. and China, the unknown impact of current and future U.S. and Chinese trade regulations, including tariffs, and other geopolitical risks with respect to China and Taiwan may cause disruptions in the markets and industries we serve and our supply chain, decreased demand from customers for products using our solutions or other disruptions, which could, directly or indirectly, materially harm our business, operating results and financial condition.

In response to the U.S. imposing tariffs and trade barriers or taking other actions, other countries, such as China, have in the past and may in the future impose tariffs and trade barriers that could limit our ability to offer our products and services in such jurisdictions. Current and potential customers who are concerned or affected by such tariffs or restrictions may respond by developing their own products or replacing our solutions, including seeking alternatives from foreign competitors or open-source solutions not subject to these restrictions, which would have an adverse effect on our business. In addition, government or customer efforts, attitudes, laws or policies regarding technology independence may lead to non-U.S. customers favoring their domestic technology solutions that could compete with or replace our products, which would also have an adverse effect on our business.

Political instability, changes in government, elections, or destabilizing political developments in or around the major countries and jurisdictions in which we do business have created challenges and an adverse business environment which in turn has impacted our business and financial condition. Worldwide and regional geopolitical tensions and conflicts, including but not limited to China, Hong Kong, Israel, Korea and Taiwan where our customers are located, have resulted in disruptions that have and could continue to impact our international operations and operating strategies, global product demand and sales, access to global markets, hiring, and profitability. If a disaster, war or catastrophic event affects our ability to work with customers in any of these countries, including China, our business could be harmed by a decline in sales, increased contract expense, and substantial time spent on alternative demand generation. As a result of our growing operations in China, these risks could harm our business.

Our global operations are subject to numerous U.S. and foreign laws and regulations such as those related to anti-corruption, tax, corporate governance, imports and exports, government contracts, economic sanctions, financial and other disclosures, privacy and labor relations. These laws and regulations are complex and may have differing or conflicting legal standards, making compliance difficult and costly. In addition, there is uncertainty regarding how proposed, contemplated or future changes to these complex laws and regulations could affect our business. We may incur substantial expense in complying with the new obligations to be imposed by these laws and regulations, and we may be required to make significant changes in our business operations, all of which may adversely affect our revenues and our business overall. Any violation of these laws and regulations could subject us to, among other things, investigations, fines, enforcement actions, disgorgement of profits, damages, civil or criminal penalties or injunctions, and result in our inability to conduct business in one or more countries. Furthermore, any violation individually or in the aggregate could have a material adverse effect on our operations and financial condition.

***The effect of foreign exchange rate fluctuations may adversely impact our revenue, expenses, cash flows and financial condition.***

Fluctuations in the exchange rate between the U.S. dollar and other currencies could seriously affect our business, financial condition and results of operations, including due to inflation, devaluations and currency controls. If we price our products and services in a non-U.S. market in the local currency, we receive fewer U.S. dollars when the local currency declines in value relative to the U.S. dollar. If we price in U.S. dollars, a decrease in value of the local currency relative to the U.S. dollar could result in our prices being uncompetitive in that market. On the other hand, when a foreign currency increases in value relative to the U.S. dollar, it takes more U.S. dollars to purchase the same amount of the foreign currency, which increases our operating expenses in that region. Our attempts to reduce the effect of foreign currency fluctuations may be unsuccessful, and exchange rate movements may adversely impact results of operations as expressed in U.S. dollars.

***We face risks associated with doing business in China.***

During the years ended December 31, 2025 and 2024, 20% and 18% of our revenue was derived from customers in China, respectively. Our operating expenses in China were $4.1 million and $3.4 million, respectively, for the years ended December 31, 2025 and 2024. As a result, the economic, political, legal and social conditions in China could harm our business. Various factors may in the future cause the Chinese government to impose controls on credit or prices, or to take other action, which could inhibit economic activity in China, and thereby harm the market for our products. In addition, the legal system in China has inherent uncertainties that may limit the legal protections available in the event of any claims or disputes that we have with third parties, including our ability to protect the IP we develop or license in China or elsewhere. As China's legal system is still evolving, the interpretation of many laws, regulations and rules is not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit the remedies available in the event of any claims or disputes with third parties. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. Some of the other risks related to doing business in China include:

- The Chinese government exerts substantial influence over the manner in which we must conduct our business activities;
- Restrictions on currency exchange may limit our ability to receive, transfer and use our cash effectively;
- Increased uncertainties related to the protection and enforcement of intellectual property rights, including risk of theft or misappropriation of our products and intellectual property in China, as well as any intellectual property rights that we may license to a Chinese (or other emerging jurisdiction) entity, including any joint ventures we may form;
- Increased uncertainties relating to Chinese regulation of exports of products and technology to and from China;
- Increased and rapidly changing export and related trade regulations including tariffs and restrictions imposed by U.S. and Chinese legislation, executive actions and regulations;

- The Chinese government may favor its local businesses and make it more difficult for foreign businesses to operate in China on an equal footing or create generally difficult conditions for foreign headquartered businesses to operate;
- Increased uncertainties related to the enforcement of contracts with certain parties;
- More restrictive rules on foreign investment could adversely affect our ability to expand our operations in China;
- Geopolitical tensions may lead to increased export sanctions against China or Chinese entities or U.S. companies operating in China or selling products or services into China; and
- Geopolitical changes in China-Taiwan relations could disrupt our operations in China and Taiwan and the operations of companies in China and Taiwan that are our customers, each of which could materially and adversely affect our business and operating results.

Further, the U.S. government has implemented and periodically tightened export controls affecting China. On October 7, 2022, the Bureau of Industry and Security of the U.S. Department of Commerce ("BIS"), issued new export controls related to the Chinese semiconductor manufacturing, advanced computing and supercomputer industries. In October 2023 and December 2024, BIS tightened restrictions and compliance burdens on the transfer to China (including Macau) of certain advanced artificial intelligence chips, semiconductors and supercomputing items, software and technology subject to U.S. export controls, in addition to restricting sales to certain semiconductor fab facilities in China and on U.S. persons' activities in support of the transfer of certain items not subject to U.S. export controls.

On August 9, 2023, President Biden issued an executive order addressing investments by U.S. persons in companies located in China (including Hong Kong and Macau) that engage with certain categories of sensitive technology and products, including semiconductors and microelectronics, quantum information technologies and AI. While there are no currently effective restrictions or notification requirements and further rule-making is needed to implement the executive order, such regulations may impact our customers, our suppliers, or our business with respect to China, though we are unable to assess the extent of any such impact.

In May 2025, the BIS sent letters to certain U.S. developers of EDA tools that export licenses would be required for exporting EDA software to China, although we did not receive such a letter. BIS revoked these export restrictions on July 3, 2025, as part of an agreement intended to ease bilateral trade tensions with China around advanced technologies. Notwithstanding this revocation, future expansions, reinterpretations, or reimposition of export controls targeting EDA software could restrict our ability to license or support software in China.

The complexity and evolving nature of these rules significantly increases our risk of non-compliance, which could result in fines and other penalties. There can be no assurance that current or future regulations and tariffs will not materially adversely affect our business, or that our policies and procedures will effectively prevent violations, including unauthorized diversion of products to sanctioned parties or export of technology to entities on BIS's Entity List. U.S. restrictions on exports to China may also lead to regulatory retaliation by the Chinese government and further geopolitical tensions. Further escalation of such restrictions may be expanded to cover our current software solutions, and to the extent we are unable to license or provide support to customers in China, our business, revenues and prospects would be adversely affected.

***Our operations could be disrupted by political and social instability, acts of war, terrorist activity or other similar events, which could adversely affect our business, financial condition, and results of operations.***

Since we operate on a global basis, our operations could also be disrupted by political and social instability, acts of war, terrorist activity or other similar events, which can result in further risks to our employees, service-providers, supply chains and cybersecurity.

For example, the United States and Israel, on the one hand, and Iran and other regional adversaries, including Hezbollah, on the other hand, have engaged in direct military hostilities. While we do not currently consider the regional conflict between the United States and Israel and their adversaries to have had a material impact on our business, the ongoing regional conflict could have a negative impact on the economy and business activity globally, and therefore could adversely affect our results of operations, financial condition and cash flow. During the years ended December 31, 2025, and 2024, we generated $0.6 million and $0.4 million in revenues from customers in the Middle East, respectively. During the years ended December 31, 2025, and 2024, we had no employees in the Middle East, and during the year ended December 31, 2025, we had 99 employees in Egypt.

In addition, in response to Russia's invasion of Ukraine, the United States and certain other countries imposed significant sanctions and export controls against Russia, Belarus and certain individuals and entities connected to Russian or Belarusian political, business and financial organizations. While none of our revenue is derived from Russia or Ukraine, we have employees based in Ukraine and had, prior to the beginning of the conflict, offices in both countries. In response to the ongoing conflict, we closed our office in Moscow, Russia, and our office in Kyiv, Ukraine, has been temporarily closed. Our board of directors has received periodic reports from management regarding the impact of the conflict on us and considered whether such events have had, or are reasonably likely to have, a material impact on us. Unless and until the conflict in Ukraine is stabilized, we do not intend to reopen office locations in either country.

As of December 31, 2025, we had 8 employees, 4 contractors, and 4 interns in Ukraine, all of whom were working remotely. If our employees in Ukraine become subject to a military draft or are unable to work due to the ongoing conflict, the development of our next generation software could be delayed, which could negatively impact our business.

It is not possible to predict the broader consequences of either the Middle Eastern regional conflict or Russia's invasion of Ukraine, including related geopolitical tensions, and the measures and retaliatory actions taken by the United States, and other countries in respect thereof as well as any counter measures or retaliatory actions by Russia or Belarus in response, including, for example, potential cyberattacks or the disruption of energy exports, which are likely to cause regional instability, geopolitical shifts, and could materially adversely affect global trade, currency exchange rates, regional economies and the global economy. The situation remains uncertain, and while it is difficult to predict the impact of any of the foregoing, the conflict and actions taken in response to either conflict could, but are not presently expected to, materially increase our costs, disrupt our supply chain, reduce our sales and earnings, impair our ability to raise additional capital when needed on acceptable terms, if at all, or otherwise further adversely affect our business, financial condition, and results of operations.

***Our ability to raise additional capital in the future may be limited and could prevent us from executing our growth strategy.***

Our ability to operate and expand our business depends on the availability of adequate capital, which in turn depends on cash flow generated by our business and future debt, equity or other applicable financing arrangements. We believe that our cash flow from operations and existing cash and cash equivalents and marketable securities balances will satisfy our anticipated cash requirements for at least the next 12 months. However, we have based this estimate on our current operating plans and expectations, which are subject to change, and cannot assure you that that our existing resources will be sufficient to meet our future liquidity needs. We may require additional capital to respond to business opportunities, challenges, acquisitions or other strategic transactions or unforeseen circumstances. The timing and amount of our working capital and capital expenditure requirements may vary significantly depending on numerous factors, including:

- Market acceptance of our SIP, IP deployment solutions, FTCO, and other solutions;
- The need to adapt to changing technologies and technical requirements;
- The existence of opportunities for expansion; and
- Access to and availability of sufficient management, technical, marketing and financial personnel.

If our capital resources are insufficient to satisfy our liquidity requirements, we may seek to sell additional equity securities or debt securities or obtain additional debt financing. The sale of additional equity securities or convertible debt securities would result in additional dilution to our stockholders. Additional debt would result in increased expenses and could result in covenants that would restrict our operations and our ability to incur additional debt or engage in other capital-raising or other activities. There can be no assurance that additional financing, if required, will be available in amounts or on terms acceptable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to grow and support our business and respond to business opportunities and challenges could be significantly limited.

***Our employees have in the past, and our employees, consultants and third-party providers may in the future engage in misconduct that materially adversely affects us.***

Our employees have in the past, and our employees, consultants and third-party providers may in the future engage in misconduct that materially and adversely affects us. For example, in 2021, a former U.S. employee impermissibly used our computers and software to write and configure software for another company. Misconduct by these parties could include intentional failures to comply with applicable laws and regulations, report financial information accurately, violate our internal security policies or duties of confidentiality, or disclose unauthorized activities. Any such misconduct could result in loss of proprietary information or trade secrets, legal or regulatory sanctions, and serious harm to our reputation. It is not always possible to identify and deter misconduct, and any precautions we take may not be effective in controlling unknown risks or protecting us from governmental investigations or lawsuits. If any such actions are instituted against us, we could face significant civil, criminal and administrative penalties, substantial costs, loss of proprietary information, reputational harm, and the loss of key employees.

***Periodic reorganizations and adjustments to our employee base, including our recent headcount reduction, could temporarily impact productivity and adversely disrupt our sales.***

We have recently conducted adjustments to our headcount to better align with our operational needs and financial condition. As a result, we have made reductions to certain segments of our employee base. In the future, we will reorganize and make adjustments to our human capital in response to such factors as management changes, performance issues, market opportunities and other considerations. These changes may result in temporary impacts on our productivity, which could negatively affect bookings and revenue, as well as other metrics, in future quarters. Further, there can be no assurance that we will see the benefits of these reorganizations and adjustments, that we will not need further adjustments in future periods or that the transition issues associated with such reorganizations will not recur.

***Variations in actual sales activity from sales forecasts could adversely affect our business, financial condition and results of operations.***

We make many operational and strategic decisions based upon short-term and long-term sales forecasts. Our sales personnel continually monitor the status of all proposals, including the estimated closing date and the value of the sale, in order to forecast quarterly and annual sales. These forecasts are subject to significant estimation and are impacted by many external factors. For example, a slowdown in research and development spending or economic factors could cause purchasing decisions to be delayed. A variation in actual sales activity from forecast could cause us to plan or to budget incorrectly and, therefore, could adversely affect our business, financial condition and results of operations. In addition, if we provide the investment community with estimates of our expected results of operations based on sales forecasts that vary from actual results, as has previously occurred, we may experience a decrease in our stock price which, in turn, could negatively impact our ability to conduct equity financing and adversely affect our business, financial condition and results of operations.

***We may not realize the anticipated benefits of our acquisitions or investments, our business could be disrupted because of acquisitions or investments and, depending on how we finance or fund such acquisitions or investments, we could use significant amounts of cash or incur substantial debt.***

Acquisitions and strategic investments have been an important part of our growth strategy. Over the past several years, we have completed several such acquisitions, including our March 2025 acquisition of a suite of optical proximity correction tools from Cadence Design Systems, Inc., our April 2025 acquisition of Tech-X Corporation and our August 2025 acquisition of Mixel Group, Inc. Any acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. For example, we have in the past and may in the future face challenges associated with the integration and migration of processes, including issue tracking, release procedures and standardization of license models, which can delay introduction of software solutions. We may be unable to successfully integrate previously acquired businesses and technologies or those acquired in the future, which could adversely impact our business, financial condition and results of operations.

Acquisitions and investments involve numerous risks, including:

- The inability to complete the acquisition or investment on commercially acceptable terms;
- The inability to obtain timely approvals from governmental authorities under competition and antitrust laws and the resulting delay in consummating the acquisition;
- The risk that we may have difficulty incorporating the acquired technologies or products with our existing software solutions and maintaining uniform standards, controls, procedures, and policies;
- The risk that we may not realize the anticipated increase in our revenue if a larger than predicted number of customers decline to renew annual leases or software license updates and license support or, if we are unable to sell or license the acquired solutions to our customer base;
- Unforeseen difficulties in legal entity merger integration activities that may result in legal and tax exposures or the loss of anticipated tax benefits;
- Disruption of our ongoing businesses and diversion of management attention;
- The risk that our relationships with current and new employees, customers, partners and distributors could be impaired;
- Difficulties in integrating the acquired entities, products or technologies and overcoming any unforeseen technical problems with the acquired products or technologies;
- Difficulties in operating the acquired business profitably;
- Difficulties in preserving and transitioning important licensing, research and development, and customer, distributor and supplier relationships;
- Difficulties in implementing the appropriate controls and procedures to ensure the acquired entity is in compliance with the Sarbanes-Oxley Act;
- The risk that the acquisition may result in increased litigation or contingencies, including as described in –“Pending or future investigations or litigation could have a material adverse effect on our results of operations and our stock price” below;
- Risks associated with entering lines of business or geographies in which we have no or limited prior experience; and
- Unanticipated costs, expenses or liabilities.

In addition, any future acquisitions or investments may result in:

- Issuances of dilutive equity securities, which may be at a discount to market price;
- Use of significant amounts of cash;
- The incurrence of debt;
- The assumption of significant liabilities;
- Unfavorable financing terms;

- Large one-time expenses; and
- The creation of certain intangible assets, including goodwill, the write-down of which may result in significant charges to earnings.

In addition, our ability to make strategic investments or acquire businesses outside the United States may be limited by restrictions on outbound investments. For example, the U.S. government implemented an outbound investment review mechanism, effective January 2, 2025, which imposes certain notification requirements and prohibitions on investments by U.S. persons in sensitive sectors in China, such as semiconductors, quantum information technologies and artificial intelligence systems. Several other countries have also adopted, or are considering adopting, similar restrictions. These restrictions may prevent us from capitalizing on strategic opportunities that could otherwise benefit our business, and governments may continue to adopt or tighten such restrictions in the future.

***If we fail to timely recruit or retain senior management and key employees globally, our business may be harmed.***

We are highly dependent upon the ability and experience of our senior executives and our key technical and other management employees, and we do not maintain key person insurance for any of our employees. Although we have employment agreements with certain employees, the loss of these employees, or any of our other key employees, could adversely affect our ability to conduct our operations. In 2025, we experienced a CEO and CFO transition and made, and in the future could make, additional executive leadership changes as part of overall succession plans. Such leadership transitions can be inherently difficult to manage, and an inadequate transition could cause disruption to our business, including our relationships with our employees, customers, suppliers, and business partners, and fluctuations in the price of our stock.

Further, to be successful, we must also attract and retain key employees who join us organically and through acquisitions. There are a limited number of qualified engineers with specialized applicable skills, and competition for these individuals and other qualified employees is intense and has increased globally, including in major markets such as Asia. Our employees are often recruited aggressively by our competitors and our customers worldwide. Any failure to recruit and retain key employees could harm our business, results of operations and financial condition. Additionally, efforts to recruit and retain qualified employees could be costly and negatively impact our operating expenses.

We issue equity awards from employee equity plans as a key component of our overall compensation. We face pressure to limit the use of such equity-based compensation due to dilutive effects on stockholders. If we are unable to offer attractive compensation packages in the future, it could limit our ability to attract and retain senior management and key employees.

***Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate.***

Market opportunity estimates and growth forecasts whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. The estimates and forecasts we have or may make relating to the size and expected growth of our target market and market demand may also prove to be inaccurate. Assumptions as to the future growth of the integrated circuits and electronic manufacturing markets, and the continued advancement of technology in those industries, may prove to be inaccurate or incorrect. In addition, the estimated global EDA market may not materialize in the timeframe we expect, if ever, and even if the markets meet our current expectations, this should not be taken as indicative of our future growth or prospects. In order to be successful, we will need to continue to develop and advance our software solutions, secure new and renewed bookings, obtain sufficient capital to finance our business and otherwise successfully scale our business and operations. We face a number of challenges in achieving these objectives, including those described elsewhere in these risk factors. There can be no assurance that we will be able to achieve our objectives or successfully grow our business, capture meaningful market share or take advantage of market opportunities.

**Risks Related to Our Technology, Intellectual Property and Information Technology Systems**

***If we fail to protect our proprietary technology, our business will be harmed.***

Our success depends in part upon protecting our proprietary technology. Our efforts to protect our technology may be costly and unsuccessful. We rely on agreements with customers, employees and other third parties as well as intellectual property laws worldwide to protect our proprietary technology. These agreements may be breached, and we may not have adequate remedies for any breach. Additionally, despite our measures to prevent piracy, other parties may illegally copy or use our products, which could result in lost revenue. Some foreign countries do not currently provide effective legal protection for intellectual property and our ability to prevent the unauthorized use of our products in those countries is therefore limited. Our trade secrets may also be stolen, otherwise become known, or be independently developed by competitors.

From time to time, we may need to commence litigation or other legal proceedings in order to assert claims of infringement of our intellectual property, defend our products from piracy, protect our trade secrets or know-how, or determine the enforceability, scope and validity of the propriety rights of others. Intellectual property litigation is lengthy, expensive and uncertain. Legal fees related to such litigation will increase our operating expenses and may reduce our net income.

If we do not obtain or maintain appropriate patent, copyright or trade secret protection for any reason, or cannot fully defend our intellectual property rights in certain jurisdictions, our business and operating results would be harmed.

***Periodic reorganizations and adjustments to our sales force could temporarily impact productivity and adversely disrupt our sales.***

Our success depends in part upon protecting our proprietary technology. Our efforts to protect our technology may be costly and unsuccessful. We rely on agreements with customers, employees and other third parties as well as intellectual property laws worldwide to protect our proprietary technology. These agreements may be breached, and we may not have adequate remedies for any breach. Additionally, despite our measures to prevent piracy, other parties may illegally copy or use our products, which could result in lost revenue. Some foreign countries do not currently provide effective legal protection for intellectual property and our ability to prevent the unauthorized use of our products in those countries is therefore limited. Our trade secrets may also be stolen, otherwise become known, or be independently developed by competitors.

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If we do not obtain or maintain appropriate patent, copyright or trade secret protection for any reason, or cannot fully defend our intellectual property rights in certain jurisdictions, our business and operating results would be harmed.

***Our technology is subject to the threat of piracy, unauthorized copying and other forms of intellectual property infringement.***

We regard our technology as proprietary and take measures to protect it from infringement. Piracy and unauthorized copying of our technology may become persistent and difficult to police. The laws of some countries in which our products are distributed do not protect our intellectual property rights to the same extent as U.S. law, or are poorly enforced, making legal protection of our rights ineffective in such countries. Despite our enforcement efforts, we have in the past and may in the future experience piracy, including through the proliferation of technology designed to circumvent the protection measures used by us or our business partners.

***We may not be able to continue to obtain licenses to third-party software and intellectual property on reasonable terms, if at all.***

We license third-party software and other intellectual property for use in research and development and, in several instances, inclusion in our products. Our rights to use such licensed software and intellectual property are subject to the continuation of and compliance with the terms of those licenses. We have and may in the future be in breach of a license, which may lead to termination of rights granted to us. Our third-party licenses may need to be renegotiated or renewed from time to time, or we may need to obtain new licenses in the future. Some licenses may also be terminated by the counterparty for convenience with limited notice. Third parties may stop supporting their technology, become insolvent, or be acquired by our competitors. If we are unable to obtain licenses to third-party software and intellectual property on reasonable terms or at all, we may not be able to sell the affected products, our customers' use of the licenses may be interrupted, or our software solutions development processes and professional services offerings may be disrupted, which could harm our financial results, our customers, and our reputation. The inclusion of third-party intellectual property in our software solutions can also subject us and our customers to intellectual property infringement claims, and infringement claims may require us to use significant resources and may divert management's attention.

***We may be subject to intellectual property litigation, regardless of success or merit, that could cause us to incur substantial expenses, reduce our sales, and divert the efforts of our management and other personnel.***

The semiconductor industry is characterized by vigorous protection and pursuit of intellectual property rights, which has resulted in protracted and expensive litigation for many companies. Intellectual property infringement and misappropriation claims, including contractual defense reimbursement obligations related to third-party claims against our customers, regardless of merit, could consume valuable management time, result in costly litigation or cause product shipment delays, all of which could seriously harm our business, financial condition and results of operations. From time to time, we receive communications from third parties that allege that our software solutions or technologies infringe their copyright, patent or other intellectual property rights.

Intellectual property claims could compel us to do one or more of the following:

- Pay damages (including the potential for treble damages), license fees or royalties (including royalties for past periods);
- Stop licensing products or providing services that use the challenged intellectual property and potentially refund customers;
- Obtain a license to sell or use the relevant technology, which license may not be available on reasonable terms;
- Redesign the challenged technology, which could be time consuming and costly, or impossible; or
- Indemnity or provide technical support and information to a customer that is involved in litigation involving use of our technology.

If we were compelled to take any of these actions, our reputation, business, financial condition and results of operations might suffer.

***We may be subject to claims that we have wrongfully hired an employee from a competitor, or that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.***

Many of our employees, consultants and advisors, or individuals that may in the future serve as our employees, consultants and advisors, are currently or were previously employed at companies including our competitors or potential competitors. Although we try to ensure that our employees, consultants, independent contractors and advisors do not use the confidential or proprietary information, trade secrets or know-how of others in their work for us, we may be subject to claims that we have inadvertently or otherwise used or disclosed confidential or proprietary information, trade secrets, or know-how of these third parties, or that our employees, consultants, independent contractors or advisors have inadvertently or otherwise used or disclosed confidential information, trade secrets, or know-how of such individual's current or former employer. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial cost and be a distraction to our management and employees. Claims that we, our employees, consultants, or advisors have misappropriated the confidential or proprietary information, trade secrets, or know-how of third parties could have a material adverse effect on our business, financial condition, results of operations and prospects.

***If we are unable to protect our proprietary technology and inventions through trade secrets, our competitive position and financial results could be adversely affected.***

As noted above, we seek to protect our proprietary technology and innovations, particularly those relating to our software solutions, as patents, trade secrets and other forms of intellectual property. Additionally, while software and other forms of our proprietary works may be protected under patent or copyright law, in some cases we have chosen not to seek any patents or register any copyrights in these works, and instead, primarily rely on protecting our software as a trade secret. In the United States, trade secrets are protected under the federal Economic Espionage Act of 1996 and the Defend Trade Secrets Act of 2016, or the Defend Trade Secrets Act, and under state law, with many states having adopted the Uniform Trade Secrets Act, or the UTSA. In addition to these federal and state laws inside the United States, under the World Trade Organization's Trade Related-Aspects of Intellectual Property Rights Agreement, or the TRIPS Agreement, trade secrets are to be protected by World Trade Organization member states as "confidential information." Under the UTSA and other trade secret laws, protection of our proprietary information as trade secrets requires us to take steps to prevent unauthorized disclosure to third parties or misappropriation by third parties. In addition, the full benefit of the remedies available under the Defend Trade Secrets Act requires specific language and notice requirements in the relevant agreements, which may not be present in all of our agreements. While we require our officers, employees, consultants, distributors, and existing and prospective customers and collaborators to sign confidentiality agreements and take various security measures to protect unauthorized disclosure and misappropriation of our trade secrets, we cannot assure or predict that these measures will be sufficient. The semiconductor and photonics industries are generally subject to high turnover of employees, so the risk of trade secret misappropriation may be amplified. If any of our trade secrets are subject to unauthorized disclosure or are otherwise misappropriated by third parties, our competitive position may be materially and adversely affected.

***Our software licenses contain third-party open source software components, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to deliver our software licenses or subject us to litigation or other actions.***

Some of our software licenses contain software modules licensed under "open source" licenses, and we expect to continue incorporating such open source software in the future. Open source licensors generally do not provide support, warranties, indemnification, or other contractual protections regarding infringement claims or code quality, and the public availability of such software may make it easier for others to compromise our products. Certain open source licenses require us to make available source code for modifications or derivative works, or to grant licenses to our intellectual property. If we combine our proprietary software with open source software in a manner that triggers such requirements, we could be required to publicly release our proprietary source code—enabling competitors to create similar offerings with lower development effort—or expend substantial time and resources to re-engineer our software. Additionally, some open source projects have vulnerabilities and architectural instabilities and are provided without warranties or services to supply patched versions, which, if not properly addressed, could negatively affect the performance of our products. Although we have processes to monitor and manage our use of open source software, the terms of many open source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products. We and our customers could also be subject to lawsuits by parties claiming ownership of what we believe to be open source software, and the licensors of such software provide no warranties or indemnities with respect to such claims. If we are held to have breached an open source software license, we could be required to incur significant legal expenses, pay substantial damages, be enjoined from licensing our software, seek costly third-party licenses, re-engineer our software, or make our proprietary code generally available in source code form, any of which would adversely affect our business, financial condition and results of operations.

***Product errors or defects could expose us to liability and harm our reputation, and we could lose market share.***

Software products frequently contain errors or defects, especially when first introduced, when new versions are released, or when integrated with technologies developed by acquired companies. Product errors, including those resulting from third-party suppliers, could affect the performance or interoperability of our products, could delay the development or release of new products or new versions of products and could adversely affect market acceptance or perception of our products. In recent years, customers have requested, and may in the future request, compensation alleging product bugs or defects, and we cannot assure you that we will be able to resolve these matters. In addition, any allegations of manufacturability issues resulting from use of our IP products could, even if untrue, adversely affect our reputation and our customers' willingness to license IP products from us. Any such errors or delays in releasing new products or new versions of products or allegations of unsatisfactory performance could cause us to lose customers, increase our service costs, subject us to liability for damages and divert our resources from other tasks, any one of which could materially and adversely affect our business, operating results and financial condition.

***We may not be successful in our artificial intelligence ("AI") initiatives, which could adversely affect our business, operating results or financial condition.***

We have developed an AI-based solution named Fab Technology Co-Optimization (FTCO). While this AI initiative, as well as any other AI initiatives we develop, can present significant benefits, the AI landscape is rapidly evolving and may create risks and challenges for our business. If we fail to develop and timely offer products with AI features, if such products fail to meet our customers' demands, if these products fail to operate as expected, or if our competitors incorporate AI into their products more quickly or more successfully than we do, we may experience brand or reputational harm and lose our competitive position, our products may become obsolete, and our business, operating results or financial condition could be adversely affected.

While AI technology may drive future growth in the semiconductor and electronics industries as well as our business, worldwide markets for AI-enabled products may not develop in the manner or time periods we anticipate, or at all. Even if the demand for AI-enabled products develops in the manner or in the time periods we anticipate, if we do not have timely, competitively priced, market-accepted products available to meet our customers' needs to develop products, we may miss a significant opportunity and our business, operating results and financial condition could be materially and adversely affected. In addition, because the markets for AI-related software solutions are still emerging, demand for these products may be unpredictable and may vary significantly from one period to another.

The technologies underlying AI and its uses are expected to be subject to new laws and regulations or new applications of existing laws and regulations, including in the areas of intellectual property, privacy, data protection and cybersecurity, among others. In addition, unfavorable developments with evolving laws and regulations affecting AI-related products may limit global adoption, impede our strategy and negatively impact our long-term expectations in this area. For example, there is significant uncertainty in the U.S. courts as to how AI technologies affect IP ownership, including copyright protections, and the use of AI-related technology in the development of our products or implementation of AI features in our products could expose us or our customers to claims of copyright infringement or misappropriation. We may not be able to anticipate how to respond to or comply with these rapidly evolving frameworks, and we may need to expend resources to adjust our offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. The cost of complying with such frameworks could be significant and may increase our operating expenses. Because AI technology is highly complex and rapidly developing, it is not possible to predict all legal, operational or technological risks that may arise relating to the use of AI.

**Risks Related to Data Privacy and Security**

***Cybersecurity threats or other security breaches could compromise sensitive information belonging to us or our customers and could harm our business and our reputation.***

We store sensitive data, including intellectual property, our proprietary business information and that of our customers and partners, and personal information, in our data centers, on our networks or on the cloud. In addition, our operations depend upon our information technology ("IT") systems. We maintain a variety of information security policies, procedures, and controls to protect our business and proprietary information, prevent data loss and other security breaches and incidents, keep our IT systems operational and reduce the impact of a security breach or incident, but these security measures cannot provide and have not provided absolute security. In the normal course of business, our systems are and have been the target of malicious cyberattack attempts and have been and may be subject to compromise due to employee error, malfeasance or other disruptions that have and could result in unauthorized disclosure or loss of sensitive information. To date, we have not identified material cyber security incidents or incurred any material expenses with any incidents. However, any breach or compromise could adversely impact our business and operations, expose us or our customers to litigation, investigations, loss of data, increase costs, or result in loss of customer confidence and damage to our reputation, any of which could adversely affect our business and our ability to sell our products and services.

Industry incidences of cyberattacks and other cybersecurity breaches have increased and are likely to continue to increase. We are using an increasing number of third-party software solutions, including cloud-based solutions, which increase potential threat vectors, such as by exploitation of misconfigurations or vulnerabilities. We also use third-party vendors that provide software or hardware, have access to our network, or store sensitive data, and these third parties are subject to their own cybersecurity threats. We require vendors to use appropriate security measures to prevent unauthorized use or disclosure of our data, as well as other safeguards. Despite these measures, there is no guarantee that a compromise of our third-party vendors will not occur and in turn result in a compromise of our own IT systems or data. In addition, if we select a vendor that uses cloud storage as part of their service or product offerings, our proprietary information could be misappropriated by third parties despite our attempts to validate the security of such services. Many employees continue to work remotely based on a hybrid work model, which magnifies the importance of maintaining the integrity of our remote access security measures. We also periodically acquire new businesses with less mature security programs, and it takes significant time, effort and expense to align security practices to meet our information security policies, procedures and controls. During these times, we may also experience increased incidences of cyberattacks or other security breaches.

The techniques used to obtain unauthorized access to networks or to sabotage systems of companies such as ours change frequently, increasingly leverage technologies such as AI, and generally are not recognized until launched against a target. We may be unable to anticipate these emerging techniques, react in a timely manner, or implement adequate preventative measures, or we may not have sufficient logging available to fully investigate the incident. Our security measures vary in maturity across the business and may be and have been circumvented. For example, we have identified instances where employees have used non-approved applications for business purposes, some of which do not meet our security standards. Any security breach of our own or a third-party vendor's systems could cause us to be non-compliant with applicable laws or regulations, subject us to legal claims or proceedings, disrupt our operations, damage our reputation, and cause a loss of confidence in our products and services, any of which could adversely affect our business and our ability to sell our products and services.

***Any actual or perceived failure to comply with new or existing laws, regulations and other requirements relating to the privacy, security, processing and cross-border transfer of personal information could adversely affect our business, financial condition and results of operations.***

In connection with running our business, we receive, store, use and otherwise process personal information, including from and about actual and prospective customers and users, as well as our employees and business contacts. We are therefore subject to a variety of federal, state and foreign laws, regulations and other requirements relating to the privacy, security and handling of personal information. For example, the EU/UK General Data Protection Regulation, the California Consumer Privacy Act and related laws in other jurisdictions require us to adhere to certain disclosure restrictions and deletion obligations with respect to the Personal Information of their residents, and allow for penalties for violations and, in some cases, a private right of action. These laws also impose transparency and other obligations with respect to personal information of their respective residents and provide residents with similar rights with respect to their personal information. We have invested, and continue to invest, human and technology resources in our efforts to comply with such requirements that may be time-intensive and costly.

The application and interpretation of such requirements are constantly evolving and are subject to change, creating a complex compliance environment. In some cases, these requirements may be either unclear in their interpretation and application, or they may have inconsistent or conflicting requirements with each other. Further, there has been a substantial increase in legislative activity and regulatory focus on data privacy and security in the United States and elsewhere, including in relation to cybersecurity incidents. In addition, some such requirements place restrictions on our ability to process personal information across our business or across country borders.

It is possible that new laws, regulations and other requirements, or amendments to or changes in interpretations of existing laws, regulations and other requirements, may require us to incur significant costs, implement new processes or change our handling of information and business operations, which could ultimately hinder our ability to grow our business by extracting value from our data assets. In addition, any failure or perceived failure by us to comply with laws, regulations and other requirements relating to privacy, security and handling of information could result in legal claims or proceedings (including class actions), regulatory investigations or enforcement actions. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make changes to our business. These proceedings and any subsequent adverse outcomes may subject us to significant negative publicity and an erosion of trust. If any of these events were to occur, our reputation, business, financial condition and results of operations could be materially adversely affected.

**Risks Related to Our Status as a Controlled Company**

***We are a "controlled company" within the meaning of the rules and, as a result, qualify for and rely on exemptions from certain corporate governance requirements.***

As of December 31, 2025, Ms. Ngai-Pesic and the members of her immediate family (the "Pesic Family") collectively own more than 59.4% of our total outstanding common stock. As a result of the Pesic Family collectively holding more than 50% of the voting power of our company, we are a "controlled company" within the meaning of the Nasdaq listing rules. Therefore, we are not required to comply with certain corporate governance rules that would otherwise apply to us as a listed company on Nasdaq, including the requirements that (i) we have a majority of independent directors on our board of directors; (ii) the compensation of our executive officers be determined by a majority of the independent directors or a compensation committee comprised solely of independent directors; and (iii) director nominees selected or recommended for our board be approved either by a majority of the independent directors or a nominating committee comprised solely of independent directors.

Following the IPO, we utilized the exemptions described in clauses (ii) and (iii) above and may continue utilizing some or all of the exemptions described above for as long as we remain a controlled company. As a result, we may not have a majority of independent directors and our nominating and corporate governance committee and compensation committee may not consist entirely of independent directors. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

***The Stockholders Agreement grants the Pesic Family significant rights that may limit your ability to influence matters requiring stockholder approval.***

Pursuant to the Stockholders Agreement, dated April 12, 2024, among us and the Pesic Family, for so long as the Pesic Family owns in the aggregate at least 25% of the voting power of our then outstanding capital stock, our amended and restated certificate of incorporation provides that the prior written approval or consent of the Pesic Family is required for us to (i) implement any amendments to our amended and restated certificate of incorporation or bylaws that would adversely affect the Pesic Family's rights thereunder, (ii) effect or consummate a change of control or approve another merger, consolidation, business combination, sale or acquisition that results in changes in the rights and privileges of holders of equity securities, and (iii) effect the liquidation or dissolution or winding up of our business operations. Additionally, the Stockholders Agreement provides that the Pesic Family has the ability to designate up to four nominees for our board of directors and one non-voting board observer, depending on ownership levels. The Pesic Family are not prohibited from selling a controlling interest in us to a third party and may do so without the approval of other stockholders and without providing for a purchase of shares of common stock held by other stockholders. Accordingly, the shares of common stock held by other stockholders may be worth less than they would be if the Pesic Family did not maintain voting control over us.

The interests of the Pesic Family could conflict with or differ from the interests of other stockholders. For example, the concentration of ownership held by the Pesic Family could delay, defer or prevent a change of control of us or impede a merger, takeover or other business combination that other stockholders may otherwise view favorably. So long as the Pesic Family continue to beneficially own a significant amount of our equity, even if such amount is less than 50%, they may continue to be able to strongly influence or effectively control our decisions.

***Our inability to resolve any disputes that arise between us and Ms. Ngai-Pesic, or other members of the Pesic Family, with respect to our past, future and ongoing relationships may adversely affect our operating results.***

We lease several office facilities from entities controlled by Ms. Ngai-Pesic, pursuant to which we recorded a rent expense of $0.5 million and $0.5 million during the years ended December 31, 2025 and 2024, respectively. Because we are controlled by the Pesic Family, we may not have the leverage to negotiate extensions or amendments to our agreements on terms as favorable to us compared to those we would negotiate with an unaffiliated third party. See Note 10 to our consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

More generally, disputes may arise between the Pesic Family, us, members of our board of directors and management. We may not be able to resolve any potential disputes, and even if we do, the resolution may be less favorable than if we were dealing with an unaffiliated party.

**Risks Related to Legal, Regulatory, Accounting and Tax Matters**

***We are subject to anti-corruption and anti-money laundering laws with respect to our operations and non-compliance with such laws can subject us to criminal or civil liability and harm our business.***

We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws in the United States and other countries in which we conduct activities, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. Travel Act, the USA PATRIOT Act, and the United Kingdom Bribery Act 2010. We use third parties, including intermediaries and partners, to support sales of our products, and we may be held liable for the corrupt or other illegal activities of these third-party intermediaries and partners, our employees, representatives, contractors, and other third parties, even if we do not explicitly authorize such activities. While we have policies and procedures intended to address compliance with these laws, we cannot assure you that all of our employees, representatives, contractors, partners, agents, intermediaries or other third parties have not taken, or will not take, actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Noncompliance with these laws could subject us to investigations, severe criminal or civil sanctions, settlements, prosecution, loss of export privileges, disgorgement of profits, significant fines, and other adverse consequences that could harm our reputation, business, operating results and financial condition. Any investigations, actions or sanctions could harm our reputation, business, operating results and financial condition.

***We are subject to governmental export and import controls and sanctions, laws and regulations that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we do not comply with applicable laws and regulations.***

Our software solutions and technology are subject to export control and import laws and regulations of applicable jurisdictions, including U.S. export controls and sanctions. These laws and regulations may limit our ability to export our software solutions and technology or may require export authorizations and conditions prior to export. In addition, various countries regulate the imports of certain products. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges, as well as reputational harm.

Complying with export control and sanctions laws and regulations can be time-consuming and result in the loss of sales opportunities. We have taken precautions to ensure compliance with such laws and regulations, but our software solutions and technology have nonetheless been, and could still in the future be, provided in violation of such laws. Between August 2019 and June 2022, we filed various voluntary disclosures with BIS regarding potential violations of U.S. export control laws and regulations, specifically, the export of our licenses to certain parties designated on BIS's Entity List and Unverified List, and the export of certain software modules without a license which was required at the time of the transaction but that were declassified by BIS in October 2020 to a lesser controlled export classification, meaning that such software generally no longer requires an export license. In April 2025, BIS issued a warning letter in response to the previously-filed voluntary self-disclosures, reserving the right to take future enforcement action should additional information warrant renewed attention. In July and October 2022 and January 2023, we also filed voluntary disclosures with the Office of Foreign Assets Control ("OFAC") regarding potential violations of OFAC sanctions programs, specifically the download of certain Company software modules by users in U.S. embargoed countries. In October 2023, we also filed voluntary disclosures with OFAC regarding certain banking transactions made by our third-party service provider in Russia on our behalf, through a bank that was sanctioned by OFAC. In July 2024, OFAC issued a cautionary letter regarding the sanctions matters, reserving the right to take future enforcement action should additional information warrant renewed attention. If either BIS or OFAC chooses to bring an enforcement action against us in relation to any potential violations in the future, such actions could result in the imposition of significant penalties against us.

Changes in our software solutions or technology or changes in applicable export or import laws and regulations may create delays in the introduction and sale of our software solutions and technology in international markets, prevent our customers from deploying our software solutions and technology or, in some cases, prevent the export or import of our software solutions and technology to certain countries, governments or persons altogether.

Any change in export or import laws and regulations, shift in the enforcement or scope of existing laws and regulations, or change in the countries, governments, persons or technologies targeted by such laws and regulations, could also affect our customers' use of our software solutions and technology and our ability to export our software solutions and technology to existing or potential customers. This would likely adversely affect our business, financial condition and results of operations.

***Litigation, government investigations or regulatory proceedings could have a material adverse effect on our financial position, results of operations and our stock price.***

We are involved in various investigations, claims and legal proceedings from time to time that arise in the ordinary course of our business activities, which are and can be related to intellectual property, indemnification, mergers and acquisitions, licensing, contracts, customers, products, distribution and other commercial arrangements and employee relations matters. For example, we previously commenced legal proceedings against certain of our customers to protect our intellectual property rights and may do so again in the future, which could result in resentment within our customer base and adversely affect our business, financial condition and results of operations. Other active proceedings include customary audit activities by various taxing authorities and legal proceedings.

***We or our directors or officers may be subject to litigation proceedings, which are expensive, could divert management attention, and harm our business.***

As a public company, we are vulnerable to securities class action litigation, particularly following periods of stock price volatility or announcements. Litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages or, in cases for which injunctive relief is sought, an injunction prohibiting us from manufacturing or selling one or more products. If we were to receive an unfavorable ruling on a matter, our business and operating results could be materially harmed. Additionally, securities litigation can be expensive to defend, result in substantial judgments or settlements, divert management and board attention from business operations, and harm our reputation.

Our directors and officers may also be involved in litigation in their capacities with us or other public companies. Even if we successfully defend against such claims, the costs and distraction can be significant. We cannot predict the outcome of any litigation, and adverse rulings could materially harm our financial condition and results of operations.

***Changes in our tax rates or exposure to additional tax liabilities or assessments could affect our profitability, and audits by tax authorities could result in additional tax payments for prior periods.***

We are subject to various U.S. and non-U.S. taxes, including direct and indirect taxes, such as corporate income, withholding, customs, excise, value-added, sales and other taxes imposed on our global activities. Significant judgment is required in determining our provisions for taxes, and there are many transactions and calculations where the ultimate tax determination is uncertain.

Our tax returns are subject to audit by U.S. federal, state and local tax authorities and by non-U.S. tax authorities. If audits result in tax liabilities or assessments different from our reserves, our future results may include unfavorable adjustments to our tax liabilities, and our financial statements could be adversely affected.

***Changes in tax laws could adversely affect our business, financial position and results of operations.***

Any significant changes to the tax system in the United States or in other jurisdictions could adversely affect our business, financial condition and results of operations.

The U.S. Congress, government agencies in non-U.S. jurisdictions where we and our affiliates do business, and the Organization for Economic Cooperation and Development (“OECD”), have recently focused on issues related to the taxation of multinational corporations. One example is in the area of “base erosion and profit shifting,” where profits are claimed to be earned for tax purposes in low-tax jurisdictions, or payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. The OECD has released several components of its comprehensive plan to create an agreed set of international rules for addressing base erosion and profit shifting.

Because we operate in numerous taxing jurisdictions, the application of the relevant tax laws can be subject to diverging and sometimes conflicting interpretations by the taxing authorities of these jurisdictions. It is not uncommon for taxing authorities in different countries to have conflicting views with respect to, among other things, whether a permanent establishment exists in a particular jurisdiction, the manner in which the arm’s length standard is applied for transfer pricing purposes, or the valuation of intellectual property. For example, if the taxing authority in one country where we operate were to reallocate income from another country where we operate, and the taxing authority in the second country did not agree with the reallocation asserted by the first country, we could become subject to tax on the same income in both countries, resulting in double taxation.

If taxing authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it could increase our tax liability, which could adversely affect our business, financial position and results of operations.

In the United States, the Tax Cuts and Jobs Act enacted in 2017, the Coronavirus Aid, Relief, and Economic Security Act enacted in 2020, the Inflation Reduction Act enacted in 2022, and the One Big Beautiful Bill Act enacted in 2025 made many significant changes to U.S. tax laws. Due to the potential for changes in tax laws and regulations or changes in the interpretation thereof (including regulations and interpretations pertaining to recent tax reform in the United States), the ambiguity of tax laws and regulations, the subjectivity of factual interpretations, uncertainties regarding the geographic mix of earnings in any particular period and other factors, our estimates of our effective tax rate and our income tax assets and liabilities may be incorrect and our financial statements could be adversely affected. The impact of these factors may be substantially different from period-to-period.

**Risks Related to the Ownership of Our Common Stock**

***Our stock price has been and may continue to be subject to fluctuations.***

Our stock price is subject to changes in recommendations or earnings estimates by financial analysts, changes in investors' or analysts' valuation measures for our stock, our credit ratings and other factors beyond our control including macroeconomic factors. Furthermore, speculation in the press or investment community about our strategic position, financial condition, results of operations, business or security of our products, can cause changes in our stock price. In addition to these factors and industry and general economic and political conditions, our stock price may be adversely impacted by announcements related to financial results or forecasts that fail to meet or are inconsistent with earlier projections or the expectations of our securities analysts or investors, announcements of new products or acquisitions of new technologies by us, or by other companies, including our competitors or our customers, or announcements of acquisitions, major transactions, litigation developments or management changes. A significant drop in our stock price could expose us to the risk of securities class action lawsuits, stockholder derivative lawsuits or other actions by stockholders, which may result in substantial costs and divert management's attention and resources, which may adversely affect our business.

***We have experienced a material weakness in our internal control over financial reporting in the past, and any future material weakness or failure to maintain effective internal controls could impair our ability to report our financial condition or results of operations accurately and on a timely basis, which may adversely affect investor confidence and the value of our common stock.***

As a public company, we are subject to Section 404 of the Sarbanes-Oxley Act, which requires that we maintain effective internal control over financial reporting and disclosure controls and procedures. Section 404(a) requires that we include a management report on our internal controls beginning with the annual report for our fiscal year ending December 31, 2025. We will also be required to comply with the auditor attestation requirements of Section 404(b) following the later of the date we are deemed to be an "accelerated filer" or a "large accelerated filer," or the date we are no longer an "emerging growth company," as defined in the JOBS Act.

We have in the past identified material weaknesses in our internal control over financial reporting ("ICFR"). Although we have remediated this deficiency, we may discover additional material weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

Any failure to maintain internal control over financial reporting or to identify any material weaknesses could severely inhibit our ability to timely and accurately report our financial condition, results of operations or cash flow. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC, or other regulatory authorities. Failure to implement or maintain other effective control systems required of public companies, could also adversely affect our future access to the capital markets.

***There is no guarantee that an active and liquid market for our common stock will be sustained and investors may not be able to sell their shares at or above the price at which they were bought, or at all.***

Our common stock has been trading on a national securities exchange for less than 2 years. An active market in our common stock may not be sustainable or liquid enough for you to sell your shares, especially given the concentration of outstanding shares. If an active market for our common stock is not sustained, holders of our common stock may not be able to liquidate their investment or resell their shares at favorable prices, or at all. An inactive trading market may also impair our ability to raise capital by selling shares of our common stock and enter into strategic partnerships or acquire other complementary products, technologies or businesses by using shares of our common stock as consideration. Furthermore, there can be no guarantee that we will continue to satisfy the continued listing standards of Nasdaq. If we fail to satisfy the continued listing standards, we could be delisted, which would negatively impact the value and liquidity of your investment.

***Future sales or issuances of our common stock could cause the price of our common stock to decline.***

The market price of our common stock could decline as a result of substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, a large number of shares of our common stock becoming available for sale, or the perception in the market that such sales could occur. We may issue additional common stock, preferred stock, convertible securities or other equity or equity linked securities in the future. We also expect to issue common stock to our employees, directors and other service providers pursuant to our equity incentive plans. Such issuances will be dilutive to investors and could cause the price of our common stock to decline, and new investors in such issuances could also receive rights senior to those of holders of our common stock.

***If securities analysts or industry analysts downgrade our common stock, publish negative research or reports, or fail to publish reports about our business, our stock price and trading volume could decline.***

The market price and trading market for our common stock may be influenced by the research and reports that industry or securities analysts publish about us, our business and our market. As a newly public company, the analysts who publish information about our common stock have had relatively little experience with us, which could affect their ability to accurately forecast our results and could make it more likely that we fail to meet their estimates. If one or more of the analysts covering us adversely change their recommendation regarding our stock or change their recommendation about our competitors' stock, our stock price could decline. If one or more analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline or become volatile.

***We do not intend to pay dividends on our common stock.***

We do not anticipate declaring or paying any dividends for the foreseeable future as we currently anticipate retaining future earnings for the development, operation and expansion of our business. Any future determination to pay dividends will be at the discretion of our board of directors and subject to, among other things, our revenues and earnings, capital requirements and general financial condition at the time. Any return to stockholders will therefore be limited to the increase, if any, in our stock price.

***Our amended and restated charter and bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, and provide that federal district courts will be the sole and exclusive forum for Securities Act claims, which could limit our stockholders' ability to obtain what they believe to be a favorable judicial forum for disputes with us or our directors, officers or other employees.***

Our charter and bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware (or, if that court lacks subject matter jurisdiction, another federal or state court situated in the State of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or the DGCL, our certificate of incorporation, or our bylaws; (iv) any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or our bylaws; or (v) any action asserting a claim against us governed by the internal affairs doctrine. If any such action is filed in a court other than a court located within the State of Delaware, or a Foreign Action, in the name of any stockholder, that stockholder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce our choice of forum, or an Enforcement Action, and (y) having service of process made upon such stockholder in any such Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder, in each case, to the fullest extent permitted by law. Our charter and bylaws further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts are the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

These provisions do not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation will further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolutions of any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant named in such complaint.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums, and protection against the burdens of multi-forum litigation. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims or make such lawsuits more costly for stockholders, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. Furthermore, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find one or more of the choice of forum provisions that will be contained in our amended and restated certificate of incorporation and amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could seriously harm our business.

**General Risk Factors**

***Catastrophic events and the effects of climate change, pandemics or other unexpected events may disrupt our business and harm our operating results.***

Due to the global nature of our business, our operating results may be negatively impacted by catastrophic events and the effects of climate change, pandemics or other unexpected events throughout the world. We rely on a global network of infrastructure applications, enterprise applications and technology systems for our development, marketing, operational, support and sales activities. A disruption or failure of these systems in the event of a major earthquake, fire, extreme temperatures, drought, flood, telecommunications failure, cybersecurity attack, terrorist attack, epidemic or pandemic, or other catastrophic or climate change-related events could cause system interruptions, delays in our product development and loss of critical data and could prevent us from fulfilling our customers' orders. In particular, our sales and infrastructure are vulnerable to regional or worldwide health conditions, including the effects of the outbreak of contagious diseases, such as the government-imposed restrictions that curtailed global economic activity and caused substantial volatility in global financial markets during the COVID-19 pandemic. Moreover, our corporate headquarters, a significant portion of our research and development activities, our data centers, and certain other critical business operations are located in California, near major earthquake faults and sites of recent wildfires, which may become more frequent, along with other extreme weather events, due to climate change. A catastrophic event or other extreme weather event that results in the destruction or disruption of our data centers or our critical business or IT systems would severely affect our ability to conduct normal business operations and, as a result, our operating results would be adversely affected.

***Uncertainty in the global macroeconomic environment may negatively affect our business, operating results and financial condition.***

The current macroeconomic environment reflects the effects of, among other things, changes in U.S. and global trade policy, including tariffs enacted by the U.S. and other governments, sustained global inflationary pressures, elevated interest rates, potential economic slowdowns or recessions, supply chain disruptions, geopolitical pressures and fluctuations in foreign exchange rates. This uncertain macroeconomic environment has resulted in volatility in credit, equity and foreign currency markets and has led some of our customers to postpone their decision-making, decrease their spending or delay their payments to us.

If these macroeconomic uncertainties persist or if economic conditions deteriorate, the global economy, including the semiconductor and electronics industries that are core customers for our products, could see their growth slow or fail to grow at all. Adverse economic conditions affect demand for devices that our products help create, such as the ICs incorporated in personal computers, smartphones, automobiles and servers. Reduced demand for these or other products could result in reduced demand for our design solutions and significant decreases in our average selling prices and product sales over time.

Uncertain macroeconomic conditions could also adversely affect the banking and financial services industry and result in bank failures or credit downgrades of the banks we rely on for credit and banking transactions and deposit services. A deterioration of conditions in worldwide credit markets could limit our ability to obtain external financing to fund our operations, capital expenditures or acquisitions. In addition, difficult economic conditions may result in a higher rate of losses on our accounts receivable due to credit defaults. Any of the foregoing could adversely affect our business, operating results and financial condition.

***We are an "emerging growth company" and a "smaller reporting company" and any decision on our part to comply with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.***

We are an "emerging growth company" as defined in the JOBS Act. We intend to take advantage of certain exemptions under the JOBS Act from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404(b), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. We may take advantage of these exemptions for up to five years or until we are no longer an "emerging growth company," whichever is earlier.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act. Accordingly, our consolidated financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards.

We cannot predict if investors will find our common stock less attractive if we choose to rely on any of the exemptions afforded to emerging growth companies. If some investors find our common stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our common stock, and the market price of our common stock may be more volatile.

We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year (a) in which the fifth anniversary of the completion of the IPO, (b) in which we have total annual gross revenue of at least $1.235 billion or (c) in which we become a large accelerated filer, which means that we have been public for at least 12 months, have filed at least one annual report and the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the last day of our then-most recently completed second fiscal quarter, and (ii) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

We are also a “smaller reporting company.” We may continue to be a smaller reporting company if either (i) the market value of our common stock held by non-affiliates is less than $250.0 million or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than $700.0 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K, we are not required to comply with the auditor attestation requirements of Section 404 and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

**Item 1B. Unresolved Staff Comments**

Not applicable.

**Item 1C. Cybersecurity**

Our SVP, Global Operations, Brian Bradburn, is responsible for monitoring the prevention, mitigation, detection, and remediation of cybersecurity incidents and reports the same to the Audit Committee of the Board each quarter. Mr. Bradburn has over 10 years of experience as an information technology professional and reports to the Chief Executive Officer. The Audit Committee has been delegated the responsibility for fulfilling the Board’s oversight responsibilities regarding cybersecurity risk.

Our cybersecurity risk management program is part of our overall approach to enterprise risk management. Our cybersecurity risk management program seeks to protect our information systems by managing and reducing material risks from cybersecurity threats and by responding to and mitigating cybersecurity incidents. We have designed our cybersecurity risk management program using certain industry practices and frameworks as a guide, including those established by the International Organization for Standardization and the National Institute of Standards and Technology, although we may not meet all technical standards, specifications, or requirements. We employ a cross-functional approach to preserving the confidentiality, security and availability of the employee, customer, supplier, and partner information that we collect and store.

We have implemented cybersecurity processes, measures and controls to assist management in our assessment, identification and management of risks from cybersecurity threats. Our security information and event management system and team, in coordination with our edge security, monitor the events, analyze threats, and coordinate with our incident response team pursuant to our incident response plan, which includes the process to be followed for reporting of incidents. Our cybersecurity risk management involves identifying information assets and potential threats, assessing and prioritizing risks, employing various tools and techniques, including vulnerability scanning and penetration testing. Based on the risk assessment, appropriate security measures are implemented. We conduct annual and ongoing security awareness and behavioral change training for employees to educate them on cybersecurity best practices and train them to recognize phishing attempts. We also assess and manage cybersecurity risks associated with third-party service providers, including those in our supply chain or vendors who have access to our data or systems. Our cybersecurity process is iterative, with regular reviews and updates to help improve and respond to a dynamic and continuously evolving threat landscape.

In the last three fiscal years, we have not experienced a cybersecurity incident which has been determined to be material, and the expenses we have incurred from cybersecurity incidents and threats were immaterial, including penalties and settlements, of which there were none.

**Item 2. Properties**

Our principal executive office is located in a leased facility in Santa Clara, California, consisting of approximately 11,118 square feet of office space under a lease that expires in April 2028. This facility accommodates our principal engineering, sales, marketing, operations, finance, and administrative activities. In addition to our principal facility, we lease office space in Colorado and Georgia within the United States. Internationally, we lease office facilities in China, Egypt, France, Japan, Korea, Singapore, Taiwan, the United Kingdom and Vietnam. We believe that our facilities are generally sufficient to meet our current needs and that, if we require additional space, we will be able to obtain additional facilities on commercially reasonable terms.

**Item 3. Legal Proceedings**

We are party to various litigation matters and claims arising from time-to-time in the ordinary course of business. For more information regarding our current legal proceedings, see Note 16 of our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K and Item 1A. Risk Factors.

**Item 4. Mine Safety Disclosures**

Not applicable.

## Part II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

#### Market Information on Common Stock

Our common stock is traded on the Nasdaq Global Select Market under the symbol "SVCO". As of March 09, 2026, there were 7 holder of record of our common stock. Because most of our shares are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial stockholders represented by these holders of record.

#### Dividends

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings to fund business development and growth, and do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant.

### Item 6. [Reserved]

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the related notes included in Part II, Item 8 of this Annual Report on Form 10-K. This discussion and other parts of this report contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks, uncertainties and assumptions. Our actual results could differ materially from those discussed in or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under Part I, Item 1A. Risk Factors of this Annual Report on Form 10-K. Forward-looking statements may be identified by words including, but not limited to, "may," "will," "could," "would," "can," "should," "anticipate," "expect," "intend," "believe," "estimate," "project," "continue," "forecast," "likely," "potential," "seek," or the negatives of such terms and similar expressions. The information included herein represents our estimates and assumptions as of the date of this filing. Unless required by law, we undertake no obligation to update publicly any forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.*

#### Overview

We are a provider of technology computer aided design software ("TCAD"), electronic data automation software ("EDA"), and semiconductor intellectual property ("SIP"). Our solutions are used by engineers to optimize semiconductor manufacturing processes and efficiently bring semiconductor products to market. Our differentiated solutions enable our customers to increase productivity, accelerate time-to-market and reduce development and manufacturing costs. Our customers include semiconductor manufacturers and systems companies that design and manufacture products containing semiconductors. Semiconductors are at the heart of innovation in many industries, including AI, display, power devices, automotive, memory, hyperscale and cloud computing, Internet of Things ("IoT"), telecommunications and many more.

Our TCAD solutions are used in the semiconductor industry to model and optimize manufacturing processes and device performance. This includes foundational TCAD software and more advanced artificial intelligence ("AI") machine learning ("ML") for process development, called Fab Technology Co-Optimization ("FTCO™"). We are a pioneer in the leverage of AI to redefine manufacturing process development in partnership with customers.

Our EDA software is used by semiconductor companies to design, simulate, and verify semiconductors. Our EDA products include SPICE modelling and simulation, parasitic extraction and reduction, standard cell generation and optical proximity correction.

Our SIP portfolio includes a range of products, including foundation technology, such as standard cells and memory compilers, as well as a suite of interface technologies. Our SIP portfolio benefited from recent acquisitions, most notably Mixel Group, Inc. ("Mixel"), which is positioned for growth as we roll out Mixel's quality processes to the rest of the organization.

Our customers include foundries, integrated device manufacturers ("IDMs") and fabless semiconductor companies. Our go-to-market strategy centers on selling software solutions and associated maintenance and services. Our software solutions accounted for 68% and 74% of our revenue for the years ended December 31, 2025 and 2024, respectively, and associated maintenance and services accounted for 32% and 26% of our revenue for the years ended December 31, 2025 and 2024, respectively.

#### Recent Acquisitions

On March 4, 2025, we consummated an asset purchase agreement with Cadence Design Systems, Inc. (“Cadence”), pursuant to which, among other things, we agreed to acquire certain assets and assume certain liabilities comprising Cadence’s Process Proximity Compensation product line, an optical proximity correction suite of tools (the “OPC Business”), in exchange for $11.5 million in cash.

On April 29, 2025, we consummated a stock purchase agreement with the shareholders of Tech-X Corporation (“Tech-X”), pursuant to which we acquired all of the outstanding shares of Tech-X for an aggregate purchase price of $8.2 million. The purchase consideration consisted of (i) $4.1 million in cash, (ii) 457,666 shares of the Company’s common stock with a fair value of $2.4 million on the closing date, and (iii) contingent consideration, with a maximum payout of $2.0 million, and with an estimated fair value of $1.7 million, payable in cash upon the achievement of specified technical milestones through December 2026. In February 2026, the Company amended the form of payment of the contingent consideration and post-closing net working capital adjustments to be payable in shares of the Company’s common stock. The Company also extended the date through which contingent consideration can be earned to July 2027.

On August 1, 2025, we consummated a stock purchase agreement with the shareholders of Mixel Group, Inc. (“Mixel”), pursuant to which we agreed to acquire all of the outstanding shares of Mixel for an aggregate purchase price of $22.5 million, which includes (i) $19.7 million in cash and (ii) 643,617 shares of the Company’s common stock with a fair value of $2.8 million on the closing date.

**Key Factors Affecting our Results of Operations and Future Performance**

***Current Economic Conditions***

Because of our global operations, our business is subject to economic downturns in the countries in which we do business, volatility in exchange rates, changes in interest rates, evolving trade control regulations and geopolitical conflicts.

We have been impacted by the expansion of trade control laws and regulations, including the broadening of the list of Chinese technology companies on the U.S. Department of Commerce Bureau of Industry and Security “entity list.” We expect the impact of these expanded trade controls on our business to be limited.

We also monitor geopolitical conflicts around the world, including the conflict in Ukraine and conflicts in the Middle East. To date, these conflicts have not materially impacted our business.

For additional information on the potential impact of macroeconomic conditions on our business, see Part I, Item 1A, “Risk Factors.”

***Cost Reduction Initiatives***

In October 2025, we began implementing targeted cost-savings initiatives intended to streamline our organizational structure, improve execution, and enhance stockholder value (the “Restructuring Plan”). The Restructuring Plan includes a voluntary early retirement program, a voluntary exit program, an involuntary reduction in force, and certain planned site closures. During the year ended December 31, 2025, we incurred pre-tax charges of $1.3 million for severance, termination benefits, and site closures. The majority of impacted employees were affected in the year ended December 31, 2025. We anticipate these initiatives will result in significant annualized operating expense reductions.

***Relationships with Our Existing Customers***

Building long-term relationships with our existing customer base is critical in driving renewals for our licenses and overall revenue growth. We have a global sales force that also advises fabrication facility managers and the next generation of chip designers on the benefits of our design tools. Most of our customers enter into multi-year software license agreements for a fixed price including a multi-year software license and maintenance and services.

When we renew contracts with our customers, we may increase our bookings by selling them additional or new software or SIP. Over time, we expect that existing customers will choose to upgrade and/or purchase additional products. Our ability to continue to generate sales from our existing customers and to expand those relationships is dependent on our ability to continue to offer software solutions that our existing customers demand. Any failure to continue to generate sales with our existing customers or expand our product and service offerings with our existing customers may have an adverse effect on our revenue and results of operations.

We enter into standard software licensing agreements with our customers. Pursuant to these agreements, we grant our customers a non-exclusive, non-transferable, limited license, without the right to sublicense, to execute, use and operate certain software. Each party has the right to terminate the software license agreement under certain circumstances, in which event the customer will be required to remove, delete and return all software, related documentation and confidential information furnished under the license agreement.

***Our Ability to Expand Our Product Offerings***

To meet the increasing complexity of semiconductor designs, the introduction of new advanced materials, and the increased costs associated with more advanced semiconductor technology nodes, we need to continually enhance our product offerings through our own in-house research and development efforts, acquisitions, or strategic partnerships with third parties. The in-house development of new product offerings or enhancements to our existing product offerings requires significant research and development activities and time and may or may not result in offerings we can successfully market and sell to customers. For example, we have developed an AI-based solution named Fab Technology Co-Optimization or FTCO™ for wafer level fabrication facilities. FTCO utilizes manufacturing data to perform statistical and physics-based machine learning software simulations to create a computer model of a wafer, which we call the "digital twin" of the wafer, in order to simulate the fabrication of wafers. We may also seek to acquire companies or assets for products or solutions which we believe are complementary to our existing products or solutions. Additionally, we currently, and have in the past, and may in the future, partner with third parties to expand our product offerings to our customers. If in the future, we enter into additional licensing agreements with other third parties and are unable to extend the term of those licensing arrangements, we will experience an associated decline in revenue relating to those products.

***Our Ability to Expand into New Markets and Applications and Expansion of our Existing Markets***

We believe that trends in the global EDA software market, including growth in the integrated circuits and electronics manufacturing markets, growing complexity of semiconductor and photonics designs, and increasing challenges associated with advanced materials and shrinking process technology nodes across the EDA market, will increase the demand for our software solutions over time, which will have a direct impact on our future revenues and results of operations. In response to this increase in complexity and new challenges facing designers, we have increased investments in our research and development for new software product offerings. For example, our research and development expenses were 47% and 35% of revenue for the years ended December 31, 2025 and 2024, respectively. We plan to continue to invest in our software solutions to establish and expand a leadership position in our target markets. We also plan to use our research and development efforts to continue to cater to strategic customer needs.

The drive to increase performance and diversification of applications is further accelerated by a broad-scale transition to cloud-based software applications and computing on mobile platforms. The development of semiconductors that are optimized for specific applications, including AI, 5G/6G communications and IoT, has continued to fuel demand for TCAD and EDA software tools, which in turn fuels demand to develop solutions to meet our markets' evolving needs. Our ability to successfully generate customer demand amongst new customers and in new markets is dependent on our ability to educate these customers and markets about our software solutions and our ability to generate sufficient new solutions that solve problems for these potential customers. Our ability to continue to expand our product offerings into new markets also requires that we direct our research and development efforts toward value-generating new and existing initiatives. Our future revenues and results of operations will be directly impacted by our ability to produce and provide new software solutions in new and expanding markets.

***Our Ability to Successfully Identify, Complete and Integrate Acquisitions***

Our success depends in part on our ability to identify, complete and integrate acquisitions. Our goal for future potential acquisitions is to pursue acquisitions that will increase our competitiveness in our markets and increase our bookings and revenue. Our ability to successfully identify, complete and integrate acquisitions will depend on a number of factors, including access to adequate capital, potential competition for the assets, and technology fit. When we engage in mergers and acquisitions, we aim to retain the customers of our acquired companies due to our expanded offerings or improved services. As a result, acquiring target companies is a key part of our growth strategy and may allow us to access and serve a broader range of customers, which ultimately may lead to more bookings, increased revenue growth and expansion in our market share presence.

***Our Ability to Calibrate Our Product Mix to Enhance Margin Expansion***

We anticipate that our results will be impacted by the increase or decrease of a given product or service as a percentage of total revenue relative to our other products and services. As higher margin products become a larger part of our product mix, or conversely as low margin products become a smaller part of our product mix, our gross margin will expand. While we may enter into agreements with third parties for lower margin product solutions, we anticipate our focus on higher margin solutions will continue to lead our other products and services within our product mix, which we anticipate may lead to gross margin and operating margin expansion. Our future ability to shape our product mix with higher margin products making up a larger percentage of our total revenue will impact our results of operations.

***Our Ability to Scale While Mitigating Increases in Expenses***

If we can execute on our growth strategy and grow our revenue through a combination of new customer growth, upgrades and increased usage of our products by existing customers, as well as accretive acquisitions, our results will be impacted by our ability to reduce the rate at which our expenses increase in proportion with a rise in revenue. We believe this is possible in a number of expense line items, which may provide for additional gross margin and operating margin expansion. For example, we anticipate as our existing customers choose to upgrade to newer software solutions, our costs related to the support of legacy software decreases, outpacing any increases in cost related to supporting the upgraded software. Additionally, we have incurred increased general and administrative expenses in connection with preparing to become a public company, including increased staff costs and professional services fees, including legal and accounting fees. We have also incurred a significant increase in stock-based compensation expense. While we anticipate the increased level of costs to remain, we do not anticipate those costs scaling proportionally with our revenue. Finally, we may be able to gain sales efficiencies as our revenue grows, such that our sales and marketing expenses will decrease as a percentage of revenue. In the aggregate, our ability to keep these expenses from growing proportionally with our revenue may provide for meaningful gross margin and operating margin expansion.

**Components of Results of Operations**

***Revenue***

Our revenue is derived principally from software licensing, customization and related maintenance and services, which are generally accounted for as separate performance obligations with differing revenue recognition patterns. Arrangements with both software licenses and customization services are accounted for as a combined performance obligation.

*Software License Revenue*

Revenue from software licenses is classified as software license revenue. Software license revenue is recognized upfront upon delivery of the licensed software. Revenue associated with the license of the Company's SIP is classified as software license revenue and recognized as revenue (i) upfront upon delivery of the standard SIP license, or (ii) over time, when customization services are combined with the SIP license, as specific contractual milestones are met and incremental functionality is delivered to the customer.

*Maintenance and Service Revenue*

Maintenance and service revenue, which consists of both post-contract support ("PCS") for software licenses and support services for SIP licenses, is recognized ratably over the term of the contract period. Professional services revenue, which is classified as maintenance and service revenue, is recognized based on when the Company delivers the related service pursuant to the terms of the arrangement.

We also recognized an immaterial portion of our revenue from device characterization and modeling services for the years ended December 31, 2025 and 2024. Revenue is recognized upon the completion of the requested services and, as applicable, satisfaction of customer acceptance terms. Revenue from these services is classified as maintenance and service revenue.

***Cost of Revenue and Gross Profit***

Cost of revenue consists of personnel costs comprised of salaries and benefits for employees directly involved in our customer support function, such as customer support engineering salary and benefits, costs of our other customer services, allocation of overhead and facility costs, amortization of acquired intangible assets, and royalties. Historically, we have not recognized stock-based compensation expense, but after the consummation of the IPO during the year ended December 31, 2024, we recognized $3.0 million of stock-based compensation expense in cost of revenue. We recognized $1.3 million of stock-based compensation expense in cost of revenue during the year ended December 31, 2025. We also recognized $1.0 million and $0.7 million of amortization associated with our acquired intangible assets in cost of revenue during the years ended December 31, 2025 and 2024, respectively. See Note 13 and Note 8 of our consolidated financial statements in Item 8 in this Annual Report on Form 10-K for further discussion. Gross profit represents revenue less cost of revenue.

***Operating Expenses***

Our operating expenses consist of research and development, selling and marketing, general and administrative, and litigation settlement. Related personnel costs are the most significant component of our operating expenses and consist of salaries, benefits, stock-based compensation expense, bonuses and commissions. Our operating expenses also include consulting costs, costs of facilities, information technology, depreciation and amortization. We expect our operating expenses to fluctuate as a percentage of revenue over time. Historically, we have not recognized stock-based compensation expense, but after the consummation of the IPO during the year ended December 31, 2024, we recognized an aggregate of $23.9 million of stock-based compensation expense in operating expenses. During the year ended December 31, 2025, we recognized $9.5 million in total stock-based compensation expense. The year over year decrease was primarily due to stock-based compensation expense recorded during 2024 in connection with our IPO. See Note 13 of our consolidated financial statements in Item 8 in this Annual Report on Form 10-K for further discussion.

The following table summarizes stock-based compensation expense:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| Research and development | $ 2,708 | $ 5,091 |
| Selling and marketing | 1,722 | 4,319 |
| General and administrative | 5,066 | 14,531 |
| | $ 9,496 | $ 23,941 |

*Research and Development*

Our research and development expense consists primarily of personnel costs comprised of salaries, stock-based compensation expense, and benefits for employees directly involved in our research and development efforts, as well as engineering, quality assessment, other related costs associated with the development of new products, enhancements to existing products, quality assurance and testing and allocated overhead costs. We expense research and development costs as incurred. We believe that continued investment in our software solutions and services is important for our future growth and acquisition of new customers and, as a result, we expect our research and development expenses to continue to increase, although it may fluctuate as a percentage of revenue from period to period depending on the timing of these expenses.

*Selling and Marketing*

Selling and marketing expense consists of personnel costs comprised of salaries, stock-based compensation expense, benefits, sales commissions, travel costs, and field application engineering directly involved in our selling and marketing efforts, as well as professional and consulting fees, advertising expenses, and allocated overhead costs. We expect selling and marketing expense to continue to increase as we increase our sales and marketing personnel and grow our international operations, although it may fluctuate as a percentage of revenue from period to period depending on the timing of these expenses.

*General and Administrative*

General and administrative expense consists of personnel costs associated with our executive, legal, finance, human resources, information technology and other administrative functions, including salaries, stock-based compensation expense, benefits and bonuses. General and administrative expense also includes professional and consulting fees, accounting fees, legal costs, and allocated overhead costs. We expect general and administrative expense to increase as we expand our finance and administrative personnel, grow our operations, and incur additional expenses associated with operating as a public company, including director and officer liability insurance and legal and compliance costs, although it may fluctuate as a percentage of revenue from period to period depending on the timing of these expenses.

*Litigation Settlement*

In May 2025, Silvaco and two of our principal stockholders and members of our board of directors (the “Co-Defendants”) agreed to a settlement (the “Settlement Agreement”) in connection with litigation brought by the former shareholders of Nangate, Inc. (“Nangate”) and a third cross-complainant (together, the “Nangate Parties”). The $32.5 million settlement (the “Settlement Payment”) consists of $16.0 million payable on June 18, 2025, $4.1 million payable on August 15, 2025, $4.1 million payable on November 14, 2025 and a final payment of $8.3 million payable on February 13, 2026. Following the execution of the Settlement Agreement, Silvaco and the Co-Defendants also executed an apportionment agreement pursuant to which the Co-Defendants agreed to bear 25% of the Settlement Payment, with Silvaco bearing the remaining 75%. During the year ended December 31, 2025, we made the payments of $24.3 million on behalf of Silvaco and the Co-Defendants, which included $8.1 million contributed by the Co-Defendants in accordance with the apportionment agreement. We recorded a litigation settlement expense of $13.1 million and $11.3 million during the years ended December 31, 2025 and 2024, respectively, related to the Settlement Agreement. As of December 31, 2025, our remaining liability under the Settlement Agreement was $8.3 million, which is included in accrued expenses and other current liabilities on the consolidated balance sheet. See Note 10 and Note 16 of our consolidated financial statements in Item 8 in this Annual Report on Form 10-K for further discussion.

***Restructuring Expense***

Restructuring expense consists of severance and other personnel costs, including stock-based compensation expense, facility closures and other costs associated with exit and disposal activities.

***Loss on Debt Extinguishment***

Loss on debt extinguishment includes losses incurred related to the extinguishment of our note purchase agreement with Micron Technology Inc. (the “Micron Note”) and our loan facility with East West Bank (the “East West Bank Loan”). See Note 12 of our consolidated financial statements for further discussion.

***Interest Income***

Interest income includes interest income earned on our cash and cash equivalents and marketable securities balances and accretion of the purchase discounts on our marketable securities balances.

***Interest Expense and Other Income (Expense), Net***

Interest expense and other income (expense), net includes interest expense associated with cost of borrowings, leases or interest-bearing agreements, foreign exchange gains and losses and changes in the fair value of contingent consideration associated with legacy acquisitions.

***Income Tax (Benefit) Provision***

Income tax (benefit) provision is our estimate of current tax benefit or expense incurred from the consolidated results of operations globally.

**Results of Operations**

The following table sets forth our results of operations:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Revenue: | | |
| Software license revenue | $ 42,885 | $ 43,991 |
| Maintenance and service | 20,179 | 15,689 |
| Total revenue | 63,064 | 59,680 |
| Cost of revenue | 13,694 | 12,042 |
| Gross profit | 49,370 | 47,638 |
| Operating expenses: | | |
| Research and development | 29,858 | 20,740 |
| Selling and marketing | 18,310 | 18,300 |
| General and administrative | 34,028 | 37,571 |
| Litigation settlement | 13,069 | 11,306 |
| Total operating expenses | 95,265 | 87,917 |
| Operating loss | (45,895) | (40,279) |
| Loss on debt extinguishment | — | (718) |
| Interest income | 1,947 | 2,976 |
| Interest expense and other income (expense), net | (697) | (899) |
| Loss before income tax provision | (44,645) | (38,920) |
| Income tax (benefit) provision | (3,439) | 484 |
| Net loss | $ (41,206) | $ (39,404) |

The following table summarizes our results of operations as a percentage of total revenue:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| Revenue: | | |
| Software license revenue | 68 % | 74 % |
| Maintenance and service | 32 % | 26 % |
| Total revenue | 100 % | 100 % |
| Cost of revenue | 22 % | 20 % |
| Gross margin | 78 % | 80 % |
| Operating expenses: | | |
| Research and development | 47 % | 35 % |
| Selling and marketing | 29 % | 31 % |
| General and administrative | 54 % | 63 % |
| Litigation settlement | 21 % | 19 % |
| Total operating expenses | 151 % | 147 % |
| Operating loss | (73)% | (67)% |
| Loss on debt extinguishment | — % | (1)% |
| Interest income | 3 % | 5 % |
| Interest expense and other income (expense), net | (1)% | (2)% |
| Loss before income tax provision | (71)% | (65)% |
| Income tax (benefit) provision | (5)% | 1 % |
| Net loss | (65)% | (66)% |

**Comparison of the Years Ended December 31, 2025 and 2024**

In March, April, and August 2025, we acquired the OPC Business, Tech-X, and Mixel, respectively. Accordingly, the results of operations of the OPC Business, Tech-X, and Mixel have been included in our consolidated financial statements since their respective acquisition dates.

***Revenue***

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Revenue: | | |
| Software license revenue | $ 42,885 | $ 43,991 |
| Maintenance and service | 20,179 | 15,689 |
| Total revenue | $ 63,064 | $ 59,680 |

Total revenue increased by $3.4 million, or 6%, to $63.1 million for the year ended December 31, 2025 from $59.7 million for the year ended December 31, 2024. Revenue associated with our EDA tools and IP sales increased by $8.8 million and $4.8 million, respectively. This increase was partially offset by revenue associated with our TCAD tools which decreased by $10.2 million. Software license revenue decreased by $1.1 million, or 3%, to $42.9 million for the year ended December 31, 2025 from $44.0 million for the year ended December 31, 2024. Maintenance and service revenue increased by $4.5 million, or 29%, to $20.2 million for the year ended December, 2025 from $15.7 million for the year ended December 31, 2024.

***Gross Profit and Cost of Revenue***

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Total revenue | $ 63,064 | $ 59,680 |
| Cost of revenue | 13,694 | 12,042 |
| Gross profit | $ 49,370 | $ 47,638 |
| Gross profit margin | 78 % | 80 % |

The increase in gross profit of $1.7 million, or 4%, for the year ended December 31, 2025 compared to the year ended December 31,2024, was primarily due to a $3.4 million increase in revenue, partially offset by a $1.7 million increase in cost of revenue. Cost of revenue during the year ended December 31, 2025 reflects a $2.7 million increase in employee compensation and benefits resulting from increased headcount and a $0.2 million increase in amortization expense associated with our license agreement to sell SIP developed in partnership with NXP Semiconductors Netherlands B.V. (“NXP”), partially offset by a $1.7 million decrease in stock-based compensation expense. Gross profit margin decreased to 78% for the year ended December 31, 2025 from 80% for the year ended December 31, 2024 primarily due to an increase in employee compensation and benefits resulting from increased headcount and an increase in amortization expense.

***Operating Expenses***

| | Year Ending December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| **Operating expenses** | | |
| Research and development | $ 29,858 | $ 20,740 |
| Selling and marketing | 18,310 | 18,300 |
| General and administrative | 34,028 | 37,571 |
| Litigation settlement | 13,069 | $ 11,306 |
| **Total operating expenses** | $ 95,265 | $ 87,917 |

*Research and Development Expenses*

The increase in research and development expenses of $9.1 million, or 44%, for the year ended December 31, 2025 compared to the year ended December 31,2024, was primarily due to a $7.5 million increase in employee compensation and benefits driven by increased headcount, merit increases, and the related payroll taxes, a $1.1 million increase in software maintenance, a $1.5 million increase in professional services, a $0.5 million increase in facility expenses due to recent acquisitions and a $0.2 million increase in amortization expense of acquired intangible assets, which was partially offset by a decrease in stock-based compensation expense of $2.4 million.

*Selling and Marketing Expenses*

Selling and marketing expenses remained flat for the year ended December 31, 2025 compared to the year ended December 31, 2024, primarily due to a $2.7 million increase in employee compensation and benefits in the current year, resulting from increased headcount, merit increases, and the related payroll taxes, offset by a $2.6 million decrease in stock-based compensation expense and a $0.1 million decrease in travel and marketing expense.

*General and Administrative Expenses*

The decrease in general and administrative expenses of $3.5 million, or 9% for the year ended December 31, 2025 compared to the year ended December 31, 2024, was primarily due to a decrease in stock-based compensation expense of $9.5 million, partially offset by a $1.7 million increase in employee compensation from increased headcount, merit increases, severance and the related payroll taxes, a $1.6 million increase in amortization expense of acquired intangible assets, a $1.0 million increase in legal and professional fees, $0.6 million of executive severance costs, a $0.5 million increase in software maintenance expense, and a $0.1 million increase in facility expenses.

*Litigation Settlement*

Litigation settlement was $13.1 million and $11.3 million for the years ended December 31, 2025 and 2024, respectively. See Note 10 and Note 16 of our consolidated financial statements in Item 8 in this Annual Report on Form 10-K for further discussion.

*Restructuring expense*

Restructuring expense was $1.3 million for the year ended December 31, 2025, of which $0.7 million, $0.4 million and $0.2 million were recognized in research and development, selling and marketing, and general and administrative expenses, respectively. We did not have restructuring expenses for the year ended December 31, 2024. See Note 5 and Note 13 of our consolidated financial statements in Item 8 in this Annual Report on Form 10-K for further discussion.

***Loss on debt extinguishment***

On May 13, 2024, the senior subordinated convertible promissory note (the "Micron Note") between us and Micron Technology, Inc. ("Micron") was converted into 294,217 shares of our common stock in connection with the consummation of the IPO. As a result, $5.6 million was recognized in additional paid-in capital and we recognized a loss on debt extinguishment of $0.6 million during the year ended December 31, 2024. We also recognized a loss on debt extinguishment of $0.1 million associated with the settlement of our loan facility with East West Bank during the year ended December 31, 2024. See Note 12 of our consolidated financial statements in Item 8 in this Annual Report on Form 10-K for further discussion.

***Interest Income***

Interest income reflects interest earned and accretion on our cash and cash equivalents and marketable securities.The decrease in interest income for the year ended December 31, 2025 compared to year ended December 31, 2024 was due to lower average balances of marketable securities.

***Interest Expense and Other Income (Expense), Net***

Interest expense and other income (expense), net, was expense of $0.7 million and $0.9 million for the years ended December 31, 2025 and 2024, respectively. The decrease in interest expense and other income (expense), net, for the year ended December 31, 2025 was primarily due to an decrease in foreign exchange losses and lower average debt and financing obligation balances.

***Income Tax (Benefit) Provision***

Income tax (benefit) provision was a benefit of $3.4 million and provision of $0.5 million for the years ended December 31, 2025 and 2024, respectively. See Note 14 of our consolidated financial statements in Item 8 in this Annual Report on Form 10-K for further discussion.

**Liquidity and Capital Resources**

Since inception, we have financed operations primarily through proceeds received from payments from our customers, borrowings from a principal stockholder and other lenders, and the net proceeds from the sale of our common stock in the IPO. Our primary sources of liquidity are cash, cash equivalents and marketable securities including cash generated from operations. As of December 31, 2025, we had $10.0 million in cash, cash equivalents and short-term marketable securities, of which $5.5 million was held by our foreign subsidiaries.

On April 11, 2024, we amended and restated our license agreement with NXP, pursuant to which we recorded an associated vendor financing obligation. The vendor financing obligation was $3.2 million as of December 31, 2025. We determined that the vendor financing obligation had an imputed interest rate of 9%, which is reflective of our borrowing rate with similar terms to that of the license agreement.

On April 16, 2024, we entered into a note purchase agreement with Micron, a customer of the Company, pursuant to which we issued the Micron Note in the principal amount of $5.0 million. The Micron Note accrued interest at a rate of 8% per annum with principal and interest due upon maturity three years after the date of issuance. On May 13, 2024, the Micron Note was converted into 294,217 shares of our common stock in connection with the completion of the IPO.

On May 13, 2024, we sold 6,000,000 shares of common stock in the IPO at a price to the public of $19.00 per share. The gross proceeds from the IPO were $114.0 million, with $106.0 million funded to us after deducting underwriting discounts and commissions of $8.0 million.

We believe our cash and cash equivalents, restricted cash and marketable securities balances will be sufficient to meet our expected working capital needs, capital expenditures, financial commitments and other liquidity requirements associated with our existing operations for at least the next 12 months. We currently have no committed sources of capital.

If our cash and cash equivalents and marketable securities including cash generated from operating activities are not sufficient to satisfy our liquidity requirements, we may be required to seek additional financing. If we raise additional funds by issuing equity securities or convertible debt securities, our stockholders will experience dilution. Debt financing, if available, may contain covenants that significantly restrict our operations or our ability to obtain additional debt financing in the future. Any additional financing that we raise may contain terms that are not favorable to us or our stockholders. We cannot assure you that we would be able to obtain additional financing on terms favorable to us or our existing stockholders, or at all. See "Risk Factors—Risks Related to Our Business and Industry—Our ability to raise additional capital in the future may be limited and could prevent us from executing our growth strategy" in Item 1A in Part 1 in this Annual Report on Form 10-K for further discussion

As of December 31, 2025, $11.0 million, or 64%, of our cash and cash equivalents and restricted cash was maintained with one financial institution, where our current deposits are in excess of federally insured limits. Past macroeconomic conditions have resulted in the actual or perceived financial distress of many financial institutions, including the failures of Silicon Valley Bank, Signature Bank and First Republic Bank and the UBS takeover of Credit Suisse. If the financial institutions with whom we do business were to become distressed or placed into receivership, we may be unable to access the cash we have on deposit with such institutions. If we are unable to access our cash as needed, our financial position and ability to operate our business could be adversely affected.

***Cash Flows***

The following table summarizes changes in our cash flows for the periods indicated.

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| *Cash provided by (used in):* | | |
| Net cash used in operating activities | $ (33,906) | $ (19,774) |
| Net cash provided by (used in) investing activities | 33,723 | (66,535) |
| Net cash (used in) provided by financing activities | (2,214) | 101,301 |
| Effect of exchange rate changes | 49 | 193 |
| *Net (decrease) increase in cash* | $ (2,348) | $ 15,185 |

***Operating Activities***

Cash flows from operating activities may vary significantly from period to period depending on a variety of factors including the timing of our collections and payments. Our ongoing cash outflows from operating activities primarily relate to personnel related costs, payments for professional services, office leases and related facilities costs, and software supporting our company infrastructure, among others. Our primary source of cash inflows is collections of our accounts receivable. The timing of invoices to our customers and subsequent collection is based on executed agreements and payment terms that can vary by customer.

Net cash used in operating activities for the year ended December 31, 2025, was $33.9 million compared to $19.8 million of net cash used in operating activities for the year ended December 31, 2024. The $14.1 million increase in net cash used in operating activities reflects a $1.8 million increase in net loss, $16.1 million paid for the litigation settlement, and a decrease of $11.9 million in the non-cash effects of stock-based compensation expense, provision for credit losses, litigation settlement, loss on debt extinguishment, change in fair value of contingent consideration, depreciation and amortization, loss on fixed asset disposal, and the accretion of discount on marketable securities. The use of cash was partially offset by a $15.7 million increase in net working capital, primarily due to changes in accrued expenses and other current liabilities, accounts receivable and contract assets.

***Investing Activities***

Net cash provided by investing activities for the year ended December 31, 2025 was $33.7 million compared to use of $66.5 million for the year ended December 31, 2024. Cash provided by investing activities during the year ended December 31, 2025 includes $34.9 million from maturities in marketable securities and $32.3 million from sales of marketable securities, partially offset by use of $32.9 million in business acquisitions. Net cash used in investing activities for the year ended December 31, 2024 includes $99.6 million in purchases of marketable securities, partially offset by $33.6 million provided by maturities in marketable securities.

***Financing Activities***

Net cash used in financing activities for the year ended December 31, 2025, was $2.2 million, compared to net cash provided by financing activities of $101.3 million for the year ended December 31, 2024. Net cash used during the year ended December 31, 2025 includes payroll taxes related to shares withheld from employees of $1.8 million and payments on our vendor financing obligation of $1.3 million, which was partially offset by $0.9 million in proceeds from issuance of common stock for share-based awards. During the year ended December 31, 2024, we received $106.0 million in net proceeds from our IPO, $4.9 million in net proceeds from the Micron Note, and $4.3 million from our drawdown on the East West Bank Loan, which were partially offset by the $4.3 million repayment of the East West Bank Loan, payment of $2.6 million related to deferred transaction costs incurred in connection with our IPO, the $2.0 million repayment of the line of credit with a principle shareholder, and $0.6 million of payments for our vendor financing obligation.

***Effects of Exchange Rate Fluctuations on Cash***

The effects of exchange rate fluctuations on cash were $49 thousand and $0.2 million for the years ended December 31, 2025 and 2024, respectively.

***Contractual Obligations***

Our financial commitments for contractual obligations as of December 31, 2025, include operating leases, vendor financing obligation, contingent consideration, and litigation settlement. See Note 10, Note 12, Note 16 and Note 18 of our consolidated financial statements for further discussion.

***Litigation Settlement***

In May 2025, the parties entered into the Settlement Agreement pursuant to which the Company and the Co-Defendants agreed to pay the Nangate Parties' an aggregate amount of $32.5 million in full resolution of all claims. In September 2025, the U.S. Court of Appeals for the Ninth Circuit reversed the fraud and breach of contract verdicts, and the parties dismissed all claims. In connection with the litigation, the Company recorded a litigation settlement expense of $13.1 million and $11.3 million during the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, the Company's remaining liability under the Settlement Agreement was $8.3 million, which is included in accrued expenses and other current liabilities on the consolidated balance sheet. See Note 10 and Note 16 of our consolidated financial statements for further discussion.

***Off-Balance Sheet Arrangements***

As of December 31, 2025, we maintained an irrevocable standby letter of credit issued in connection with the Settlement Agreement. The letter of credit, secured with East West Bank on May 17, 2025, is scheduled to expire on June 30, 2026, unless drawn upon or renewed. As of December 31, 2025, no amounts had been drawn under the letter of credit. See Note 10 and Note 16 of our consolidated financial statements for further discussion.

**Critical Accounting Policies and Significant Judgments and Estimates**

Our consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected.

The critical accounting policies requiring estimates, assumptions, and judgments that we believe have the most significant impact on our consolidated financial statements are described below. See Note 2 of our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for a description of our other significant accounting policies.

***Revenue Recognition***

Our revenue is derived principally from software licensing, customization and related maintenance and service, which are generally accounted for as separate performance obligations with differing revenue recognition patterns. Arrangements with both software licenses and customization services are accounted for as a combined performance obligation.

We recognize revenue pursuant to Accounting Standard Codification Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized upon transfer of control of the promised good or service to the customer in an amount that reflects the consideration to which we expect to be entitled in exchange for such software or service. To achieve this objective we apply a five-step approach: (1) identify the contract(s) with a customer, (2) identify the performance obligations within the contract, (3) determine the transaction price, (4) allocate the transaction price to the separate performance obligations and (5) recognize revenue when, or as, each performance obligation is satisfied.

Revenue from software licenses is classified as software license revenue. Software license revenue is recognized upfront upon delivery of the licensed software. Typically, our software solution is licensed with post-contract support ("PCS"), which includes unspecified technical enhancements and customer support. The PCS is classified as maintenance and service revenue and is recognized ratably over the term of the contract period, as we satisfy the PCS performance obligation over time.

We also offer standard SIP licenses, which provide customers with access to SoC design intellectual property ("IP") that meet established industry standards. Standard SIP licenses offered by us are ready to use upon delivery. No modification is required in order for the customer to receive value for use in their integrated circuit designs. We also offer SIP licenses that require customization in accordance with the customer's specifications. Revenue associated with the license of our SIP is classified as software license revenue and recognized as revenue (i) upfront upon delivery of the standard SIP license, or (ii) over time, when customization services are combined with the SIP license, as specific contractual milestones are met and incremental functionality is delivered to the customer. We do not offer SIP licenses without support. The support service for SIP licenses is classified as maintenance and service revenue and is recognized ratably over the term of the support period.

Under certain SIP license agreements, we also derive revenue through royalties from customers who agree to pay usage-based fees to embed our SIP into their own SoCs. Royalties are generally recognized as revenue during the period in which the customer sells its solutions which incorporate our SIP license.

In connection with our SIP license that was developed in partnership with a third party vendor, we have entered into various renewable license agreements under which we have the right to sell the technology we license from the third party vendor. When we license this particular SIP to a customer, we generally act as a principal to the transaction because we control the promised SIP that we deliver to the customer. Consistent with our role as a principal, we recognize SIP revenue on a gross basis. Royalty costs are reported in cost of revenue upon delivery pursuant to the terms and conditions of our contractual obligations with the licensors.

We also recognized an immaterial portion of our revenue from device characterization and modeling services for the years ended December 31, 2025 and 2024. Revenue is recognized upon the completion of the requested services and, as applicable, satisfaction of customer acceptance terms. Revenue from these services is classified as maintenance and service revenue.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 days. Invoicing may vary from timing of revenue recognition. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined our contracts generally do not include a significant financing component.

Non-income related taxes collected from customers and remitted to governmental authorities are recorded on the consolidated balance sheets as accounts receivable and accrued expenses. The collection and payment of these amounts are reported on a net basis in the consolidated statements of loss.

We do not offer a right of return. We warrant to our customers that our software will perform substantially as specified in our current user manuals. We have not experienced significant claims related to software warranties beyond the scope of maintenance support, which we are already obligated to provide. The warranty is not sold, and cannot be purchased, separately. The warranty does not provide any type of additional service to the customer or performance obligation for us.

Our agreements with customers generally require us to indemnify the customer against claims that our software infringes third-party patent, copyright, trademark or other proprietary rights. Such indemnification obligations are generally limited in a variety of industry-standard respects, including by affirming our right to replace an infringing product.

*Significant Judgments*

Our license agreements enable customers to use our software solutions and to receive certain services. Judgment is required to determine if the promises are separate performance obligations, and if so, to allocate the transaction price to each performance obligation. We use the estimated standalone selling price method to allocate the transaction price for each performance obligation. The estimated standalone selling price is determined using all information reasonably available to us, including market conditions and other observable inputs, historical pricing and the value relationship between our various product and service offerings. The corresponding revenues are recognized as the related performance obligations are satisfied.

*Contract Assets and Liabilities*

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 days. The timing of revenue recognition may differ from the timing of invoicing to customers, and these timing differences result in receivables (billed), contract assets (unbilled), or contract liabilities (deferred revenue) on our consolidated balance sheets. We record a contract asset when revenue is recognized prior to the right to invoice, or deferred revenue when revenue is recognized subsequent to invoicing. For time-based software agreements, customers are generally invoiced in equal, quarterly amounts, although some customers are invoiced in single or annual amounts. We record an unbilled receivable when revenue is recognized and we have an unconditional right to invoice and receive payment.

*Financing*

We are required to adjust promised amounts of consideration for the effects of the time value of money if the timing of the payments provides the customer or us with a significant financing benefit. We consider various factors in assessing whether a financing component exists, including the duration of the contract, market interest rates and the timing of payments. Our contracts do not include a significant financing component requiring adjustment to the transaction price.

***Business Combination***

To determine whether transactions should be accounted for as acquisitions of assets or business combinations, we make certain judgments, which include assessment of the inputs, processes, and outputs associated with the acquired set of activities. If we determine that substantially all of the fair value of gross assets included in a transaction is concentrated in a single asset (or a group of similar assets), the assets will not represent a business. To be considered a business, the assets in a transaction need to include an input and a substantive process that together significantly contribute to the ability to create outputs.

We allocate the fair value of the purchase consideration to the assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The fair values of intangible assets are determined utilizing information available near the acquisition date based on expectations and assumptions that are deemed reasonable by management. Given the considerable judgment involved in determining fair values, we typically obtain assistance from third-party valuation specialists for significant items. Any excess of the purchase price over the estimated fair values of net assets acquired is recorded as goodwill. Transaction costs are expensed as incurred. Amounts recorded in a business combination may change during the measurement period, which is a period not to exceed one year from the date of acquisition, as additional information about conditions that existed as of the acquisition date becomes available.

***Goodwill and Other Intangible Assets***

Goodwill represents the excess of the fair value of consideration transferred over the fair value of net identifiable assets acquired. Other intangible assets consist of customer relationships, developed technology, noncompete agreements, and licensed IP which are amortized over their useful lives of five years. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate an asset's carrying value may not be recoverable.

Goodwill is not amortized but is tested annually for impairment and more often if there is an indicator of impairment that would more likely than not reduce the fair value of our single reporting unit below its carrying amount. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value.

No indicators of impairment or impairment charges were identified or recorded to goodwill or other intangible assets during the fiscal years ended December 31, 2025 and 2024.

***Stock-Based Compensation***

We account for stock-based compensation in accordance with Accounting Standard Codification Topic 718, *Compensation - Stock Compensation*, which establishes the accounting for transactions in which an entity exchanges its equity instruments for goods or services. Under the provisions of the authoritative guidance, stock-based compensation expense is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite employee service period (generally the vesting period), net of actual forfeitures. For stock-based payment awards that contain performance criteria, stock-based compensation expense is recorded when the achievement of the performance condition is considered probable of achievement and is recorded on a straight-line basis over the requisite service period. If such performance criteria are not met, no compensation expense is recognized and any recognized compensation expense is reversed. For awards with market and service conditions, we recognize stock-based compensation on a straight-line basis for all awards for which the service conditions are met, regardless of whether the market condition is achieved.

Prior to the IPO, we had not recorded stock-based compensation expense, as the restricted stock units ("RSUs") granted under the 2014 Plan carry both a "time-based vesting requirement" and a "liquidity event vesting requirement," with the satisfaction of the "liquidity event vesting requirement", an improbable contingency until the consummation of our IPO on May 13, 2024. See Note 13 to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for additional information.

Prior to January 1, 2024, we valued the awards granted using historical estimates of the fair value of our common stock. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants Accounting and Valuation Guide, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*. Commencing January 1, 2024 and prior to the IPO, the grant date fair value of the awards was derived from an interpolation based on the contemplated listing price of our anticipated IPO. For RSUs granted after the IPO, we used the closing stock price as reported on Nasdaq on the grant date as the grant date fair value.

The assumptions underlying pre-IPO valuations represented management's best estimates, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could have been materially different.

**Emerging Growth Company Status and Extended Transition Period Election**

We qualify as an "emerging growth company" pursuant to the provisions of the JOBS Act. For as long as we are an "emerging growth company," we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, exemptions from the requirements of holding advisory "say-on-pay" votes on executive compensation, and stockholder advisory votes on golden parachute compensation.

The JOBS Act also permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to "opt-in" to this extended transition period for complying with new or revised accounting standards and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that comply with such new or revised accounting standards on a non-delayed basis.

We are a “smaller reporting company” as defined under the federal securities laws, and will continue to be a smaller reporting company until such time as (i) the market value of our common stock held by non-affiliates is more than $250.0 million or (ii) our annual revenue is more than $100.0 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is more than $700.0 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K, we are not required to comply with the auditor attestation requirements of Section 404 and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

**Recently Adopted Accounting Pronouncements**

See Note 2 to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for information regarding recently issued accounting pronouncements.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

**Item 8. Financial Statements and Supplementary Data**

**SILVACO GROUP, INC.**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

# Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Silvaco Group, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Silvaco Group, Inc. and subsidiaries (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of loss, comprehensive loss, stockholders’ equity and cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Baker Tilly US, LLP

San Jose, California
March 12, 2026

We have served as the Company’s auditor since 2021.

**SILVACO GROUP, INC.**
**CONSOLIDATED BALANCE SHEETS**
*(in thousands except share and par value amounts)*

| | As of December 31, | |
|---|---|---|
| | **2025** | **2024** |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 9,008 | $ 19,606 |
| Restricted cash | 8,250 | — |
| Accounts receivable, net | 9,710 | 9,211 |
| Current marketable securities | 1,018 | 63,071 |
| Contract assets, net | 13,362 | 11,932 |
| Prepaid expenses and other current assets | 4,728 | 3,460 |
| Total current assets | **46,076** | **107,280** |
| Non-current assets: | | |
| Non-current marketable securities | — | 4,785 |
| Property and equipment, net | 1,525 | 865 |
| Operating lease right-of-use assets, net | 3,114 | 1,711 |
| Intangible assets, net | 26,027 | 4,369 |
| Goodwill | 30,070 | 9,026 |
| Non-current portion of contract assets | 14,272 | 12,611 |
| Other assets | 1,558 | 1,698 |
| Total non-current assets | **76,566** | **35,065** |
| Total assets | **$ 122,642** | **$ 142,345** |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 3,483 | $ 3,316 |
| Accrued expenses and other current liabilities | 19,397 | 19,801 |
| Accrued income taxes | 2,486 | 1,668 |
| Operating lease liabilities, current | 1,121 | 744 |
| Deferred revenue, current | 10,751 | 7,497 |
| Vendor financing obligation, current | 1,165 | 1,462 |
| Total current liabilities | **38,403** | **34,488** |
| Non-current liabilities: | | |
| Deferred revenue, non-current | 5,157 | 3,593 |
| Operating lease liabilities, non-current | 1,961 | 946 |
| Vendor financing obligation, non-current | 2,038 | 2,928 |
| Other non-current liabilities | 94 | 307 |
| Total liabilities | **47,653** | **42,262** |
| Commitments and contingencies (Note 16) | | |
| Stockholders' equity: | | |
| Preferred stock $0.0001 par value: 10,000,000 shares authorized, no shares issued and outstanding as of December 31, 2025 and 2024 | — | — |
| Common stock,$0.0001 par value: 500,000,000 shares authorized; 30,948,403 and 28,526,615 shares issued and outstanding as of December 31, 2025 and 2024, respectively | 3 | 3 |
| Additional paid-in capital | 146,136 | 130,360 |
| Accumulated deficit | (69,218) | (28,012) |
| Accumulated other comprehensive loss | (1,932) | (2,268) |
| Total stockholders' equity | **74,989** | **100,083** |
| Total liabilities and stockholders' equity | **$ 122,642** | **$ 142,345** |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SILVACO GROUP, INC.**
**CONSOLIDATED STATEMENTS OF LOSS**
*(in thousands except share and per share amounts)*

| | Year Ended December 31, | |
|---|---|---|
| | **2025** | **2024** |
| Revenue: | | |
| Software license revenue | $ 42,885 | $ 43,991 |
| Maintenance and service | 20,179 | 15,689 |
| Total revenue | **63,064** | **59,680** |
| Cost of revenue | 13,694 | 12,042 |
| Gross profit | **49,370** | **47,638** |
| Operating expenses: | | |
| Research and development | 29,858 | 20,740 |
| Selling and marketing | 18,310 | 18,300 |
| General and administrative | 34,028 | 37,571 |
| Litigation settlement | 13,069 | 11,306 |
| Total operating expenses | **95,265** | **87,917** |
| Operating loss | **(45,895)** | **(40,279)** |
| Loss on debt extinguishment | — | (718) |
| Interest income | 1,947 | 2,976 |
| Interest expense and other income (expense), net | (697) | (899) |
| Loss before income tax provision | **(44,645)** | **(38,920)** |
| Income tax (benefit) provision | (3,439) | 484 |
| Net loss | **$ (41,206)** | **$ (39,404)** |
| Net loss per share attributable to common stockholders: | | |
| Basic and diluted | $ (1.39) | $ (1.53) |
| Weighted average shares used in computing per share amounts: | | |
| Basic and diluted | 29,741,263 | 25,672,845 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SILVACO GROUP, INC.**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**
*(in thousands)*

| | Year Ended December 31, | |
|---|---|---|
| | **2025** | **2024** |
| Net loss | **$ (41,206)** | **$ (39,404)** |
| Other comprehensive income (loss): | | |
| Foreign currency translation adjustments | 476 | (417) |
| Unrealized gain (loss) on marketable securities | (140) | 141 |
| Comprehensive loss | **$ (40,870)** | **$ (39,680)** |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SILVACO GROUP, INC.**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
*(in thousands except share amounts)*

| | Common Stock | | Additional Paid-in Capital | (Accumulated Deficit) Retained Earnings | Accumulated Other Comprehensive Loss | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| Balance, December 31, 2023 | **20,000,000** | **$ 2** | **$ —** | **$ 11,392** | **$ (1,992)** | **$ 9,402** |
| Issuance of common stock in connection with initial public offering, net of underwriting fees and commissions and net of deferred transaction costs of $3,299 | 6,000,000 | 1 | 102,721 | — | — | 102,722 |
| Conversion of Micron Note into common stock | 294,217 | — | 5,589 | — | — | 5,589 |
| Issuance of common stock for share-based award plans | 2,959,580 | — | 315 | — | — | 315 |
| Tax withholding on restricted stock unit settlements | (727,182) | — | (4,575) | — | — | (4,575) |
| Stock-based compensation expense | — | — | 26,310 | — | — | 26,310 |
| Other comprehensive loss | — | — | — | — | (276) | (276) |
| Net loss for the year | — | — | — | (39,404) | — | (39,404) |
| Balance, December 31, 2024 | **28,526,615** | **$ 3** | **$ 130,360** | **$ (28,012)** | **$ (2,268)** | **$ 100,083** |
| Issuance of common stock in a business combination | 1,101,283 | — | 5,266 | — | — | 5,266 |
| Issuance of common stock for share-based award plans | 1,697,194 | — | 899 | — | — | 899 |
| Tax withholding on restricted stock unit settlements | (376,689) | — | (1,806) | — | — | (1,806) |
| Stock-based compensation expense | — | — | 11,417 | — | — | 11,417 |
| Other comprehensive income | — | — | — | — | 336 | 336 |
| Net loss | — | — | — | (41,206) | — | (41,206) |
| Balance, December 31, 2025 | **30,948,403** | **$ 3** | **$ 146,136** | **$ (69,218)** | **$ (1,932)** | **$ 74,989** |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SILVACO GROUP, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
*(in thousands)*

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| Cash flows from operating activities: | | |
| Net loss | $ (41,206) | $ (39,404) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 3,470 | 1,285 |
| Stock-based compensation expense | 10,813 | 26,915 |
| Loss on fixed asset disposal | 38 | — |
| Provision for credit losses | (80) | 351 |
| Accretion of discount on marketable securities, net | (490) | (1,685) |
| Litigation settlement | 13,069 | 11,306 |
| Loss on debt extinguishment | — | 718 |
| Change in fair value of contingent consideration | 94 | (27) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 2,288 | (5,971) |
| Contract assets | (2,667) | (10,293) |
| Prepaid expense and other current assets | (164) | (790) |
| Other assets | 1,281 | 57 |
| Accounts payable | (781) | 1,326 |
| Accrued expenses and other current liabilities | (27,626) | (2,160) |
| Related party funding of litigation settlement | 8,125 | — |
| Accrued income taxes | 817 | 74 |
| Deferred revenue | 1,508 | (1,585) |
| Other non-current liabilities | (2,395) | 109 |
| Net cash used in operating activities | (33,906) | (19,774) |
| Cash flows from investing activities: | | |
| Purchases of marketable securities | — | (99,630) |
| Sales of marketable securities | 32,288 | — |
| Maturities of marketable securities | 34,900 | 33,600 |
| Proceeds from fixed asset disposal | 32 | — |
| Purchases of property and equipment | (618) | (505) |
| Acquisition of businesses | (32,879) | — |
| Net cash provided by (used in) investing activities | 33,723 | (66,535) |
| Cash flows from financing activities: | | |
| Proceeds from initial public offering, net of underwriting fees | — | 106,020 |
| Proceeds from issuance of convertible note, net of debt issuance costs | — | 4,852 |
| Proceeds from loan facility | — | 4,250 |
| Repayment of loan facility | — | (4,250) |
| Repayment of related party line of credit | — | (2,000) |
| Proceeds from issuance of common stock for share-based awards | 899 | 315 |
| Payroll taxes related to shares withheld from employees | (1,808) | (4,575) |
| Deferred transaction costs | — | (2,649) |
| Contingent consideration | (46) | (74) |
| Payments of vendor financing obligation | (1,259) | (588) |
| Net cash (used in) provided by financing activities | (2,214) | 101,301 |
| Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash | 49 | 193 |
| Net (decrease) increase in cash and cash equivalents | (2,348) | 15,185 |
| Cash, cash equivalents and restricted cash, beginning of period | 19,606 | 4,421 |
| Cash, cash equivalents and restricted cash, end of period | $ 17,258 | $ 19,606 |
| Cash, cash equivalents and restricted cash: | | |
| Cash and cash equivalents | 9,008 | 19,606 |
| Restricted cash | 8,250 | — |
| Total cash, cash equivalents and restricted cash | $ 17,258 | $ 19,606 |
| Supplemental disclosures of cash flow information: | | |
| Income taxes paid | $ 550 | $ 625 |
| Interest paid | $ 359 | $ 498 |
| Noncash investing and financing activities: | | |
| Right of use assets obtained in exchange for lease obligations | $ 2,400 | $ 607 |
| Fair value of common stock issued in acquisition of businesses | $ 5,267 | $ — |
| Issuance of equity upon Micron Note conversion | $ — | $ 5,589 |
| Financial obligation incurred upon purchase of NXP IP | $ — | $ 4,979 |

*The accompanying notes are an integral part of these consolidated financial statements.*

**SILVACO GROUP, INC.**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**For the Years Ended December 31, 2025 and 2024**

## 1. Description of Business

Silvaco Group, Inc. ("Silvaco," and the "Company" refers to Silvaco Group Inc. and its subsidiaries, unless the context specifically requires otherwise) was incorporated as a Delaware corporation on November 18, 2009. The Company is a provider of technology computer aided design ("TCAD") software, electronic data automation ("EDA") software and semiconductor intellectual property ("SIP"). TCAD, EDA and SIP solutions enable semiconductor and photonics companies to increase productivity, accelerate their products' time-to-market and reduce their development and manufacturing costs. The Company has decades of expertise developing the "technology behind the chip" and providing solutions that span from atoms to systems, starting with providing software for the atomic level simulation of semiconductor and photonics material for devices, to providing software and SIP for the design and analysis of circuits and system level solutions. The Company provides SIP for system-on-a-chip ("SoC"), integrated circuits ("ICs") and SIP management tools to enable team collaborations on complex SoC designs. The Company's customers include semiconductor manufacturers, original equipment manufacturers ("OEMs") and design teams who deploy the Company's solutions in production flows across the Company's target markets, including display, power devices, automotive, memory, high performance computing ("HPC"), internet of things ("IoT") and 5G/6G mobile markets.

### *Initial public offering*

In May 2024, the Company completed its initial public offering ("IPO"), in which it issued and sold 6,000,000 shares of its common stock at the public offering price of $19.00 per share. The Company received gross proceeds of $114.0 million, with $106.0 million funded to the Company after deducting underwriting discounts and commissions of $8.0 million.

## 2. Summary of Significant Accounting and Reporting Policies

### *Basis of presentation and consolidation*

The accompanying consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles and include the accounts of Silvaco and all of the Company's wholly owned subsidiaries with operations in North America, Europe, Asia, Africa, and South America. All intercompany transactions and balances have been eliminated upon consolidation.

### *Emerging growth company status*

The Company is an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that the Company (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act.

### *Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenue and expenses during the reported periods. The Company's most significant estimates relate to revenue recognition and the valuation of goodwill and other intangible assets. Other uses of estimates include, but are not limited to, current expected credit losses for accounts receivable and contract assets, stock-based compensation expense, contingent consideration, derivative valuations, uncertain tax positions, legal contingencies and income taxes. Actual results could differ from those estimates.

### *Revenue recognition*

The Company's revenue is derived principally from software licensing, customization and related maintenance and service, which are generally accounted for as separate performance obligations with differing revenue recognition patterns. Arrangements with both software licenses and customization services are accounted for as a combined performance obligation.

The Company recognizes revenue pursuant to Accounting Standard Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized upon transfer of control of the promised good or service to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for such software or service. To achieve this objective, the Company applies a five-step approach: (1) identify the contract(s) with a customer, (2) identify the performance obligations within the contract, (3) determine the transaction price, (4) allocate the transaction price to the separate performance obligations and (5) recognize revenue when, or as, each performance obligation is satisfied.

Revenue from software licenses is classified as software license revenue. Software license revenue is recognized upfront upon delivery of the licensed software. Typically, the Company's software solution is licensed with post-contract support ("PCS"), which includes unspecified technical enhancements and customer support. The PCS is classified as maintenance and service revenue and is recognized ratably over the contract period, as the Company satisfies the PCS performance obligation over time.

The Company also offers standard SIP licenses, which provide the customer with access to SoC design intellectual property (“IP”) that meets established industry standards. Standard SIP licenses offered by the Company are ready to use upon delivery. No modification is required in order for the customer to receive value for use in their integrated circuit designs. The Company also offers SIP licenses that require customization in accordance with the customer’s specifications. Revenue associated with the license of the Company’s SIP is classified as software license revenue and recognized as revenue (i) upfront upon delivery of the standard SIP license, or (ii) over time when customization services are combined with the SIP license, as specific contractual milestones are met and incremental functionality is delivered to the customer. The Company does not offer SIP licenses without support. Support services for SIP licenses are classified as maintenance and service revenue and are recognized ratably over the term of the support period.

Under certain SIP license agreements, the Company also derives revenue through royalties from customers who agree to pay usage-based fees to embed the Company's licensed software into their own software offerings. Royalties are generally recognized as revenue during the period in which the customer sells its solutions which incorporate the Company’s SIP license.

In connection with the Company’s SIP licenses that was developed in partnership with a third party vendor, Silvaco has entered into various renewable license agreements under which the Company has the right to sell the technology it licenses from the third party vendor. When the Company licenses this particular SIP to a customer, it generally acts as a principal to the transaction because the Company controls the promised SIP that it delivers to the customer. Consistent with its role as principal, the Company recognizes SIP revenue on a gross basis. Royalty costs are reported in cost of revenue upon delivery pursuant to the terms and conditions of the Company’s contractual obligations with the licensors.

The Company recognized an immaterial portion of its revenue from device characterization and modeling services for the years ended December 31, 2025 and 2024. Revenue is recognized upon the completion of the requested services and, as applicable, satisfaction of customer acceptance terms. Revenue from these services is classified as maintenance and service revenue.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 days. Invoicing may vary from timing of revenue recognition. In instances where the timing of revenue recognition differs from the timing of invoicing, the Company has determined its contracts generally do not include a significant financing component.

Non-income related taxes collected from customers and remitted to governmental authorities are recorded on the consolidated balance sheets as accounts receivable and accrued expenses. The collection and payment of these amounts are reported on a net basis in the consolidated statements of loss.

Silvaco does not offer a right of return. The Company warrants to its customers that its software will perform substantially as specified in its current user manuals. Silvaco has not experienced significant claims related to software warranties beyond the scope of maintenance support, which the Company is already obligated to provide. The warranty is not sold, and cannot be purchased, separately. The warranty does not provide any type of additional service to the customer or performance obligation for Silvaco.

The Company's agreements with customers generally require Silvaco to indemnify the customer against claims that the Company's software infringes third-party patent, copyright, trademark or other proprietary rights. Such indemnification obligations are generally limited in a variety of industry-standard respects, including by affirming Silvaco's right to replace an infringing product.

*Significant judgments*

Silvaco's contracts typically include promises to transfer licenses, which enables customers to use the Company's software, and services. Judgment is required to determine if the promises are separate performance obligations, and if so, to allocate the transaction price to each performance obligation. The Company uses the estimated standalone selling price method to allocate the transaction price for each performance obligation. The estimated standalone selling price is determined using all information reasonably available to the Company, including market conditions and other observable inputs, historical pricing and the value relationship between Silvaco's various product and service offerings. The corresponding revenues are recognized as the related performance obligations are satisfied.

*Accounts receivable, contract assets and contract liabilities*

The timing of revenue recognition may differ from the timing of invoicing to customers, and these timing differences result in receivables (billed), contract assets (unbilled), or contract liabilities (deferred revenue) on the Company’s consolidated balance sheets. The Company records a contract asset when revenue is recognized prior to the right to invoice, or deferred revenue when revenue is recognized subsequent to invoicing. For time-based software agreements, customers are generally invoiced in equal, quarterly amounts, although some customers are invoiced in single or annual amounts. The Company records an unbilled receivable when revenue is recognized and it has an unconditional right to invoice and receive payment. The Company records an accounts receivable upon invoicing.

*Financing*

Silvaco is required to adjust promised amounts of consideration for the effects of the time value of money if the timing of the payments provides the customer or the Company with a significant financing benefit. Silvaco considers various factors in assessing whether a financing component exists, including the duration of the contract, market interest rates and the timing of payments. The Company's contracts do not include a significant financing component requiring adjustment to the transaction price.

*Sales commissions*

Sales commissions associated with multi-year contracts for new term-based licenses are deferred, capitalized, and amortized over an estimated customer life of five years. Capitalized sales commissions are included in prepaid expenses and other current assets and other assets on the Company's consolidated balance sheets. Amortization of sales commissions is included in selling and marketing expenses on the Company's consolidated statements of loss. The Company applies a practical expedient to expense sales commissions as incurred when the amortization period would have been one year or less. During the years ended December 31, 2025 and 2024, the Company capitalized sales commissions of $0.4 million and $0.9 million, respectively. Amortization of sales commissions during each of the years ended December 31, 2025 and 2024 was $0.9 million.

***Cash and cash equivalents***

Cash and cash equivalents consist of bank deposits and highly liquid investments in marketable securities with original maturities of three months or less at the time of purchase. The Company’s cash and cash equivalents as of December 31, 2025 and 2024 consisted of bank deposits, money market funds, and U.S. treasury securities with a fair value of $9.0 million and $19.6 million, respectively.

***Property and equipment***

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the various classes of assets, as follows:

| | |
|---|---|
| Leasehold improvements | Shorter of remaining life of lease, including option to renew that is expected to be exercised, or useful life of improvement. |
| Computers and software | 5 years |
| Servers and networking equipment | 4 years |
| Vehicles | 5 years |

Repairs and maintenance are expensed as incurred. Gains or losses from the sale or retirement of property and equipment and repairs and maintenance charges are included within general and administrative expenses in the consolidated statements of loss.

***Research and development***

Research and development (“R&D”) costs consist primarily of personnel costs for product development, engineering, quality assessment and other related costs associated with the development of new products, enhancements to existing products, quality assurance and testing. R&D costs are expensed as incurred. Internally developed software costs required to be capitalized as defined by ASC 350-40, *Internal-Use Software* are not material to the Company's consolidated financial statements.

***Business Combination***

To determine whether transactions should be accounted for as acquisitions of assets or business combinations, the Company makes certain judgments, which include assessment of the inputs, processes, and outputs associated with the acquired set of activities. If the Company determines that substantially all of the fair value of gross assets included in a transaction is concentrated in a single asset (or a group of similar assets), the assets will not represent a business. To be considered a business, the assets in a transaction need to include an input and a substantive process that together significantly contribute to the ability to create outputs.

The Company allocates the fair value of the purchase consideration to the assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The fair values of intangible assets are determined utilizing information available near the acquisition date based on expectations and assumptions that are deemed reasonable by management. Given the considerable judgment involved in determining fair values, the Company typically obtains assistance from third-party valuation specialists for significant items. If the transaction is deemed to be a business combination, any excess of the purchase price over the estimated fair values of net assets acquired is recorded as goodwill. Transaction costs are expensed as incurred. Amounts recorded in a business combination may change during the measurement period, which is a period not to exceed one year from the date of acquisition, as additional information about conditions that existed as of the acquisition date becomes available. Refer to Note 4, Acquisitions for additional information.

***Goodwill and other intangible assets***

Goodwill represents the excess of the fair value of consideration transferred over the fair value of net identifiable assets acquired. Other intangible assets consist of trade name, customer relationships, developed technology, noncompete agreements and licensed IP which are amortized over their useful lives of two to twelve years. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate an asset’s carrying value may not be recoverable.

Goodwill is not amortized but is tested annually for impairment and more often if there is an indicator of impairment that would more likely than not reduce the fair value of the Company's single reporting unit below its carrying amount. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value.

No indicators of impairment or impairment charges were identified or recorded to goodwill or other intangible assets during the years ended December 31, 2025 and 2024.

***Impairment of long-lived assets***

The Company continually monitors events and changes in circumstances that could indicate the carrying amounts of long-lived assets, including property and equipment, may not be recoverable. Accordingly, when indicators of impairment are present, the Company evaluates the carrying value of such assets in relation to the future undiscounted cash flows of the underlying assets. The Company's policy is to record an impairment loss when it is determined that the carrying amount of the assets may not be recoverable. No impairment charges were recorded to other long-lived assets for the years ended December 31, 2025 and 2024.

***Deferred transaction costs***

Deferred offering costs are capitalized and consist of fees and expenses incurred in connection with the Company's IPO, including the legal, accounting, printing, and other IPO-related costs. Upon completion of the IPO in May of 2024, $3.3 million of deferred transaction costs were reclassified to stockholders' equity and recorded against the proceeds from the offering. No balance was outstanding as of December 31, 2025 and 2024.

***Concentrations of credit risk***

Accounts receivable from customers representing 10% or more of the Company's total accounts receivable were as follows:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| Customer A | 14 % | * |
| Customer B | 11 % | * |
| Customer C | 10 % | * |
| Customer D | * | 21 % |
| Customer E | * | 15 % |

* Customer accounted for less than 10% of total accounts receivable at period end.

Revenue from customers representing 10% or more of the Company's total revenue was as follows:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| Customer B | 14 % | 15 % |

In addition to trade receivables and revenue, the Company's cash on deposit with financial institutions is also exposed to concentration risk. The Company's cash on deposit with financial institutions is insured through various public and private bank deposit insurance programs, foreign and domestic; however, a significant portion of cash balances held as of December 31, 2025 and 2024 exceeded insured limits.

As of December 31, 2025, $11.0 million, or 64%, of the Company's cash, cash equivalents and restricted cash was maintained with one financial institution, where the Company's current deposits are in excess of federally insured limits, and $5.5 million, or 55%, was held by the Company's foreign subsidiaries.

***Restricted cash***

As of December 31, 2025, the Company held restricted cash of $8.3 million to secure an irrevocable standby letter of credit issued in connection with a litigation settlement entered into in May 2025 with the former shareholders of Nangate, Inc. ("Nangate"). The letter of credit, secured with East West Bank on May 17, 2025, is scheduled to expire on June 30, 2026. As of December 31, 2025 no amounts had been drawn under the letter of credit. Restricted cash is classified as a current asset on the consolidated balance sheets. See Note 10, Related Parties, and Note 16, Commitments and Contingencies, for additional information.

***Marketable securities***

The Company's investments in marketable securities have been classified and accounted for as available-for-sale and are recorded at estimated fair value. The Company's available-for-sale marketable securities are comprised of money market funds, U.S. treasury securities and U.S. government securities. The Company classifies its investments with original maturities of three months or less when acquired as cash equivalents. The Company classifies its marketable securities with original maturities of longer than three months but within twelve months as of the reporting date as current marketable securities. Marketable securities with maturities of twelve months or longer as of the reporting date are classified as non-current marketable securities. Purchase discounts are accreted using the effective interest method over the life of the related security and such accretion is included in interest income in the consolidated statements of loss.

The Company did not recognize any other-than-temporary impairment on its marketable securities during the years ended December 31, 2025 and 2024. Unrealized gains and losses (excluding other-than-temporary impairment and credit loss) on available-for-sale marketable securities are reported in other comprehensive loss on the consolidated statements of comprehensive loss. Credit-related unrealized losses are recognized as an allowance on the consolidated balance sheets with a corresponding charge to interest expense and other income (expense), net on the consolidated statements of loss. The cost of securities sold is based on the specific identification method and realized gains and losses are reported in interest income and interest expense and other income (expense), net on the consolidated statements of loss, respectively. The Company recognized $0.1 million of unrealized loss and $0.1 million of unrealized gain on available-for-sale marketable securities in other comprehensive loss on the consolidated statements of comprehensive loss during the years ended December 31, 2025 and 2024, respectively.

***Allowance for credit losses***

The Company assesses its ability to collect outstanding receivables and contract assets and provides customer-specific allowances, allowances for credit losses for the portion of receivables and contract assets that are estimated to be uncollectible. Allowances for credit losses are based on historical collection experience and expected credit losses, customer specific financial condition, current economic trends in the customer's industry and geographic region, changes in customer demand and the overall economic climate in the market the Company serves. Provisions for the allowance for expected credit losses attributable to bad debt are recorded as general and administrative expenses in the consolidated statements of loss. Account balances deemed uncollectible are written off, net of actual recoveries. If circumstances related to specific customers or the market the Company serves change, the Company's estimate of the recoverability of its accounts receivable and contract assets could be further adjusted. The Company does not have any material account receivable or contract asset balances that are past due and has not written off any significant balances in its portfolio against the allowance for credit losses for the periods presented. The following table presents the Company's allowance for credit losses:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Beginning balance – January 1 | **$ 777** | **$ 539** |
| Provision for credit losses | (80) | 351 |
| Accounts written off | (213) | (113) |
| Ending balance – December 31 | **$ 484** | **$ 777** |

***Income taxes***

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period of the enactment date.

The Company records net deferred tax assets to the extent it believes these assets will more likely than not be realized. In making such determinations, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In the event the Company determines that Silvaco will be able to realize deferred tax assets for which a valuation allowance was used to reduce their carrying value, the adjustment to the valuation allowance will be recorded as a reduction to the provision for income taxes.

Tax benefits related to uncertain tax positions taken or expected to be taken on a tax return are recorded when such benefits meet a more-likely-than-not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, which means that the statute of limitations has expired, or the appropriate taxing authority has completed its examination even though the statute of limitations remains open.

The Company recognizes interest and penalties related to income taxes within the income tax provision line in the consolidated statements of loss. Accrued interest and penalties are included within accrued income taxes in the consolidated balance sheets.

***Foreign currencies***

The financial statements of Silvaco's international subsidiaries with local functional currencies are translated to U.S. dollars upon consolidation. Assets and liabilities are translated at the effective exchange rate on the balance sheet date. Results of operations are translated at average exchange rates, which approximate rates in effect when the underlying transactions occurred. For the years ended December 31, 2025 and 2024, the Company recorded foreign currency translation adjustments of $0.5 million and $0.4 million, respectively, within accumulated other comprehensive loss.

Certain sales and intercompany transactions are denominated in foreign currencies. These transactions are recorded in functional currency at the appropriate exchange rate on the transaction date. Monetary assets and liabilities denominated in a currency other than the Company's functional currency or its subsidiaries' functional currencies are remeasured at the effective exchange rate on the balance sheet date. Gains and losses resulting from foreign exchange transactions are included in interest expense and other income (expense), net in the consolidated statements of loss. The Company recorded net foreign exchange losses of $0.2 million and $0.4 million for the years ended December 31, 2025 and 2024, respectively.

***Accumulated other comprehensive loss***

Accumulated other comprehensive loss is composed entirely of foreign currency translation adjustments and unrealized gains and losses on marketable securities.

***Stock-based compensation***

The Company accounts for stock-based compensation in accordance with ASC Topic 718, *Compensation - Stock Compensation*, which establishes the accounting for transactions in which an entity exchanges its equity instruments for goods or services. Under the provisions of the authoritative guidance, stock-based compensation expense is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite employee service period (generally the vesting period), net of actual forfeitures. For stock-based payment awards that contain performance criteria, stock-based compensation expense is recorded when the achievement of the performance condition is considered probable of achievement and is recorded on a straight-line basis over the requisite service period. If such performance criteria are not met, no compensation expense is recognized and any recognized compensation expense is reversed. For awards with market and service conditions, the Company recognizes stock-based compensation on a straight-line basis for all awards for which the service conditions are met, regardless of whether the market condition is achieved.

Prior to the IPO in May 2024, the Company did not record stock-based compensation expense. The restricted stock units (“RSUs”) granted under the 2014 Plan generally had two vesting requirements, a service-based requirement (the “Time-Based Requirement”) and a liquidity event requirement (the “Liquidity Event Requirement”), and the satisfaction of the Liquidity Event Requirement was not deemed probable. Refer to Note 13, Stock-Based Compensation for additional information.

Prior to January 1, 2024, the Company valued the awards granted using historical estimates of the fair value of Silvaco’s common stock. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants Accounting and Valuation Guide, Valuation of Privately-Held Company Equity Securities Issued as Compensation.

Commencing January 1, 2024 and prior to the IPO, the grant date fair value of the awards was derived from an interpolation based on the contemplated listing price of the Company’s anticipated IPO. For RSUs granted after the IPO, the Company used the publicly listed closing stock price on the grant date as the grant date fair value.

***Fair value of financial instruments***

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

As of December 31, 2025 and 2024, the carrying amount of the Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses approximated their fair values due to their short maturities. The Company's available for sale marketable securities have an amortized costs that approximates fair value, which was determined using quoted prices in active markets for identical assets and if that is unavailable, using third-party inputs which are either directly or indirectly observable, such as reported trades and broker or dealer quotes as of December 31, 2025 and 2024. Refer to Note 18, Fair Value of Financial Instruments for additional information.

***Research and development grants and tax subsidies***

Silvaco is a recipient of R&D grants and tax subsidies associated with the Company's French and British subsidiaries. Grants and tax subsidies are determined on the basis of eligible R&D expenses incurred during the calendar year. Eligible expenditures include depreciation expenses relating to fixed assets, created or acquired newly, assigned to eligible R&D projects, including patents acquired; costs relating to staff qualifying as scientists or engineers; expenses resulting from outsourced R&D projects; expenses incurred for patent registration or in connection with the defense of patents; and expenses relating to the monitoring of technical developments. The grants and tax subsidies are recorded as a reduction of R&D expense as qualifying expenditures are incurred. Certain tax subsidies can be offset against corporate income tax liabilities payable with respect to the calendar year during which the eligible R&D expenditures were incurred, and any excess credit is refunded to the taxpayer. Certain tax subsidies and all grants are paid to the Company in cash, which are included in prepaid expenses and other current assets in the Company's consolidated balance sheets until the Company receives the cash payment.

***Leases***

The Company determines if an arrangement is a lease at inception of the contract, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when the Company has the right to control the use of an identified asset for a period of time. The commencement date of the lease is the date that the lessor makes an underlying asset available for use by the lessee. On the commencement date, leases are evaluated for classification and assets and liabilities are recognized based on the present value of lease payments over the lease term. Leases are classified as either operating or finance leases based on certain criteria. This classification determines the timing and presentation of expenses on the income statement, as well as the presentation of the related cash flows and balance sheet. Operating leases with terms greater than 12 months are recorded on the balance sheet as operating lease right-of use assets, other accrued expenses and liabilities, and non-current operating lease liabilities. The Company has elected the practical expedient to account for the lease and non-lease components as a single lease component for all asset classes.

The lease term used to calculate the lease liability includes options to extend or terminate the lease when it is reasonably certain that the option will be exercised. The right of use ("ROU") asset is initially measured as the amount of lease liability, adjusted for any initial lease costs, prepaid lease payments and any lease incentives. Variable lease payments, consisting primarily of reimbursement of costs incurred by lessors for common area maintenance, real estate taxes and insurance, are not included in the lease liability and are recognized as they are incurred.

As most of the Company's leases do not provide an implicit rate, the Company uses the incremental secured borrowing rate at lease commencement to measure ROU assets and lease liabilities. The discount rate used for operating leases is primarily determined based on an analysis of the Company's incremental secured borrowing rate. The related lease payments are expensed on a straight-line basis over the lease term, including, as applicable, any free-rent period during which the Company has the right to use the asset.

The Company has no finance leases. Refer to Note 6, Leases for additional information.

***Advertising***

Advertising costs are expensed as incurred and were $40,000 and $39,000 for the years ended December 31, 2025 and 2024, respectively.

***Restructuring***

The Company's restructuring expenses consist of employee severance, one-time termination benefits and ongoing benefits related to the reduction of its workforce, and other exit and disposal costs. One-time involuntary termination benefits are expensed at the date the entity notifies the employee, unless the employee must provide future service beyond a minimum retention period, in which case the benefits are expensed ratably over the future service period. Ongoing benefits and one-time voluntary termination benefits are expensed when restructuring activities are probable and the benefit amounts are estimable. Other costs primarily consist of termination fees, idle rent and related expenses for exited locations and other costs related to restructuring activities, and are expensed when incurred. Refer to Note 5, Restructuring, for additional information.

***Net Loss per Share***

Basic net loss per share is computed based on the weighted average number of shares of common stock outstanding. Diluted net loss per share is computed based on the weighted average number of common shares outstanding increased by dilutive common stock equivalents attributable to RSU grants.

The following outstanding securities were excluded from the computation of diluted earnings per share because the effect would be anti-dilutive. Refer to Note 13, Stock-Based Compensation for additional information.

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| Unvested RSUs | 2,627,036 | 1,503,662 |
| Employee stock purchase plan | 169,965 | 77,004 |
| Contingently issuable shares to CEO | 24,691 | — |
| | 2,821,692 | 1,580,666 |

**Recently Adopted Accounting Pronouncements**

In December 2023, the Financial Accounting Standards Board ("FASB") issued accounting standard update ("ASU") No. 2023-09, Income Taxes (Topic 740): Improvement to Income Tax Disclosures to enhance the transparency and decision usefulness of income tax disclosures ("ASU 2023-09"). ASU 2023-09 is only effective for annual periods beginning after December 15, 2024, on a prospective basis. The Company adopted the new standard on a prospective basis with the filing of this Annual Report on Form 10-K. See Note 14, Income Taxes for additional information.

**Accounting Guidance Issued and Not Yet Adopted**

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Topic 220)*: Disaggregation of Income Statement Expenses. This ASU requires additional disclosure of certain amounts included in the expense captions presented on the statements of loss as well as disclosures about selling expenses. This ASU is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU No. 2025-05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This ASU provides a practical expedient that allows entities to estimate expected credit losses for current accounts receivable and contract assets assuming that conditions at the balance sheet date remain unchanged over the life of the asset. This ASU is effective for annual periods beginning after December 15, 2025, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on the consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. This ASU eliminates the accounting consideration of software project development stages to align with the agile method for developing software and enhances the guidance related to assessing the probability of project completion. This ASU is effective for annual periods beginning after December 15, 2027, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on the consolidated financial statements.

## 3. Revenue

The Company's revenue is derived principally from software licensing, customization and related maintenance and services, which are generally accounted for as separate performance obligations with differing revenue recognition patterns. Arrangements with both software licenses and customization services are accounted for as a combined performance obligation. The transaction price is allocated to each distinct performance obligation based on the relative standalone selling price.

Revenue from software licenses is classified as software license revenue. Software license revenue is recognized upfront upon delivery of the licensed software. Revenue associated with the license of the Company's SIP is classified as software license revenue and recognized as revenue (i) upfront upon delivery of the standard SIP license, or (ii) over time when customization services are combined with the SIP license, as specific contractual milestones are met and incremental functionality is delivered to the customer.

Maintenance and service revenue, which consists of both PCS for software licenses and support services for SIP licenses, is recognized ratably over the term of the contract period. Professional services revenue, which is classified as maintenance and service revenue, is recognized based on when the Company delivers the related service pursuant to the terms of the arrangement.

### *Customer contracts*

The Company accounts for a contract with a customer when both parties have approved the contract and are committed to perform their respective obligations, each party's rights and payment terms can be identified, the contract has commercial substance, and it is probable the Company will collect substantially all of the consideration it is entitled to.

For multi-year software licenses, the Company generally invoices customers annually at the beginning of each annual coverage period.

The contract balances of the Company's accounts receivable and contract assets, both of which are net of allowance for expected credit losses, and deferred revenue were as follows:

| | Contract Balances | | |
|---|---|---|---|
| | December 31, 2025 | December 31, 2024 | January 1, 2024 |
| | *(in thousands)* | | |
| Accounts receivable, net | $ 9,710 | $ 9,211 | $ 4,006 |
| Contract assets, net | $ 27,634 | $ 24,543 | $ 14,999 |
| Deferred revenue | $ 15,908 | $ 11,090 | $ 12,953 |

### *Transaction Price Allocated to the Remaining Performance Obligations*

As of December 31, 2025, approximately $47.1 million of revenue is expected to be recognized from remaining performance obligations. This figure represents contracted revenue that has not yet been recognized, which includes both deferred revenue and backlog, net of cancellations and adjustments. The Company's backlog represents installment billings for periods beyond the current billing cycle. The Company expects to recognize revenue on approximately 54% of these remaining performance obligations over the next 12 months, with the remaining balance recognized thereafter.

### *Deferred Revenue*

Deferred revenue is comprised mainly of unearned revenue related to PCS on software licenses and pending software license and SIP license deliveries. Deferred revenue also includes contracts for professional services to be performed in the future.

During each of the years ended December 31, 2025 and 2024, the Company recognized revenue of $6.7 million, that was included in the deferred revenue balance at the beginning of fiscal year 2025 and 2024. All other activity in deferred revenue is due to the timing of invoices in relation to the timing of revenue recognized during the years ended December 31, 2025 and 2024 as described above. Approximately 68% of the Company's deferred revenue as of December 31, 2025 is expected to be recognized over the next 12 months with the remainder recognized thereafter.

## 4. Acquisitions

### *Optical Proximity Correction Suite of Tools*

On March 4, 2025, the Company consummated an asset purchase agreement with Cadence Design Systems, Inc. ("Cadence"), pursuant to which, among other things, Silvaco agreed to acquire certain assets and assume certain liabilities comprising Cadence's Process Proximity Compensation product line, an optical proximity correction suite of tools (the "OPC Business"), in exchange for $11.5 million in cash.

The Company expects that the addition of the OPC suite of tools and expert team, which are complementary to Silvaco's EDA and TCAD suite, will enhance Silvaco's ability to offer advanced computational lithography solutions that address the increasing complexity of semiconductor manufacturing at advanced nodes.

The acquisition was accounted for as a business combination, and Silvaco recorded the assets acquired and liabilities assumed based on their estimated fair values at the date of the acquisition. Silvaco recorded the excess of consideration transferred over the aggregate fair values of acquired assets and assumed liabilities as goodwill. The goodwill recorded was primarily attributable to synergies expected to arise after the acquisition and the value of the acquired workforce, and is expected to be deductible for U.S. income tax purposes.

The following is a summary of the assets acquired and liabilities assumed in the OPC Business acquisition.

| Asset Type | Useful Life (in years) | Fair Value |
|---|---|---|
| | | *(in thousands)* |
| Contract asset | | $ 615 |
| Deferred tax asset | | 164 |
| Developed Technology | 7 | 1,000 |
| Customer Relationships | 6 | 4,990 |
| Goodwill | | 5,147 |
| Deferred revenue | | (416) |
| **Net assets acquired and liabilities assumed** | | **$ 11,500** |

The fair value of developed technology was determined using a discounted cash flow model through application of the income approach, using the relief-from-royalty method, which assumed a market-based royalty rate applied to projected revenue. The fair value of customer relationships was determined using a discounted cash flow model under the income approach, specifically the multi-period excess earnings method, which discounts future cash flows attributable to existing customers, net of operating expenses and contributory asset charges.

During the year ended December 31, 2025, the Company incurred $0.6 million of acquisition-related expenses in connection with the acquisition of the OPC Business, which were recognized in general and administrative expense on the consolidated statements of loss.

The operating results of the OPC Business, which have been included in the Company's consolidated financial statements since the date of acquisition, were as follows:

| | Year Ended December 31, 2025 |
|---|---|
| | *(in thousands)* |
| Revenue | $ 10,061 |

Due to the ongoing integration of the acquired business, determining its impact on net loss is impractical for the period presented.

***Tech-X Corporation***

On April 29, 2025, the Company consummated a stock purchase agreement with the shareholders of Tech-X Corporation ("Tech-X"), pursuant to which Silvaco agreed to acquire all of the outstanding shares of Tech-X for an aggregate purchase price of $8.2 million. The purchase consideration consisted of (i) $4.1 million in cash, (ii) 457,666 shares of the Company's common stock with a fair value of $2.4 million on the closing date, and (iii) contingent consideration, with a maximum payout of $2.0 million, and with an estimated fair value of $1.7 million, payable in cash upon the achievement of specified technical milestones through December 2026. In February 2026, the Company and the Tech-X selling shareholder representative agreed to amend the form of payment of the contingent consideration and post-closing net working capital adjustments to be payable in shares of the Company's common stock. The Company and the Tech-X selling shareholder representative also agreed to extend the date through which contingent consideration can be earned to July 2027. Refer to Note 19, Subsequent Events for additional information.

The fair value of the contingent consideration was determined using a discounted cash flow model utilizing a probability weighted analysis, and is re-valued period to period with any changes recorded to interest expense and other income (expense), net in the consolidated statements of loss. Refer to Note 18, Fair Value of Financial Instruments for additional information.

The Company believes that integrating Tech-X's advanced multi-physics simulation tools with Silvaco's Victory TCAD platform will enhance customers' ability to develop more accurate digital twin models for photonics, semiconductor devices and wafer-scale plasma etching.

The acquisition was accounted for as a business combination. The Company recognized the assets acquired and liabilities assumed at their estimated fair values as of the acquisition date. The excess of the total consideration transferred over the fair value of the net identifiable assets acquired was recorded as goodwill. The goodwill is primarily attributable to expected synergies from the integration of Tech-X's technologies with the Company's existing platform and the value of the acquired workforce. The goodwill is not deductible for U.S. income tax purposes.

The following is a summary of the fair value of assets acquired and liabilities assumed in the Tech-X acquisition.

| Asset Type | Useful Life ( in years) | Fair Value |
|---|---|---|
| | | *(in thousands)* |
| Cash | | $ 851 |
| Accounts receivable | | 749 |
| Prepaid expenses and other current assets | | 75 |
| Property and equipment | | 33 |
| Customer relationships | 6 | 1,730 |
| Developed technology | 7 | 1,280 |
| Trade name | 2 | 130 |
| Goodwill | | 4,385 |
| Accounts payable | | (104) |
| Accrued expenses and other current liabilities | | (303) |
| Deferred tax liability | | (572) |
| Deferred revenue | | (80) |
| **Net assets acquired and liabilities assumed** | | **$ 8,174** |

The fair value of customer relationships was determined using a discounted cash flow model under the income approach, specifically the multi-period excess earnings method, which discounts future cash flows attributable to existing customers, net of operating expenses and contributory asset charges. The fair value of the developed technology and trade name intangibles were determined using a discounted cash flow model under the income approach, specifically the relief-from-royalty method, which assumes a market-based royalty rate applied to projected revenues.

During the year ended December 31, 2025, the Company incurred $0.8 million in acquisition-related expenses in connection with the acquisition of Tech-X, which were recognized in general and administrative expense on the consolidated statements of loss.

The operating results of Tech-X have been included in the Company's consolidated financial statements since the date of acquisition and were not material for the periods presented.

***Mixel Group, Inc.***

On August 1, 2025, the Company consummated a stock purchase agreement with the shareholders of Mixel Group, Inc. ("Mixel"), pursuant to which Silvaco agreed to acquire all of the outstanding shares of Mixel for an aggregate purchase price of $22.5 million. The purchase consideration consisted of (i) $19.7 million in cash and (ii) 643,617 shares of the Company's common stock with a fair value of $2.8 million on the closing date.

The Company believes that Mixel's low-power connectivity silicon IP solutions complements Silvaco's offerings and will position the Company for higher growth in low-power, high-performance connectivity solutions.

The acquisition was accounted for as a business combination. The Company recognized the assets acquired and liabilities assumed at their estimated fair values as of the acquisition date. The excess of the total consideration transferred over the fair value of the net identifiable assets acquired was recorded as goodwill. The goodwill is primarily attributable to synergies expected to arise after the acquisition and the value of the acquired workforce. The goodwill is not deductible for U.S. income tax purposes.

The following is a summary of the fair value of assets acquired and liabilities assumed in the Mixel acquisition.

| Asset Type | Useful Life (in years) | Fair Value |
|---|---|---|
| | | *(in thousands)* |
| Cash | | $ 1,040 |
| Accounts receivable | | 1,736 |
| Contract assets, net | | 45 |
| Prepaid expenses and other current assets | | 392 |
| Property and equipment | | 486 |
| Customer relationships | 7 | 7,400 |
| Developed technology | 7 | 2,700 |
| Trade name | 12 | 5,500 |
| Operating lease right-of-use assets, net | | 881 |
| Other assets | | 4 |
| Goodwill | | 11,512 |
| Accounts payable | | (842) |
| Accrued expenses and other current liabilities | | (1,609) |
| Operating lease liabilities, current | | (269) |
| Deferred revenue, current | | (2,653) |
| Deferred tax liability | | (3,209) |
| Operating lease liabilities, non-current | | (612) |
| **Net assets acquired and liabilities assumed** | | **$ 22,502** |

The fair value of customer relationships was determined using a discounted cash flow model under the income approach, specifically the multi-period excess earnings method, which discounts future cash flows attributable to existing customers, net of operating expenses and contributory asset charges. The fair value of the developed technology and trade name intangibles were determined using a discounted cash flow model under the income approach, specifically the relief-from-royalty method, which assumes a market-based royalty rate applied to projected revenues.

During the year ended December 31, 2025, the Company incurred $2.0 million in acquisition-related expenses in connection with the acquisition of Mixel, recognized in general and administrative expense on the consolidated statements of loss.

The operating results of Mixel have been included in the Company's consolidated financial statements since the date of acquisition and the Company recognized revenue of $3.6 million for the year ended December 31, 2025. The remainder of Mixel's operating results were not material for the year ended December 31, 2025.

ASC 805 also requires presentation of pro forma information for the comparable period, when the comparable period is presented. The Company was not able to obtain financial information sufficient to make these disclosures for each of the business combinations entered into during the year ended December 31, 2025. Therefore, the Company has not made the comparable period pro forma disclosure because it would be impracticable to do.

## 5. Restructuring

In October 2025, the Company began implementing targeted cost-savings initiatives intended to streamline the Company's organizational structure, improve execution, and enhance stockholder value (the "Restructuring Plan"). The Company announced a voluntary early retirement program and a voluntary exit program available to certain employees in the United States, Asia, and Europe that meet the eligibility criteria. Participating employees received acceleration of any unvested RSUs held by the participating employees together with a grant of fully vested shares, such that the total value of the accelerated RSUs and additional shares is equal to four, six, or twelve months of the participating employee's salary. In connection with the Restructuring Plan, on November 24, 2025, the Company also announced an involuntary reduction in force in the United States. The Company incurred costs in connection with the Restructuring Plan that consist of severance costs for 52 terminated employees and other costs such as the site closures as part of its global site strategy. The Company expects to complete the Restructuring Plan in 2026.

The Company has $0.1 million of remaining obligations related to the restructuring plan as of December 31, 2025, which are included in accrued expenses and other current liabilities on the Company's consolidated balance sheets.

Restructuring expenses are included within operating expenses in the consolidated statements of loss as follows:

| | Year Ended December 31, 2025 |
|---|---|
| | *(in thousands)* |
| Research and development | $ 737 |
| Selling and marketing | 384 |
| General and administrative | 149 |
| | **$1,270** |

## 6. Leases

The Company's headquarters are located in Santa Clara, California, where the Company has an operating lease covering its corporate office expiring in April 2028. The Company also has operating leases in Duluth, Georgia, and abroad, in Japan, France, China, the United Kingdom, Taiwan, Singapore, Korea, Egypt, and Vietnam, among other countries. The expiration dates for these operating leases range from 2026 through 2035. Refer to Note 10, Related Parties for further information on the Company's lease renewal entered during the year ended December 31, 2025.

The components of operating lease cost were as follows:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Operating lease cost | $ 1,215 | $ 940 |
| Variable lease cost [1] | 484 | 168 |
| **Total operating lease cost** | **$ 1,699** | **$ 1,108** |

(1) Variable lease cost includes common area maintenance, utilities, security, insurance and property taxes.

Additional information related to the Company's operating leases for the years ended December 31, 2025 and 2024 was as follows:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Cash paid for operating lease liabilities | $ 1,215 | $ 930 |
| Right-of use assets obtained in exchange for operating lease liabilities | $ 2,400 | $ 607 |

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| Weighted average remaining lease term (in years) | 3.21 | 3.41 |
| Weighted average discount rate | 8.04 % | 3.00 % |

As of December 31, 2025, maturities of operating lease liabilities were as follows:

| Year Ending December 31, | Amount |
|---|---|
| | *(in thousands)* |
| 2026 | $ 1,443 |
| 2027 | 1,068 |
| 2028 | 448 |
| 2029 | 242 |
| 2030 | 34 |
| Thereafter | 154 |
| **Total lease payments** | **$ 3,389** |
| Less: imputed interest | (307) |
| **Total operating lease liabilities** | **$ 3,082** |
| **Current portion of lease liability** | **1,121** |
| **Non-current portion of lease liability** | **$ 1,961** |

Rent expense was $1.7 million and $1.2 million for the years ended December 31, 2025 and 2024, respectively.

### 7. Property and Equipment, Net

The Company's property and equipment at December 31, 2025 and 2024 consisted of the following:

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Computer software | $ 6,108 | $ 5,944 |
| Equipment | 926 | 512 |
| Buildings and improvements | 94 | 198 |
| Leasehold improvements | 312 | 212 |
| Furniture and fixtures | 95 | 139 |
| **Total property and equipment** | **7,535** | **7,005** |
| Less accumulated depreciation | (6,010) | (6,140) |
| **Total property and equipment, net** | **$ 1,525** | **$ 865** |

During the years ended December 31, 2025 and 2024, the Company retired $0.5 million and $0.2 million of property and equipment that was fully depreciated and no longer in service. Depreciation expense was $0.4 million and $0.3 million for the years ended December 31, 2025 and 2024, respectively.

### 8. Goodwill and Intangible Assets

The Company completed the acquisitions of the OPC Business in March 2025, Tech-X in April 2025, and Mixel in August 2025, which collectively resulted in an increase to goodwill of $21.0 million during the year ended December 31, 2025. Refer to Note 4, Acquisitions for additional information.

For the years ended December 31, 2025 and 2024, intangible assets were classified as follows:

| Intangible assets: | Weighted Average Useful Life (in years) | December 31, 2025 | | |
|---|---|---|---|---|
| | | Gross Carrying Value | Accumulated Amortization | Net Carrying Value |
| | | *(in thousands)* | | |
| Developed technology | 6.7 | $ 5,780 | $ (1,199) | $ 4,581 |
| Customer relationships | 6.5 | 14,120 | (1,307) | 12,813 |
| Trade name | 11.8 | 5,630 | (234) | 5,396 |
| Non-compete agreements | 5.0 | 20 | (20) | — |
| Licensed IP | 5.0 | 4,979 | (1,742) | 3,237 |
| **Total intangible assets** | | **$ 30,529** | **$ (4,502)** | **$ 26,027** |

| Intangible assets: | Weighted Average Useful Life (in years) | December 31, 2024 | | |
|---|---|---|---|---|
| | | Gross Carrying Value | Accumulated Amortization | Net Carrying Value |
| | | *(in thousands)* | | |
| Developed technology | 5.0 | $ 800 | $ (666) | $ 134 |
| Customer relationships | 5.0 | 90 | (90) | — |
| Non-compete agreements | 5.0 | 20 | (17) | 3 |
| Licensed IP | 5.0 | 4,979 | (747) | 4,232 |
| **Total intangible assets** | | **$ 5,889** | **$ (1,520)** | **$ 4,369** |

The Company completed the acquisitions of the OPC Business in March 2025, Tech-X in April 2025, and Mixel in August 2025 which collectively resulted in an increase of acquired intangibles of $24.7 million during the year ended December 31, 2025. Refer to Note 4, Acquisitions for additional information.

On April 11, 2024, the Company amended its license agreement to sell SIP developed in partnership with NXP Semiconductors Netherlands B.V. (“NXP”) (the “NXP IP”) for total cash consideration of $6.0 million, to be paid over 5 years. The NXP IP has a net book value of $3.2 million as of December 31, 2025 and a useful life of 5 years, which is the length of the license agreement. The Company recorded a corresponding vendor financing obligation related to the license agreement with NXP. Refer to Note 12, Debt and Financing Obligations for additional information.

Amortization expense was as follows:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Cost of revenue | $ 995 | $ 747 |
| Research and development | 427 | 206 |
| General and administrative | 1,648 | — |
| **Total amortization expense** | $ 3,070 | $ 953 |

On January 1, 2025 and 2024, the Company retired $0.1 million and $4.3 million of intangible assets that were fully amortized, respectively.

As of December 31, 2025, estimated future amortization expense for the intangible assets reflected above was as follows:

| Year Ending December 31, | Amount |
|---|---|
| | *(in thousands)* |
| 2026 | $ 4,408 |
| 2027 | 4,364 |
| 2028 | 4,343 |
| 2029 | 3,596 |
| 2030 | 3,347 |
| Thereafter | 5,969 |
| **Total net carrying value of intangible assets** | **$ 26,027** |

### 9. Significant Balance Sheet Components

Prepaid expenses and other current assets consisted of the following:

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Research and development tax credits and grants | $ 1,666 | $ 900 |
| Deferred sales commissions[(a)] | 751 | 793 |
| Software and subscriptions | 1,089 | 679 |
| Current lease deposits | 163 | 321 |
| Other prepaid expenses | 1,059 | 767 |
| **Total prepaid expenses and other current assets** | **$ 4,728** | **$ 3,460** |

Other assets consisted of the following:

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Deferred sales commissions[(a)] | $ 1,112 | $ 1,449 |
| Lease deposits | 188 | 142 |
| Other prepaid expenses | 258 | 107 |
| **Total other assets** | **$ 1,558** | **$ 1,698** |

(a) Balance reflects commissions paid for new contracts, primarily new multi-year term license arrangements to be amortized over the anticipated customer life of five years.

### 10. Related Parties

The Company has a commercial lease agreement with Kipee International, Inc., a real estate entity controlled by a principal stockholder and member of the Company's board of directors, for Silvaco's corporate office in Santa Clara, California. In connection with this lease arrangement, the Company recorded rent expense of $0.2 million and $0.2 million during the years ended December 31, 2025 and 2024. The Company's original three year commercial office lease for this property commenced on May 1, 2022, and expired on April 30, 2025. The Company and Kipee International renewed the lease, effective as of May 1, 2025, for a three year period ending on April 30, 2028. The Company's right-of-use asset and operating lease liability for this property is $0.6 million as of December 31, 2025.

The Company has international office leases with New Horizons (Cambridge) LTD ("NHC") and New Horizons France ("NHF") in Cambridgeshire, England and Grenoble, France, respectively. NHC and NHF are real estate entities owned and controlled by a principal stockholder and member of the Company's board of directors. In connection with these lease arrangements, the Company recorded rent expense of $0.3 million during each of the years ended December 31, 2025 and 2024. The Company's right-of-use asset and operating lease liability under the NHC lease, which expires on December 31, 2029, is $0.8 million as of December 31, 2025. The Company's right-of-use asset and operating lease liability under the NHF lease, which expires on April 30, 2026, is $20.9 thousand as of December 31, 2025.

On June 13, 2022, Silvaco entered into a $4.0 million line of credit with a principal stockholder and member of the Company's board of directors (the "2022 Credit Line"). In connection with this line of credit, the Company recorded interest expense of $0.1 million during the year ended December 31, 2024. The outstanding amounts due under the 2022 Credit Line were repaid in full and the 2022 Credit Line was terminated in May 2024. Refer to Note 12, Debt and Financing Obligations for additional information.

In February 2012, Gu-Guide LP, a real estate entity controlled by a principal stockholder and member of the Company's board of directors, Bank of the West and the Company, as guarantor, entered into a loan agreement pursuant to which Bank of the West agreed to lend Gu-Guide LP certain amounts of money (the "Loan"). The Loan was secured by a 9,000 square foot building located in Santa Clara, California. The Loan was repaid in full and the Company was released from the guarantee in July of 2024. In the event that the proceeds from the foreclosure of the foregoing collateral were insufficient to repay the outstanding amounts under the Loan, the Company guaranteed the repayment of the outstanding amounts under the Loan.

In May 2025, the Company and two of our principal stockholders and members of our board of directors (the "Co-Defendants") agreed to a Settlement Agreement in connection with a trial court judgment awarded to the Nangate Parties. The $32.5 million settlement (the "Settlement Payment") consists of $16.0 million payable on June 18, 2025, $4.1 million payable on August 15, 2025, $4.1 million payable on November 14, 2025 and final payment of $8.3 million payable on February 13, 2026. Following the execution of the Settlement Agreement, the Co-Defendants, each a principal stockholder of the Company and a member of the Company's board of directors, executed an apportionment agreement with the Company under which the Co-Defendants agreed to bear 25% of the Settlement Payment, with the Company bearing the remaining 75%. During the year ended December 31, 2025, the Company made payments of $24.3 million on behalf of the Company and the Co-Defendants, which included $8.1 million contributed by the Co-Defendants in accordance with the apportionment agreement. The Company recorded a litigation settlement expense of $13.1 million and $11.3 million during the years ended December 31, 2025 and 2024 related to the Settlement Agreement, respectively. As of December 31, 2025, the Company's remaining liability under the Settlement Agreement is $8.3 million, which is included in accrued expenses and other current liabilities on the consolidated balance sheet. Refer to Note 16, Commitments and Contingencies, for additional information.

### 11. Accrued Expenses and Other Current Liabilities and Other Non-Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Litigation settlement[(a)] | $ 8,250 | $ 11,306 |
| Accrued employee expenses | 6,263 | 6,611 |
| Contingent consideration | 1,741 | 10 |
| Accrued taxes payable | 1,333 | 1,276 |
| Accrued operating expense | 1,525 | 290 |
| Accrued royalties payable[(b)] | 285 | 215 |
| Other | — | 93 |
| **Total accrued expenses and other current liabilities** | **$ 19,397** | **$ 19,801** |

(a) Represents litigation-related charges incurred in connection with the Nangate Litigation described in Note 16, Commitments and Contingencies.
(b) Silvaco has entered into various renewable license agreements under which the Company has been granted access to the licensor's technology and the right to sell the technology in its product line. Royalties are payable to developers of the software at various rates and amounts, which generally are based upon unit sales, revenue or flat fees. Royalty fees are reported in cost of revenue upon delivery pursuant to the terms and conditions of the Company's contractual obligations.

Other non-current liabilities as of December 31, 2025 and 2024 consisted primarily of liabilities associated with asset retirement obligations.

### 12. Debt and Financing Obligations

On June 13, 2022, Silvaco entered into the 2022 Credit Line which bore interest at a rate of prime plus 1% per annum. In May 2024, the outstanding balance under the 2022 Credit Line was repaid in full and the 2022 Credit Line was terminated. The Company did not recognize any gain or loss on the extinguishment of the 2022 Credit Line.

In December 2023, the Company entered into a loan facility with East West Bank (the "East West Bank Loan") which had a maturity date of December 14, 2025 and provided for borrowings of up to $5.0 million bearing interest at a per annum rate equal to one half of one percent (0.5%) above the greater of (i) the prime rate or (ii) four and one half percent (4.5%). The Company recognized a loss on debt extinguishment of $0.1 million and interest expense of $0.2 million during the year ended December 31, 2024, with respect to the East West Bank Loan. In May 2024, the East West Bank Loan was terminated.

On April 11, 2024, the Company amended its license to use, perform, display, copy, reproduce, modify, adapt, alter, customize, translate or otherwise create derivative works based on certain technology of NXP to develop and make licensed designs for the Company's account, and to market, demonstrate, promote, sell, offer to sell, distribute and otherwise dispose of such licensed designs for total cash consideration of $6.0 million, to be paid over 5 years, pursuant to which the Company recorded an associated vendor financing obligation, which has a balance of $3.2 million as of December 31, 2025. The Company determined that this vendor financing obligation had an imputed interest rate of 9%, which is reflective of its borrowing rate with similar terms. The Company recognized interest expense of $0.3 million during each of the years ended December 31, 2025 and 2024. The Company's vendor financing obligation is comprised of the following payments as of December 31, 2025:

| For the year ending December 31, | Amount (in thousands) |
|---|---|
| 2026 | $ 1,200 |
| 2027 | 1,200 |
| 2028 | 1,200 |
| Total undiscounted cash flows | $ 3,600 |
| Less: Imputed interest | 397 |
| Present value of vendor financing obligation | $ 3,203 |
| Vendor financing obligation, current | $ 1,165 |
| Vendor financing obligation, non-current | $ 2,038 |

On April 16, 2024, the Company entered into a note purchase agreement with Micron Technology Inc. ("Micron"), a customer of the Company, pursuant to which the Company issued to Micron a senior subordinated convertible promissory note in the principal amount of $5.0 million (the "Micron Note"). The Micron Note was contractually subordinated to the East West Bank Loan through a subordination agreement with East West Bank but was senior to all of the Company's other existing debt and was senior to any new future debt incurred (other than any undrawn amount available under the East West Bank Loan while it was outstanding). The Micron Note accrued interest at a rate of 8% per annum, with principal and accrued interest due upon maturity three years after the date of issuance. Upon the consummation of the IPO, the Micron Note was mandatorily convertible into a number of shares equal to the outstanding principal amount and accrued interest divided by a conversion price equal to (a) the price of the Company's common stock issued in the initial public offering, times (b) 0.90. The Company determined that the feature that allowed for settlement of the Micron Note into a variable number of shares required bifurcation as a derivative liability and should be initially measured at fair value. The Company recorded a derivative liability of $0.5 million and a corresponding debt discount of $0.5 million on the issuance date.

On May 13, 2024, the Micron Note was converted into 294,217 shares of the Company's common stock in connection with the consummation of the IPO. The shares issued pursuant to the Micron Note were registered for resale under the Securities Act. Upon the settlement of the Micron Note, the derivative liability was settled and the Company remeasured it to its fair value and recorded a loss on derivative remeasurement of $28,000 during the year ended December 31, 2024, which was recorded in interest expense and other income (expense), net on the Company's consolidated statements of loss. As a result, the fair value of the shares issued of $5.6 million was recognized in additional paid-in capital and the Company settled the debt, inclusive of the derivative liability, and recognized a loss on debt extinguishment of $0.6 million during the year ended December 31, 2024.

## 13. Stock-Based Compensation

*Stock-Based Compensation Plans*

On April 26, 2024, in connection with the Company's IPO, the Company's board of directors approved and adopted the 2024 Stock Incentive Plan ("2024 Plan"), subject to stockholder approval, and the Company's stockholders approved the 2024 Plan on April 29, 2024. The 2024 Plan became effective on May 8, 2024 and supersedes the Company's 2014 Stock Incentive Plan (the "2014 Plan") under which 4.6 million shares of common stock were reserved for issuance. All forfeited shares underlying RSUs granted under the 2014 Plan and shares previously reserved for future issuance under the 2014 Plan are included in the share reserve under the 2024 Plan. During the year ended December 31, 2025, 833,994 shares were added to the 2024 Plan pursuant to an automatic annual increase provision in the plan. As of December 31, 2025, the number of shares of common stock reserved for future issuance under the 2024 Plan was 2,954,900.

The Company grants RSUs to new hires under the 2024 Plan that generally vest over four years, with 25% vesting after one year and the remaining 75% vesting in equal quarterly installments over the following three years, subject to the employee's continued service through each applicable vesting date, unless a different vesting schedule is approved by the Company's Compensation Committee. The Company also grants "refresh" RSUs to existing employees under the 2024 Plan that generally vest in equal quarterly installments over four years, subject to the employee's continued service through each applicable vesting date.

The following table summarizes the Company's RSU activity pursuant to the 2014 Plan and the 2024 Plan:

| | Weighted Average Grant Date Fair Value | Weighted Average Remaining Contract Term (in years) | Number of Awards |
|---|---|---|---|
| **Balance as of December 31, 2023** | **$ 7.20** | **6.56** | **3,398,276** |
| Granted | 15.71 | 9.09 | 1,183,350 |
| Vested | 10.78 | 8.00 | (2,914,650) |
| Forfeited / canceled | 9.42 | 7.00 | (163,314) |
| **Balance as of December 31, 2024** | **$ 12.75** | **8.83** | **1,503,662** |
| Granted | 4.61 | 9.41 | 3,190,983 |
| Vested | 9.57 | 8.51 | (1,466,557) |
| Forfeited / canceled | 7.36 | 8.61 | (601,052) |
| **Balance as of December 31, 2025** | **$ 6.10** | **9.20** | **2,627,036** |

*Employee Stock Purchase Plan*

The Company's 2024 Employee Stock Purchase Plan (the "2024 ESPP") permits eligible employees to contribute up to 15% of their base compensation, subject to applicable legal restrictions and limitations, to purchase shares of the Company's common stock at a price equal to 85% of the lesser of (i) the fair market value of the stock on the first day of the offering period or (ii) the fair market value on the purchase date. Offering periods under the 2024 ESPP generally have a duration of six months, commencing on June 1 and December 1 of each year and ending on November 30 and May 31, respectively, unless otherwise determined by the Company's Compensation Committee. The initial offering period under the 2024 ESPP commenced on August 1, 2024, and ended on November 30, 2024.

The shares purchased, the weighted average purchase price, and the cash received for 2024 ESPP purchases were as follows (in thousands, except shares purchased and weighted average purchase price):

| | Year Ended December 31, 2025 | Year Ended December 31, 2024 |
|---|---|---|
| Shares purchased | 230,637 | 44,930 |
| Weighted average purchase price | $ 3.90 | $ 7.01 |
| Cash received | $ 899 | $ 315 |

The weighted average fair value of each award granted under the 2024 ESPP and the weighted-average assumptions for the valuation of employee stock purchase right based on the Black-Scholes option pricing model are as follows:

| | Year Ended December 31, 2025 | Year Ended December 31, 2024 |
|---|---|---|
| Dividend yield | $ — | $ — |
| Expected volatility | 68.19 % | 46.80 % |
| Risk-free interest rate | 4.01 % | 4.45 % |
| Expected term (in years) | 0.50 | 0.46 |
| Weighted average fair value of shares granted | $ 1.44 | $ 2.65 |

Unrecognized stock-based compensation cost for awards granted under the 2024 ESPP as of December 31, 2025 of $0.2 million will be amortized over 5 months.

*Stock-based Compensation Expense*

The Company issues RSUs to its employees, directors and service providers. The RSUs awarded under the 2014 Plan generally had two vesting requirements, a Time-Based Requirement and a Liquidity Event Requirement. The Liquidity Event Requirement would be satisfied as to any then-outstanding RSUs on the first to occur of: (1) a change in control event (as defined in the award agreement); or (2) the first sale of common stock pursuant to an underwritten IPO, in either case, within 10 years of the grant date. The Liquidity Event Requirement was satisfied upon the completion of the IPO on May 13, 2024. Certain RSUs required the employee to be employed with the Company upon the consummation of the IPO for the Liquidity Event Requirement to be satisfied. The Time-Based Requirement generally requires four years for full vesting of the grants, with 25% vesting after one year and quarterly vesting over the subsequent three years. Certain grants have had modified time-based vesting requirements, including certain grants that have been issued with the Time-Based Requirement satisfied on the grant date. Once the Liquidity Event Requirement was satisfied, the Company recognizes its stock-based compensation expense ratably over the requisite service period, which is generally four years.

Prior to the Company's IPO, the Company did not record stock-based compensation expense for the RSUs, as the Liquidity Event Requirement was not deemed probable. Upon the completion of the IPO, the Liquidity Event Requirement was met, and the Company recognized stock-based compensation expense associated with (i) RSUs granted to active employees and service providers, (ii) RSUs granted to certain former employees and service providers whose RSUs vested in connection with the Liquidity Event, and (iii) the acceleration of the Time Based Requirement for certain awards to executive officers, senior management and directors as a result of the Liquidity Event.

In November 2023, the Company issued 30,000 RSUs with certain performance-based conditions, in addition to the Time-Based Requirement, and a grant date fair value of $0.4 million. The Company estimates the probability of achievement of applicable performance goals for performance-based RSUs in each reporting period and recognizes related stock-based compensation expense using the straight-line attribution method. The amount of stock-based compensation expense recognized in any period can vary based on the attainment or expected attainment of the various performance goals. If such performance goals are not ultimately met, no stock-based compensation expense is recognized and any previously recognized compensation expense is reversed. The Company recognized stock-based compensation expense of $0.1 million related to these RSUs during the year ended December 31, 2024. The RSUs were forfeited in April 2025 and the Company reversed the stock-based compensation expense that was previously recognized during the year ended December 31, 2025.

In November 2023, the Company issued 75,000 RSUs with certain market-based conditions, in addition to the Time Based Requirement and the Liquidity Event Requirement, and a grant date fair value of $0.6 million. The Company estimated the fair value of market-based RSUs on the grant date using a Monte Carlo simulation model. The vesting of the market-based RSUs is contingent on achieving a minimum volume-weighted average stock price ("VWAP") prior to the expiration of the RSUs. The assumptions used in the Monte Carlo simulation model to determine the grant date fair value were a daily VWAP of $8.92, a volatility of 50%, and a risk-free rate of 4.3%. The Company recognized stock-based compensation expense of $0.1 million related to these RSUs during the year ended December 31, 2024. The RSUs were forfeited in April 2025 and the Company reversed the stock-based compensation expense that was previously recognized during the year ended December 31, 2025.

During the year ended December 31, 2024, the Company's compensation committee approved the issuance of a variable number of RSUs as a portion of the employee bonus program for the fiscal year 2024. The number of RSUs issued will be calculated as the volume-weighted average price of the Company's common stock upon the bonus being finalized after the end of the fiscal year. As the Company has an obligation to issue a variable number of shares for a fixed monetary amount, the RSUs will be accounted for as liability-classified awards and subsequently re-measured to their fair value at each reporting date. The Company recognized stock-based compensation expense of $15.3 thousand and $0.6 million associated with the liability-classified RSUs during the year ended December 31, 2025 and 2024, respectively, with a corresponding increase to accrued liability. During the year ended December 31, 2025, the Company issued 101,486 RSUs under the 2024 bonus program.

In August 2025, the Company agreed to grant RSUs to the Chief Executive Officer ("CEO") that may be earned upon the achievement of certain market-based conditions, and which are subject to service-based vesting conditions. The number of RSUs to be granted is based on the Company's stock price over the relevant service period, measured using VWAP metrics. The total grant date fair value of the RSUs was estimated at $1.1 million using a Monte Carlo simulation model. The key assumptions used in the Monte Carlo simulation were a daily VWAP of $4.54, an expected volatility of 77%, and a risk-free interest rate of 3.8%. For the year ended December 31, 2025, the Company recognized $0.2 million of stock-based compensation expense related to these awards. No shares were issued or vested during the year ended December 31, 2025.

During the year ended December 31, 2025, the Company accelerated 158,359 RSUs and recognized $1.1 million of stock-based compensation expense related to the acceleration and grant of fully vested shares related to the Restructuring Plan. Refer to Note 5, Restructuring, for additional information.

The Company recorded stock-based compensation expense using the straight-line attribution method, net of actual forfeitures, based on the grant-date fair value of the RSU awards and ESPP. The following table summarizes stock-based compensation expense:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Cost of revenue | $ 1,317 | $ 2,974 |
| Research and development | 2,708 | 5,091 |
| Selling and marketing | 1,722 | 4,319 |
| General and administrative | 5,066 | 14,531 |
| | $ 10,813 | $ 26,915 |

As of December 31, 2025, the Company had unrecognized stock-based compensation expense of $14.4 million which is expected to be recognized over a weighted average period of 2.5 years.

**14. Income Taxes**

The domestic and foreign components of the Company's loss before income tax provision were as follows:

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Domestic | $ (46,751) | $ (42,292) |
| Foreign | 2,106 | 3,372 |
| **Loss before income tax provision** | **$ (44,645)** | **$ (38,920)** |

The components of the Company's income tax (benefit) provision were as follows:

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| **Current:** | | |
| Federal | $ 48 | $ 56 |
| State | 7 | 36 |
| Foreign | 417 | 303 |
| **Deferred:** | | |
| Federal | (3,191) | — |
| State | (425) | — |
| Foreign | (295) | 89 |
| **Income tax (benefit) provision** | **$ (3,439)** | **$ 484** |

During the year ended December 31, 2025, the Company recorded a U.S. deferred tax benefit which primarily relates to the partial release of the valuation allowance on the Company's net deferred tax assets. Such partial release of the valuation allowance is primarily attributable to deferred liabilities recognized with the acquisitions of Tech-X and Mixel. Upon acquisition, the deferred tax liabilities reduce the Company's net deferred tax asset balance and accordingly require a partial release of the valuation allowance with an offsetting income tax benefit.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities were as follows:

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| **Deferred tax assets:** | | |
| Accruals and reserves | $ 2,473 | $ 3,436 |
| Depreciable and amortizable assets | 2,278 | 5,767 |
| Net operating loss carryforward | 9,598 | 766 |
| Tax credits | 9,411 | 8,279 |
| Stock-based compensation expense | 455 | 492 |
| **Total deferred tax asset** | **$ 24,215** | **$ 18,740** |
| **Valuation Allowance** | (24,026) | (18,621) |
| **Net deferred tax asset** | **$ 189** | **$ 119** |
| **Deferred tax liabilities** | | |
| Revenue recognition | (189) | (414) |
| Depreciable & Amortizable Assets | | — |
| **Net deferred tax liability** | **$ —** | **$ (295)** |

The following is a reconciliation of the federal statutory income tax rate to the effective tax rate for the year ended December 31, 2025 pursuant to the disclosure requirements of ASU 2023-09 (in thousands, except percentages):

| | Amount | Percent |
|---|---|---|
| **U.S. Federal Statutory Tax Rate** | $ (9,368) | 21 % |
| **State and Local Income Taxes, Net of Federal Income Tax Effect**[1] | (532) | 1 % |
| **Foreign Tax Effects** | | |
| Other foreign jurisdictions | (296) | — % |
| **Effect of Cross-Border Tax Laws** | | |
| Global Intangible low-taxed income | 629 | (1)% |
| **Tax Credits** | | |
| Research and Development Tax Credits | (1,300) | 3 % |
| **Changes in Valuation Allowances** | 4,719 | (11)% |
| **Nontaxable or Nondeductible Items** | | |
| Non-deductible stock-based compensation | 603 | (1)% |
| Non-deductible officer's compensation | 470 | (1)% |
| Tax deficiencies on share-based payments | 596 | (1)% |
| Non-deductible Transaction Costs | 538 | (1)% |
| Other nondeductible items | 23 | — % |
| **Worldwide Changes in Unrecognized Tax Benefits** | 535 | (1)% |
| **Other Adjustments** | | |
| Other | (56) | — % |
| **Effective Tax Rate** | **$ (3,439)** | **8 %** |

(1) State taxes in CA and ID made up the majority (greater than 50%) of the tax effect in this category

The following is a reconciliation of the federal statutory income tax rate to the Company's effective tax rate for the year ended December 31, 2024:

| | December 31, 2024 |
|---|---|
| **Tax at federal statutory rate** | **21 %** |
| Tax credits | 2 % |
| Other | (10)% |
| Valuation allowance | (14)% |
| **Effective tax rate** | **(1)%** |

The following is a summary of income taxes paid, net of refunds by jurisdiction pursuant to the disclosure requirements of ASU 2023-09 for the year ended December 31, 2025:

| | |
|---|---|
| United States - federal | **$ (257)** |
| United States - states and local | 11 |
| **Total U.S. federal, state and local** | (246) |
| Foreign | — |
| **Total income taxes paid, net of refunds** | **$ (246)** |

Management establishes a valuation allowance for those deductible temporary differences when it is more likely than not that the benefit of such deferred tax assets will not be recognized. The ultimate realization of deferred tax assets is dependent upon the Company's ability to generate taxable income during periods in which the temporary differences become deductible. Management regularly reviews the deferred tax assets for recoverability and establishes a valuation allowance based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences. Through the year ended December 31, 2025, management believes that it is more likely than not that the deferred tax assets will not be realized, such that a full valuation allowance has been recorded.

During the years ended December 31, 2025 and 2024, the valuation allowance increased by $5.4 million and $6.4 million, respectively.

As of December 31, 2025, the Company had net operating loss ("NOL") carryforwards for federal income tax purposes of $39.2 million and federal research and development credits of $8.2 million which begin expiring in 2028.

As of December 31, 2025, the Company had net operating loss carryforwards for state income tax purposes of $16.3 million which begin expiring in 2034 and state research and development credits of $9.2 million which begin expiring in 2026.

The Company has not recorded a provision for deferred U.S. tax expense that could result from the remittance of foreign undistributed earnings since the Company intends to reinvest the earnings in its foreign subsidiaries indefinitely.

The following table summarizes the activity related to the Company's gross unrecognized tax benefits:

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| **Balance as of January 1,** | **$ 7,959** | **$ 7,247** |
| Increases related to prior year tax positions | — | — |
| Increases related to current year tax positions | 719 | 712 |
| Decreases related to prior year tax positions | — | — |
| **Balance as of December 31,** | **$ 8,678** | **$ 7,959** |

The Company records unrecognized tax benefits, where appropriate, for all uncertain income tax positions. The Company recorded unrecognized tax benefits for uncertain tax positions of approximately $8.7 million as of December 31, 2025, of which $1.4 million, if recognized, would impact the effective tax rate.

The Company recognizes interest and/or penalties related to uncertain tax positions in income tax expense. To the extent accrued interest and penalties do not ultimately become payable, amounts accrued will be reduced and reflected as a reduction of the overall income tax provision in the period that such determination is made. During the years ended December 31, 2025 and 2024, interest and penalties recorded in the consolidated statements of loss were each $22 thousand. The amounts of accrued interest and penalties recorded on the consolidated balance sheets as of December 31, 2025 and 2024 were $111 thousand and $99 thousand, respectively. The Company does not believe there will be material changes in its unrecognized tax positions over the next twelve months.

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions and certain foreign jurisdictions. The Company is not currently under audit by the Internal Revenue Service or other similar state, local, and foreign authorities. All tax years remain open to examination by major taxing jurisdictions to which the Company is subject for a period of 3 years for federal and 4 years for states, after the utilization of NOLs and credits.

The Company is not currently under audit for U.S. federal income tax or in any state tax jurisdiction. The statute of limitation for the U.S. federal income tax return is 3 years, and for most states is 5 years. The Company is also not under audit in any foreign jurisdiction. The statue of limitations for the foreign locations range from 3 years (China and France), to 10 years (Vietnam).

### 15. Segment Reporting and Geographical Concentration

The Company manages its operations through an evaluation of a consolidated business segment that solves semiconductor design challenges by offering affordable and competitive TCAD software, EDA software and SIP to support engineers and researchers across the globe. The chief operating decision maker ('CODM"), who is the Company's Chief Executive Officer, reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. As such, the Company's operations constitute a single operating segment and one reportable segment.

The following table presents a summary of revenue, payroll expenses, which the CODM reviews in assessing Company performance and deciding how to allocate resources, and total other expenses as a reconciliation to consolidated net loss:

| | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| Total revenue | $ 63,064 | $ 59,680 |
| Expenses | | |
| Compensation expenses | 65,812 | 67,270 |
| All other expenses, net | 38,458 | 31,814 |
| Total expenses | 104,270 | 99,084 |
| Net loss | **$ (41,206)** | **$ (39,404)** |

Revenue is attributed to geography based upon the country in which the software license is used, or maintenance and services are delivered. The Company's single reportable segment recorded customer revenue from the following geographical areas:

| **Region** | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| United States | $ 23,327 | $ 21,934 |
| China | 12,305 | 11,010 |
| Japan | 6,133 | 10,796 |
| Korea | 7,000 | 3,106 |
| Taiwan | 6,818 | 3,847 |
| All other | 7,481 | 8,987 |
| **Total revenue** | **$ 63,064** | **$ 59,680** |

Property and equipment, net are attributed to geography based on the country where the assets are located. The following table presents a summary of property and equipment by region:

| **Region** | December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| United States | $ 1,132 | $ 507 |
| Japan | 103 | 142 |
| China | 10 | 120 |
| All other countries | 280 | 96 |
| **Total property and equipment, net** | **$ 1,525** | **$ 865** |

## 16. Commitments and Contingencies

### *Warranties*

The Company typically provides its customers a warranty on its software licenses for a period of no more than 90 days and on its other tools for a period of no more than one year. Such warranties are accounted for in accordance with the authoritative guidance issued by the FASB on contingencies. For the years ended December 31, 2025 and 2024, the Company has not incurred any costs related to warranty obligations.

### *Indemnification*

Under the terms of substantially all of its license agreements, the Company has agreed to indemnify its customers for costs and damages arising from claims against such customers based on, among other things, allegations that the Company's software infringes the intellectual property rights of a third party. In most cases, in the event of an infringement claim, the Company retains the right to (i) procure for the customer the right to continue using the software; (ii) replace or modify the software to eliminate the infringement while providing substantially equivalent functionality; or (iii) if neither (i) nor (ii) can be reasonably achieved, the Company may terminate the license agreement and refund to the customer a pro-rata portion of the license fee paid to the Company. Such indemnification provisions are accounted for in accordance with the authoritative guidance issued by the FASB on guarantees. From time to time, in the ordinary course of business, the Company receives claims for indemnification.

***Guarantees***

In February of 2012, Gu-Guide LP, Bank of the West and the Company, as guarantor, entered into a loan agreement, which was secured by a 9,000 square foot building located in Santa Clara, California. In the event that the proceeds from the foreclosure of the collateral was insufficient to repay the outstanding amounts under the Loan, the Company guaranteed the repayment of the Loan. The Loan was repaid in full and the Company was released from the guarantee in July of 2024.

***Legal Proceedings***

In December 2020, the Company sought declaratory relief in the California Superior Court to clarify its obligations regarding the earnout payments due to the former stockholders of Nangate following its acquisition by the Company in 2018. The former stockholders of Nangate and a third cross-complainant (collectively, "the Nangate Parties") subsequently filed a cross-complaint against the Company and two of its principal stockholders and members of the board of directors ("the Co-Defendants") seeking $20.0 million in damages for breach of contract, fraud, and unfair business practices, as well as punitive damages.

On July 23, 2024, a jury awarded the Nangate Parties $11.3 million in damages under breach of contract related claims, including breach of contract and breach of the covenant of good faith and fair dealing, and court and litigation related costs and expenses to be determined by the court (the "Contract Damages"). As a result, during the year ended December 31, 2024, the Company recorded a litigation settlement expense of $13.1 million for the Contract Damages awarded to the Nangate Parties.

The jury also found the Company and the Co-Defendants liable for certain of the misrepresentation claims and awarded the Nangate Parties $6.6 million in compensatory damages, for which the Company and the Co-Defendants were jointly and severally liable. Incremental punitive damages relating to these claims, including $17.0 million payable by the Company and a total of $16.0 million to be paid by the Co-Defendants, were awarded following a hearing on August 16, 2024 (collectively, the "Fraud Damages"). Under California law, the Nangate Parties were entitled to elect either the Contract Damages or the Fraud Damages but could not receive both.

In May 2025, the parties entered into the Settlement Agreement pursuant to which the Company and the Co-Defendants agreed to pay the Nangate Parties' an aggregate amount of $32.5 million in full resolution of all claims, and in September 2025, the U.S. Court of Appeals for the Ninth Circuit reversed the fraud and breach of contract verdicts, and the parties dismissed all claims. In connection with the litigation, the Company recorded litigation settlement expense of $13.1 million and $11.3 million during the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, the Company's remaining liability under the Settlement Agreement was $8.3 million, which is included in accrued expenses and other current liabilities on the consolidated balance sheet. The remaining liability of $8.3 million has been paid in February 2026. Refer to Note 10, Related Parties for additional information.

As of December 31, 2025, the Company held restricted cash of $8.3 million to secure an irrevocable standby letter of credit issued in connection the Settlement Agreement. Refer to Note 2, Summary of Significant Accounting and Reporting Policies for additional information.

On August 19, 2021, Aldini AG ("Aldini") sued Silvaco, Inc., the Company's French affiliate, a member of the Company's board of directors and the Company's CEO, among numerous other noncompany defendants, including the Government of France, in connection with the Company's interactions with Dolphin Design SAS ("Dolphin"). Aldini's allegations center around the bankruptcy and reorganization of Dolphin in 2018 and Silvaco, Inc.'s acquisition of certain memory assets of Dolphin, which Aldini alleges was done in violation of its rights as a shareholder of Dolphin. Aldini's First Amended Complaint asserts various tort claims including claims for trade secret theft, conspiracy, and intentional interference with a prospective economic advantage. Silvaco, Inc. filed a motion to dismiss; the trade secret theft and conspiracy claims were dismissed with prejudice and the intentional tort claims were dismissed with leave to amend. On August 23, 2022, Aldini filed a Second Amended Complaint that included similar claims of trade secret theft, conspiracy, and intentional interference with a prospective economic advantage in relation to Silvaco, Inc.'s acquisition of certain assets of Dolphin. Aldini seeks $703.0 million and punitive damages. On March 17, 2023, the Second Amended Complaint was dismissed on all counts, subject to a right of appeal. Aldini filed a notice of appeal on April 27, 2023 and arguments were scheduled for November 22, 2024. On December 19, 2024, the U.S. Court of Appeals for the Ninth Circuit affirmed the dismissal of all claims brought against the Company by Aldini AG. The Company accordingly has not recorded a charge for this contingency.

The Company is subject to export control and import laws and regulations of the United States and other applicable jurisdictions, including the Export Administration Regulations. Between August 2019 and June 2022, the Company filed voluntary self-disclosures with U.S. Department of Commerce, Bureau of Industry and Security ("BIS") regarding potential violations of U.S. export control laws and regulations, specifically, the export of the Company's licenses to certain parties designated on BIS's Entity List and Unverified List, and the export of certain software modules without a license which was required at the time of the transaction. Such software modules were declassified by BIS in October 2020 to a lesser controlled export classification, meaning that such software generally no longer requires an export license. In April 2025, BIS issued a warning letter in response to the voluntary self-disclosures instead of pursuing criminal or administrative penalties or taking other enforcement action. However, as is common in these instances, BIS reserved the right to take future enforcement action should additional information warrant renewed attention.

The Company is party to various litigation matters and claims arising from time-to-time in the ordinary course of business. While the results of such matters cannot be predicted with certainty, unless disclosed above, the Company believes that the final outcome of such matters will not have a material adverse effect on the Company's business, financial condition, results of operations or cash flows. However, each of these matters is subject to various uncertainties and it is possible that an unfavorable resolution of one or more of these proceedings could materially affect the Company.

### 17. Defined Contribution Plan

The Company maintains a defined contribution or 401(k) Plan for its qualified U.S. employees. Participants may contribute a percentage of their compensation on a pre-tax basis, subject to a maximum annual contribution imposed by the Internal Revenue Code. During the years ended December 31, 2025 and 2024, the Company contributed $0.8 million and $1.0 million, respectively, to the 401(k) Plan. In connection with the 401(k) Plan, the Company recorded expense of $0.8 million and $0.6 million during the years ended December 31, 2025 and 2024, respectively.

### 18. Fair Value of Financial Instruments

***Financial instruments measured at fair value on a recurring basis***

The following tables present the Company's financial assets and liabilities that are measured at estimated fair value on a recurring basis:

| | Fair value measurements as of December 31, 2025 | | | |
|---|---|---|---|---|
| | *(in thousands)* | | | |
| | **Carrying value** | **Level 1** | **Level 2** | **Level 3** |
| **Financial assets:** | | | | |
| Cash equivalents: | | | | |
| Money market funds | 161 | 161 | — | — |
| Total | 161 | 161 | — | — |
| Available-for-sale marketable securities: | | | | |
| U.S. government agencies securities | 1,018 | — | 1,018 | — |
| Total | 1,018 | — | 1,018 | — |
| **Total** | **$ 1,179** | **$ 161** | **$ 1,018** | **$ —** |
| **Liabilities:** | | | | |
| Contingent consideration | 1,741 | — | — | 1,741 |
| **Total** | **$ 1,741** | **$ —** | **$ —** | **$ 1,741** |

| | Fair value measurements as of December 31, 2024 | | | |
|---|---|---|---|---|
| | *(in thousands)* | | | |
| | **Carrying value** | **Level 1** | **Level 2** | **Level 3** |
| **Financial assets:** | | | | |
| Cash equivalents: | | | | |
| Money market funds | 13,144 | 13,144 | — | — |
| Total | 13,144 | 13,144 | — | — |
| Available-for-sale marketable securities: | | | | |
| U.S. treasury securities | 27,237 | — | 27,237 | — |
| U.S. government agencies securities | 40,619 | — | 40,619 | — |
| Total | 67,856 | — | 67,856 | — |
| **Total** | **$ 81,000** | **$ 13,144** | **$ 67,856** | **$ —** |
| **Liabilities:** | | | | |
| Contingent consideration | 11 | — | — | 11 |
| **Total** | **$ 11** | **$ —** | **$ —** | **$ 11** |

The Company's level 1 financial assets were valued using quoted prices in active markets for identical assets. The Company's level 2 financial assets were determined based on third-party inputs which are either directly or indirectly observable, such as reported trades and broker or dealer quotes. The Company's marketable securities have an amortized cost that approximates fair value.

Pursuant to the Company's stock purchase agreements for the acquisition of Nangate in March of 2018, PolytEDA Cloud LLC ("PolytEDA") in January of 2021, and Tech-X in April 2025, the selling shareholders are entitled to additional milestone and earn out consideration based on operating income generated by the business and technical achievements. The milestone consideration and earn-out liabilities are classified as contingent consideration as the obligations are due in cash. As such the obligations are recorded at their fair value and re-valued period to period with any changes recorded to interest income and other income (expense), net in the consolidated statements of loss.

The Company's contingent consideration is valued using a discounted cash flow model, and the assumptions used in preparing the discounted cash flow model include estimates for interest rates and the amount of cash flows, in addition to the expected net revenue, operating income and technical achievement of the acquired technology.

The following is a reconciliation of changes in the liability related to contingent consideration:

| | Year Ended December 31, | |
|---|---|---|
| | 2025 | 2024 |
| | *(in thousands)* | |
| **Fair value as of January 1,** | **$ 11** | **$ 112** |
| Change in fair value | 94 | (27) |
| Payments of contingent consideration | (46) | (74) |
| Acquisition | 1,682 | — |
| **Fair value as of December 31,** | **$ 1,741** | **$ 11** |

## 19. Subsequent Events

In February 2026, the Company amended the stock purchase agreement with Tech-X to change the form of payment of the contingent consideration and post-closing net working capital adjustments payable to Tech-X to be payable in shares of the Company's common stock. The Company issued 167,281 shares of its common stock in February 2026 to a shareholder of Tech-X to settle obligations due of $640,685. In addition, the period over which the contingent consideration can be earned was extended to July 2027.

## Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

## Item 9A. Controls and Procedures

### Conclusions Regarding Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer, as of December 31, 2025, concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

### Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for our company. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013 framework).

Based on our evaluation under the COSO 2013 framework, our management concluded that our internal control over financial reporting was effective, at the reasonable assurance level, as of December 31, 2025.

### Changes in Internal Control Over Financial Reporting

Except for the changes discussed above, there have been no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, misstatements, errors, and instances of fraud, if any, within our company have been or will be prevented or detected. Further, internal controls may become inadequate as a result of changes in conditions, or through the deterioration of the degree of compliance with policies or procedures.

## Item 9B. Other Information

### Rule 10b5-1 Trading Plans

During the three months ended December 31, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

## Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

**Part III**

**Item 10. Directors, Executive Officers and Corporate Governance**

Other than set forth below, the information required by this Item is incorporated herein by reference to the definitive Proxy Statement to be filed within 120 days after December 31, 2025, for the 2026 annual meeting of stockholders.

We have adopted a code of ethics that applies to our chief executive officer, chief financial officer and other senior accounting personnel. The “Code of Ethics for the CEO and Senior Financial Officers” is located on our website at www.silvaco.com in the Investor Relations section under Corporate Governance.

We intend to satisfy the disclosure requirement under Item 5.05(c) of Form 8-K regarding any amendment to, or waiver from, a provision of this code of ethics by posting such information on our website, at the address and location specified above.

In addition, we have adopted an Insider Trading and Communications Policy, attached as Exhibit 19.1 hereto, which governs the purchase, sale, and other dispositions of our securities by directors, officers and employees that are reasonably designed to promote compliance with insider trading laws, rules and regulations, and Nasdaq listing standards.

**Item 11. Executive Compensation**

The information required by this Item is incorporated herein by reference to the definitive Proxy Statement to be filed within 120 days after December 31, 2025, for the 2026 annual meeting of stockholders.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this Item is incorporated herein by reference to the definitive Proxy Statement to be filed within 120 days after December 31, 2025, for the 2026 annual meeting of stockholders.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this Item is incorporated herein by reference to the definitive Proxy Statement to be filed within 120 days after December 31, 2025, for the 2026 annual meeting of stockholders.

**Item 14. Principal Accountant Fees and Services**

The information required by this Item is incorporated herein by reference to the definitive Proxy Statement to be filed within 120 days after December 31, 2025, for the 2026 annual meeting of stockholders.

**Part IV**

**Item 15. Exhibits and Financial Statement Schedules.**

***(a) Financial Statement Schedules.***

(1) Financial Statements are listed in the Index to Financial Statements in Part II, Item 8 of this Annual Report on Form 10-K.

***(b) Exhibits.***

| Exhibit No. | Description |
|---|---|
| 3.1 * | Amended and Restated Certificate of Incorporation of Silvaco Group, Inc. |
| 3.2 | Amended and Restated Bylaws of Silvaco Group, Inc. (filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 19, 2026) |
| 4.1 | Form of Common Stock Certificate (filed as Exhibit 4.1 to the Registrant's Registration on Form S-1 (No. 333-278666) initially filed with the Securities and Exchange Commission on April 12, 2024) |
| 4.2 * | Description of Capital Stock |
| 4.3 | Registration Rights Agreement, dated April 12, 2024, among the Registrant and the stockholders named therein (filed as Exhibit 10.25 to the Registrant's Registration on Form S-1 (No. 333-278666) initially filed with the Securities and Exchange Commission on April 12, 2024) |
| 4.4 | Stockholders Agreement, dated April 12, 2024, among the Registrant and the stockholders named therein (filed as Exhibit 10.26 to the Registrant's Registration on Form S-1 (No. 333-278666) initially filed with the Securities and Exchange Commission on April 12, 2024) |
| 10.1 + | Form of Indemnification Agreement between the Registrant and its directors and officers (filed as Exhibit 10.1 to the Registrant's Registration on Form S-1 (No. 333-278666) initially filed with the Securities and Exchange Commission on April 12, 2024) |
| 10.2 + | Amended and Restated 2014 Stock Incentive Plan and Form of Restricted Stock Unit Agreement thereunder (filed as Exhibit 10.2 to the Registrant's Registration on Form S-1 (No. 333-278666) initially filed with the Securities and Exchange Commission on April 12, 2024) |
| 10.3 + | 2024 Stock Incentive Plan (filed as Exhibit 10.3 to the Registrant's Registration on Form S-1 (No. 333-278666) initially filed with the Securities and Exchange Commission on April 12, 2024) |
| 10.4 *+ | Form of Restricted Stock Unit Agreement pursuant to the 2024 Stock Incentive Plan |
| 10.5 *+ | 2024 Stock Incentive Plan Form of Notice of RSU Award for New Hires |
| 10.6 + | 2024 Employee Stock Purchase Plan (filed as Exhibit 10.4 to the Registrant's Registration on Form S-1 (No. 333-278666) initially filed with the Securities and Exchange Commission on April 12, 2024) |
| 10.7 *+ | Executive Severance Plan |
| 10.8 *+ | Executive Severance Plan Participation Agreement, dated September 15, 2025, between the Registrant and Christopher Zegarelli |
| 10.9 *+ | Executive Severance Plan Participation Agreement, dated November 20, 2024, between the Registrant and Candace Jackson |
| 10.10 *+ | Offer Letter Agreement, dated July 20, 2023, between the Registrant and Christopher Zegarelli |
| 10.11 *+ | Offer Letter Agreement, dated August 29, 2024, between the Registrant and Candace Jackson |
| 10.12 ++ | Asset Purchase Agreement, dated March 4, 2025, between the Registrant and Cadence Design Systems, Inc. (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2025) |

| | |
|---|---|
| 10.13 ++ | Stock Purchase Agreement, dated July 29, 2025 between the Registrant, Mixel Group, Inc., the Ashraf K. Takla Living Trust and the Nadia T. Takla Irrevocable Gift Trust (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 29, 2025) |
| 10.14 + | Separation Agreement and Release by and between Dr. Babak A. Taheri and Silvaco Group, Inc. dated August 22, 2025 (filed as Exhibit 10.1 to the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 26, 2025) |
| 10.15 + | Employment Agreement, by and between Dr. Walden C. Rhines and Silvaco Group, Inc. dated August 25, 2025 (filed as Exhibit 10.2 to the Current Report on Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 26, 2025) |
| 10.16 *+ | 2024 Stock Incentive Plan Form of Notice of RSU Award for Employee Refresh Grants |
| 16.1 * | Letter of Moss Adams LLP, dated July 9, 2025 |
| 19.1* | Silvaco Group, Inc. Insider Trading and Communications Policy |
| 21.1* | List of Subsidiaries of Silvaco Group, Inc. |
| 23.1* | Consent of Baker Tilly US, LLP, Independent Registered Public Accounting Firm |
| 31.1* | Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1** | Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2** | Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 97.1* | Silvaco Group, Inc. Policy for Recovery of Erroneously Awarded Incentive Compensation |
| 101.INS * | XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH * | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL * | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF * | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB * | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE * | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 * | Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101). |

* Filed herewith.

** The certifications attached as Exhibit 32.1 and 32.2 accompanying this Annual Report on Form 10-K, are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

+ Indicates management contract or compensatory plan.

**Item 16. Form 10-K Summary**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, State of California, on March 12, 2026.

SILVACO GROUP, INC.

/s/ Dr. Walden C. Rhines
Dr. Walden C. Rhines
Chief Executive Officer

We, the undersigned directors and officers of Silvaco Group, Inc., hereby severally constitute and appoint Dr. Walden C. Rhines, Christopher Zegarelli and Candace Jackson, and each of them individually, with full powers of substitution and resubstitution, our true and lawful attorneys, with full powers to them and each of them to sign for us, in our names and in the capacities indicated below, any and all amendments to this Annual Report on Form 10-K filed with the SEC, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming that any such attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| /s/ Dr. Walden C. Rhines<br>Dr. Walden C. Rhines | Chief Executive Officer and Director<br>*(Principal Executive Officer)* | March 12, 2026 |
| /s/ Christopher Zegarelli<br>Christopher Zegarelli | Chief Financial Officer<br>*(Principal Financial and Accounting Officer)* | March 12, 2026 |
| /s/ Katherine S. Ngai-Pesic<br>Katherine S. Ngai-Pesic | Chair of the Board | March 12, 2026 |
| /s/ Dr. Hau L. Lee<br>Dr. Hau L. Lee | Lead Independent Director | March 12, 2026 |
| /s/ Anita Ganti<br>Anita Ganti | Director | March 12, 2026 |
| /s/ William H. Molloie, Jr.<br>William H. Molloie, Jr. | Director | March 12, 2026 |
| /s/ Anthony K. K. Ngai<br>Anthony K. K. Ngai | Director | March 12, 2026 |
| /s/ Iliya Pesic<br>Iliya Pesic | Director | March 12, 2026 |
| /s/ Jodi L. Shelton<br>Jodi L. Shelton | Director | March 12, 2026 |

# AMENDED AND RESTATED

# CERTIFICATE OF INCORPORATION OF

# SILVACO GROUP, INC.

Silvaco Group, Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

FIRST: The name of the corporation is Silvaco Group, Inc. The corporation's original name was Saratoga International, Inc.

SECOND: The original certificate of incorporation of the corporation was filed with the Secretary of State of the State of Delaware on November 18, 2009 and most recently amended and restated pursuant to an Amended Certificate of Incorporation filed with the Secretary of State of the State of Delaware on November 18, 2013, as amended by the Certificate of Amendment to the Certificate of Incorporation filed with the Secretary of State of the State of Delaware on April 29, 2024 (as so amended, the "**Existing Certificate**").

THIRD: Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, this Amended and Restated Certificate of Incorporation restates, integrates, and further amends the provisions of the Existing Certificate.

FOURTH: The Existing Certificate shall be amended and restated to read in full as follows:

## article I

The name of the corporation is Silvaco Group, Inc. (the "**Corporation**").

## article II

The registered agent and the address of the registered office in the State of Delaware are:

Corporation Service Company
251 Little Falls Drive
Wilmington, Delaware 19808
County of New Castle

## article III

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law (the "**DGCL**").

article IV

A. Classes of Stock. The total number of shares of all classes of capital stock that the Corporation shall have authority to issue is FIVE HUNDRED AND TEN MILLION (510,000,000), of which (i) FIVE HUNDRED MILLION (500,000,000) shares shall be Common Stock, par value of $0.0001 per share (the "**Common Stock**"), and (ii) TEN MILLION (10,000,000) shares shall be Preferred Stock, $0.0001 par value per share (the "**Preferred Stock**"). The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the then-outstanding shares of Common Stock, voting together as a single class, without the vote of the holders of Preferred Stock, unless a separate, additional vote of the holders of Preferred Stock, or of any series thereof, is expressly required pursuant to the Preferred Stock Designation (as defined below) established by the board of directors of the Corporation (the "**Board**").

B. Preferred Stock. The Preferred Stock may be issued from time to time in one or more series, as determined by the Board. The Board is expressly authorized to provide for the issue, in one or more series, of all or any of the remaining shares of Preferred Stock and, in the resolution or resolutions providing for such issue (each, a "**Preferred Stock Designation**"), to establish for each such series the number of its shares, the voting powers, full or limited, of the shares of such series, or that such shares shall have no voting powers, and the designations, preferences, and relative participating, optional, or other special rights of the shares of such series, and the qualifications, limitations, or restrictions thereof. The Board is also expressly authorized (unless forbidden in the resolution or resolutions providing for such issue) to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issuance of shares of that series. Unless the Preferred Stock Designation otherwise provides, in case the number of shares of any such series shall be so decreased, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series. Unless the Board provides to the contrary in the Preferred Stock Designation and to the fullest extent permitted by law, neither the consent by series, or otherwise, of the holders of any outstanding Preferred Stock nor the consent of the holders of any outstanding Common Stock shall be required for the issuance of any new series of Preferred Stock regardless of whether the rights and preferences of the new series of Preferred Stock are senior or superior, in any way, to the outstanding series of Preferred Stock or the Common Stock.

C. Common Stock.

1. Relative Rights of Preferred Stock and Common Stock. All preferences, voting powers, relative participating, optional, or other special rights and privileges, and qualifications, limitations, or restrictions of the Common Stock are expressly made subject and subordinate to those that may be fixed with respect to any shares of the Preferred Stock.

2. Voting Rights. Except as otherwise required by law or certificate of incorporation of the Corporation, as amended from time to time (this "**Certificate of Incorporation**"), each holder of Common Stock shall have one vote in respect of each share of stock held by such holder of record on the books of the Corporation. No holder of shares of Common Stock shall have the right to cumulative votes.

3. Dividends. Subject to the preferential rights of the Preferred Stock and except as otherwise required by law or this Certificate of Incorporation, the holders of shares of Common Stock shall be entitled to receive dividends, when, as and if declared by the Board, out of the assets of the Corporation which are by law available therefor.

article V

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation, and regulation of the powers of the Corporation and of its directors and stockholders:

A. Board of Directors. The business and affairs of the Corporation shall be managed by or under the direction of the Board. In addition to the powers and authority expressly conferred upon them by statute or by this Certificate of Incorporation or the bylaws of the Corporation (the "**Bylaws**"), the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

Notwithstanding the foregoing, for so long as the Stockholder Agreement remains in effect and the Pesic Family owns (directly or indirectly), in the aggregate, at least 25% of the voting power of the then outstanding shares of capital stock of the Corporation, following the IPO Date, the prior written approval or consent of the Pesic Family shall be required for the Corporation to (either directly or indirectly through an Affiliate or otherwise or through one or a series of related transactions and whether by merger, consolidation, division, operation of law, or otherwise):

1. implement any amendments to this Certificate of Incorporation or the Bylaws that would adversely affect the Pesic Family's rights thereunder;

2. (a) effect or consummate a Change of Control Event or (b) effect any other merger, consolidation, business combination, sale, or acquisition with a Person other than the Corporation and its subsidiaries, that results in changes in the rights or preferences of the holders of Equity Securities of the Corporation; and

3. effect the liquidation, dissolution, or winding up of the business operations of the Corporation.

B. Election of Directors. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

C. Action by Stockholders. From and after the first date (the "**Trigger Date**") on which the Pesic Family, ceases to beneficially own (directly or indirectly), in the aggregate, at least 50% of the voting power of the then outstanding shares of capital stock of the Corporation then entitled to vote generally in the election of directors, any action required or permitted to be taken by the Corporation's stockholders may be effected only at a duly called annual or special meeting of the Corporation's stockholders and the power of stockholders to consent in writing without a meeting is specifically denied. Prior to the Trigger Date, any action which is required or permitted to be taken by the Corporation's stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of the Corporation's stock entitled to vote thereon were present and voted.

D. Special Meetings of Stockholders. Special meetings of stockholders of the Corporation may be called only by the Board acting pursuant to a resolution adopted by a majority of the Whole Board or by the Chairman of the Board, the Chief Executive Officer, or

the President of the Corporation. For purposes of this Certificate of Incorporation, the term "**Whole Board**" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

E. Annual Meeting of Stockholders. An annual meeting of stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such date and time as the Board (or its designees) shall fix.

F. Definitions. For purposes of this Article V, references to:

1. "Affiliate" means, with respect to any specified Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including, without limitation, any general partner, officer, director, or manager of such Person and any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such Person.

2. "beneficially own" has the meaning set forth in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); "**beneficially owns**," "**beneficially owned**," and "**beneficial ownership**" will have corresponding meanings.

3. "Change of Control Event" means, with respect to the Corporation, (i) the closing of the sale, transfer, or other disposition of all or substantially all of the Corporation's assets or intellectual property (determined on a consolidated basis), (ii) the consummation of the merger or consolidation of the Corporation with or into another entity (except a merger or consolidation in which the holders of capital stock of the Corporation immediately prior to such merger or consolidation continue to hold at least fifty percent (50%) of the then-outstanding Voting Securities of the Corporation (or voting securities of the surviving or acquiring entity)), (iii) any Person or group of Persons within the meaning of Section 13(d)(3) of the Exchange Act becomes the beneficial owner, directly or indirectly, of fifty percent (50%) or more of the then-outstanding Voting Securities of the Corporation, or (iv) the closing of the transfer (whether by merger, consolidation, or otherwise), in one transaction or a series of related transactions, to a Person or group of affiliated Persons (other than an underwriter of the Corporation's securities), of the Corporation's securities if, after such closing and as a result of such closing, such Person or group of affiliated Persons would hold fifty percent (50%) or more of the then-outstanding Voting Securities of the Corporation (or voting securities of the surviving or acquiring entity); provided, however, that there shall not be a Change of Control Event hereunder if (A) the sole purpose of a transaction is to change the state of incorporation of the Corporation or to create a holding company that will be owned in substantially the same proportions by the Persons who held the Corporation's securities immediately prior to such transaction or (B) one or more the Pesic Family or, in the event the Pesic Family are deemed to be a group within the meaning of Section 13(d)(3) of the Exchange Act, one or more the Pesic Family, becomes the beneficial owner of fifty percent (50%) or more of the then-outstanding Voting Securities.

4. "**control**" as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of Voting Securities, by agreement, or otherwise. The terms "controls," "controlled," and "controlling" will have corresponding meanings.

5. "**Equity Securities**" means, with respect to any Person, any shares of capital stock or equity of (or other ownership or profit interests in) such Person, any warrants, options, or other rights for the purchase or acquisition from such Person of shares of capital stock or equity of (or other ownership or profit interests in) such Person, any securities convertible into

or exchangeable for shares of capital stock or equity of (or other ownership or profit interests in) such Person, or warrants, options, or other rights for the purchase or acquisition from such Person of such shares of capital stock or equity of (or other ownership or profit interests in) such Person, restricted stock awards, restricted stock units, equity appreciation rights, phantom equity rights, profit participation, and any other ownership or profit interests issued by such Person (including partnership or member interests therein), whether voting or nonvoting, and regardless of whether any such option, award, or right is vested or whether any conditions to the exercise of the rights conferred thereby have been met.

6. "**Governmental Authority**" shall mean any federal, state, tribal, local, or foreign governmental or quasi-governmental entity or municipality or subdivision thereof or any authority, administrative body, department, commission, board, bureau, agency, court, tribunal or instrumentality, arbitration panel, commission, or similar dispute resolving panel or body, or any applicable self-regulatory organization.

7. "**IPO Date**" means May 13, 2024.

8. "**Person**" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or other form of business organization, whether or not regarded as a legal entity under applicable law, or any Governmental Authority or any department, agency, or political subdivision thereof.

9. "**Pesic Family**" shall mean Katherine Ngai-Pesic, Iliya Pesic, and Yelena Pesic, and each of their respective affiliates, collectively voting together as a single entity.

10. "**Stockholder Agreement**" shall mean the Stockholder Agreement, dated as of April 12, 2024, by and among the Corporation and the Pesic Family (as the same may be amended, restated, supplemented, and/or otherwise modified from time to time in accordance with its terms).

11. "**Voting Securities**" means the Common Stock and any other securities of the Corporation entitled to vote generally in the election of directors of the Corporation.

## article VI

A. Number and Terms of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the number of directors shall be fixed from time to time exclusively by the Board pursuant to a resolution adopted by a majority of the Whole Board. The directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, shall have a term of office that expires at each of the Corporation's annual meeting of stockholders following the effectiveness of the filing of this Certificate of Incorporation, with each director to hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders, (i) directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the next succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified; and (ii) if authorized by a resolution of the Board, directors may be elected to fill any vacancy on the Board, regardless of how such vacancy shall have been created.

B. Quorum. A majority of the Whole Board shall constitute a quorum for all purposes at any meeting of the Board, and, except as otherwise expressly required by law or by

this Certificate of Incorporation, all matters shall be determined by the affirmative vote of a majority of the directors present at any meeting at which a quorum is present.

C. Board Vacancies. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board resulting from death, resignation, disqualification, removal from office, or other cause shall, unless otherwise required by law or determined by the Board, be filled only by a majority vote of the directors then in office, though less than a quorum (and not by stockholders), and directors so chosen shall serve for a term expiring at the annual meeting of stockholders, with each director to hold office until his or her successor shall have been duly elected and qualified. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

D. Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws.

E. Removal. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director, or the entire Board, may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of capital stock of the Corporation then entitled to vote at an election of directors, voting together as a single class.

## article VII

The Board is expressly authorized to adopt, amend, or repeal the Bylaws. Any adoption, amendment, or repeal of the Bylaws by the Board shall require the affirmative vote of a majority of the Whole Board. The stockholders shall also have power to adopt, amend, or repeal the Bylaws; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law, by this Certificate of Incorporation or by any Preferred Stock Designation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to adopt, amend, or repeal any provision of the Bylaws.

## article VIII

A. Limitation on Liability. To the fullest extent permitted by the DGCL, as the same exists or as may hereafter be amended (including, but not limited to Section 102(b)(7) of the DGCL), a director or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, as applicable. If the DGCL hereafter is amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer, as applicable, of the Corporation, in addition to the limitation on personal liability provided herein, shall be eliminated or limited to the fullest extent permitted by the amended DGCL. Any repeal or modification of this paragraph by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of the Corporation existing at the time of such repeal or modification.

B. Indemnification. To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers, employees, and agents of the Corporation (and any other persons to which DGCL permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such persons, vote of stockholders or disinterested directors, or otherwise.

C. Repeal and Modification. Any repeal or modification of the foregoing provisions of this Article VIII shall not adversely affect any right or protection existing hereunder immediately prior to such repeal or modification.

## ARTICLE IX

A. Exclusive Forum; Delaware Chancery Court. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state or federal court located within the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought in the name or right of the Corporation or on behalf of the Corporation, (ii) any action or proceeding asserting a claim of breach of any fiduciary duty owed by any director, officer, employee, agent or stockholder of the Corporation to the Corporation or to the Corporation's stockholders, (iii) any action or proceeding arising or asserting a claim arising pursuant to any provision of the DGCL, this Certificate of Incorporation, any Preferred Stock Designation or the Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of this Certificate of Incorporation or Bylaws, or (v) any action or proceeding asserting a claim governed by the internal affairs doctrine. If any action, the subject matter of which is within the scope of this Section, is filed in a court other than a court located within the State of Delaware (a "**Foreign Action**") in the name of any stockholder, that stockholder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce this Section (an "**Enforcement Action**"), and (y) having service of process made upon such stockholder in any such Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder, in each case, to the fullest extent permitted by law. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Section.

B. Exclusive Forum; Federal District Courts. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act of 1933. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of this Section.

C. Equitable Relief. Failure to enforce the provisions contained in this Article IX would cause the Corporation irreparable harm, and the Corporation shall be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions.

## ARTICLE X

Notwithstanding any other provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of this Corporation required by law, by this Certificate of Incorporation or by any Preferred Stock Designation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-

outstanding shares of the capital stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to amend in any respect or repeal this Article X or any of Articles V, VI, VII, VIII, or IX.

ARTICLE XI

The effective date of this Amended and Restated Certificate of Incorporation shall be May 22, 2025.

*[remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Corporation has caused this amended and restated certificate to be signed by its Chief Executive Officer this 22nd day of May, 2025.

SILVACO GROUP, INC.

By: /s/ Dr. Babak A. Taheri
Dr. Babak A. Taheri
Chief Executive Officer

# DESCRIPTION OF CAPITAL STOCK

The following description of the capital stock of Silvaco Group, Inc. (the "Company," "we," "us," and "our") and certain provisions of our amended and restated certificate of incorporation, as amended from time to time (the "amended and restated certificate of incorporation") and amended and restated bylaws, as amended from time to time (the "amended and restated bylaws") is a summary and is qualified in its entirety by reference to the full text of our amended and restated certificate of incorporation and amended and restated bylaws and applicable provisions of the General Corporation Law of the State of Delaware (the "DGCL"). Our amended and restated certificate of incorporation authorizes capital stock consisting of:

- 500,000,000 shares of common stock, $0.0001 par value (28,526,615 shares issued and outstanding as of December 31, 2024); and
- 10,000,000 shares of preferred stock $0.0001 par value (no shares issued and outstanding as of December 31, 2024).

## Common Stock

### *Voting*

Holders of shares of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, including the election of directors, and do not have cumulative voting rights. Accordingly, the holders of a majority of the shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election.

### *Dividends*

Subject to statutory or contractual restrictions on the payment of dividends and to any preferences that may be applicable to any then outstanding preferred stock, the holders of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

### *Liquidation*

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities, subject to the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

### *Rights and Preferences*

Holders of our common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

***Fully Paid and Nonassessable***

All of our outstanding shares of common stock are fully paid and nonassessable.

**Preferred Stock**

Under our amended and restated certificate of incorporation, our board of directors have the authority, without further action by the stockholders, to issue up to10,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon, and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in our control that may otherwise benefit holders of our common stock and may adversely affect the market price of our common stock and the voting and other rights of the holders of common stock. We have no current plans to issue any shares of preferred stock.

**Registration Rights**

We entered into a registration rights agreement with certain of our stockholders in connection with our initial public offering pursuant to which such parties have certain demand rights, short-form registration rights and piggyback registration rights from us, subject to customary restrictions and exceptions. All fees, costs and expenses of registrations, other than underwriting discounts and commissions, are expected to be borne by us.

**Anti-Takeover Effects of Provisions of Our Certificate of Incorporation, Our Bylaws and Delaware Law**

Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor.

***Delaware Anti-Takeover Law***

We are subject to Section 203 of the DGCL (“Section 203”). Section 203 generally prohibits a public Delaware corporation from engaging in a “business combination” with

an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (but not the outstanding voting stock owned by the interested stockholder) shares owned by persons who are directors and also officers and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- upon or subsequent to the consummation of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation to or with the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation owned by the interested stockholder;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

***Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws***

Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the voting power of our shares of common stock outstanding will be

able to elect all of our directors. Our amended and restated certificate of incorporation and amended and restated bylaws provide that, after Ms. Kathy Pesic and certain of her family members (the “Pesci Family”) cease to beneficially own, in the aggregate, at least 50% of the voting power of the outstanding shares of our common stock, all stockholder actions must be effected at a duly called meeting of stockholders and not by written consent. Further, for so long as the stockholders agreement with the Pesic Family remains in effect and the Pesic Family owns in the aggregate, at least 25% of the voting power of the then outstanding shares of our capital stock, the prior written approval or consent of the Pesic Family shall be required for us to (i) implement any amendments to our charter or bylaws that would adversely affect the Pesic Family’s rights thereunder, (ii) effect or consummate a change of control or approve another merger, consolidation, business combination, sale or acquisition that results in changes in the rights and privileges of holders of equity securities, and (iii) effect the liquidation or dissolution or winding up of our business operations. A special meeting of stockholders may be called by the majority of our board of directors, chair of our board of directors, our President, or our Chief Executive Officer. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control of us or our management.

In addition, our amended and restated certificate of incorporation and amended and restated bylaws provide that the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of the members of our board of directors then in office, and that our directors may be removed only for cause. Our amended and restated certificate of incorporation and amended and restated bylaws also provide that vacancies occurring on our board of directors and newly created directorships resulting from an increase in the authorized number of directors may be filled only by vote of a majority of the remaining members of our board of directors, even though less than a quorum. Our amended and restated certificate of incorporation and amended and restated bylaws provide that our board of directors is expressly authorized to adopt, amend or repeal our bylaws, and require a 66 2/3% stockholder vote to amend our bylaws and certain provisions of our certificate of incorporation.

Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws also specify certain requirements regarding the form and content of a stockholder notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer’s own slate of directors or otherwise attempting to obtain control of us.

The foregoing provisions will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain

and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are also designed to reduce our vulnerability to an unsolicited acquisition proposal and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of deterring hostile takeovers or delaying changes in our control or management. As a consequence, these provisions also may inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts.

**Choice of Forum**

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that the Court of Chancery of the State of Delaware (or, if that court lacks subject matter jurisdiction, another federal or state court situated in the State of Delaware) are the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our amended and restated certificate of incorporation, or our bylaws, or any issue, in one or more series, of all or any of the remaining shares of preferred stock, and, in the resolution or resolutions providing for such issue; any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or our bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. If any such action is filed in a court other than a court located within the State of Delaware (a “Foreign Action”) in the name of any stockholder, that stockholder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce our choice of forum, or an Enforcement Action, and (y) having service of process made upon such stockholder in any such Enforcement Action by service upon such stockholder’s counsel in the Foreign Action as agent for such stockholder, in each case, to the fullest extent permitted by law. In addition, our amended and restated certificate of incorporation and our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America are the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Such provision is intended to benefit and may be enforced by us, our officers and directors, employees and agents, including the underwriters and any other professional or entity who has prepared or certified any part of this prospectus. Although our amended and restated certificate of incorporation and amended and restated bylaws contain the choice of forum provisions described above,

it is possible that a court could find one or more of these provisions inapplicable for a particular claim or action or that such provision is unenforceable. Further, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Nothing in our amended and restated certificate of incorporation or amended and restated bylaws preclude stockholders that assert claims under the Exchange Act from bringing such claims in state or federal court, subject to applicable law. Any person or entity purchasing or otherwise acquiring any interest in any of our securities will be deemed to have notice of and consented to the provisions of amended and restated certificate of incorporation or amended and restated bylaws described above. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable.

**Listing**

Our common stock is listed on the Nasdaq Global Select Market and trades under the symbol "SVCO."

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Equiniti Trust Company, LLC (f/k/a American Stock Transfer & Trust Company, LLC).

**SILVACO GROUP, INC.**
**2024 STOCK INCENTIVE PLAN**
**RESTRICTED STOCK UNIT AGREEMENT**

**The Plan and Other Agreements**

The RSUs that you are receiving are granted pursuant and subject in all respects to the applicable provisions of the Plan, which is incorporated herein by reference. Capitalized terms not defined in this Agreement will have the meanings ascribed to them in the Plan.

The attached Notice of Restricted Stock Unit Award, this Agreement, including any additional terms for Participants outside of the United States ("**U.S.**") set forth in the addendum hereto, and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded, with the exception of (1) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law and (2) any written employment or severance arrangement that would provide for vesting acceleration of the RSUs upon the terms and conditions set forth therein. This Agreement may be amended by the Committee without your consent; however, if any such amendment would materially impair your rights or obligations under this Agreement, this Agreement may be amended only by another written agreement, signed by you and the Company.

**Payment for RSUs**

No cash payment is required for the RSUs you receive. You are receiving the RSUs in consideration for Services rendered by you.

**Vesting**

The RSUs that you are receiving will vest as shown in the Notice of Restricted Stock Unit Award. No additional RSUs vest after your Service as an Employee, an Outside Director or a Consultant has terminated for any reason.

**Forfeiture**

If your Service terminates for any reason, then this Award expires immediately as to the number of RSUs that have not vested before the termination date and do not vest as a result of termination. Your Service will not be extended by any notice period. This means that the unvested RSUs will immediately be cancelled. You will receive no payment for RSUs that are forfeited. The Company determines when your Service terminates for this purpose and all purposes under the Plan and its determinations are conclusive and binding on all persons.

**Leaves of Absence**

For purposes of this Award, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave of absence was approved by the Company in writing and if continued crediting of Service is required by the terms of the leave or by applicable law. But your Service terminates when the approved leave ends, unless you immediately return to active work.

If you go on a leave of absence, then the vesting schedule specified in the Notice of Restricted Stock Unit Award may be adjusted in accordance with the Company's leave of absence policy or the terms of your leave. If your work schedule changes (i.e., your work hours are increased or reduced), then the vesting schedule specified in the Notice of Restricted Stock Unit Award may be adjusted in accordance with the Company's part-time work policy or the terms of an agreement between you and the Company pertaining to your part-time schedule.

**Nature of RSUs**

Your RSUs are mere bookkeeping entries. They represent only the Company's unfunded and unsecured promise to issue Shares on a future date. As a holder of RSUs, you have no rights other than the rights of a general unsecured creditor of the Company.

**No Voting Rights or Dividends**

Your RSUs carry neither voting rights nor rights to dividends. Neither you, nor your estate or heirs, have any rights as a stockholder of the Company in respect of the RSUs, unless and until your RSUs are settled by issuing Shares. No adjustments will be made for dividends or other rights if the applicable record date occurs before your Shares are issued, except as described in the Plan.

**RSUs Nontransferable**

You may not sell, transfer, assign, pledge or otherwise dispose of any RSUs. For instance, you may not use your RSUs as security for a loan. If you attempt to do any of these things, your RSUs will immediately become invalid.

**Settlement of RSUs**

Each of your vested RSUs will be settled when it vests; provided, however, that if the Committee requires you to pay withholding taxes through a sale of Shares, settlement of each RSU may be deferred to the first permissible trading day for the Shares, if later than the applicable vesting date.

Under no circumstances may your RSUs be settled later than two and one-half (2-1/2) months following the calendar year in which the applicable vesting date occurs.

For purposes of this Agreement, "**permissible trading day**" means a day that satisfies all of the following requirements: (1) the exchange on which the Shares are traded is open for trading on that day; (2) you are permitted to sell Shares on that day without incurring liability under Section 16(b) of the Exchange Act; (3) either (a) you are not in possession of material non-public information that would make it illegal for you to sell Shares on that day under Rule 10b-5 under the Exchange Act or (b) Rule 10b5-1 under the Exchange Act would apply to the sale; (4) you are permitted to sell Shares on that day under such written insider trading policy as may have been adopted by the Company; and (5) you are not prohibited from selling Shares on that day by a written agreement between you and the Company or a third party.

At the time of settlement, you will receive one Share for each vested RSU; provided, however, that no fractional Shares will be issued or delivered pursuant to the Plan or this Agreement, and the Committee will determine whether cash will be paid in lieu of any fractional Share or whether such fractional Share and any rights thereto will be canceled, terminated or otherwise eliminated. In addition, the Shares are issued to you subject to the condition that the issuance of the Shares does not violate any law or regulation.

**Withholding Taxes and Stock Withholding**

Regardless of any action the Company and/or the Subsidiary or Affiliate employing you (your "**Employer**") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("**Tax-Related Items**"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and your Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this Award, including the award, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to settlement and the receipt of any dividends; and (2) do not commit to structure the terms of the award or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and your Employer (or former Employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the settlement of the RSUs, you shall pay or make adequate arrangements satisfactory to the Company and your Employer to satisfy all withholdings and payments on account obligations of the Company and/or your Employer. In this regard, you authorize the Company and your Employer to withhold all applicable Tax-Related Items legally payable by you from your wages or other cash compensation paid to you by the Company and/or your Employer.

Unless an alternative arrangement satisfactory to the Committee has been provided prior to the vesting date, the default method for paying withholding taxes is withholding Shares that otherwise would be issued to you when the RSUs are settled, provided that the Company only withholds a number of whole Shares having a Fair Market Value equal to the amount necessary to satisfy the maximum applicable tax withholding rate. Notwithstanding the foregoing, if you are classified as a Section 16 officer of the Company under the Exchange Act when the RSUs are settled, you shall be restricted to satisfying your obligation for Tax-Related Items by withholding in fully vested Shares that otherwise would be issued to you when the RSUs are settled, unless this withholding method is not permissible under applicable laws, or the Company has authorized an alternative method for the relevant taxable event.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSU, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items.

The Committee may also require the withholding of taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization), or any other arrangement approved by the Committee.

The Fair Market Value of the Shares, determined as of the effective date when taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes. The Company or your Employer may withhold or account for Tax-Related Items by considering statutory withholding amounts or other withholding rates applicable in your jurisdiction(s), including maximum applicable tax withholding rates, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. Finally, you will pay to the Company or your Employer any amount of Tax-Related Items that the Company or your Employer may be required to withhold as a result of your participation in the Plan or your acquisition of Shares that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this section, and your rights to the Shares will be forfeited if you do not comply with such obligations on or before the date that is two and one-half (2-1/2) months following the calendar year in which the applicable vesting date for the RSUs occurs.

**Restrictions on Resale**

You agree not to sell any Shares at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

**No Retention Rights**

Neither this Award nor this Agreement gives you the right to be employed or retained by the Company or any Subsidiary or Affiliate of the Company in any capacity. The Company and its Subsidiaries and Affiliates reserve the right to terminate your Service at any time, with or without cause.

You understand and acknowledge that the vesting of your Award pursuant to the vesting schedule hereof is earned only by your continued Service, or the satisfaction of any other conditions set forth herein, in each case at the will of the Company (not through the act of being hired or being granted this Award). As such, this Agreement, the transactions contemplated hereunder and the vesting schedule set forth herein do not constitute an express or implied promise of continued engagement as a service provider for the vesting period, for any period, or at all, and shall not interfere in any way with your right or the Company's right to terminate your continued Service at any time, with or without cause.

**Adjustments** The number of RSUs covered by this Award will be subject to adjustment in the event of a stock split, a stock dividend or a similar change in Shares, and in other circumstances, as set forth in the Plan. The forfeiture provisions and restrictions described above will apply to all new, substitute or additional restricted stock units or securities to which you are entitled by reason of this Award.

**Successors and Assigns** Except as otherwise provided in the Plan or this Agreement, every term of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees and assigns.

**Notice** Any notice required or permitted under this Agreement will be given in writing, including electronically, and will be deemed effectively given upon the earliest of personal delivery, electronic delivery to the email address assigned to you by the Company or provided by you to the Company, receipt or the third (3rd) full day following mailing with postage and fees prepaid, addressed to the other party hereto at the address last known in the Company's records or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto. The Company may, in its sole discretion, deliver any documents related to your current or future participation in the Plan by electronic means. By accepting this Award, you hereby: (1) consent to receive such documents by electronic means; (2) consent to the use of electronic signatures; and (3) agree to participate in the Plan and/or receive any such documents through an online or electronic system established and maintained by the Company or a third party designated by the Company, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions.

**Section 409A of the Code** This Agreement and the RSUs are intended to be exempt from the application of Section 409A of the Code, including but not limited to by reason of complying with the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) and any ambiguities herein shall be interpreted accordingly. Notwithstanding the foregoing, to the extent this Agreement and the RSUs are subject to, and not exempt from, Section 409A of the Code, this Agreement and the RSUs are intended to comply with Section 409A, and its provisions will be interpreted in a manner consistent with such intent. You acknowledge and agree that changes may be made to this Agreement to avoid adverse tax consequences to you under Section 409A. If it is determined that the RSUs are deferred compensation subject to Section 409A of the Code and you are a "specified employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "separation from service" (as defined in Section 409A of the Code), then the issuance of any Shares that would otherwise be made upon the date of your separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the separation from service, with the balance of the Shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the Shares is necessary to avoid the imposition of adverse taxation on you in respect of the Shares under Section 409A of the Code. Each installment of Shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2).

**Applicable Law and Choice of Venue** This Agreement will be interpreted and enforced under the laws of the State of Delaware without application of the conflicts of law principles thereof.

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that any such litigation will be conducted only in the courts of California, or the federal courts of the United States located in California and no other courts.

**Governing Document** This Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of the Award, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. Except as expressly provided in this Agreement, in the event of any conflict between the provisions of this Agreement, the Notice of Restricted Stock Unit Award, and those of the Plan, the provisions of the Plan will control.

Notwithstanding provisions in this Agreement, the Award shall be subject to additional terms and conditions for Participants outside the U.S. set forth in an addendum to this Agreement, including any additional terms and conditions for your country. Moreover, if you relocate to another country, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Any addendum to this Agreement constitutes part of this Agreement.

**Severability**

In the event that all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any section of this Agreement (or part of such a section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such section or part of a section to the fullest extent possible while remaining lawful and valid.

**No Tax, Legal or Investment Advice**

The Company and your Employer are not providing any tax, legal or financial advice, nor is the Company or your Employer making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You understand and agree that you should consult with your own personal tax, financial and/or legal advisors regarding the Award and Tax-Related Items arising in connection with the Award and by accepting the Award, you have agreed that you have done so or knowingly and voluntarily declined to do so.

**Miscellaneous**

You understand and acknowledge that (1) the Plan is entirely discretionary, (2) the Company and your Employer have reserved the right to amend, suspend or terminate the Plan at any time, (3) the grant of this Award does not in any way create any contractual or other right to receive additional grants of awards (or benefits in lieu of awards) at any time or in any amount and no inference shall be drawn from the grant of this Award with respect to the quality of your service to, or standing with, the Company and (4) all determinations with respect to any additional grants, including (without limitation) the times when awards will be granted, the number of RSUs subject to awards and the vesting schedule, will be at the sole discretion of the Company.

The value of this Award will be an extraordinary item of compensation outside the scope of your employment contract, if any, and will not be considered a part of your normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, service awards, pension or retirement benefits or similar payments.

You understand and acknowledge that participation in the Plan ceases upon termination of your Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

You hereby authorize and direct your Employer to disclose to the Company or any Subsidiary or Affiliate any information regarding your employment, the nature and amount of your compensation and the fact and conditions of your participation in the Plan, as your Employer deems necessary or appropriate to facilitate the administration of the Plan.

You consent to the collection, use and transfer of personal data as described in this subsection. You understand and acknowledge that the Company, your Employer and the Company's other Subsidiaries and Affiliates hold certain personal information regarding you for the purpose of managing and administering the Plan, including (without limitation) your name, home address, telephone number, date of birth, social insurance or other government identification number, salary, nationality, job title, any Shares or directorships held in the Company and details of all awards or any other entitlements to RSUs or Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (the "**Data**"). You further understand and acknowledge that the Company, its Subsidiaries and/or its Affiliates will transfer Data among themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. You understand and acknowledge that the recipients of Data may be located in the United States or elsewhere, and that the laws of a recipient's country of operation (e.g., the United States) may not have equivalent privacy protections as local laws where you reside or work. You authorize such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering your participation in the Plan, including a transfer to any broker or other third party with whom you elect to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf. You may, at any time, view Data, require any necessary modifications of Data, make inquiries about the treatment of Data or withdraw the consents set forth in this subsection by contacting the Human Resources

Department of the Company in writing.

You acknowledge and agree that you have reviewed the documents provided to you in relation to the Award in their entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting the Award, and fully understand all provisions of such documents. You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Award.

**BY SIGNING THE NOTICE OF RESTRICTED STOCK UNIT AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.**

**SILVACO GROUP, INC.**
**2024 STOCK INCENTIVE PLAN**
**NOTICE OF RESTRICTED STOCK UNIT AWARD**

You have been granted the following Restricted Stock Units (the "**Restricted Stock Units**" or "**RSUs**") with each RSU representing the contingent right to receive one share of common stock of Silvaco Group, Inc. (the "**Company**") pursuant to the Silvaco Group, Inc. 2024 Stock Incentive Plan (as may be amended from time to time, the "**Plan**") (the "**Award**"):

| | |
|---|---|
| *Name of Recipient:* | [Name of Recipient] |
| *Grant Date:* | [Date of Grant] |
| *Total Number of Restricted Stock Units Subject to the Award:* | [Total RSUs] |
| *Vesting Commencement Date:* | [Vesting Commencement Date] |
| *Vesting Schedule:* | On the one-year anniversary of the Vesting Commencement Date, 1/4$^{th}$ of the Total Number of Restricted Stock Units Subject to the Award shall vest, and on each subsequent three (3) month anniversary of the Vesting Commencement Date (continuing for three years from the one-year anniversary of the Vesting Commencement Date) an additional 1/16$^{th}$ of the Total Number of Restricted Stock Units Subject to the Award shall vest, with such Award being fully vested on the four-year anniversary of the Vesting Commencement Date, in each case subject to your continued service through each such date. |

**By your written signature below (or your electronic acceptance) and the signature of the Company's representative below, you and the Company agree that the RSUs are granted under and governed by the terms and conditions of the Plan, this Notice of Restricted Stock Unit Grant and the Restricted Stock Unit Agreement, including any special terms for Participants outside of the United States ("U.S.") (collectively, this "Agreement"), each of which are attached to and made a part of this document.**

**By your written signature below (or your electronic acceptance), you further agree that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify you by e-mail. Should you electronically accept this Agreement, you agree to the following: "This electronic contract**

**contains my electronic signature, which I have executed with the intent to sign this Agreement."**

**You acknowledge and agree that (i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Notice of Restricted Stock Unit Award, the attached Restricted Stock Unit Agreement and the Plan and (ii) you have been given an opportunity to consult your own legal and tax counsel with respect to all matters relating to these RSUs prior to signing (or electronically accepting) this Notice of Restricted Stock Unit Award and that you have either consulted such counsel or voluntarily declined to consult such counsel.**

**RECIPIENT**

_____
Recipient's Signature

_____
Recipient's Printed Name

**SILVACO GROUP, INC.**

By: _____

Name: Katherine Ngai-Pesic

Title: Chairperson of the Board

SILVACO GROUP, INC.
EXECUTIVE SEVERANCE PLAN
AND SUMMARY PLAN DESCRIPTION

This Executive Severance Plan (this "Plan") is adopted by Silvaco Group, Inc., a Delaware corporation (the "Company"), effective (the "Effective Date") on the date approved by the Board of Directors of the Company (the "Board"). This Plan replaces in its entirety any prior severance agreements, policies, understanding, or plans, agreed to by any Executive and the Company. For the avoidance of doubt, this Plan controls over any severance benefits, equity award agreements, employee benefit plans, or other conflicting terms included or referenced within an Executive's employment offer/agreement or continued employment agreement(s), except as set forth in Section 17(a).

The Compensation Committee (the "Committee") of the Board may, in its sole and absolute discretion, designate executive employees of the Company to participate in the Plan. For purposes of this Plan, all references to the Company shall include the Company's affiliates and subsidiaries unless the context otherwise requires.

This Plan is designed to be an unfunded "employee welfare benefit plan," as defined in Section 3(1) of ERISA and, accordingly, the Plan is governed by ERISA. This document, together with the Participation Agreement, constitutes the official Plan document and summary plan description.

RECITALS

The Committee realizes it is beneficial for all parties that the employment separation process and associated benefits be as clear as possible between the Executive and the Company so misunderstandings can be avoided, whether that separation is the result of an involuntary termination as a result of a Change in Control or otherwise. The Committee has also determined that it is in the best interests of the Company and its stockholders to assure that the Company shall have the continued dedication and objectivity of the Executive, notwithstanding the possibility, threat or occurrence of a CIC of the Company.

Certain capitalized terms used in this Plan are defined in Section 9 below.

PLAN

1. General.
   (a) Plan Administration. The Plan shall be administered by the Committee. The Committee shall have the authority to interpret the Plan, designate executive employees of the Company to participate in the Plan, and to make any and all other determinations necessary or advisable for the administration of the Plan. The Committee shall have the authority to amend the Plan at any time and for any reason; provided, however, that except as otherwise permitted by the Plan or as required to comply with any applicable law, regulation or rule, any amendment thereof shall not have a material adverse effect on an Executive's benefits under the Plan without the Executive's consent. The Committee may delegate any and all of its powers and responsibilities hereunder to other persons and such persons shall have the full authority to exercise the duties so delegated.
2. Participation. The Committee will select the executive employees who will be eligible to participate in the Plan and will deliver a letter agreement to each such executive employee, substantially in the form attached hereto as Exhibit A (the "Participation Agreement"), informing the executive employee that he or she is eligible to participate in the Plan. Each executive employee who receives a Participation Agreement and makes the representations in such Participation Agreement by returning the signed and unmodified Participation Agreement within 30 days of the date of the Participation Agreement (unless specified otherwise in the Participation Agreement) to the General Counsel of the Company (unless specified otherwise in the Participation Agreement) shall become a participant in the Plan (each such individual is referred to as an "Executive"). In addition, as a pre-condition to the Executive's participation on the Plan, the Executive will be required to have executed the Employee Arbitration Agreement in the form attached hereto as Exhibit B.

3. At-Will Employment. An Executive's employment with the Company is "at-will" employment and may be terminated by the Company at any time with or without Cause or notice. This Plan does not create any right to continued employment. Further, the Executive's job performance or promotions, commendations, bonuses or the like from the Company do not give rise to or in any way serve as the basis for modification, amendment, or extension, by implication or otherwise, of his or her employment with the Company.
4. IPO Benefit. If Executive becomes a participant of the Plan prior to the closing of an IPO prior to a Change of Control, the Executive shall be entitled to accelerated time-based vesting of the Executive's Specified IPO Percentage set forth in Executive's Participation Agreement of the then unvested portion of the Executive's RSU award(s) outstanding as of the closing of the IPO, subject to the Executive's continued employment through such closing. The unvested portion of the RSU award(s) that is not subject to acceleration of time-based vesting shall remain outstanding subject to continued time-based vesting. This benefit shall not apply to RSUs which have a vesting start date at or following the closing of an IPO.
5. Non-Change in Control Termination. If the Executive's employment with the Company is terminated by the Company without Cause or by the Executive for Non-CIC Good Reason (a "Non-CIC Involuntary Termination"), such termination does not occur within the CIC Period, and the Executive complies with the terms of this Plan and the Participation Agreement, Executive shall be eligible to receive the following payments and benefits.
    (a) A cash severance payment equal to the sum of the Executive's Monthly Base Salary *multiplied by* the number of months set forth in the Executive's Participation Agreement plus the Pro Rata Full Target Bonus Amount. Such cash severance payment shall be paid in two equal payments each subject to standard payroll deductions and withholdings, with the one-half paid on the first payroll date following the date the Release executed by the Executive and returned to the Company in accordance with Section 8 becomes effective (the effective date of the Release, the "Release Date") and one-half paid on the first payroll date following the six-month anniversary following the Release Date, but in no event shall any such payment be made later than March 15th of the calendar year following the calendar year in which the Non-CIC Involuntary Termination occurs.
    (b) The Company shall, at the Company's expense, for the period of time ending on the earlier to occur of (i) the completion of the number of months set forth in the Executive's Participation Agreement, (ii) the expiration of the Participant's eligibility for the continuation coverage under COBRA and (iii) the date on which the Executive becomes eligible to receive healthcare coverage from a subsequent employer or other source (the "Benefit Continuation Period"), pay for the entire cost of continued coverage under the Company's group medical plans pursuant to COBRA as if the Executive's employment had not been terminated, or reimburse the cost of such medical coverage, provided that (A) such Executive completes and timely files all necessary COBRA election documentation, which will be sent to such Executive after the date of termination of employment, and (B) in the event the Company provides reimbursement rather than direct payment to the carrier(s), during any COBRA period such Executive continues to make all required premium payments required by COBRA. The Company may include the fair market value of the cost of such coverage in the Executive's taxable income. Notwithstanding the foregoing, if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the Benefit Continuation Period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), or the Company is otherwise unable to continue to cover such Executive under its group health plans without a fine or penalty to the Company or the Executive under applicable

law (including without limitation, Section 2716 of the Public Health Service Act) or due to unwillingness of the applicable group health plan's insurer to allow such coverage, then, in either case, an amount equal to the COBRA premium as in effect as of such date shall thereafter be paid to such Executive in substantially equal monthly installments over the remainder of the Benefit Continuation Period (which payments will be taxable compensation to the Executive) and which shall be paid regardless of any Executive election of COBRA coverage or continued eligibility for COBRA coverage. For purposes of this Section, any applicable COBRA premiums that are paid by the Company shall not include any amounts payable by executive under an Internal Revenue Code Section 125 health care reimbursement plan, which amounts, if any, are the Executive's sole responsibility. Each Executive agrees to promptly notify the Company as soon as the Executive becomes eligible for health insurance coverage in connection with new employment or self-employment or from another source.

(c) The then-unvested portion of any of such Executive's Company equity incentive awards that were granted pursuant to the Stock Plans that are outstanding immediately prior to such termination of employment and that vest solely based on the passage of time subject to continued service ("Unvested Equity Awards") shall be credited with additional time-based vesting immediately prior to such termination equal to the Executive's Specified Non-CIC Percentage set forth in the Executive's Participation Agreement multiplied by the amount of such Unvested Equity Awards (but each such award shall not vest in excess of 100% of the shares subject to the award); provided, that if the Executive terminates employment before the date identified in the termination notice provided by the Company (unless this condition is waived by the Company) or the Executive fails to timely execute or revokes the Release, all such accelerated vested awards shall be forfeited upon such failure or revocation.

6. CIC Termination. If (i) the Executive's employment with the Company is terminated by the Executive with CIC Good Reason or by the Company without Cause, (ii) such termination occurs within the CIC Period (a "CIC Involuntary Termination"), and (iii) the Executive complies with the terms of this Plan and the Participation Agreement, the Executive shall be eligible to receive the following payments and benefits.

(a) A cash severance payment equal to the sum of the Executive's Monthly Base Salary *multiplied by* the number of months set forth in the Executive's Participation Agreement plus the Pro Rata Full Target Bonus Amount. Such cash severance payment shall be paid, subject to standard payroll deductions and withholdings on the first payroll date following the date the Release executed by the Executive and returned to the Company in accordance with Section 8 becomes effective, but in no event shall any such payment be made later than March 15th of the calendar year following the calendar year in which the CIC Involuntary Termination occurs.

(b) The Company shall, at the Company's expense, for the period of time ending on the earlier to occur of (i) the completion of the number of months set forth in the Executive's Participation Agreement, (ii) the expiration of the Participant's eligibility for the continuation coverage under COBRA and (iii) the date on which the Executive becomes eligible to receive healthcare coverage from a subsequent employer or other source (the "CIC Benefit Continuation Period"), pay for the entire cost of continued coverage through the Company's group medical plans pursuant to COBRA as if the Executive's employment had not been terminated, or reimburse the cost of such medical coverage, provided that (A) such Executive completes and timely files all necessary COBRA election documentation, which will be sent to such Executive after the date of termination

of employment, and (B) in the event the Company provides reimbursement rather than direct payment to the carrier(s), during any COBRA period, such Executive continues to make all required premium payments required by COBRA. The Company may include the fair market value of the cost of such coverage in the Executive's taxable income. Notwithstanding the foregoing, if (A) an Executive becomes ineligible for COBRA coverage during the CIC Benefit Continuation Period, (B) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the CIC Benefit Continuation Period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), or (C) the Company is otherwise unable to continue to cover such Executive under its group health plans without a fine or penalty to the Company or the Executive under applicable law (including without limitation, Section 2716 of the Public Health Service Act) or due to unwillingness of the applicable group health plan's insurer to allow such coverage, then, in each case, an amount equal to the COBRA premium as in effect as of such date shall thereafter be paid to such Executive in substantially equal monthly installments over the remainder of the CIC Benefit Continuation Period (which payments will be taxable compensation to the Executive) and which shall be paid regardless of any Executive election of COBRA coverage or continued eligibility for COBRA coverage. For purposes of this Section, any applicable COBRA premiums that are paid by the Company shall not include any amounts payable by executive under an Internal Revenue Code Section 125 health care reimbursement plan, which amounts, if any, are the Executive's sole responsibility. Executive agrees to promptly notify the Company as soon as the Executive become eligible for health insurance coverage in connection with new employment or self-employment or from another source.

(c) Executive's Unvested Equity Awards shall be credited with additional time-based vesting immediately prior to such termination equal to the Executive's Specified CIC Percentage set forth in the Executive's Participation Agreement multiplied by the amount of such Unvested Equity Awards (but each such award shall not vest in excess of 100% of the shares subject to the award); provided, that if the Executive terminates employment before the date identified in the termination notice provided by the Company (unless this condition is waived by the Company) or the Executive fails to timely execute or revokes the Release, all such accelerated vested awards shall be forfeited upon such failure or revocation.

To the extent an Executive is entitled to any payments or benefits set forth in this Section 6, such Executive shall not be entitled to any payments or benefits set forth in Section 5, such that there will be no duplication of benefits provided under the Plan. If an Executive becomes eligible for severance benefits under both Section 5 and Section 6, the Executive shall receive the benefits set forth in this 5 reduced by any benefits previously provided under Section 5. Other Terminations. In the event an Executive's employment with the Company is terminated in any circumstance not addressed in Section 5 or Section 6 (for example, if the Executive's employment is terminated by the Company for Cause OR the Executive voluntarily terminates or resigns employment without Non-CIC Good Reason or CIC Good Reason, or in the event of the Executive's death or disability), the Executive (or the Executive's estate, as applicable) shall not be entitled to any benefits under the Plan. Conditions to Receiving Benefits. An Executive's receipt of the benefits in Sections 5 and 6 of this Plan will be conditioned upon and subject in all cases to: The Executive executing, delivering to the Company and allowing to become effective, a waiver and release of claims in a form substantially similar to that attached hereto as Exhibit C (the "Release"), within the applicable deadline set forth therein following the Executive's Non-CIC Involuntary Termination or CIC Involuntary Termination and permitting the

Release to become effective in accordance with its terms, which effective date of the Release may not be later than 60 days following the date of the Executive's Non-CIC Involuntary Termination or CIC Involuntary Termination, as applicable. The Executive's compliance with the Executive's continuing obligations to the Company under this Plan and any other written agreement(s), including but not limited to, any applicable invention assignment and confidentiality agreement or similar agreement between the Company and the Executive; The Executive's resignation from all offices, directorships, trusteeships, and Board positions then held by the Executive at the Company and its subsidiaries and affiliates, with such resignations to be effective upon the date of the Executive's Non-CIC Involuntary Termination or CIC Involuntary Termination, as applicable, unless otherwise requested by the Company. Definitions. Cause. Solely for purposes of the Plan, "Cause" means: the Executive's willful failure to materially perform the Executive's duties; the Executive's material violation of any of the Company's written employment policies or material breach of any written agreement or covenant with the Company, including, but not limited to, any applicable invention assignment and confidentiality agreement or similar agreement between the Company and the Executive; the commission by the Executive of acts satisfying the elements of (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud; any material violation of the Company's code of conduct (which the Executive will certify they have read and understood on a yearly basis) or other written employment policies, or misconduct by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries or affiliates if the Executive were to continue to be employed in the same position; or the Executive's willful failure to cooperate with an investigation authorized by the Company or initiated by a governmental or regulatory authority, in either case, relating to the Company, its business, or any of its directors, officers or employees. Change in Control or CIC. Solely for purposes of the Plan, "Change in Control" or "CIC" shall mean the occurrence of any of the following events: the consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization fifty percent (50%) or more of the voting power of the outstanding securities of each of (A) the continuing or surviving entity and (B) any direct or indirect parent corporation of such continuing or surviving entity; the consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets or the stockholders of the Company approve a plan of complete liquidation of the Company; or a transaction or series of transactions by which a "person" (as defined below) by the acquisition or aggregation of securities becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors (the "Base Capital Stock"); except that any change in the relative beneficial ownership of the Company's securities by any person resulting solely from a reduction in the aggregate number of outstanding shares of Base Capital Stock, and any decrease thereafter in such person's ownership of securities, shall be disregarded until such person increases in any manner, directly or indirectly, such person's beneficial ownership of any securities of the Company. For purposes of the definition of "Change of Control" or "CIC", the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude (1) a trustee or other fiduciary holding securities under an employee benefit plan maintained by the Company or a Parent or Subsidiary, (2) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the Stock, and (3) Katherine S. Ngai-Pesic (the "Principal Stockholder") or Family Members of the Principal Stockholder (as defined below), any custodian or trustee wholly for the account or benefit of the Principal Stockholder or any such Family Members, or any trust, partnership, limited liability company or other entity wholly for the benefit of, or the ownership interests of which are owned wholly by, the Principal Stockholder or any such Family Members. For purposes herein, a "Family Member" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, domestic partner, sibling, niece, nephew,

mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships. Notwithstanding the foregoing, the term "Change in Control" or "CIC" shall not include (a) a transaction the sole purpose of which is to change the state of the Company's incorporation, (b) a transaction the sole purpose of which is to form a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction, or (c) a transaction the sole purpose of which is to make an initial public offering of the Company's Stock.

To the extent an Executive is entitled to any payments or benefits set forth in this Section 6, such Executive shall not be entitled to any payments or benefits set forth in Section 5, such that there will be no duplication of benefits provided under the Plan. If an Executive becomes eligible for severance benefits under both Section 5 and Section 6, the Executive shall receive the benefits set forth in this 5 reduced by any benefits previously provided under Section 5.

1. Other Terminations. In the event an Executive's employment with the Company is terminated in any circumstance not addressed in Section 5 or Section 6 (for example, if the Executive's employment is terminated by the Company for Cause OR the Executive voluntarily terminates or resigns employment without Non-CIC Good Reason or CIC Good Reason, or in the event of the Executive's death or disability), the Executive (or the Executive's estate, as applicable) shall not be entitled to any benefits under the Plan.
2. Conditions to Receiving Benefits. An Executive's receipt of the benefits in Sections 5 and 6 of this Plan will be conditioned upon and subject in all cases to:
    a. The Executive executing, delivering to the Company and allowing to become effective, a waiver and release of claims in a form substantially similar to that attached hereto as Exhibit C (the "Release"), within the applicable deadline set forth therein following the Executive's Non-CIC Involuntary Termination or CIC Involuntary Termination and permitting the Release to become effective in accordance with its terms, which effective date of the Release may not be later than 60 days following the date of the Executive's Non-CIC Involuntary Termination or CIC Involuntary Termination, as applicable.
    b. The Executive's compliance with the Executive's continuing obligations to the Company under this Plan and any other written agreement(s), including but not limited to, any applicable invention assignment and confidentiality agreement or similar agreement between the Company and the Executive;
    c. The Executive's resignation from all offices, directorships, trusteeships, and Board positions then held by the Executive at the Company and its subsidiaries and affiliates, with such resignations to be effective upon the date of the Executive's Non-CIC Involuntary Termination or CIC Involuntary Termination, as applicable, unless otherwise requested by the Company.
3. Definitions.
    a. Cause. Solely for purposes of the Plan, "Cause" means:
        i. the Executive's willful failure to materially perform the Executive's duties;
        ii. the Executive's material violation of any of the Company's written employment policies or material breach of any written agreement or covenant with the Company, including, but not limited to, any applicable invention assignment and confidentiality agreement or similar agreement between the Company and the Executive;
        iii. the commission by the Executive of acts satisfying the elements of (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

iv. any material violation of the Company's code of conduct (which the Executive will certify they have read and understood on a yearly basis) or other written employment policies, or misconduct by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries or affiliates if the Executive were to continue to be employed in the same position; or

v. the Executive's willful failure to cooperate with an investigation authorized by the Company or initiated by a governmental or regulatory authority, in either case, relating to the Company, its business, or any of its directors, officers or employees.

b. Change in Control or CIC. Solely for purposes of the Plan, "Change in Control" or "CIC" shall mean the occurrence of any of the following events:

i. the consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization fifty percent (50%) or more of the voting power of the outstanding securities of each of (A) the continuing or surviving entity and (B) any direct or indirect parent corporation of such continuing or surviving entity;

ii. the consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets or the stockholders of the Company approve a plan of complete liquidation of the Company; or

i. a transaction or series of transactions by which a "person" (as defined below) by the acquisition or aggregation of securities becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors (the "Base Capital Stock"); except that any change in the relative beneficial ownership of the Company's securities by any person resulting solely from a reduction in the aggregate number of outstanding shares of Base Capital Stock, and any decrease thereafter in such person's ownership of securities, shall be disregarded until such person increases in any manner, directly or indirectly, such person's beneficial ownership of any securities of the Company.

For purposes of the definition of "Change of Control" or "CIC", the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude (1) a trustee or other fiduciary holding securities under an employee benefit plan maintained by the Company or a Parent or Subsidiary, (2) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the Stock, and (3) Katherine S. Ngai-Pesic (the "Principal Stockholder") or Family Members of the Principal Stockholder (as defined below), any custodian or trustee wholly for the account or benefit of the Principal Stockholder or any such Family Members, or any trust, partnership, limited liability company or other entity wholly for the benefit of, or the ownership interests of which are owned wholly by, the Principal Stockholder or any such Family Members. For purposes herein, a "Family Member" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, domestic partner, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships.

Notwithstanding the foregoing, the term “Change in Control” or “CIC” shall not include (a) a transaction the sole purpose of which is to change the state of the Company’s incorporation, (b) a transaction the sole purpose of which is to form a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transaction, or (c) a transaction the sole purpose of which is to make an initial public offering of the Company’s Stock.

a. CIC Period. Solely for purposes of the Plan, "CIC Period" means the period beginning on the date that is three (3) months prior to the consummation of a CIC and ending on the twelve (12) month anniversary of the consummation of a CIC.
b. COBRA. COBRA means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and the validly issued regulations and other binding guidance thereunder and any similar statute or law under state law.
c. Code. Code means the Internal Revenue Code of 1986, as amended, and the validly issued regulations and other binding guidance thereunder.
d. CIC Good Reason. Solely for purposes of the Plan, “CIC Good Reason” means the occurrence of one or more of the following without the Executive’s written consent:

a material reduction by the Company of the Executive’s base salary as in effect immediately prior to such reduction (other than a proportionate reduction in connection with a general reduction of compensation to similarly situated Executives not to exceed 10%); a non-temporary relocation of the Executive’s business office to a location that increases the Executive’s one-way commute by more than 50 miles from the primary location at which the Executive performed duties immediately prior to such relocation, other than a relocation to the Company’s primary location in or within 15 miles of Santa Clara, California with at least one-hundred twenty (120) days prior notice to Executive; a material diminution in the Executive’s responsibilities, title, duties, and reporting lines; or a material breach by the Company or any successor entity of the Plan or any employment agreement between the Company and the Executive. In order for an event to qualify as “CIC Good Reason,” the Executive must provide the Company (or its successor) with written notice of the acts or omissions constituting the grounds for “CIC Good Reason” within sixty (60) days of the initial existence of the grounds for “CIC Good Reason” and a reasonable cure period of thirty (30) days following the date of written notice (the “CIC Cure Period”), such grounds must not have been cured during such time, and the Executive must resign within thirty (30) days following the end of the CIC Cure Period. ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended, and the validly issued regulations and other binding guidance thereunder. Exchange Act. Exchange Act means the United States Securities Exchange Act of 1934, as amended, and the validly issued regulations and other binding guidance thereunder. IPO. For purposes of the Plan, “IPO” means an underwritten public offering by the Company of its securities that is registered under the United States Securities Act of 1933, as amended. Monthly Base Salary. Monthly Base Salary means the Executive’s annual base salary in effect immediately prior to the date of the qualifying termination of employment, ignoring any reduction that forms the basis for Non-CIC Good Reason or CIC Good Reason, as applicable, divided by twelve (12). Pro-Rata Full Target Bonus Amount. Pro-Rata Full Target Bonus Amount means the Executive’s pro-rata amount of her or his full target annual bonus in the performance year of termination assuming 100% of the target was achieved for such performance year multiplied by the quotient of the number of days Executive was employed by the Company in the performance year prior to the termination date divided by 365. Non-CIC Good Reason. Solely for purposes of the Plan, “Non-CIC Good Reason” means the occurrence of one or more of the following without the Executive’s written consent: a material reduction by the Company of the Executive’s base salary as in effect immediately prior to such reduction (other than a proportionate reduction in connection with a general reduction of compensation to similarly situated Executives not to exceed 10%); or a non-temporary relocation of the Executive’s business office to a location that increases the Executive’s one-way commute by more than 50 miles from the primary location at which the Executive performed duties immediately prior to such relocation, other than a relocation to the Company’s primary location in or within 15 miles of Santa Clara, California with at least one hundred twenty (120) days prior notice to

Executive; or a material breach by the Company or any successor entity of the Plan or any employment agreement between the Company and the Executive. In order for an event to qualify as "Non-CIC Good Reason," the Executive must provide the Company (or its successor) with written notice of the acts or omissions constituting the grounds for "Non-CIC Good Reason" within sixty (60) days of the initial existence of the grounds for "Non-CIC Good Reason" and a reasonable cure period of thirty (30) days following the date of written notice (the "Non-CIC Cure Period"), such grounds must not have been cured during such time, and the Executive must resign within thirty (30) days following the end of the Non-CIC Cure Period. Stock Plans. Solely for purposes of the Plan, "Stock Plans" means the Company's 2014 Stock Incentive Plan, as amended from time to time, or its successor(s). Limitation on Payments. In the event that the severance and other benefits provided for in this Plan or otherwise payable to the Executive as a result of a CIC Termination (i) constitute "parachute payments" within the meaning of Section 280G of Code and (ii) but for this Section 10, would be subject to the excise tax imposed by Section 4999 of the Code, then the Executive's severance and other benefits shall be either: (A) delivered in full, or (B) delivered as to such lesser extent which would result in no portion of such severance and other benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by the Executive on an after-tax basis, of the greatest amount of severance and other benefits, notwithstanding that all or some portion of such severance and other benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting "parachute payments" as defined in Section 280G of the Code is necessary so that benefits are delivered to a lesser extent, reduction shall occur in the following manner: first a pro-rata reduction of cash payments subject to Section 409A of the Code as deferred compensation and cash payments not subject to Section 409A of the Code, and second a pro rata cancellation of (A) equity-based compensation subject to Section 409A of the Code as deferred compensation and (B) equity-based compensation not subject to Section 409A of the Code. Reduction in either cash payments or equity compensation benefits shall be made pro-rata between and among benefits which are subject to Section 409A of the Code and benefits which are exempt from Section 409A of the Code. In the event that the accelerated vesting of equity awards is to be cancelled, such vesting acceleration shall be cancelled in the reverse chronological order of the Executive's equity award grant dates. Unless the Company and the Executive otherwise agree in writing, any determination required under this Section 9 shall be made in writing by an accounting firm selected by the Company prior to the CIC (the "Accountants"), whose determination shall be conclusive and binding upon the Executive, the Company, and the acquiring company for all purposes. For purposes of making the calculations required by this Section 9, in consultation with and as approved by the Company immediately prior to the CIC, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 9. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 9. Section 409A. Notwithstanding anything to the contrary in this Plan, if the Company determines that the Executive is a "specified employee" within the meaning of Section 409A of the Code ("Section 409A") at the time of the Executive's termination of employment (other than due to death), then to the extent delayed commencement of any portion of the benefits to which the Executive is entitled pursuant to this Plan, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "Deferred Compensation Separation Benefits"), is required to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, then such benefits shall be delayed until the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of the Executive's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, shall be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if the Executive dies following the Executive's termination of employment but prior to the six (6) month anniversary of

the Executive's termination of employment, then any payments delayed in accordance with this paragraph shall be payable in a lump sum as soon as administratively practicable after the date of the Executive's death and all other Deferred Compensation Separation Benefits shall be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Plan is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). Notwithstanding anything to the contrary in this Plan, no Deferred Compensation Separation Benefits payable under this Plan shall be considered due or payable until and unless the Executive has a "separation from service" within the meaning of Section 409A and to the extent required by Section 409A, if the period during which an Executive may review and execute the Release begins in one taxable year and ends in the next taxable year, the Deferred Compensation Separation Benefits will be paid in the second taxable year. Similarly, no severance payable to the Executive pursuant to this Plan that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) shall be payable until the Executive has a "separation from service" within the meaning of Section 409A. The foregoing provisions are intended to comply with the requirements of Section 409A so that none of this Plan's benefits shall be subject to the additional tax imposed under Section 409A, and any ambiguities herein shall be interpreted to so comply. The Company reserves the right to amend this Plan and to take such reasonable actions which are necessary, appropriate, or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to the Executive under Section 409A, provided that such amendment or action may not materially reduce the benefits provided or to be provided to the Executive under this Plan. Notwithstanding anything herein to the contrary, the Company shall have no liability to the Executive or to any other person if the payments and benefits provided in this Plan that are intended to be exempt from or compliant with Section 409A are not so exempt or compliant, as applicable. Successors. Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Plan and agree expressly to perform the obligations under this Plan in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Plan, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 12(a) or which becomes bound by the terms of this Plan by operation of law. Executive's Successors. The terms of this Plan and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Notices. All notices, requests, demands and other communications called for hereunder shall be in writing and shall be deemed given as follows (a) if sent by email, when sent, provided that (i) the subject line of such email states that it is a notice delivered pursuant to this Plan and (ii) the sender of such email does not receive a written notification of delivery failure, (b) if sent by a well-established commercial overnight service, on the date of delivery, or, if earlier, one (1) day after being sent, (c) if sent by registered or certified mail, three (3) days after being mailed, return receipt requested, prepaid and addressed to the parties or their successors at the following addresses, or at such other addresses as the parties may later designate in writing: If to the Company: Silvaco Group, Inc. 4701 Patrick Henry Drive, Building 23/24 Santa Clara, CA 95054 Attention: General Counsel or to such other address or the attention of such other person as the recipient party has previously furnished to the other party in writing in accordance with this paragraph. Claims, Inquiries and Appeals. Claim for Benefits. Any claim for benefits must be submitted to the Plan Administrator in writing by a claimant. The Plan Administrator is set forth below. If a claimant believes that he or she has been incorrectly denied a benefit or has not received the proper benefit under the Plan, then the claimant may submit a signed, written claim to the Plan Administrator (or its authorized delegate). The claimant may review any pertinent documents, other than those that are legally-privileged. The claimant may also designate in writing an authorized representative to act on his or her behalf. The Plan Administrator shall be able to

establish such rules, policies and procedures, consistent with ERISA and the Plan, as it may deem necessary or appropriate in carrying out its duties. Denial of Claims. The Plan Administrator will review the claimant's claim and notify the claimant of its decision in writing or electronically within ninety (90) days after the Plan Administrator receives the claim. If, however, special circumstances require an extension of time, then the Plan Administrator will notify the claimant prior to the end of the initial ninety (90)-day period informing him or her of the extension. Any extension will not exceed an additional ninety (90)-days from the end of the initial ninety (90)-day period. In the event that any claim for benefits is denied in whole or in part, the Plan Administrator will provide the claimant with written or electronic notice of the denial of the claim, and of the claimant's right to review the denial. The notice of denial will be set forth in a manner designed to be understood by the claimant and will include the following: (1) the specific reason or reasons for the denial; (2) reference to the specific Plan provision(s) upon which the denial is based; (3) a description of any additional information or material necessary for the claimant to perfect the review and an explanation of why such information or material is necessary; and (4) an explanation of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a claim in arbitration, as described in section (d) below. Request for a Review. Any person (or that person's authorized representative) for whom a claim for benefits is denied, in whole or in part, may appeal the denial by submitting a request for a review to the Plan Administrator within 60 days after the claim is denied. A request for a review will be in writing and will be addressed to: Silvaco Group, Inc. 4701 Patrick Henry Drive, Building 23/24 Santa Clara, CA 95054 Attention: General Counsel A request for review must set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the claimant feels are pertinent. The claimant (or the claimant's representative) will have the opportunity to submit (or the Plan Administrator may require the claimant to submit) written comments, documents, records, and other information relating to the claimant's claim. The claimant (or the claimant's representative) will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim (other than those that are legally-privileged). The review will take into account all documents, records and other information submitted by the claimant (or the claimant's representative) relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Decision on Review. The Plan Administrator will act on each request for review within 60 days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional 60 days), for processing the request for a review. If an extension for review is required, written notice of the extension will be furnished to the claimant within the initial 60-day period. This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the review. The Plan Administrator will give prompt, written or electronic notice of its decision to the claimant. In the event that the Plan Administrator confirms the denial of the claim for benefits, in whole or in part, the notice will set forth, in a manner designed to be understood by the claimant, the following: (1) the specific reason or reasons for the denial; (2) references to the specific Plan provisions upon which the denial is based; (3) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim; and (4) a statement of the claimant's right to bring a claim in arbitration. Rules and Procedures. The Plan Administrator may establish such policies, rules and procedures, consistent with the Plan and with ERISA, as it deems necessary or appropriate in carrying out its fiduciary responsibilities in reviewing benefit claims. The Plan Administrator may require a claimant who wishes to submit additional information in connection with an appeal from the denial of benefits to do so at the claimant's own expense. Exhaustion of Remedies. No legal action for benefits under the Plan may be brought until the claimant (i) has submitted a written claim for benefits in accordance with the procedures described above, (ii) has been notified by the Plan Administrator that the claim is denied, (iii) has filed a written request for a review of the claim in accordance with the appeal procedure described above, and (iv) has been notified that the Plan Administrator has denied the appeal. Notwithstanding the foregoing, if the Plan Administrator does not respond to a claimant's claim or appeal

within the relevant time limits, the claimant may bring a claim in arbitration for benefits under the Plan. In addition, no arbitration proceeding or any other action in law or equity shall be brought more than one (1) year after the Plan Administrator's affirmation of a denial of the claim or the expiration of the appeal decision period if no decision is issued (for purposes of clarification, including (without limitation) if the claimant never request such a decision) pursuant to the claims review procedures described above. This one (1)-year statute of limitations on arbitration or any other legal action for benefits under this Plan shall apply in any forum where the claimant may initiate such a legal action. Basis Of Payments To And From Plan. All benefits under the Plan will be paid by the Company. The Plan will be unfunded and benefits hereunder will be paid only from the general assets of the Company. Other Plan Information. Employer and Plan Identification Numbers. The Employer Identification Number assigned to the Parent (which is the "Plan Sponsor" as that term is used in ERISA) by the Internal Revenue Service is 27-1503712. The Plan Number assigned to the Plan by the Plan Sponsor pursuant to the instructions of the Internal Revenue Service is 503. Ending Date for Plan's Fiscal Year. The date of the end of the Plan's fiscal year for the purpose of maintaining the Plan's records is December 31. The first Plan year is a short plan year commencing on the Effective Date and ending on December 31, 2024. Agent for the Service of Legal Process. The agent for the service of legal process with respect to the Plan is: Silvaco Group, Inc. c/o General Counsel 4701 Patrick Henry Drive, Building 23 Santa Clara, CA 95054 Plan Sponsor. The "Plan Sponsor" of the Plan is the Company. All notices and requests should be directed to: Silvaco Group, Inc. 4701 Patrick Henry Drive, Building 23 Santa Clara, CA 95054 Attention: General Counsel Plan Administrator. The "Plan Administrator" is the Committee (or such other entity as may be designated from time to time by the Committee) which is the named fiduciary (as that term is used in ERISA) charged with the responsibility for administering the Plan with regard to ERISA fiduciary functions. All notices and requests should be directed to: Silvaco Group, Inc. 4701 Patrick Henry Drive, Building 23 Santa Clara, CA 95054 Attention: General Counsel The telephone number for the Plan Administrator is (408) 567-1000. Statement of ERISA Rights. Participants in the Plan (which is a welfare benefit plan sponsored by the Parent) are entitled to certain rights and protections under ERISA. Executives participating in the Plan are considered participants in the Plan for the purposes of this Section and, under ERISA, such participants are entitled to: **Receive Information About Your Plan and Benefits** Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series), if applicable, filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration; Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if applicable, and an updated (as necessary) Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies; and Receive a summary of the Plan's annual financial report, if applicable. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report. **Prudent Actions By Plan Fiduciaries** In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of participants and other Plan participants and beneficiaries. No one, including the participant's employer or any other person, may fire a participant or otherwise discriminate against a participant in any way to prevent a participant from obtaining a Plan benefit or exercising a participant's rights under ERISA. **Enforcement of Participant Rights** If a participant's claim for a Plan benefit is denied or ignored, in whole or in part, the participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps a participant can take to enforce the above rights. For instance, if the participant requests a copy of Plan documents or the latest annual report from the Plan, if applicable, and does not receive them within 30 days, the participant may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the participant up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If a participant has a claim for benefits that is denied or

ignored, in whole or in part, the participant may file suit in a state or federal court. Notwithstanding the foregoing, please note that by voluntarily electing to participate in this Plan per the timely execution of the Participation Agreement, a participant has waived his or her right to file suit in court and instead agreed to arbitrate any claims for benefits under the Plan. If a participant is discriminated against for asserting the participant's rights, the participant may seek assistance from the U.S. Department of Labor, or the participant may file suit in a federal court. The court will decide who should pay court costs and legal fees. If the participant is successful, the court may order the person the participant has sued to pay these costs and fees. If the participant loses, the court may order the participant to pay these costs and fees, for example, if it finds the participant's claim is frivolous. **Assistance With Participant Questions** If a participant has any questions about the Plan, the participant should contact the Plan Administrator. If the participant have any questions about this statement or about the participant's rights under ERISA, or if the participant needs assistance in obtaining documents from the Plan Administrator, the participant should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the participant's telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. A participant may also obtain certain publications about the participant's rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. Miscellaneous Provisions. Prior or Subsequent Agreements. By accepting participation in the Plan, effective as of the Effective Date, of if later, the date an eligible executive executes and timely returns a Participation Agreement, such Executive irrevocably waives the Executive's rights to any and all severance benefits (including vesting acceleration) that would be payable on a qualifying termination of employment, including in connection with a Change in Control, under any offer letter, employment agreement or other policy, plan or commitment, whether written or otherwise, with the Company that is in effect at such time. Effective as of the Effective Date, or if later, the date an eligible executive executes and timely returns a Participation Agreement, all other individual or group severance, separation pay, or salary continuation plans, arrangements, practices, policies or agreements otherwise applicable to the executive who has properly and timely executed a Participation Agreement are expressly superseded by this Plan except for changes to the Plan or Plan Documents as it applies to any certain Executive to the extent explicitly agreed to by such Executive and the Company in any separate written employment agreement or Participation Agreement with regards to certain changes to defined terms or benefits set forth in the Plan. All other individual severance, separation pay, and salary continuation arrangements or agreements otherwise applicable to an executive that are adopted after the date the Plan is first adopted are expressly superseded by this Plan, except for changes to the Plan or Plan Documents as it applies to any certain Executive to the extent explicitly agreed to by such Executive and the Company in any separate written employment agreement or Participation Agreement with regards to certain changes to defined terms or benefits set forth in the Plan. Clawback; Recovery. All payments and severance benefits provided under the Plan will be subject to recoupment in accordance with any clawback policy that the Company adopts in accordance with the listing standards of any national securities exchange or association on which the Company's securities are listed or as it deems is otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason," "CIC Good Reason," "Non-CIC Good Reason," "constructive termination," or any similar term under any plan, agreement or arrangement with the Company. Exclusive Discretion. The Plan Administrator, in its fiduciary capacity and with regard to fiduciary-related functions, has full and exclusive discretion and authority to administer, construe and interpret the Plan and to decide any and all questions arising in connection with the operation of the Plan, including but not limited to interpreting ambiguous terms, provided, however that such authority shall not effect participant's rights as set forth in Section 17(g). In addition, the Plan Administrator may do all things necessary or appropriate to effect the intent and purpose of the Plan whether or not such powers are expressly reserved in the Plan. Any determination by the Plan Administrator or its authorized delegate(s) will be final, conclusive and binding upon all employees, Executives or persons, and shall be given the maximum possible deference allowed by law. Similarly, the Company, in its settlor (non-fiduciary) capacity and with regard to settlor-related functions, has full and exclusive discretion and authority with

regard to all settlor-related functions under the Plan. Headings. All captions and section headings used in this Plan are for convenient reference only and do not form a part of this Plan. Severability. The invalidity or unenforceability of any provision or provisions of this Plan shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect. Withholding. All payments made pursuant to this Plan shall be subject to withholding of applicable income and employment taxes. Governing Law and Venue. The validity, interpretation, construction and performance of this Plan shall in all respects be governed by the laws of the State of California, without preference to principles of conflict of law. Except as otherwise required by law any dispute, claim, question or controversy arising under or relating to this Plan shall be resolved pursuant to the Employee Arbitration Agreement. Survival. Those provisions and obligations of this Plan which are intended to survive shall survive notwithstanding termination of the Executive's employment with the Company or any of its affiliates or subsidiaries or the termination of this Plan. No Effect on Other Benefits. Benefits under this Plan, if any, shall not be counted as compensation for purposes of determining benefits under other benefit plans, programs, policies or agreements, except to the extent expressly provided therein or herein. *[Remainder of Page Intentionally Blank]* In witness whereof, Silvaco Group, Inc., by its duly authorized representative, has caused this Plan to be adopted. **SILVACO GROUP, INC.** By: /s/ Katherine Pesic_____ Name: Katherine Ngai-Pesic Date: 05/02/2024

**EXHIBIT A**

**[COMPANY LETTERHEAD]** [DATE] ELECTRONIC DELIVERY [NAME] [EMAIL] Re: Executive Severance Plan Dear NAME OF EXECUTIVE : Silvaco Group, Inc. (the "**Company**") adopted the Silvaco Group, Inc. Executive Severance Plan (the "**Plan**") to attract and retain qualified executives and to provide severance benefits to executives on certain terminations of employment. A participant in the Plan is eligible to receive severance benefits if his or her employment is terminated under certain circumstances, as described in the Plan. The Compensation Committee of the Board of Directors has selected you to be a participant in the Plan, subject to your being an eligible employee on the date of your involuntary termination and the other terms and conditions set forth in the Plan. Specifically, you will receive severance benefits if your employment is terminated involuntarily by the Company other than for Cause or if you resign for CIC Good Reason or Non-CIC Good Reason, as such capitalized terms are defined in the Plan or in an employment agreement entered into between yourself and the Company, if such terms are specifically modified in such agreement in reference to the benefits in this plan. For purposes herein, if there is a discrepancy between the definition of such capitalized terms, the definitions of such terms of such employment agreement shall control. All other capitalized terms are as set forth in the Plan. ALT 1 [If your employment is involuntarily terminated under the circumstances described above, you will be eligible for a payment equal to [XX] months of your then annual base salary and your Pro-Rata Full Target Bonus Amount, and a Specified Non-CIC Percentage of [XX]%, in each case subject to and payable in accordance with the Plan's terms and conditions. If your involuntary termination occurs during the period that begins three (3) months before a change in control of the Company (as defined in the Plan) and ends twelve (12) months following the change in control of the Company, then your lump sum payment and the payment of your cost of COBRA premiums will be for a period of [XX] months instead of [XX] months, and a Specified CIC Percentage of [XX]%, in each case subject to the Plan's terms and conditions.] In addition, upon the closing of an IPO prior to a Change in Control, your Specified IPO Percentage shall be [XX]% of the then unvested portion of your RSU Awards (other than any awards for which the Vesting Start Date does not begin until or after the closing of the IPO). A copy of the Plan is attached hereto as

Annex A. Please sign below, acknowledging your receipt of a copy of the Plan and accepting your designation to participate in the Plan, and return to the Company's [_____] by email to [EMAIL] by [DATE]. Sincerely, SILVACO GROUP, INC. By: _____ Name: Title: I acknowledge receipt of a copy of the Plan and accept my designation as a participant under the terms and conditions of the Plan.[NAME OF EXECUTIVE] _____SignatureDate: Exhibit B EMPLOYEE ARBITRATION AGREEMENT

**[COMPANY LETTERHEAD]**

[DATE]

ELECTRONIC DELIVERY
[NAME] [EMAIL]

Re: Executive Severance Plan

Dear NAME OF EXECUTIVE :

Silvaco Group, Inc. (the "**Company**") adopted the Silvaco Group, Inc. Executive Severance Plan (the "**Plan**") to attract and retain qualified executives and to provide severance benefits to executives on certain terminations of employment. A participant in the Plan is eligible to receive severance benefits if his or her employment is terminated under certain circumstances, as described in the Plan.

The Compensation Committee of the Board of Directors has selected you to be a participant in the Plan, subject to your being an eligible employee on the date of your involuntary termination and the other terms and conditions set forth in the Plan. Specifically, you will receive severance benefits if your employment is terminated involuntarily by the Company other than for Cause or if you resign for CIC Good Reason or Non-CIC Good Reason, as such capitalized terms are defined in the Plan or in an employment agreement entered into between yourself and the Company, if such terms are specifically modified in such agreement in reference to the benefits in this plan. For purposes herein, if there is a discrepancy between the definition of such capitalized terms, the definitions of such terms of such employment agreement shall control. All other capitalized terms are as set forth in the Plan.

ALT 1 [If your employment is involuntarily terminated under the circumstances described above, you will be eligible for a payment equal to [XX] months of your then annual base salary and your Pro-Rata Full Target Bonus Amount, and a Specified Non-CIC Percentage of [XX]%, in each case subject to and payable in accordance with the Plan's terms and conditions. If your involuntary termination occurs during the period that begins three (3) months before a change in control of the Company (as defined in the Plan) and ends twelve (12) months following the change in control of the Company, then your lump sum payment and the payment of your cost of COBRA premiums will be for a period of [XX] months instead of [XX] months, and a Specified CIC Percentage of [XX]%, in each case subject to the Plan's terms and conditions.]

In addition, upon the closing of an IPO prior to a Change in Control, your Specified IPO Percentage shall be [XX]% of the then unvested portion of your RSU Awards (other than any awards for which the Vesting Start Date does not begin until or after the closing of the IPO).

A copy of the Plan is attached hereto as Annex A. Please sign below, acknowledging your receipt of a copy of the Plan and accepting your designation to participate in the Plan, and return to the Company's [_____] by email to [EMAIL] by [DATE].
Sincerely,
SILVACO GROUP, INC.

By: _____
Name:
Title:

I acknowledge receipt of a copy of the Plan and accept my designation as a participant under the terms and conditions of the Plan.
[NAME OF EXECUTIVE] _____SignatureDate: Exhibit B EMPLOYEE ARBITRATION AGREEMENT
Silvaco Group, Inc. ("Company") and the undersigned employee ("Employee") hereby enter into this Employee Arbitration Agreement and agree that, to the fullest extent permitted by law, any and all claims or controversies between them (or between Employee and any present or former officer, director, agent, or employee of Company or any parent, subsidiary, or other entity affiliated with Company) relating in any manner to the employment or the termination of employment of Employee, including but not limited to the interpretation, applicability, or enforceability of this Agreement, shall be resolved by final and binding arbitration. Except as specifically provided herein, any arbitration proceeding shall be conducted in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("the AAA Rules"), available at www.adr.org/rules or provided upon request by Company. Claims subject to arbitration shall include without limitation contract claims, tort claims, claims relating to compensation and stock options, as well as claims based on any federal, state, or local law, statute, or regulation, including but not limited to any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act. Claims for unemployment compensation, workers' compensation, claims under the National Labor Relations Act, and other claims excluded by law shall not, however, be subject to arbitration under this Agreement ("Excluded Claims"). Nothing in this Agreement shall be interpreted to mean that Employee is precluded from filing complaints with the U.S. Equal Employment Opportunity Commission (or state equivalent) or the National Labor Relations Board or from pursuing an individual or joint action in court alleging sexual assault or sexual harassment.
Employee and Company expressly intend and agree that: (a) class action and representative action procedures are hereby waived and shall not be asserted, nor will they apply, in any arbitration pursuant to this Agreement; (b) each will not assert class action or representative action claims against the other in arbitration or otherwise; and (c) Employee and Company shall only submit their own, individual claims in arbitration and will not seek to represent the interests of any other person. To the extent that a dispute involves both timely filed Excluded Claims and claims subject to arbitration under this Agreement, Company and Employee agree that the party bringing such claims will bifurcate and stay for the duration of the arbitration proceedings any such Excluded Claims.
A neutral and impartial arbitrator shall be chosen by mutual agreement of the parties; however, if the parties are unable to agree upon an arbitrator within a reasonable period, then a neutral and impartial arbitrator shall be appointed in accordance with the arbitrator nomination and selection procedure set forth in the AAA Rules. The arbitrator shall prepare a written decision containing the essential findings and conclusions on which the award is based to ensure meaningful judicial review of the decision. The arbitration proceedings will allow for reasonable discovery under the AAA Rules, and the arbitrator shall decide all discovery disputes. The arbitrator shall apply the same substantive law, with the same statutes of limitations and same remedies that would apply if the claims were brought in a court of law. The

arbitrator shall have the authority to consider and decide pre-hearing motions, including dispositive motions.

Either Company or Employee may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Except as otherwise provided in this Agreement, neither party shall initiate or prosecute any lawsuit in any way related to any arbitrable claim, including without limitation any claim as to the making, existence, validity, or enforceability of an agreement to arbitrate. Provided, however, that either party may, at its option, seek injunctive relief in a court of competent jurisdiction.

This Agreement shall be governed by the Federal Arbitration Act to the extent allowed by law. In ruling on procedural and substantive issues raised in the arbitration itself, the Arbitrator shall in all cases apply the substantive law of the state of [California].

All arbitration hearings under this Agreement shall be conducted in Palo Alto, California unless prohibited by applicable law, in which case arbitration hearings shall be conducted within 30 miles of Employer's primary worksite.

Company shall bear the costs of the arbitrator, forum and filing fees. Each party shall pay its own costs and attorney's fees, unless a party prevails on a statutory claim, and the statute provides that the prevailing party is entitled to payment of its attorneys' fees. In that case, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party as provided by law.

This Agreement is not, and shall not be construed to create, any contract of employment, express or implied. This Agreement does not alter Employee's at-will employment status. Either Employee or Company may terminate Employee's employment at any time, for any reason or no reason, with or without prior notice.

If any provision of this Agreement shall be held by a court or the arbitrator to be invalid, unenforceable, or void, such provision shall be enforced to the fullest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect. The parties' obligations under this Agreement shall survive the termination of Employee's employment with Company and the expiration of this Agreement.

Company and Employee understand and agree that this Agreement contains a full and complete statement of any agreements and understandings regarding resolution of disputes between the parties, and the parties agree that this Agreement supersedes all previous agreements, whether written or oral, express, or implied, relating to the subjects covered in this Agreement. The parties also agree that the terms of this Agreement cannot be revoked or modified except in a written document signed by both Employee and the highest-level executive of Company.

THE PARTIES ALSO UNDERSTAND AND AGREE THAT THIS AGREEMENT CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS AGREEMENT. THE PARTIES AGREE THAT NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL.

THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH THEIR LEGAL COUNSEL AND HAVE AVAILED THEMSELVES OF THAT OPPORTUNITY TO THE EXTENT THEY WISH TO DO SO.

| | |
|---|---|
| EMPLOYEE: | Silvaco Group, Inc. |
| Signature: | Signature: |
| Print Name: | Print Name: |
| Date: | Print Title: |
| | Date: |

EXHIBIT C
FORM OF SEPERATION AGREEMENT AND RELEASE

**SEPARATION AGREEMENT AND RELEASE**

This Separation Agreement and Release ("Agreement") is made by and between [NAME] ("Employee") and Silvaco Group, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party") as of the Effective Date (as defined below) in connection with the Company's Executive Severance Plan dated [date] (the "Plan"), to which this Release is attached and in which Employee participates pursuant to a Plan acknowledgment dated [date]. This is the "Release"

referenced in the Plan. Terms with initial capitalization that are not otherwise defined in this Release have the meanings set forth in the Plan. The consideration for the Employee's agreement to this Release consists of the severance compensation provided under, and subject to, the Plan's terms and conditions. This Release is automatically tendered to the Employee upon the date of the termination of the Employee's employment, if the Employee is eligible for severance benefits in connection with such termination pursuant to the Plan.

## RECITALS

WHEREAS, Employee and the Company entered into a Proprietary Information and Inventions Agreement dated [date], as amended from time to time (the "Confidentiality Agreement"); WHEREAS, Employee's employment with the Company was terminated effective [date] (the "Termination Date"); WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee's employment with or separation from the Company; NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows: **COVENANTS** Recitals. The Recitals set forth above are expressly incorporated into this Agreement. Consideration. Provided that this Agreement becomes effective and Employee complies with Employee's obligations under this Agreement and the Confidentiality Agreement, the Company agrees to provide severance benefits in accordance with the Plan and as set forth in Attachment A to this Release. Benefits. Employee agrees that Employee's participation in all benefits and incidents of employment (except as specifically provided on Exhibit A to this Release), including, but not limited to, vesting in stock, and the accrual of bonuses, vacation, and paid time off, ceased as of the Termination Date. Employee's health and dental insurance benefits, if any, shall cease on the last day of [month in which termination occurs] 20[XX], subject to Employee's right to continue Employee's coverage under COBRA. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee. Employee specifically represents that Employee is not due to receive any commissions or other incentive compensation from the Company other than as set forth in this Agreement. Release of Claims.[1] Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "Releasees"). Employee, on Employee's own behalf and on behalf of Employee's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation: a. any and all claims relating to or arising from Employee's employment relationship with the Company and the termination of that relationship; b. any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law; c. any and all claims for wrongful discharge of

employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; commission payments; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits; d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the Immigration Control and Reform Act; the California Family Rights Act; the California Labor Code; the California Business & Professions Code; the California Government Code; the California Civil Code; the California Fair Employment and Housing Act; and any other similar statutes, regulations or laws; e. any and all claims for violation of the federal or any state constitution; f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and h. any and all claims for attorneys' fees and costs. Employee specifically agrees that this Agreement includes without limitation any and all claims that were raised, or that reasonably could have been raised, under the applicable Wage Order, Labor Code sections 201, 202, 203, 212, 226, 226.3, 226.7, 510, 512, 515, 558, 1194, and 1198, as well as claims under the Business & Professions Code sections 17200, *et seq.* and Labor Code sections 2698, *et seq.*, based on alleged violations of Labor Code provisions. Employee further covenants that Employee will not seek to initiate any proceedings seeking penalties under Labor Code sections 2699, *et seq.* based upon the Labor Code provisions specified above. Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. Employee represents that Employee has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this section. Notwithstanding anything herein to the contrary, the general release of claims in this Section does not extend to claims by Employee for: (1) unemployment compensation benefits; (2) worker's compensation benefits; (3) state disability compensation; (4) previously vested benefits under any the Company-sponsored benefits plan; (5) claims for indemnification pursuant to any applicable Director and Officer insurance policies held by the Company, CA Labor Code §2802 (to the extent applicable), or any other agreement or understanding regarding indemnification between the Parties; (6) claims related to the enforcement of this Agreement; or (7) any other rights or benefits that cannot by law be released by private agreement or, as a matter of law, may not be waived, including but not limited to unwaivable rights Employee might have under federal and/or state law. You shall be eligible for, and the Company will not dispute your eligibility for unemployment insurance benefits. Acknowledgment of Waiver of Claims under ADEA.[2] Employee acknowledges that Employee is waiving and releasing any rights Employee may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that Employee has been advised by this writing that: (a) Employee should consult with an attorney prior to executing this Agreement; (b) Employee has twenty-one (21) days within which to consider this Agreement; (c) Employee has seven (7) days following

Employee's execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Employee signs this Agreement and returns it to the Company in less than the 21-day period identified above, Employee hereby acknowledges that Employee has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company's behalf that is received prior to the eighth day after Employee signs this Agreement. The Parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period. California Civil Code Section 1542. Employee acknowledges that Employee has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY. Employee, being aware of said code section, agrees to expressly waive any rights Employee may have thereunder, as well as under any other statute or common law principles of similar effect. No Pending or Future Lawsuits. Employee represents that Employee has no lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Employee also represents that Employee does not intend to bring any claims on Employee's own behalf or on behalf of any other person or entity against the Company or any of the other Releasees. Trade Secrets and Confidential Information/Company Property. Employee reaffirms and agrees to observe and abide by the terms of the Confidentiality Agreement, specifically including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information; *provided* that Employee hereby acknowledges receipt of the following notice required pursuant to 18 U.S.C § 1833(b)(1): "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Employee affirms that Employee has returned all documents and other items provided to Employee by the Company, developed or obtained by Employee in connection with Employee's employment with the Company, or otherwise belonging to the Company. No Cooperation. Employee agrees that Employee will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Employee shall state no more than that Employee cannot provide counsel or assistance. Mutual Nondisparagement. Employee agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. Employee agrees to refrain from making, either directly or indirectly, any negative, damaging or otherwise disparaging communications concerning the Company's services. Notwithstanding the foregoing, nothing in this Agreement prevents Employee from discussing or disclosing

information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful. Additionally, nothing in this Agreement prevents Employee from responding to a peace officer's questions relating to an alleged criminal sexual offense or obscenity or making a statement, not initiated by Employee, in a criminal proceeding relating to an alleged sexual offense or obscenity. Employee shall not use any Company information that is confidential either under applicable law or the Confidentiality Agreement to which Employee had access during the scope of Employee's employment with the Company in order to communicate with or solicit any of the Company's current or prospective clients. Subject to Employee's compliance with the terms set forth in this Section 11, the Company agrees to refrain from any disparagement, defamation, libel, or slander of Employee. Employee understands that the Company's obligations under this paragraph extend only to the Company's current executive officers and members of its Board of Directors, and only for so long as each officer or member is an employee or Director of the Company. Employee shall direct any inquiries by potential future employers to the Company's human resources department, which shall use its best efforts to provide only the Employee's last position and dates of employment. Protected Disclosure. Nothing contained in this Agreement limits Employee's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "Government Agency"). In addition, nothing contained in this Agreement limits Employee's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including Employee's ability to provide documents or other information, without notice to the Company, nor does anything contained in this Agreement apply to truthful testimony in litigation. If Employee files any charge or complaint with any Government Agency and if the Government Agency pursues any claim on Employee's behalf, or if any other third party pursues any claim on Employee's behalf, Employee waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action). Concerted Activity. Nothing in this Agreement, including but not limited to its non-disparagement and confidentiality provisions, is intended to preclude or dissuade Employee from engaging in activities protected by state or federal law (including under Section 7 of the National Labor Relations Act, if applicable), such as discussing wages, benefits, or other terms and conditions of employment or raising complaints about working conditions for the purpose of mutual aid or protection. The Company will not construe this Agreement in a way that limits such rights. Litigation and Regulatory Cooperation. During and after Employee's employment, Employee shall cooperate fully and truthfully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while Employee was employed by the Company, and (ii) any investigation, whether internal or external. Employee's full and truthful cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions and to prepare for discovery or trial and to act as a witness on behalf of the Company. During and after Employee's employment, Employee also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Employee was employed by the Company. Confidentiality. This Agreement, its contents and all information pertaining to its negotiations shall remain confidential. Employee agrees to not disclose this Agreement or its contents to any person, other than: (a) to Employee's spouse or significant other and Employee's legal or tax advisor (in each case, so long as Employee first obtains the agreement of any such individual(s) to maintain the confidentiality of this Agreement and its terms), (b) as may otherwise be required or permitted by law (including for the purposes described in the Concerted Activity section above), or (c) as may be necessary to challenge an alleged breach of this Agreement in a court of competent jurisdiction. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, Employee acknowledges and agrees that any material breach of this Agreement unless such breach constitutes a legal action by Employee challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement, shall entitle the Company to recover consideration provided

to Employee under this Agreement and to obtain damages as determined by an arbitrator or court of competent jurisdiction, except as provided by law. No Admission of Liability. Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Employee or to any third party. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement, except as otherwise provided for in Employee's Employment Agreement. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Employee or made on Employee's behalf under the terms of this Agreement. Employee agrees and understands that Employee is responsible for payment, if any, of the employee portion of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Employee further agrees to indemnify and hold the Company harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Employee's failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein. No Representations. Employee represents that Employee has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company, with the exception of the Confidentiality Agreement and the Stock Agreements. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and a duly authorized representative of the Company. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of California. Effective Date. Employee understands that this Agreement shall be null and void if not executed by Employee within twenty-one (21) days. In the event that Employee signs this Agreement within twenty-one days, then the Company has seven days after such date to countersign the Agreement and return a fully-executed version to Employee. This Agreement will become effective on the eighth (8th) day after Employee signed this Agreement, so long as it

has been signed by the Company and has not been revoked by either Party before that date (the "Effective Date"). Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. Voluntary Execution of Agreement. Employee understands and agrees that Employee executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Employee's claims against the Company and any of the other Releasees. Employee acknowledges that: (a) Employee has read this Agreement; (b) Employee has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Employee's own choice or has elected not to retain legal counsel; (c) Employee understands the terms and consequences of this Agreement and of the releases it contains; and (d) Employee is fully aware of the legal and binding effect of this Agreement. *[Signature page follows; Remainder of page intentionally left blank]* IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below. [NAME], an individual Dated: _____, 20[XX] [NAME] SILVACO GROUP, INC. Dated: _____, 20[XX] By Name: Its: **ATTACHMENT A Severance Benefits [As set forth in the Participation Agreement between Participant and the Company dated [date] 2024]** [1] Note to Draft: The Company reserves the right to update this release language in accordance with applicable state law or to account for changes in applicable law. Release to extend to all claims that could have accrued in any jurisdiction during the course of employment and that may lawfully be released.[2] Note to Draft: The Company reserves the right to amend in the event of a group termination, to include OWBPA waiver language, an extended consideration period, and required disclosures.

**Exhibit 10.8**

SILVACO

September 15, 2025

ELECTRONIC DELIVERY
CHRISTOPHER ZEGARELLI

Re: Executive Severance Plan

Dear Christopher:

Silvaco Group, Inc. (the "**Company**") adopted the Silvaco Group, Inc. Executive Severance Plan (the "**Plan**") to attract and retain qualified executives and to provide severance benefits to executives on certain terminations of employment. A participant in the Plan is eligible to receive severance benefits if his or her employment is terminated under certain circumstances, as described in the Plan.

The Compensation Committee of the Board of Directors has selected you to be a participant in the Plan, subject to your being an eligible employee on the date of your involuntary termination and the other terms and conditions set forth in the Plan. Specifically, you will receive severance benefits if your employment is terminated involuntarily by the Company other than for Cause or if you resign for CIC Good Reason or Non-CIC Good Reason, as such capitalized terms are defined in the Plan or in an employment agreement entered into between yourself and the Company, if such terms are specifically modified in such agreement in reference to the benefits in this plan. For purposes herein, if there is a discrepancy between the definition of such capitalized terms, the definitions of such terms of such employment agreement shall control. All other capitalized terms are as set forth in the Plan.

If your employment is involuntarily terminated under the circumstances described above, you will be eligible for a payment equal to **12** months of your then annual base salary and your Pro-Rata Full Target Bonus Amount, and a Specified Non-CIC Percentage of **25%**, in each case subject to and payable in accordance with the Plan's terms and conditions.

If your involuntary termination occurs during the period that begins three (3) months before a change in control of the Company (as defined in the Plan) and ends twelve (12) months following the change in control of the Company, then your lump sum payment and the payment of your cost of COBRA premiums will be for a period of **15** months instead of **12** months, and a Specified CIC Percentage of **100%**, in each case subject to the Plan's terms and conditions.

A copy of the Plan is attached hereto as Annex A. Please sign below, acknowledging your receipt of a copy of the Plan and accepting your designation to participate in the Plan by November 29, 2024.

Sincerely,

SILVACO GROUP, INC.

By: /s/ Candace Jackson_____
Name: Candace Jackson
Title: SVP, General Counsel and Corporate Secretary

I acknowledge receipt of a copy of the Plan and accept my designation as a participant under the terms and conditions of the Plan.

CHRISTOPHER ZEGARELLI

/s/ Christopher Zegarelli_____
Signature

Date: 9/5/2025

**Exhibit 10.9**

SILVACO

November 20, 2024

ELECTRONIC DELIVERY
CANDACE JACKSON

Re: Executive Severance Plan

Dear Candace:

Silvaco Group, Inc. (the "**Company**") adopted the Silvaco Group, Inc. Executive Severance Plan (the "**Plan**") to attract and retain qualified executives and to provide severance benefits to executives on certain terminations of employment. A participant in the Plan is eligible to receive severance benefits if his or her employment is terminated under certain circumstances, as described in the Plan.

The Compensation Committee of the Board of Directors has selected you to be a participant in the Plan, subject to your being an eligible employee on the date of your involuntary termination and the other terms and conditions set forth in the Plan. Specifically, you will receive severance benefits if your employment is terminated involuntarily by the Company other than for Cause or if you resign for CIC Good Reason or Non-CIC Good Reason, as such capitalized terms are defined in the Plan or in an employment agreement entered into between yourself and the Company, if such terms are specifically modified in such agreement in reference to the benefits in this plan. For purposes herein, if there is a discrepancy between the definition of such capitalized terms, the definitions of such terms of such employment agreement shall control. All other capitalized terms are as set forth in the Plan.

If your employment is involuntarily terminated under the circumstances described above, you will be eligible for (i) a severance payment equal to **9** months of your then annual base salary and your Pro-Rata Full Target Bonus Amount and (ii) the payment of your cost of COBRA premiums for a period of **9** months, subject to and payable in accordance with the Plan's terms and conditions.

If your involuntary termination occurs during the period that begins three (3) months before a change in control of the Company (as defined in the Plan) and ends twelve (12) months following the change in control of the Company, then your lump sum payment and the payment of your cost of COBRA premiums will be for a period of **15** months instead of **9** months, and your Specified CIC Percentage will be **100%**, in each case subject to the Plan's terms and conditions.

A copy of the Plan is attached hereto as Annex A. Please sign below, acknowledging your receipt of a copy of the Plan and accepting your designation to participate in the Plan by November 29, 2024.

Sincerely,

SILVACO GROUP, INC.

By: /s/ Babak Taheri_____
Name: Babak Taheri
Title: Chief Executive Officer

I acknowledge receipt of a copy of the Plan and accept my designation as a participant under the terms and conditions of the Plan.

CANDACE JACKSON

/s/ Candace Jackson_____
Signature

Date: 11/20/2024

**EXHIBIT A**
**Silvaco Group, Inc. Executive Severance Plan**
[Attached]

**Exhibit 10.10**

SILVACO

August 13, 2025

Chris Zegarrelli
Chris_zeg@yahoo.com

**CFO – Chief Financial Officer**

Dear Chris,

Congratulations! We are pleased to confirm that you have been selected to serve as Chief Financial Officer of Silvaco Group, Inc. ("Silvaco" or the "Company"), reporting directly to the Chief Executive Officer. You will be expected to devote your full professional time and best efforts to the Company in accordance with the responsibilities assigned to you.

**Base Salary**: Your annual base salary will be $450,000, paid in semi-monthly installments in accordance with the Company's regular payroll and accounting practices and procedures (the "Base Salary"). Your Base Salary is subject to statutory deductions and withholding. The first and last payment by the Company to you will be adjusted, if necessary, to reflect a commencement or termination date other than the first or last working day of the pay period. As an exempt employee, you will be expected to work normal business hours, as well as additional hours as required by your job duties, and you will not be paid overtime.

**Sign On Bonus:** You will receive a first-half sign-on bonus of $200,000, payable within 30 days after your start date per normal payroll cycle. In the event you voluntarily resign or are terminated for cause prior to the start of fiscal year 2027, you agree to repay this amount to the Company.

You will be eligible to receive a second-half additional bonus of $200,000 upon:

1. Achievement of the Company's fiscal year 2026 Annual Operating Plan ("AOP") revenue and profit targets at or above 100% of plan. The payout for these targets are proportional to the annual and profits targets achieved. You will participate in and lead the AOP planning process between Sept and Oct of 2025; and

2. Your continued employment in good standing through December 31, 2026.

This additional bonus will be payable on the same schedule and in the same cycle as annual bonuses for the rest of the executive team.

**2025 Annual Bonus:** You will be eligible for an annual target bonus of 60% of base salary. This bonus will be based on the same performance metrics and payout curve applicable to the executive management team under the Board-approved performance metrics that fiscal year.

Annual bonuses are subject to Compensation Committee review and Board approval, and are paid on the same schedule as for the executive team.

**PTO (Paid Time Off)** Silvaco offers 15 days for new hires, which accrues 5.00 hours per pay period up to max accrual of 120 hours. Paid Time Off (PTO) bank is carried over each year up to the max accrual.

**Location**: Remote - HQ

**Stock Incentive Plan:** Silvaco offers a comprehensive stock incentive plan, the Company's 2024 Stock Incentive Plan (the "2024 Plan"), designed to provide employees with equity participation in the company as an incentive and reward for their performance. Under this plan, employees may be periodically granted Restricted Stock Units (RSUs) as determined by a committee appointed by the company's Board of Directors.

**Equity Compensation** After your start of employment, subject to approval of the Board of Directors, you will be granted $2,300,000 RSUs. The RSUs will vest over a four-year period, with 25% of the RSUs vesting on the first anniversary of the first day of the month following your employment start date (one-year cliff) and the remaining 75% vesting in twelve equal quarterly installments over the next three years. You will need to remain an employee of the Company on each vesting date to receive the RSUs.

**RSUs /PRSUs** Beginning in fiscal year 2027, and subject to approval of the Board of Directors, you will be eligible to earn annual RSU/PRSU awards in lieu of the "refresh" equity awards typically provided to executives. These PRSUs will be awarded on the same grant date and under the same process as for the rest of the executive management team.

For each fiscal year, the target grant date fair value of your RSU/PRSU opportunity is currently expected to be in the range of $1,200,000 to $1,500,000, consistent with our current equity compensation framework for executives in comparable roles. The actual target value for each year will be determined annually by the Board based on the Company's performance against the prior year's Board-approved performance metrics. Your first RSU/ eligibility will be in fiscal year 2027, based on the Company's fiscal year 2026 performance results.

The number of RSU/PRSUs earned for a fiscal year will be determined using the same performance metrics and payout curve as the executive

management team's annual bonus plan which you will participate in establishing along with the Board.

RSU/PRSUs earned for a given year will vest in equal quarterly installments over the following four years, subject to your continued employment on each vesting date. Performance will be measured on the Company's standard fiscal year cycle (January 1 – December 31), with performance certification and determination of earned RSU/PRSUs occurring on the same schedule as for the rest of the executive team.

All RSU/PRSU awards remain subject to annual Board review and approval and will follow the same performance structure and schedule as those applicable to the executive management team

**Employee Stock Purchase Plan (ESPP)** In addition to the Stock Incentive Plan, Silvaco may offer an Employee Stock Purchase Plan (ESPP) that would allow employees to purchase company stock at a discounted price. You would be eligible to participate in the ESPP according to the terms and conditions of the plan, which will be provided to you after your start date.

**Executive Severance Plan:** As part of your compensation package, you will eligible to participate in our Executive Severance Plan (attached). Please note that any severance benefits will be subject to the terms and conditions of the Executive Severance Plan, as may be in effect (and which may be modified or terminated) from time to time.

**Benefits:** You will be offered the opportunity to participate in currently available Company benefits, as they are established or maintained from time to time, for which you meet any relevant eligibility criteria. Benefits may include health benefits, vision benefits, dental benefits, Health Savings Account, and Flexible Spending Account.

Silvaco's 401(k)-retirement savings plan has a dollar-for-dollar employer match of up to 4% based on employee eligibility requirements.

Please note that benefit programs will be subject to the terms of their respective plan documents and administered in accordance with all applicable laws. Details regarding the Company's benefits can be provided upon request.

You will also receive paid time off pursuant to Company policies, as they are established and maintained from time to time. Please note that the Company's paid time off policies will be administered in accordance with applicable laws; accordingly, terms and conditions related to the accrual, usage, and payout of paid time off may vary from one jurisdiction to the next. Information related to paid time off in your jurisdiction will be provided to you via the Company's written policies and procedures.

**Representations:** In accepting this offer, you are representing to the Company that: (i) you do not know of any conflicts or obligations owed to others (including any former employers) that would restrict your service with the Company, and (ii) you will not provide the Company with or bring with you at any time on Company property any documents, records, or other confidential information belonging to other parties. We wish to impress upon you that we do not want you to—and we hereby direct you not to—violate any such obligations you may have to any former employer or other third party.

**Policies:** As a Company employee, you will be expected to abide by Company policies, rules, and regulations as in effect from time to time. You may be specifically required to sign an acknowledgment that you have read and understand the Company's policies and rules of conduct, as in effect from time to time.

Your employment with Silvaco will be on an at-will basis, which means you and the company are free to terminate the employment relationship at any time for any reason. This letter is not a contract or guarantee of employment for a definite amount of time. This is the full and complete agreement between you and the Company on this term, and the at-will nature of your employment may only be altered by a written agreement signed by the CEO of the Company.

This job offer is contingent upon the following:

- Documentation evidencing your identity and eligibility for employment in the United States, which must be provided to the Company within three business days of your start date.
- Completion of a satisfactory credit and background check.
- Execution of an employment/confidentiality agreement.

This offer letter and the employment/confidentiality agreement together set forth the entire understanding between you and the Company regarding the terms of your employment with the Company and supersede any prior representations, agreements, and understandings between you and any employee or representative of the Company whether written or oral. Any modification to this offer letter, other than the provisions regarding at-will employment (which may only be altered by written agreement signed by the CEO of the Company), shall be in writing, signed by you and a duly authorized officer of the Company. Any waiver of a right under this offer letter must be in writing. You should note that the Company may modify job titles, duties, or reporting relationships, as well as compensation and benefits from time to time in its sole discretion and as it deems necessary. Further, all forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. This offer letter shall be construed and interpreted in accordance with the laws of the state in which you live and perform services for the Company, without regard to conflict of law principles.

We are excited to have you become a part of the Silvaco team and for you to bring your considerable expertise to this position. We would like for you to start work on **August 25, 2025,** or as soon as reasonably practicable**.**

If you have any questions, please contact HR@silvaco.com.

To confirm your intention to join Silvaco, please sign and return this original no later than **September 2, 2025.**

Sincerely,

/s/ Carrie Allegretti

Carrie Allegretti
SVP, Global Human Resources

**I have read and understood the provisions of this offer of employment, and I accept the above conditional job offer. I understand that my employment with Silvaco is considered at will, meaning that either the company or I may terminate this employment relationship at any time with or without cause or notice. No further commitments were made to me as a condition of or an inducement to my employment.**

/s/ Christopher Zegarelli_____ August 17, 2025
Chris Zegarrelli Date

SILVACO

August 29,2024

Candace Jackson

**SVP, General Counsel and Corporate Secretary**

Dear Candace,

Congratulations! We are pleased to confirm that you have been selected to work for Silvaco Group, Inc. ("Silvaco" or the "Company") and we are delighted to make you the following job offer. The position that we are offering is that of **SVP, General Counsel and Corporate Secretary.** You will report directly to **Dr. Babak Taheri, CEO** and are expected to devote your full professional time and best efforts to rendering services for the benefit of the Company. Your duties will be assigned by the Company and may change from time to time.

**Base Salary**: Your annual base salary will be $**300,000**, paid in semi-monthly installments in accordance with the Company's regular payroll and accounting practices and procedures (the "Base Salary"). Your Base Salary is subject to statutory deductions and withholding. The first and last payment by the Company to you will be adjusted, if necessary, to reflect a commencement or termination date other than the first or last working day of the pay period. As an exempt employee, you will be expected to work normal business hours, as well as additional hours as required by your job duties, and you will not be paid overtime.

**Sign On Bonus:** Including in your first pay cycle, following your start of employment with the Company, the Company will pay you a cash amount equal to **$10,000** as a sign-on bonus ("Sign-On Bonus") that will be subject to statutory deductions and withholdings.

**2025 Annual Bonus:** You are also eligible to receive a discretionary annual bonus of up to **20%** Percent (%) of your Base Salary ("Annual Bonus"). Any such Annual Bonus will be determined, calculated, and awarded at the Company's sole discretion, and the Company may take your individual performance and the Company's performance into consideration when determining whether to award, and the actual amount of, any Annual Bonus. To be eligible to receive any Annual Bonus, you must be employed by the Company on the date that the Annual Bonus is paid (to be clear, no portion of any Annual Bonus will be earned until the date on which it is actually paid). Please note that any Annual Bonus will be subject to the terms and conditions of any applicable bonus plan or program, as may be in effect (and which may be modified or terminated) from time to time. Annual Bonus payments will be subject to statutory deductions and withholdings.

**Milestone Bonus:** In addition, you will receive a milestone bonus of **$30,000** ("Milestone Bonus") upon completion of 6 months of service from your start date (to

be clear, no portion of the Milestone Bonus will be earned until such date). The Milestone Bonus will be subject to statutory deductions and withholdings.

**Location**: HQ - Remote

**Stock Incentive Plan:** Silvaco offers a comprehensive stock incentive plan, the Company's 2024 Stock Incentive Plan (the "2024 Plan"), designed to provide employees with equity participation in the company as an incentive and reward for their performance. Under this plan, employees may be periodically granted Restricted Stock Units (RSUs) as determined by a committee appointed by the company's Board of Directors.

**Initial RSU Grant:** After your start of employment, subject to approval of the Board of Directors, you will be granted **19,250** RSUs. The RSUs will vest over a four-year period, with 25% of the RSUs vesting on the first anniversary of the first day of the month following your employment start date (one-year cliff) and the remaining 75% will vest in twelve equal quarterly installments over the next three years. You will need to remain an employee of the Company on each vesting date to receive the RSUs.

All RSU's are subject to approval by the Compensation Committee at the designated meetings each quarter.

**Employee Stock Purchase Plan (ESPP)** In addition to the Stock Incentive Plan, Silvaco may offer an Employee Stock Purchase Plan (ESPP) that would allow employees to purchase company stock at a discounted price. You would be eligible to participate in the ESPP according to the terms and conditions of the plan, which will be provided to you after your start date.

**Executive Severance Plan:** As part of your compensation package, you will eligible to participate in our Executive Severance Plan signed and dated by the chair on 05/02/2024 and sent to you along with the offer letter. Please note that any severance benefits will be subject to the terms and conditions of the Executive Severance Plan, as may be in effect (and which may be modified or terminated) from time to time.

**Benefits:** You will be offered the opportunity to participate in currently available Company benefits, as they are established or maintained from time to time, for which you meet any relevant eligibility criteria. Benefits may include health benefits, vision benefits, dental benefits, Health Savings Account, and Flexible Spending Account.

Silvaco's 401(k)-retirement savings plan has a dollar-for-dollar employer match of up to 4% based on employee eligibility requirements.

Please note that benefit programs will be subject to the terms of their respective plan documents and administered in accordance with all

applicable laws. Details regarding the Company's benefits can be provided upon request.

You will also receive paid time off pursuant to Company policies, as they are established and maintained from time to time. Please note that the Company's paid time off policies will be administered in accordance with applicable laws; accordingly, terms and conditions related to the accrual, usage, and payout of paid time off may vary from one jurisdiction to the next. Information related to paid time off in your jurisdiction will be provided to you via the Company's written policies and procedures.

**Representations:** In accepting this offer, you are representing to the Company that: (i) you do not know of any conflicts or obligations owed to others (including any former employers) that would restrict your service with the Company, and (ii) you will not provide the Company with or bring with you at any time on Company property any documents, records, or other confidential information belonging to other parties. We wish to impress upon you that we do not want you to —and we hereby direct you not to—violate any such obligations you may have to any former employer or other third party.

**Policies:** As a Company employee, you will be expected to abide by Company policies, rules, and regulations as in effect from time to time. You may be specifically required to sign an acknowledgment that you have read and understand the Company's policies and rules of conduct, as in effect from time to time.

Your employment with Silvaco will be on an at-will basis, which means you and the company are free to terminate the employment relationship at any time for any reason. This letter is not a contract or guarantee of employment for a definite amount of time. This is the full and complete agreement between you and the Company on this term, and the at-will nature of your employment may only be altered by a written agreement signed by the CEO of the Company.

This job offer is contingent upon the following:

- Documentation evidencing your identity and eligibility for employment in the United States, which must be provided to the Company within three business days of your start date.
- Completion of a satisfactory background check.
- Satisfactory reference checks.
- Execution of an employment/noncompete/confidentiality agreement.

This offer letter and the employment/noncompete/confidentiality agreement together set forth the entire understanding between you and the Company regarding the terms of your employment with the Company and supersede any prior representations, agreements, and understandings between you and any employee or representative of the Company whether written or oral. Any modification to this offer letter, other than the provisions regarding at-will employment (which may only be altered by written agreement signed by the CEO of the Company), shall be in writing, signed by you and a duly authorized

officer of the Company. Any waiver of a right under this offer letter must be in writing. You should note that the Company may modify job titles, duties, or reporting relationships, as well as compensation and benefits from time to time in its sole discretion and as it deems necessary. Further, all forms of compensation referred to in this offer letter are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. This offer letter shall be construed and interpreted in accordance with the laws of the state in which you live and perform services for the Company, without regard to conflict of law principles.

We are excited to have you become a part of the Silvaco team and for you to bring your considerable expertise to this position. We would like for you to start work on **September 23, 2024**, or as soon as reasonably practicable**.**

**Human Resources will arrange your first day orientation via zoom.**

If you have any questions, please contact Human Resources at HR@silvaco.com.

To confirm your intention to join Silvaco, please sign and return this original no later than **September 6, 2024.**

Sincerely,

/s/ Carrie Allegretti

Carrie Allegretti
SVP of Global Human Resources

**I have read and understood the provisions of this offer of employment, and I accept the above conditional job offer. I understand that my employment with Silvaco is considered at will, meaning that either the company or I may terminate this employment relationship at any time with or without cause or notice. No further commitments were made to me as a condition of or an inducement to my employment.**

/s/ Candace Jackson August 29, 2024

Candace Jackson Date

**SILVACO GROUP, INC.**
**2024 STOCK INCENTIVE PLAN**
**NOTICE OF RESTRICTED STOCK UNIT AWARD**

You have been granted the following Restricted Stock Units (the "**Restricted Stock Units**" or "**RSUs**"), with each RSU representing the contingent right to receive one share of common stock of Silvaco Group, Inc. (the "**Company**") pursuant to the Silvaco Group, Inc. 2024 Stock Incentive Plan (as may be amended from time to time, the "**Plan**") (the "**Award**"):

| | |
|---|---|
| *Name of Recipient:* | [Name of Recipient] |
| *Grant Date:* | [Date of Grant] |
| *Total Number of Restricted Stock Units Subject to the Award:* | [Total RSUs] |
| *Vesting Commencement Date:* | [Vesting Commencement Date] |
| *Vesting Schedule:* | On each three (3) month anniversary of the Vesting Commencement Date, 1/16$^{th}$ of the Total Number of Restricted Stock Units Subject to the Award shall vest, with such Award being fully vested on the four-year anniversary of the Vesting Commencement Date; in each case subject to your continued service through each such date. |

**By your written signature below (or your electronic acceptance) and the signature of the Company's representative below, you and the Company agree that the RSUs are granted under and governed by the terms and conditions of the Plan, this Notice of Restricted Stock Unit Award and the Restricted Stock Unit Agreement, including any special terms for Participants outside of the United States ("U.S.") (collectively, this "Agreement"), each of which are attached to and made a part of this document.**

**By your written signature below (or your electronic acceptance), you further agree that the Company may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify you by e-mail. Should you electronically accept this Agreement, you agree to the following: "This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement."**

**You acknowledge and agree that (i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Notice of Restricted Stock Unit Award, the attached Restricted Stock Unit Agreement and the Plan and (ii) you have been**

**given an opportunity to consult your own legal and tax counsel with respect to all matters relating to these RSUs prior to signing (or electronically accepting) this Notice of Restricted Stock Unit Award and that you have either consulted such counsel or voluntarily declined to consult such counsel.**

**RECIPIENT**

_____
Recipient's Signature

_____
Recipient's Printed Name

**SILVACO GROUP, INC.**

By: _____

Name: Katherine Ngai-Pesic

Title: Chairperson of the Board

**Exhibit 16.1**

July 9, 2025

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Ladies and Gentlemen:

We have read the statements made by Silvaco Group, Inc. included under Item 4.01 of its Current Report on Form 8-K dated July 8, 2025, to be filed with the Securities and Exchange Commission. We agree with the statements concerning our Firm contained therein.

Sincerely,

/s/ Moss Adams LLP

**SILVACO GROUP, INC.**

**INSIDER TRADING AND COMMUNICATIONS POLICY**

**Policy as to Trades in the Company's Securities By Company Personnel**
**and**
**Treatment of Confidential Information**

(As adopted by the Board of Directors effective as of May 2024)

**1. Purpose.**

Both the Securities and Exchange Commission (the "***SEC***") and Congress are very concerned about maintaining the fairness and integrity of the U.S. capital markets. The securities laws are continually reviewed and amended to prevent people from taking advantage of "inside information" and to increase the punishment for those who do. These laws require publicly-traded companies to have clear policies on insider trading. If companies like ours do not take active steps to adopt preventive policies and procedures covering securities trades by company personnel, the consequences could be severe.

We are adopting this Insider Trading and Communications Policy (this "***Policy***") to avoid even the appearance of improper conduct on the part of anyone employed by or associated with Silvaco Group, Inc. and its subsidiaries and branches (collectively, the "***Company***") (not just so-called insiders). We have all worked hard to establish our reputation for integrity and ethical conduct. We cannot afford to damage this reputation.

**2. Applicability.**

This Policy applies to all full-time and part-time employees, officers, members of the Board of Directors, advisors, consultants and contractors of the Company or any subsidiary of the Company (the "***Individuals***"). This Policy also applies to family members, other members of a person's household and entities controlled by a person covered by this Policy, as described below, and any other persons whom the Company's insider trading Compliance Officer may designate because they have access to material nonpublic information concerning the Company, as well as any person who receives material nonpublic information from any Company insider. All employees are responsible for ensuring compliance by family members and members of their households and by entities over which they exercise voting or investment control. This Policy applies to all trading or other transactions in the Company's securities, including common stock, options to purchase common stock and restricted stock units and any other securities that the Company may issue, such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company's securities, whether or not issued by the Company.

**3. The Consequences.**

The consequences of insider trading violations can be substantial:

***For Individuals*** or ***Family Members*** who trade on inside information (or tip information to others):

- jail term of up to 20 years (30 years in certain circumstances);
- civil penalty of up to three times the profit gained or loss avoided; and

- criminal fine (no matter how small the profit) of up to $5 million.

***For a company*** (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- civil penalty of the greater of $1 million or three times the profit gained or loss avoided as a result of the Individual's violation; and
- criminal penalty of up to $25 million.

In addition, plaintiffs may claim that Individuals, Family Members, Controlled Entities or the Company are also liable to contemporaneous traders.

Further, if the Company has a reasonable basis to conclude that an employee has violated the Company's Insider Trading and Communications Policy, whether or not knowingly, the Company may impose sanctions, including dismissal for cause. Needless to say, any of the above consequences, even an SEC investigation that does not result in prosecution, can tarnish one's reputation (as well as the Company's) and irreparably damage a career. Finally, the size of a transaction has no impact on potential insider trading liability. In the past, even relatively small trades (e.g., trades as small as $400) have resulted in SEC investigations and lawsuits.

**4. Our Policy.**

**No Trading or Tipping When in Possession of Material Nonpublic Information**. If a member of the Board of Directors, officer, any employee, consultant or contractor of the Company or any subsidiary of the Company has possession of material non-public information (often referred to as "inside information") relating to our Company or any other company as to which the person receives information not available to investors generally, it is our policy that neither that person nor any related person may buy or sell securities of the Company, make a gift of Company securities, or engage in any other action to take advantage of, or pass on to others, that information. This Policy also applies to information relating to any other company, including our customers or partners, obtained in the course of you rendering services to the Company or any subsidiary of the Company. For purposes of this Policy, the term "***trade***" includes any transaction in the Company's securities, including gifts and pledges.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

**Definition of Material Nonpublic Information**. "***Material information***" is any information that would be expected to affect the investment and voting decisions of a reasonable investor, or any information such that the disclosure of the information would be expected to significantly alter the total mix of information in the marketplace about the Company. In short, "material information" includes any information that reasonably could affect the market price of our securities or any other securities. Either positive or negative information may be material. It can be information about the Company or about a company with which we do business.

*Examples:* Common examples of information that will frequently be regarded as material are:

- Financial performance, especially quarterly and year-end operating results, and significant changes in financial performance or liquidity;
- projections of future earnings, losses or other business activity;

- news of a possible merger, acquisition or tender offer;
- news of a possible agreement, collaboration or partnership;
- significant changes or developments in products or services or delays in new product or service introduction or development;
- significant pricing changes;
- plans to raise additional capital through stock sales or otherwise;
- gain or loss of a significant partner or customer;
- discoveries, or grants or allowances or disallowances of patents;
- changes in management;
- significant labor disputes or negotiations;
- a significant cybersecurity incident, such as a data breach or a significant disruption or unauthorized access to information technology infrastructure;
- news of a significant sale of assets;
- actual or threatened major litigation, or the resolution of such litigation;
- impending bankruptcy or financial liquidity problems; and
- changes in dividend policies or the declaration of a stock split.

**20/20 Hindsight**. Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

**Transactions by Family Members**. The same restrictions apply to your immediate family members and others living in your household (collectively, "***Family Members***"). You are responsible for the compliance of your Family Members.

**Transactions by Entities that You Influence or Control**. This Policy also applies to any entities that you influence or control, including any corporations, partnerships or trusts (collectively referred to as "***Controlled Entities***"), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

**Transactions of Non-Residents**. The same restrictions apply regardless of whether a person is resident within the United States.

**Do Not Pass Information to Others**. Whether the information is proprietary information about our Company or information that could have an impact on our stock price, Individuals, Family Members, and Controlled Entities must not pass the information on to others. It is illegal to advise others to trade on the basis of undisclosed material information. Liability in these cases can extend to both the "tippee" — the person to whom the insider disclosed inside information — and you, as the "tipper," and will apply whether or not you derive any benefit from another's actions. You should not make recommendations to others concerning the purchase or sale of securities of the Company. You should never trade, tip or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of material nonpublic information about any other company that was obtained in the course of your involvement with the Company, including communicating material nonpublic information to, any other person or otherwise disclose such information without the Company's authorization.

**When Information is Public**. As you can appreciate, it is also improper for any Individual to enter a trade immediately after the Company has made a public announcement of material information,

including earnings releases. We impose certain "trading blackouts" to ensure that the Company's stockholders and the investing public will be afforded the time to receive the information and act upon it. These are discussed below under the heading "Trading Blackouts." To avoid the appearance of impropriety, as a general rule, you should not engage in any transaction until at least two full trading days have passed following the release of the information. Thus, if an announcement were made after the market close on a Monday, Thursday generally would be the first day on which you would be able to trade. If an announcement were made after the market close on a Friday, Wednesday generally would be the first eligible trading day.

**Pre-Clearance of Trades of Company Stock**. To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an Individual engages in a trade while unaware of a pending major development), all members of the Board of Directors, all individuals designated as "officers" for the purposes of Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended ("***Section 16 Officers***"), and certain employees of the Company and its subsidiaries in a position to have access to material non-public information or designated on a pre-clearance list by our Chief Executive Officer or Chief Financial Officer from time to time, which may include legal and finance personnel, certain pre-determined insiders ("***Pre-Determined Insiders***") and the Family Members and Controlled Entities of such persons must obtain pre-clearance in writing from our head of the legal function (in the absence of a head of the legal function, our Chief Financial Officer) (the "***Compliance Officer***") of all transactions in Company securities (acquisitions, dispositions, transfers, gifts, etc.). For purposes of this paragraph, any venture capital fund or other entity that engages in the investment of securities in the ordinary course of its business (e.g., an investment fund or partnership) other than for an employee, officer or a director's own account, if such entity has established its own insider trading controls and procedures in compliance with applicable securities laws, shall not constitute a Controlled Entity. You must submit a written request for pre-clearance of a transaction no later than two business days before the proposed date of execution of the transaction unless you obtain a waiver from the Audit Committee of the Board of Directors. At this time, all Individuals have been designated as Pre-Determined Insiders. You will be notified if at a later date the Company determines that this pre-clearance policy is not applicable to you and the Company will maintain a list of all Pre-Determined Insiders. Pre-clearance is subject to a five business day expiration and must be renewed by the applicant after five business days to be valid.

Pre-clearance does not relieve anyone of their responsibility under SEC rules. All Individuals, whether subject to pre-clearance or not, are responsible for adherence to this Insider Trading and Communications Policy, including, but not limited to: not tipping or trading on insider information; not trading during trading blackout periods; not trading for two full trading days after earnings announcements or other significant Company announcements; and not trading in securities on a short-term basis. Individuals normally not subject to pre-clearance are still responsible for written pre-clearance for the sale of stock purchased in the open market and that has been owned less than six months. If any Individual is in doubt of whether or not pre-clearance is required, the Individual should inquire with our head of the legal function (in the absence of a head of the legal function, our Chief Financial Officer) or obtain pre-clearance as a cautionary measure.

The Compliance Officer may delegate his or her authority to act as the Compliance Officer as he or she deem necessary or appropriate in his or her sole discretion. The duties and powers of the Compliance Officer and his or her delegees may include the following:

- Administering, monitoring and enforcing compliance with this Policy.
- Responding to all inquiries relating to this Policy.

- Designating and announcing special trading blackout periods during which specified persons may trade in Company securities.
- Providing copies of this Policy and other appropriate materials to all current and new directors, officers and employees, and such other persons as the Compliance Officer determines have access to material nonpublic information concerning the Company.
- Administering, monitoring and enforcing compliance with federal and state insider trading laws and regulations.
- Assisting in the preparation and filing of all required SEC reports relating to trading in Company securities, including Forms 3, 4, 5 and 11 and Schedules 13D and 13G.
- Maintaining as Company records originals or copies of all documents required by the provisions of this Policy, and copies of all required SEC reports relating to insider trading, including Forms 3, 4, 5 and 144 and Schedules 13D and 13G.
- Revising this Policy as necessary to reflect changes in applicable insider trading laws and regulations (to be reported to and considered by the Nominating and Corporate Governance Committee (the "***Governance Committee***") of the Board of Directors (the "***Board***") of the Company at its next meeting.
- Designing and requiring training about the obligations of this Policy as the Compliance Officer considers appropriate.

The Compliance Officer may designate one or more individuals who may perform the Compliance Officer's duties under this Policy in the event that a Compliance Officer is unable or unavailable to perform such duties.

**Trading Blackouts**. From time to time, the Company may require that members of the Board of Directors, officers, employees of the Company and subsidiaries of the Company and others, including Family Members and Controlled Entities, to suspend trading because of developments known to the Company and not yet disclosed to the public. In that event, these persons are required not to engage in any transaction involving the purchase or sale of the Company's securities during that period, and should not disclose to others the fact that they have been suspended from trading (other than as strictly necessary to prevent Family Members and Controlled Entities from trading). The Company will also require the following mandatory trading blackout:

- ***Earnings Trading Blackouts*** – All members of the Board of Directors of the Company or its subsidiaries, Section 16 Officers, Pre-Determined Insiders and the Family Members and Controlled Entities of such persons will be subject to a stock trading blackout period beginning two weeks prior to the end of a fiscal quarter and ending after two full trading days have passed after earnings for that quarter are released. All such persons whose employment or affiliation with the Company ceases during a blackout period shall remain subject to the blackout period for the duration of the blackout period.

Of course, no trading should be done at any time that an Individual is actually aware of a major undisclosed corporate development.

**Options/RSUs**. Cash exercise of options currently may be done at any time. This Policy also does not apply to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares subject to an option or restricted stock unit to satisfy tax withholding requirements which occur as a result of certain option exercises or the vesting or settlement of any restricted stock units. Same-day-sales to exercise stock options are subject to trading windows, as are any other market sale of shares subject to an option or restricted stock unit for the purpose of generating the cash needed to pay the exercise price and/or taxes (a "sell to cover").

**Exception for Approved 10b5-1 Plans.** Trades by Individuals in the Company's securities that are executed pursuant to an approved 10b5-1 trading plan (a "***Trading Plan***") are not subject to the prohibition on trading on the basis of material non-public information contained in this Insider Trading and Communications Policy or to the restrictions set forth above relating to pre-clearance procedures and blackout periods.

SEC Rule 10b5-1 provides an affirmative defense from insider trading liability under the federal securities laws for Trading Plans that meet certain requirements. It does not prevent someone from bringing a lawsuit. This Insider Trading and Communications Policy permits Individuals to adopt Trading Plans with brokers that outline a pre-set plan for trading of the Company's securities, including those received upon the exercise of options and settlement of restricted stock units. Trading Plans are to be implemented only during open windows and when the individual is not aware of any material non-public information.

Any Trading Plan must comply with SEC Rule 10b5-1 and with the Requirements for Rule 10b5-1 Trading Plans set forth in **Appendix A**. Trading Plans must be approved in writing in advance by the Compliance Officer and the establishment of such a Trading Plan with respect to an Individual may be publicly announced by the Company.

Establishing a Trading Plan does not exempt Individuals from complying with the Section 16 six-month short swing profit rules or liability.

Under certain circumstances, a Trading Plan must be revoked. This includes circumstances such as the announcement of a merger or the occurrence of an event that would cause the transaction either to violate the law or to have an adverse effect on the Company. The Chief Financial Officer, head of the legal function (if any) or their designee or any stock administrator of the Company is authorized to notify the broker in such circumstances, thereby insulating the insider in the event of revocation.

**Post-Termination Transactions**. This Insider Trading and Communications Policy continues to apply to your transactions in Company securities even after your employment, board service or consulting services terminate. If you are in possession of material nonpublic information when your service to the Company or a subsidiary of the Company terminates, you may not trade in Company securities until that information has become public or is no longer material.

**5. Additional Prohibited Transactions.**

We believe it is improper and inappropriate for any of the Individuals to engage in short-term or speculative transactions involving Company securities. We believe that this trading can reflect badly on the Company and that Individuals should not engage in any types of transactions that are commonly viewed as a form of "betting" for or against the Company. Accordingly, it is the Company's policy that members of the Board of Directors, officers, employees, consultants and contractors may not engage in any of the following activities with respect to securities of the Company, without prior written pre-clearance:

- ***Director and officer cashless exercise*** – In response to the restrictions set forth in the Sarbanes-Oxley Act of 2002, the Company will not arrange with brokers to administer cashless exercises on behalf of directors and officers of the Company. Directors and officers of the Company may only utilize the cashless exercise feature of their options if (i) the director or officer retains a broker independently of the Company, (ii) the Company's involvement is limited to confirming that it will deliver the stock promptly upon payment of the exercise price and (iii) the director or officer uses a "T+2" cashless exercise arrangement,

in which the Company agrees to deliver stock against the payment of the purchase price on the same day the sale of the stock underlying the option settles. Under a T+2 cashless exercise, a stock broker, the issuer, and the transfer agent of the issuer work together to make all transactions settle simultaneously. This approach is to avoid any inference that the Company has "extended credit" in the form of a personal loan to the director or executive officer. Any employee who has any questions about cashless exercises may obtain additional guidance from our Chief Financial Officer or the head of the legal function (if any).

- ***Director and officer trading during pension and 401(k) plan blackout periods*** – If Company securities are available as an investment option or used as a Company match in the Company's 401(k) plan, directors and officers of the Company are prohibited from trading Company securities during pension and 401(k) plan blackouts, if any, in response to the restrictions set forth in the Sarbanes-Oxley Act of 2002.

- ***Trading in securities on a short-term basis*** — As a general rule, any Company securities purchased in the open market (i.e., not including stock purchased upon exercise of an employee stock option or restricted stock unit or under an employee stock purchase plan) should be held for a minimum of six months and ideally longer. The top executives and members of the Board of Directors of the Company are already subject to the SEC's "short-swing" profit rule, which penalizes purchases and sales within any six-month period. Any employee who wishes to sell Company securities that were purchased in the open market and that have been owned less than six months must obtain prior written clearance from our Chief Financial Officer or the head of the legal function (if any). You must submit a written request for pre-clearance of a transaction no later than three business days before the proposed date of execution of the transaction.

- ***Short sales of Company securities*** — This involves selling Company securities that you do not own in the expectation that the price of the securities will fall, or as part of an arbitrage transaction.

- ***Buying or selling puts or calls, or their equivalent positions, on Company securities*** — This includes options and derivatives trading on any of the stock exchanges or futures exchanges, including cashless collars.

- ***Margin accounts or pledging***. This means securities held in a margin account as collateral for a margin loan, and securities pledged (or hypothecated) as collateral for a loan. This also includes borrowing from a brokerage firm, bank or other entity in order to buy Company securities (other than in connection with a so-called "cashless" exercise of options under the Company's stock plans).

- ***Hedging***. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit a director, officer or employee to continue to own Company securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the director, officer or employee may no longer have the same objections as the Company's other stockholders.

**6. Confidential Information and Communications with the Media and External Parties.**

Unauthorized disclosure of internal information relating to the Company (including information regarding the Company's commentary or views on specific issues, employees, members of the Board of Directors, facilities, business operations, products or services or the Company's partners, suppliers or customers) could cause competitive harm to the Company and in some cases could result in liability for the Company. Establishing rules and procedures to promote consistent, effective, and appropriate

communications with external parties are necessary to build and reinforce the Company's positive reputation and public image.

**Unauthorized Disclosure**. Individuals should not disclose internal information about the Company to *anyone* outside the Company, except as required in the performance of regular duties for the Company. The "applicable communications channels" include all messages and information directed to audiences outside the Company, whether by telephone, letter, email, newsletters, marketing materials, social media channels, online publications, interviews, speeches, presentations, participation on panels, testimonials, or press releases. In this regard, Individuals are prohibited from posting internal information about the Company on a "bulletin board" or "blog" on the Internet or on any applicable communications channel, communicating about the Company and its business in Internet-based "chat" rooms, blogs or other interactive web technologies, or having a blog that discusses the Company and its business. Examples of audiences outside the Company include customers, prospects, suppliers, business partners, regulators, industry and financial analysts, consultants, so-called "expert networks," media, and the general public. You must also treat material nonpublic information about our business partners with the same care required with respect to such information related directly to the Company.

**Communications with the Media, Securities Analysts and Investors**. Communications on behalf of the Company with the media, securities analysts and investors must be made only by specifically designated representatives of the Company, as communications may be regulated by federal securities laws including but not limited to Regulation FD. Unless you have been expressly authorized byt eh Company's Disclosure Committee to make such communications, if you receive any inquiry relating to the Company from the media, a securities analyst or an investor, you should refer the inquiry to our Chief Financial Officer or the head of the legal function (if any).

**Safeguarding Confidential Information**. Care must be taken to safeguard the confidentiality of internal information. For example, sensitive documents should not be left lying on desks, and visitors should not be left unattended in offices containing internal company documents. Particular care must be taken if working on a plane, train, or public transportation, or in a location outside of one or our offices.

**Rumors**. Rumors concerning the business and affairs of the Company may circulate from time to time. Our general policy is not to comment upon those rumors. Individuals should also refrain from commenting upon or responding to rumors and should refer any requests for comments or responses to our Chief Financial Officer or the head of the legal function (if any).

**Analyst Reports**. The Company views analyst reports as the proprietary information of the analyst's firm. The Company will not provide such reports on our corporate or other websites or through any other means to persons outside of the Company. The Company should avoid directing anyone outside the Company to an analyst report, in part to avoid the appearance of endorsing such a report.

**Crisis Communications**. Situations may occasionally arise that could be unfavorably perceived by the public. In a crisis situation, events beyond the Company's control may threaten to damage the Company's relationships with customers, partners, employees, and other stakeholders, or the Company's reputation, financial position, and other important interests.

**7. Company Assistance.**

Any person who has any questions about specific transactions may obtain additional guidance from our Chief Financial Officer or our head of the legal function.

Remember, however, you are ultimately responsible for adhering to this Insider Trading and Communications Policy and avoiding improper transactions. In this regard, it is imperative that you use your best judgment.

**Section 16 Filings**. While the Company expects to assist each director and Section 16 Officer (including Family Members and Controlled Entities of such persons) (collectively, "***Section 16 Reporting Persons***") with such Section 16 filings, and expects such assistance to include form preparation for all Section 16 Reporting Persons other than those who do not require such assistance, the obligation to file Section 16 reports (Forms 3, 4 and 5) is a personal obligation of each such person, and the Company is not responsible for any failure to file accurate and timely Section 16 reports. Each Section 16 Reporting Person must ensure that their broker provides the Company with detailed information (trade date, number of shares, exact price) regarding every transaction involving the securities of the Company, including gifts, transfers, pledges and all Rule 10b5-1 transactions, both in connection with mandatory pre-clearance requirements for such Section 16 Reporting Persons and immediately following execution.

**8. Modifications.**

This Insider Trading and Communications Policy has been approved by the Company's Board of Directors. Officers of the Company may, from time to time, make non-substantive modifications to this Insider Trading and Communications Policy (including, without limitation, substitution of the names of the appropriate contact persons within the Company) with subsequent notice to the Company's Board of Directors or the Nominating and Corporate Governance Committee of the Board of Directors.

**9. Acknowledgements.**

All directors, officers, employees, consultants and contractors of the Company and its subsidiaries will be required to acknowledge, electronically or in writing, their understanding of, and intent to comply with, this Insider Trading and Communications Policy. This agreement will constitute each such person's consent for the Company to issue any necessary stop-transfer orders to the Company's transfer agent to enforce compliance with this Policy. As a condition of continued employment or engagement, all employees, contractors and consultants must periodically acknowledge, electronically or in writing, that they have read and agree to abide by this Policy.

ACKNOWLEDGMENT

I have received and read a copy of the Silvaco Group, Inc. Insider Trading and Communications Policy and I understand and agree to comply with the specific requirements of the Policy. I agree that I will be subject to sanctions imposed by the Company, in its discretion, for violation of the Company's Policy, including dismissal for cause, and that the Company may give stop-transfer and other instructions to the Company's transfer agent against transfer of Company securities by me in a transaction that the Company considers to be in contravention of the Policy.

Signature: __

Printed Name: __

Date: __

## APPENDIX A

## Requirements for Rule 10b5-1 Trading Plans

These Requirements for Rule 10b5-1 Trading Plans (these "***Requirements***") have been developed to assist you in your preparation of a Rule 10b5-1 trading plan ("***Trading Plan***") for transactions in securities of Silvaco Group, Inc. (the "***Company***"). Please note that these Requirements should not serve as a substitute for obtaining professional advice and assistance in connection with preparing a Trading Plan. You are responsible for understanding the rules applicable to Trading Plans and ensuring that your Trading Plan complies with the requirements of Rule 10b5-1.

The following requirements apply to all Trading Plans:

1. The Trading Plan must be in writing and signed by the person adopting the Trading Plan.

2. The Trading Plan must either (i) specify the amount, price and date of the transaction(s) or (ii) specify an objective formula or algorithm for determining the amount, price and date of the transaction(s).

3. The person adopting the Trading Plan must not exercise any subsequent influence over how, when, or whether to make purchases or sales under the plan.

4. The Trading Plan may be adopted only at a time when:
    - the person adopting the Trading Plan is not aware of any material nonpublic information; and
    - there is no quarterly, special or other trading blackout in effect with respect to the person adopting the plan.

5. The Trading Plan must be entered and operated in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1. The person adopting the Trading Plan must certify that he or she is entering into the plan in good faith and that he or she does not possess any material non-public information at the time of adoption.

6. The person adopting the Trading Plan may not have entered into or altered a corresponding or hedging transaction or position with respect to the securities subject to the Trading Plan and must agree not to enter into any such transaction while the Trading Plan is in effect.

7. The first trade under the Trading Plan may not occur until after the later of (i) the end of the next quarterly blackout period following adoption of the Trading Plan and (ii) the later of (A) 90 calendar days after adoption of the Trading Plan or (B) two business days after disclosure of the Company's financial results in a Form 10-Q or Form 10-K for the quarter in which the Trading Plan was adopted, subject to a maximum of 120 days after adoption of the Trading Plan (or, in the case of any officer that is not a "Section 16 officer", 30 calendar days) (as applicable, the "cooling off period").

8. Only one single-trade Trading Plan is allowed during any 12-month period.

9. Multiple overlapping Trading Plans are prohibited; provided, however, that this restriction does not prevent an individual from having two Trading Plans if the trading period under the second Trading Plan does not commence until after the end of the trading period under the first Trading Plan and the other requirements of Rule 10b5-1, including the applicable cooling off periods, are met.

    - For example, a person may enter into a new Trading Plan in an open window prior to the natural termination of their existing plan as long as the first trade under their new plan is scheduled to occur only after the time period when the last trade under their existing plan may occur.

10. All transactions under the Trading Plan must be in accordance with applicable law.

11. The Trading Plan must be approved by the Company's Compliance Officer and filed with the Company.

12. Regarding modifications and early terminations:
    - In general, modifications and early terminations are discouraged and should be avoided except in unusual circumstances because they can create the perception that the person is manipulating the plan and potentially call into question whether the good faith requirement was met.
    - The Trading Plan may be modified or terminated prior to its stated duration only at a time when:
        - the person modifying or terminating the Trading Plan is not aware of material nonpublic information.
        - there is no quarterly, special or other trading blackout in effect with respect to the person modifying or terminating the plan.
    - A person who modifies or terminates a Trading Plan prior to its stated duration may not trade in the Company's securities (under a modified Trading Plan, newly adopted Trading Plan or otherwise) until after the completion of the applicable "cooling off" period, measured from the date of termination of the old plan. If a person has pre-cleared a new Trading Plan (the "***Second Plan***") intended to succeed an earlier pre-cleared Trading Plan (the "***First Plan***"), the person may not affirmatively terminate the First Plan without pre-clearance, because such termination is deemed to be entering into the Second Plan.
    - Any modification or termination must be approved by the Company's Compliance Officer and filed with the Company.

**Additional Considerations**

Although not required, the Company recommends that you consider the following in connection with preparing your Rule 10b5-1 Trading Plan:

1. Consider adopting or modifying a Trading Plan only during the first week of an open trading window. This decreases the likelihood that you will have become aware of material nonpublic information.

2. Consider limiting the duration of the Trading Plan to no more than two years. The longer the duration, the greater the risk that circumstances may change such that you will have an incentive to modify or terminate the plan. The modification or early termination of a plan may create an implication that prior transactions under the plan were not in fact pursuant to a *bona fide* plan. In addition, subsequent trading will not be considered as pursuant to the Trading Plan.

3. Any officer, director or holder of more than 10% of the Company's shares may not enter into a Trading Plan that includes purchase and sale of Company stock if both transactions occur within a six-month period (unless specifically approved by the Company's Compliance Officer).

## Subsidiaries of Silvaco Group, Inc.

| Subsidiary | Jurisdiction |
|---|---|
| Silvaco, Inc. | USA |
| Silvaco Brasil Servicos De Tecnologia LTDA | Brazil |
| Silvaco China Co, Ltd | China |
| Silvaco Data Systems Korea, Ltd | Korea |
| Silvaco Denmark ApS | Denmark |
| Silvaco Europe, Ltd | UK |
| Silvaco GmbH | Germany |
| Silvaco Hong Kong Co. Ltd | Hong Kong |
| Silvaco India PVT, Ltd | India |
| Silvaco Japan Co, Ltd | Japan |
| Silvaco SA | France |
| Silvaco Singapore PTE, Ltd | Singapore |
| Silvaco Taiwan Co, Ltd | Taiwan |
| Silvaco Ukraine | Ukraine |
| Mixel, Inc. | California |
| Mixel Egypt LLC | Egypt |
| Mixel Vietnam Company Limited | Vietnam |
| Tech-X Corporation | Colorado |

**Exhibit 23.1**

# Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-291212) and Form S-8 (No. 333-279282) of Silvaco Group, Inc. (the “Company”) of our report dated March 12, 2026, relating to the consolidated financial statements of the Company, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2025.

/s/ Baker Tilly US, LLP

San Jose, California
March 12, 2026

**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**
**PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a)**
**OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Dr. Walden C. Rhines, certify that:

1. I have reviewed this Annual Report on Form 10-K of Silvaco Group, Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Walden C. Rhines

Dr. Walden C. Rhines

*Chief Executive Officer*

Date: March 12, 2026

**Exhibit 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**
**PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a)**
**OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Christopher J. Zegarelli, certify that:

1. I have reviewed this Annual Report on Form 10-K of Silvaco Group, Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Christopher J. Zegarelli

Christopher J. Zegarelli

*Chief Financial Officer*

Date: March 12, 2026

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Silvaco Group Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dr. Walden C. Rhines, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1.The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Walden C. Rhines

Dr. Walden C. Rhines

*Chief Executive Officer*

Date: March 12, 2026

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Silvaco Group Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher J. Zegarelli, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1.The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Christopher J. Zegarelli

Christopher J. Zegarelli

*Chief Financial Officer*

Date: March 12, 2026

**SILVACO GROUP, INC.**
**POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED INCENTIVE COMPENSATION**

(As adopted by the Board of Directors effective as of May 2024)

## 1. INTRODUCTION

Silvaco Group, Inc. (the "***Company***") is adopting this policy (this "***Policy***") to provide for the Company's recovery of certain Incentive Compensation (as defined below) erroneously awarded to Affected Officers (as defined below) under certain circumstances.

This Policy is administered by the Compensation Committee (the "***Committee***") of the Company's Board of Directors (the "***Board***"). The Committee shall have full and final authority to make any and all determinations required or permitted under this Policy. However, an Affected Officer may request a review of the Committee's determination. This review will be carried out by an independent subcommittee formed from members of the Board, who were not part of the original determination, to ensure a fair and impartial process (the "Review Process"). Upon completion of the Review Process, the determination as confirmed or amended by the independent subcommittee of the Board shall be final, conclusive and binding on all parties. The Board may amend or terminate this Policy at any time, in accordance with applicable laws.

This Policy is intended to comply with Section 10D of the Securities and Exchange Act of 1934, as amended (the "***Exchange Act***"), Rule 10D-1 thereunder and the applicable rules of any national securities exchange on which the Company's securities are listed (the "***Exchange***") and will be interpreted and administered consistent with that intent.

## 2. EFFECTIVE DATE

This Policy shall apply to all Incentive Compensation paid or awarded on or after the date of adoption of this Policy, and to the extent permitted or required by applicable law.

## 3. DEFINITIONS

For purposes of this Policy, the following terms shall have the meanings set forth below:

"***Affected Officer***" means any current or former "officer" as defined in Exchange Act Rule 16a-1, and any other senior executives as determined by the Committee.

"***Erroneously Awarded Compensation***" means the amount of Incentive Compensation received that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based on the Restatement, computed without regard to any taxes paid. In the case of Incentive Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Restatement, the Committee shall engage an independent financial expert to provide a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return for which the Incentive Compensation was based, which the Committee will use to determine the amount of recovery. The Committee may determine the form and amount of Erroneously Awarded Compensation based on a thorough evaluation by its members and/or third-party advisors. However, such determinations are subject to review upon request by the Affected Officer as outlined in the Review Process provisions of this Policy.

If requested by an Affected Officer, the Committee shall provide its calculations and assumptions made in determination of Erroneously Awarded Compensation to an Affected Officer promptly after request. This disclosure will include, but is not limited to, the methodologies used, any Financial Reporting Measures and performance targets, and how such figures were affected by the Restatement. The Affected Officer shall be afforded a reasonable period to review and, if necessary, request a review of the Committee's decision as outlined in the Review Process before any recovery action is initiated. The Company and each Affected Officer shall engage in good faith discussions with the other party to resolve any disputes over the calculation before engaging in the Review Process.

"***Financial Reporting Measure***" means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures, whether or not such measure is presented within the financial statements or included in a filing with the Securities and Exchange Commission. Stock price and total shareholder return are Financial Reporting Measures.

"***Incentive Compensation***" means any compensation that is granted, earned or vested based in whole or in part on the attainment of a Financial Reporting Measure. For purposes of clarity, base salaries, bonuses or equity awards paid solely upon satisfying one or more subjective standards, strategic or operational measures, or continued employment are not considered Incentive Compensation, unless such awards were granted, paid or vested based in part on a Financial Reporting Measure.

"***Restatement***" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (i.e., a "Big R" restatement), or that would result in a material misstatement if the error was corrected in the current period or left uncorrected in the current period (i.e., a "little r" restatement).

**4**. **RECOVERY**

If the Company is required to prepare a Restatement, the Company shall seek to recover and claw back from any Affected Officer reasonably promptly the Erroneously Awarded Compensation that is received by the Affected Officer:

(i) after the person begins service as an Affected Officer;

(ii) who serves as an Affected Officer at any time during the performance period for that Incentive Compensation;

(iii) while the Company has a class of securities listed on the Exchange; and

(iv) during the three completed fiscal years immediately preceding the date on which the Company was required to prepare the Restatement (including any transition period within or immediately following those years that results from a change in the Company's fiscal year, provided that a transition period of nine to 12 months will be deemed to be a completed fiscal year).

For purposes of this Policy:

- Erroneously Awarded Compensation is deemed to be received in the Company's fiscal year during which the Financial Reporting Measure specified in the Incentive Compensation is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period; and

- the date the Company is required to prepare a Restatement is the earlier of (x) the date the Board, the Committee or any officer of the Company authorized to take such action concludes, or reasonably should have concluded, that the Company is required to prepare the Restatement, or (y) the date a court, regulator, or other legally authorized body directs the Company to prepare the Restatement.

For purposes of clarity, in no event shall the Company be required to award any Affected Officers an additional payment or other compensation if the Restatement would have resulted in the grant, payment or vesting of Incentive Compensation that is greater than the Incentive Compensation actually received by the Affected Officer. The recovery of Erroneously Awarded Compensation is not dependent on if or when the Restatement is filed.

Notwithstanding any other provision in this Policy, the Company must initiate any recovery action pursuant to Section 4 within two years from the date on which the Company is required to prepare a Restatement, as defined in Section 3. This limitation period is intended to provide certainty to Affected Officers and to ensure that the Company acts diligently and promptly in enforcing its recovery rights. The two-year period shall commence from the earliest event specified under Section 3 that triggers the need for a Restatement. If the Company fails to initiate a recovery action within this period, it shall be deemed to have waived its right to recover the Erroneously Awarded Compensation related to that particular Restatement.

**5. SOURCES OF RECOUPMENT**

To the extent permitted by applicable law, the Committee may, in its discretion, seek recoupment from the Affected Officer(s) through any means it determines, which may include any of the following sources: (i) prior Incentive Compensation payments; (ii) future payments of Incentive Compensation; (iii) cancellation of outstanding Incentive Compensation; (iv) direct repayment; and (v) non-Incentive Compensation or securities held by the Affected Officer. To the extent permitted by applicable law, the Company may offset such amount against any compensation or other amounts owed by the Company to the Affected Officer. Recoupment shall only extend to the Affected Officer's vested interests in retirement accounts, pension funds, or deferred compensation under tax-qualified plans after the Company makes a reasonable attempt to recoup the Erroneously Awarded Compensation pursuant to subjections (i) through (v) above in this section..

**6. LIMITED EXCEPTIONS TO RECOVERY**

Notwithstanding the foregoing, the Committee, in its discretion, may choose to forgo recovery of Erroneously Awarded Compensation under the following circumstances, provided that the Committee (or a majority of the independent members of the Board) has made a determination that recovery would be impracticable because:

(i) The direct expense paid to a third party to assist in enforcing this Policy would exceed the recoverable amounts; provided that the Company has made a reasonable attempt to recover such Erroneously Awarded Compensation, has documented such attempt and has (to the extent required) provided that documentation to the Exchange;

(ii) Recovery would violate home country law where the law was adopted prior to November 28, 2022, and the Company provides an opinion of home country counsel to that effect to the Exchange that is acceptable to the Exchange; or

(iii) Recovery would likely cause an otherwise tax-qualified retirement plan to fail to meet the requirements of the Internal Revenue Code of 1986, as amended.

**7. NO INDEMNIFICATION OR INSURANCE**

The Company will not indemnify, insure or otherwise reimburse any Affected Officer against the recovery of Erroneously Awarded Compensation.

**8. NO IMPAIRMENT OF OTHER REMEDIES**

This Policy does not preclude the Company from taking any other action to enforce an Affected Officer's obligations to the Company, including termination of employment, institution of civil proceedings, or reporting of any misconduct to appropriate government authorities. This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer.