Q3 Investor Presentation

Needham Virtual Semiconductor & SemiCap 1x1 Conference
August 21, 2025

Jefferies Semiconductor, IT Hardware & Communications Technology Conference
August 27, 2025

B. Riley Securities Annual Consumer & TMT Conference
September 10, 2025

Piper Sandler Growth Frontiers Conference
September 11, 2025

SkyWater Technology Forward-Looking Statements

This presentation contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements that are based on the Company’s current expectations or forecasts of future events, rather than past events and outcomes, and such statements are not guarantees of future performance. Forward-looking statements include all statements other than statements of historical fact contained in this press release, including information or predictions concerning the Company’s future business, results of operations, financial performance, plans and objectives, competitive position, market trends, and potential growth and market opportunities. In some cases, you can identify forward-looking statements by words such as “intends,” “estimates,” “predicts,” “potential,” “continues,” “anticipates,” “plans,” “expects,” “believes,” “should,” “could,” “may,” “will,” “targets,” “projects,” “seeks” or the negative of these terms or other comparable terminology.

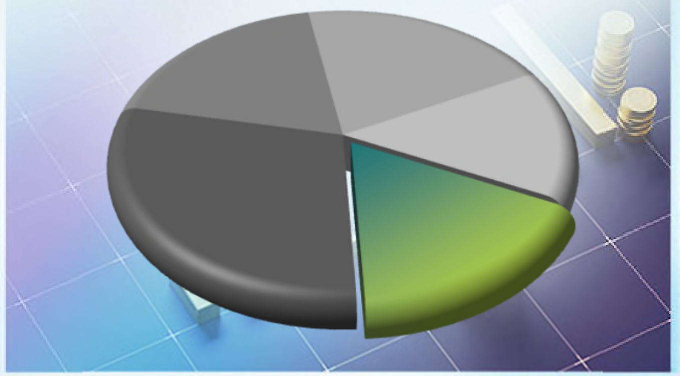
Forward-looking statements are subject to risks, uncertainties and assumptions, which may cause the Company’s actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Key factors that could cause the Company’s actual results to be different than expected or anticipated include, but are not limited to: our goals and strategies; our future business development, financial condition and results of operations; our ability to continue operating our fabrication facilities at full capacity; our ability to appropriately respond to changing technologies on a timely and cost-effective basis; our customer relationships and our ability to retain and expand our customer relationships; our ability to accurately predict our future revenues for the purpose of appropriately budgeting and adjusting our expenses; our expectations regarding dependence on our largest customers; our ability to diversify our customer base and develop relationships in new markets; our ability to integrate the operations of the Fab 25 facility with our operations and risks associated with operating the Fab 25 facility; the performance and reliability of our third-party suppliers and manufacturers; our ability to procure tools, materials, and chemicals; our ability to control costs, including our operating and capital expenses; the size and growth potential of the markets for our solutions, and our ability to serve and expand our presence in those markets; the level of demand in our customers’ end markets; our ability to attract, train and retain key qualified personnel; adverse litigation judgments, settlements or other litigation-related costs; changes in trade policies, including the imposition of or increase in tariffs; our ability to raise additional capital or financing; our ability to accurately forecast demand; changes in local, regional, national and international economic or political conditions, including those resulting from increases in inflation and interest rates, a recession, or intensified international hostilities; the level and timing of U.S. government program funding; our ability to maintain compliance with certain U.S. government contracting requirements; regulatory developments in the United States and foreign countries; our ability to protect our intellectual property rights; and other factors discussed in the “Risk Factors” section of the Annual Report on Form 10-K the Company filed with the SEC on March 14, 2025 and in other documents that the Company files with the SEC, which are available at http://www.sec.gov. The Company assumes no obligation to update any forward-looking statements, which speak only as of the date of this presentation.

Definitions

- "ATS development revenue" represents GAAP revenue primarily derived from process development services, tool installation and qualification services, facility and tool access, and security services.
- "Tools revenue" represents GAAP revenue primarily derived from the procurement and subsequent sale of equipment to our customers. While this equipment is owned by our customers, the equipment is retained in one of our fabs and is used to complete ATS customer programs.

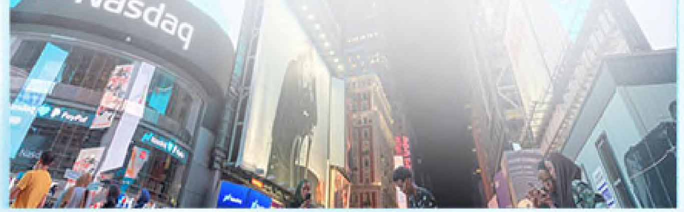
America's Foundry at a Glance

Leading U.S. Provider of 200mm Capacity



SKYT

Traded on NASDAQ since 2021



>$350M

CapEx Funding Co-Investment

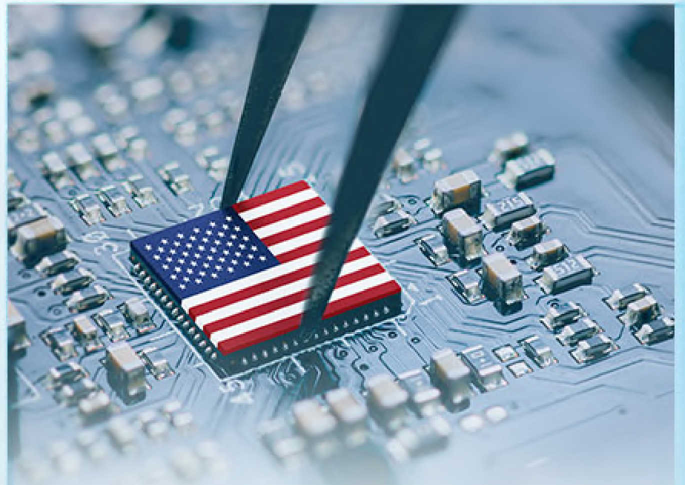
(expected for 2020-2026)

Strong Revenue Growth Expected (1)

Front-end Wafer Processing

IFX Fab 25 Acquisition Completed June 30, 2025

Advanced Packaging



Exclusively U.S.-based pure-play foundry

Quality Certified

- **IATF16949** (Auto)
- **AS9100** (Aero/Aviation)
- **ISO 9001**
- **ISO 4001**
- **ISO 13485** (Medical)
- **DMEA Cat 1A Trusted**

*SkyWater analyst consensus estimates for 2025E and 2026E Revenues (in $ millions) as of August 7, 2025.

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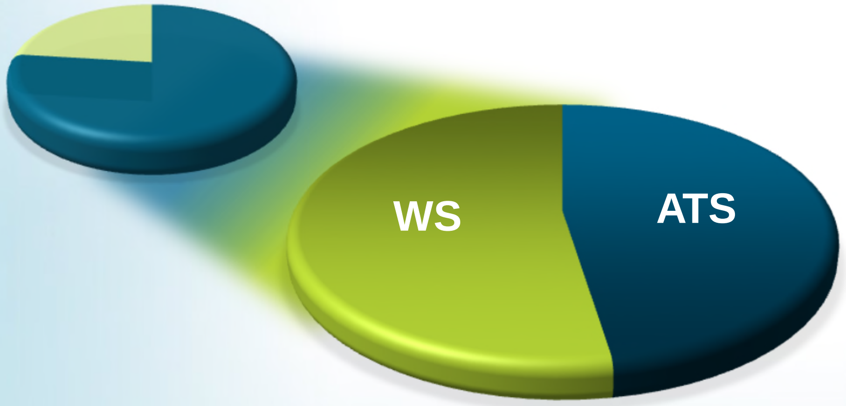
Fab 25 Acquisition Transforms SkyWater's Profile

$300M+

Incremental annual revenue for a new expected total of **>$600M**

Expands SAM by >$3B*



Balances

Wafer Services and ATS revenue mix

+1000

U.S.–based employees for a total of **~1750**

Positions **SkyWater** as

Largest U.S Pure-Play Provider

200mm Foundry Services

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*SkyWater analysis with third party validation

SkyWater Opportunity

Transformative scale, domestic semiconductor tailwinds, and next-generation technologies fuel growth

TRANSFORMATIVE SCALE & FINANCIAL PROFILE

Fab 25 acquisition – with >$1B anticipated multi-year supply agreement – expected to roughly double revenue scale and Adj EBITDA generation

LARGEST EXCLUSIVELY U.S. PURE-PLAY FOUNDRY

U.S. 200mm market share increases 4x with Fab 25 to become largest exclusively U.S. provider, aligning with secure supply chain and onshoring priorities

STRONG GROWTH & CASH GENERATION BASELINE INTO 2026

Expected Q4'25 revenue run rate and Adjusted EBITDA margin provides strong baseline for 2026E results >$600M revenue and >$60M Adj. EBITDA

NEXT-WAVE PLATFORMS IN U.S. PRIORITY MARKETS

Advanced Packaging, ThermaView™ thermal imaging platform, secure superconducting & quantum manufacturing – all critical, growing & large markets in U.S.

CAPITAL-EFFICIENT GROWTH MODEL

Uniquely benefiting from customer-funded CapEx co-investment to enable new capabilities and capacity with reduced capital requirements

*Outlook provided as of August 7, 2025.

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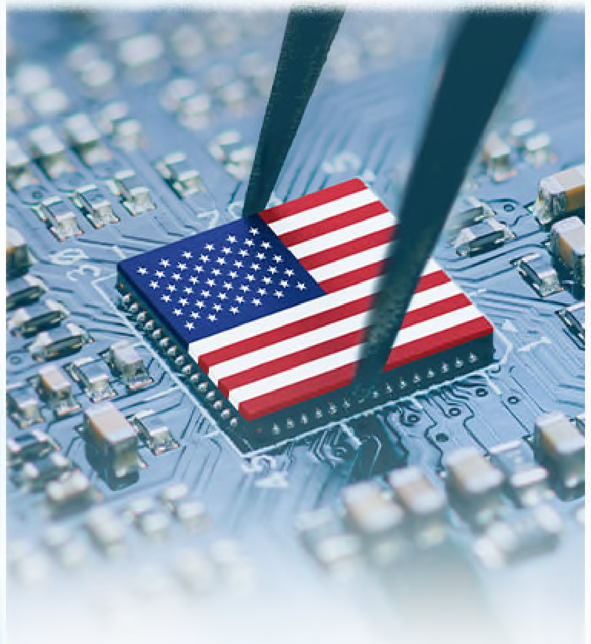
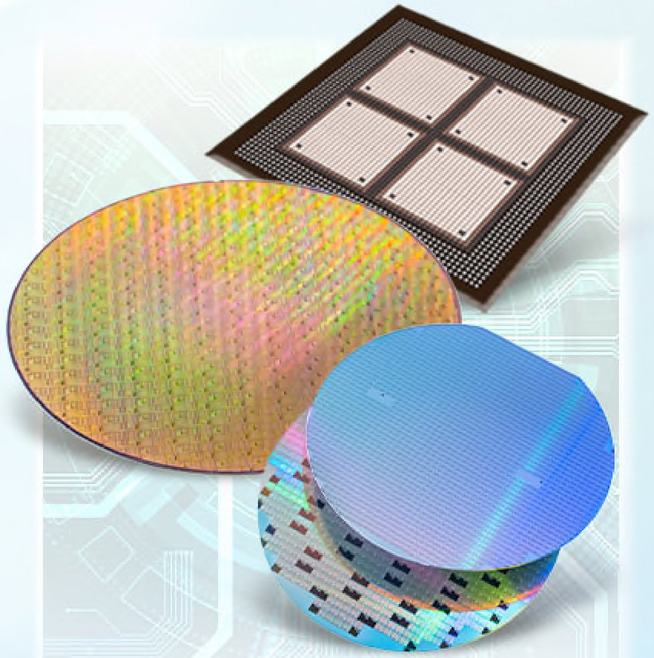
Vision for U.S. Semiconductor Sovereignty

Increase capacity at both advanced and foundational nodes



Revive **domestic packaging and test** capabilities for heterogeneous integration



Incorporate **diverse manufacturing formats** (200mm, 300mm, panel-based)

Build resilient and secure **US-based semiconductor supply chains**

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A New Milestone in SkyWater's Leadership for U.S.–Based Semiconductors

2017
SkyWater creates first U.S.-investor owned pure-play foundry

SkyWater secures first DMEA Trusted Accreditation

2019
$170M award from DOD for creating Trusted rad-hard foundry offering

2021
Expansion with acquisition of FL advanced packaging operation

2021
SKYT begins trading on NASDAQ; $112M proceeds

2024
$120M program funded by DOD for 300mm fan out packaging line

Externally-funded CapEx co-investment grows to >$350M

2025
Acquisition of IFX Fab 25 +$300M Revenue

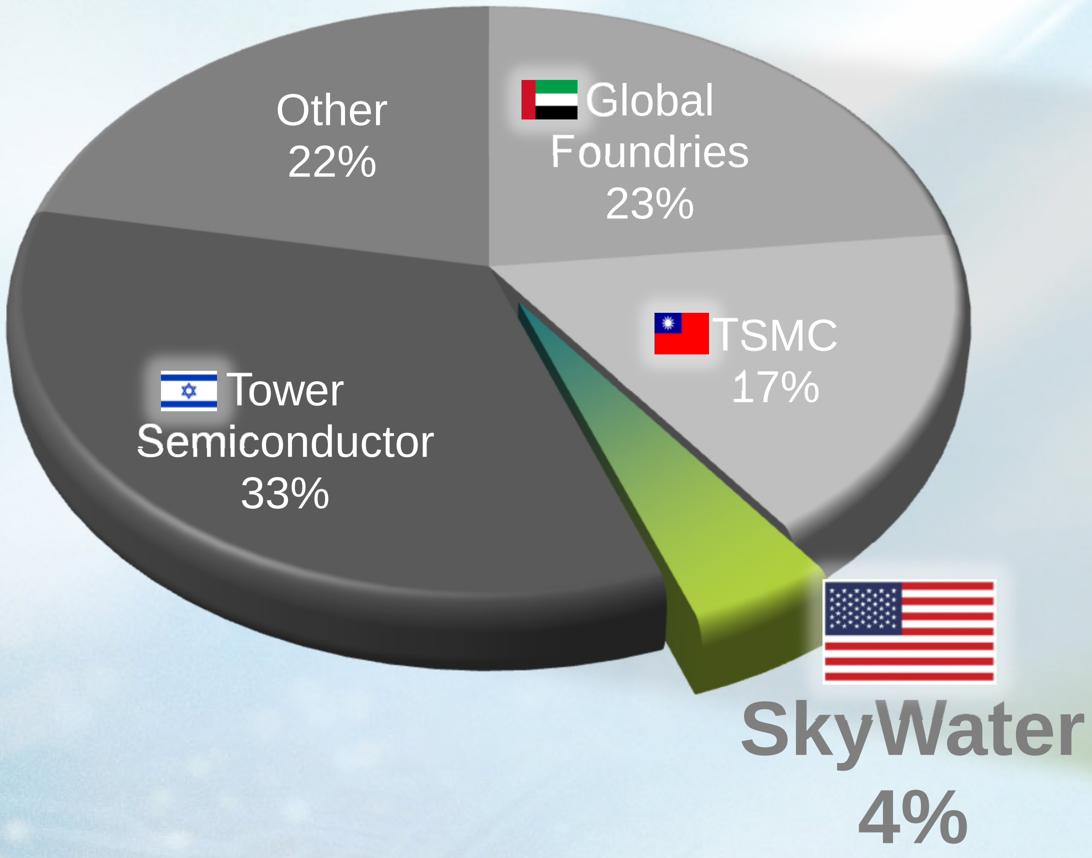
Addition of 65nm, Cu interconnect at scale, high-voltage process

Fab 25: Positioned to Address Critical Market Needs

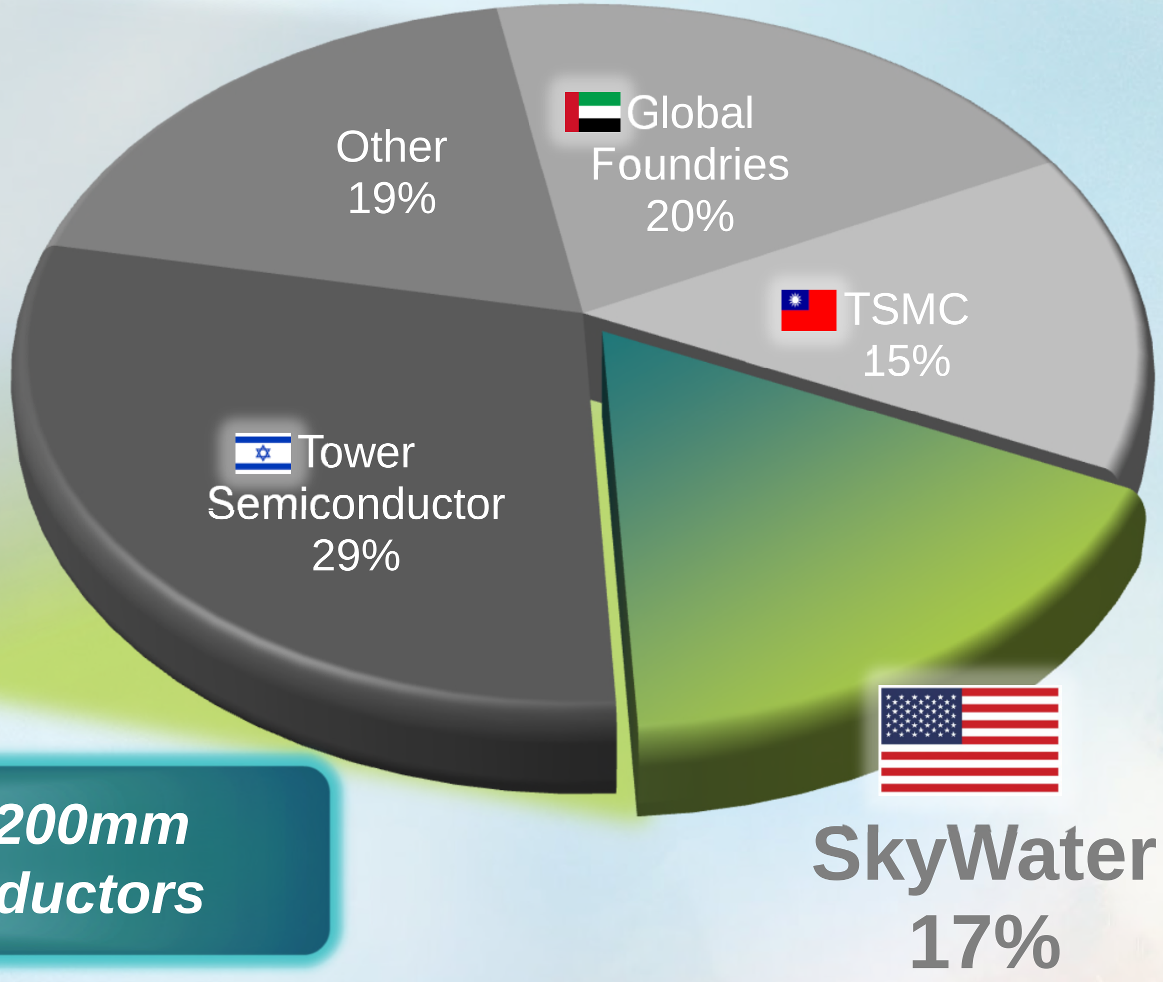
SkyWater Share Increases 4x for 200mm U.S. Foundry Capacity for Foundational Nodes

Foundational Nodes
≥ 65nm

Capacity Pre-Transaction



Capacity Post-Transaction



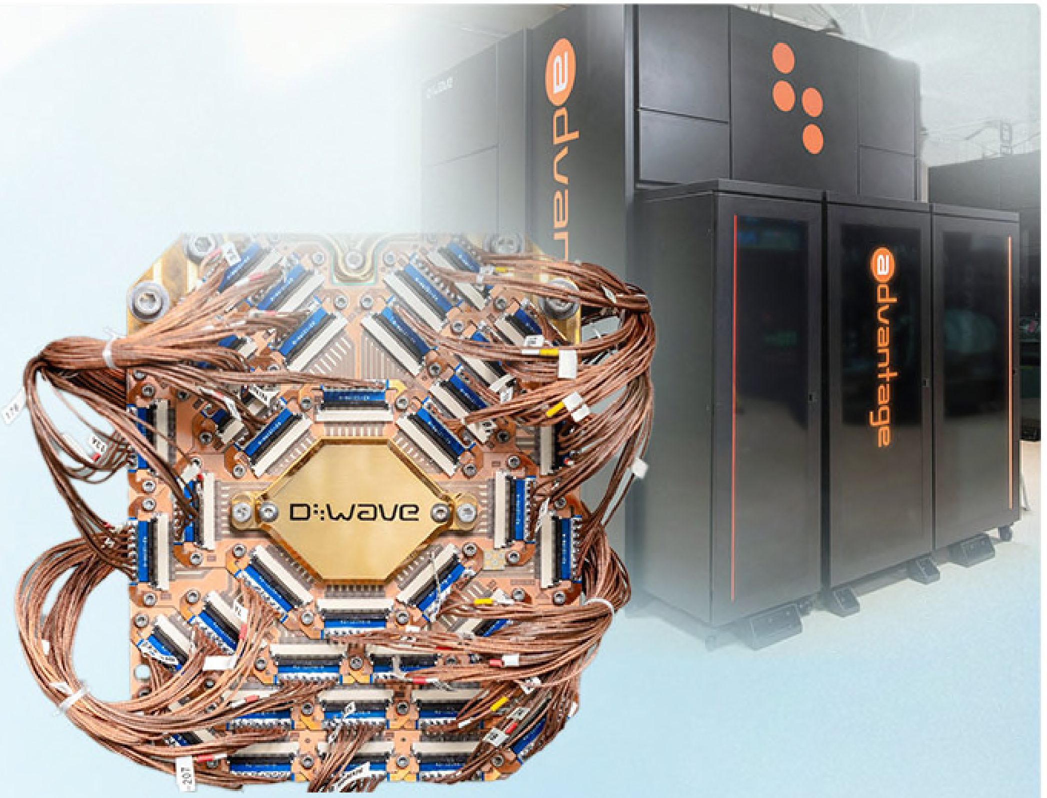
Acquisition adds ~400k wafer/year capacity to the 200mm U.S. foundry supply base for foundational semiconductors

Source: SkyWater's internal fab capacity data. All others obtained from SEMI World Fab Forecast, June 4, 2025.

Enabling the Quantum Revolution

SkyWater's Advanced Manufacturing

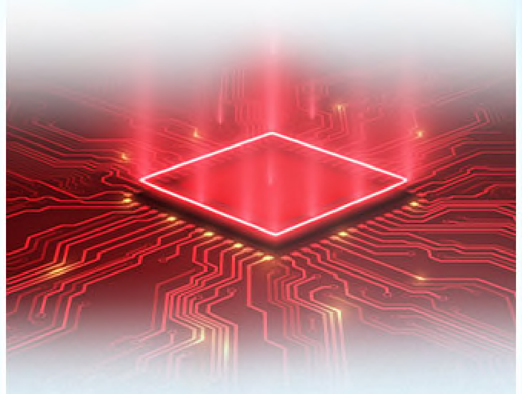
- **U.S.-Based Quantum Innovation:** Secure, domestic, quantum chip development and production.
- **Broad Architecture Support:** Technology capabilities and support for a wide range of material and architectures.
- **Scalable Development & Production:** Quantum chip development via TaaS model with quality-oriented production infrastructure.



What Sets SkyWater Apart?

Custom Technology Development

Niobium-Based Superconducting Materials



High-Performance Waveguide & Photonics Structures

US-Based Manufacturing

Collaborative Approach

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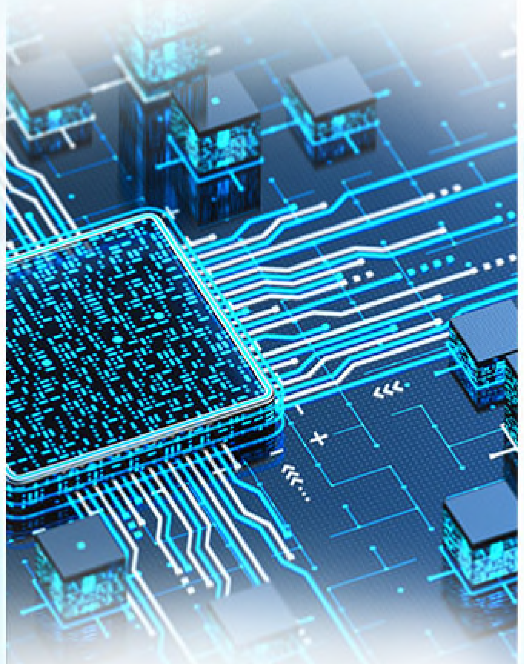
Advanced Packaging Business Beginning to Ramp

Fan-Out Wafer-Level Packaging



Si Interposer

Hybrid Wafer Bonding

AI PROCESSORS, HETEROGENOUS SYSTEMS, HIGH-DENSITY MODULES

Fan-Out Wafer-Level Packaging	Si Interposer	Hybrid Wafer Bonding
State-of-art density for advanced multi-die 2.5D and 3D packages	Chiplet integration platform for high density and performance of 2.5D and 3D wafer level packages	Wafer-wafer direct Cu interconnect bonding for extremely high density chiplet routing

- $120M in DOD program funding for 300mm wafer fan-out initiative
  - Funding allocated to tool purchases, process development and integration
  - Expected first ATS revenues in 2H-FY25 as tools are qualified
- Support for development and manufacturing
- Targeting on-shore Advanced Packaging for Defense Industrial Base, High-Performance Compute and AI Processors

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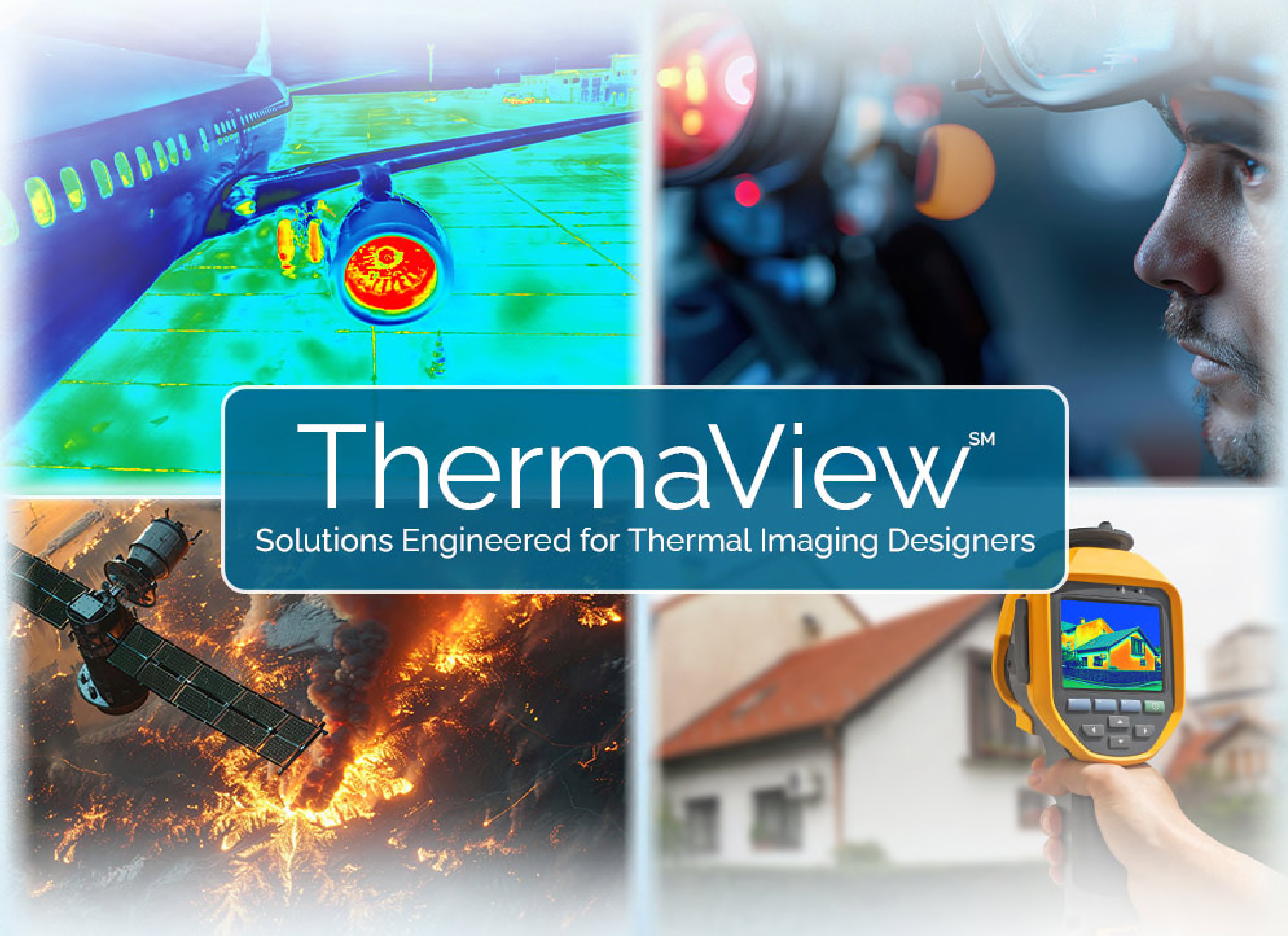
Demonstrating Strong Demand for ThermaView Platform

*Capturing Growth in the $9B Thermal Imaging Market Opportunity projected by 2027**

- ThermaView sales gaining momentum YTD in 2025, driven primarily by two leading U.S. defense prime customers
- First category-specific brand highlights SkyWater's leadership supplying read-out ICs and microbolometer solutions for thermal imaging
- Addressing a $9B market opportunity projected by 2027*
- Solutions for defense, industrial, and medical sectors
- Strengthens engagement with top-tier customers and defense primes
- Positioned to drive long-term growth in Wafer Services revenue



* Yole Intelligence

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Strong Position Developing New Platforms for Strategic DOD Programs

Thermal Imaging

CATEGORY DRIVERS

- Expanded use cases for infrared cameras
- Transition to higher resolution and dynamic range camera systems

TARGET APPLICATIONS:

Thermal Imaging for

- Guided weapons
- Night vision systems
- Remote sensing
- Early threat detection

High Reliability CMOS

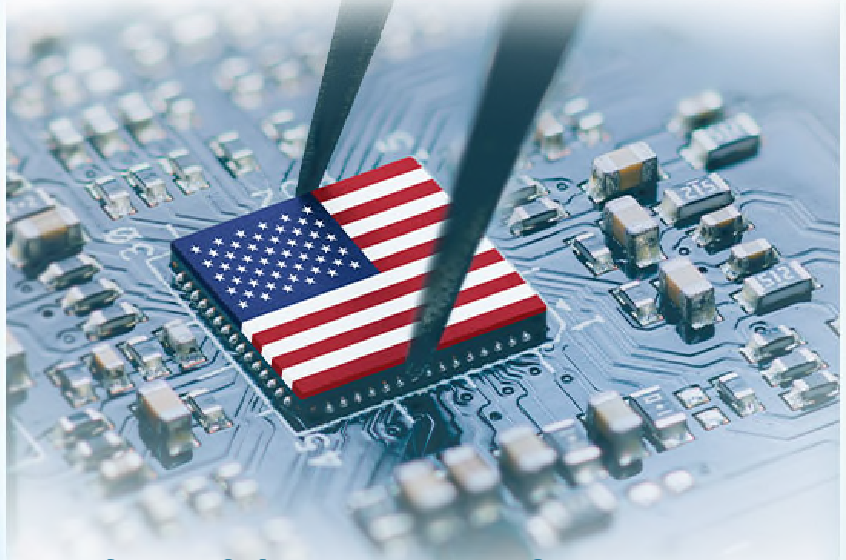
CATEGORY DRIVERS

- Nuclear refresh
- Commercialization of space
- Hardened mission system across categories

TARGET APPLICATIONS:

- FPGAs for avionic systems
- ASICs for hardened embedded electronics

Trusted/Secure Technology



CATEGORY DRIVERS

- Assured domestic supply
- Technology innovation
- Security protocol to meet Trusted and Secure requirements

TARGET APPLICATIONS:

- Various mission systems

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Long View for 200mm Foundry Services in the U.S. is Strong

- **Strong demand** in industrial, automotive, and defense
- **Edge AI & IoT growth** driving analog, power, and RF needs
- **Reshoring & supply** chain security boosting U.S. production
- **200mm remains cost-effective** for specialized, high-mix production
- **Custom technologies** enabling differentiated market solutions
- **Supports long-term Gross Margin** target exceeding 30%

> “We believe ***F25*** in Austin is the most capable 200mm fab in the western hemisphere, perfectly suited to meet long-term foundry demand we see for foundational semiconductors.”

Thomas Sonderman
SkyWater CEO

TaaS Business Model and Market Drivers

We streamline the concept to production journey.

TECHNOLOGY AS A SERVICE (TaaS)

ADVANCED TECHNOLOGY SERVICES

Enable co-creation of differentiated solutions which are the unique expression of the combined customer/SkyWater multi-disciplinary technology teams.

WAFER SERVICES

Supply customers with ICs and microdevices for commercial or mission ready products.

TaaS: Concept to Production Services

Advanced Technology Services (ATS)

CONCEPT & FEASIBILITY

TECHNOLOGY DEMONSTRATION

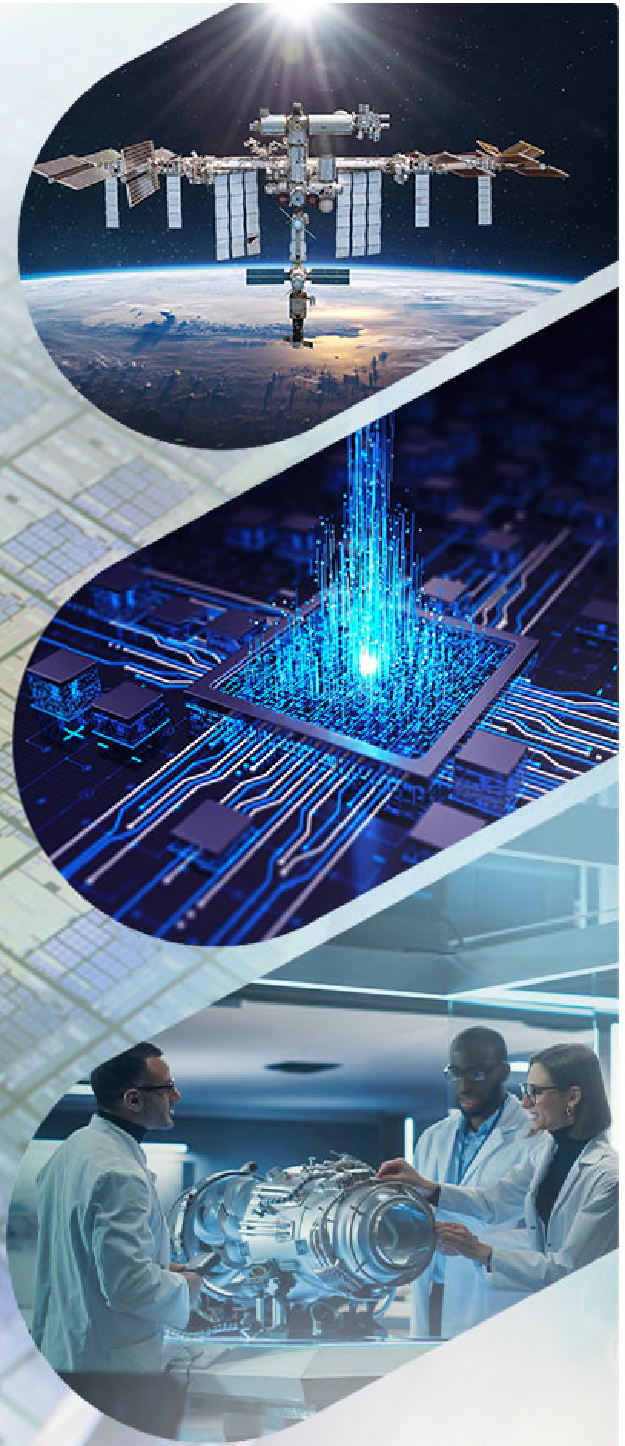
PROCESS DEVELOPMENT

DEVICE DESIGN

DEVICE QUALIFICATION

VOLUME MANUFACTURING

Wafer Services



Technology as a Service:

- ✓ **Efficient R&D**
- ✓ **Accelerated Time-to-Market**
- ✓ **Volume Manufacturing**

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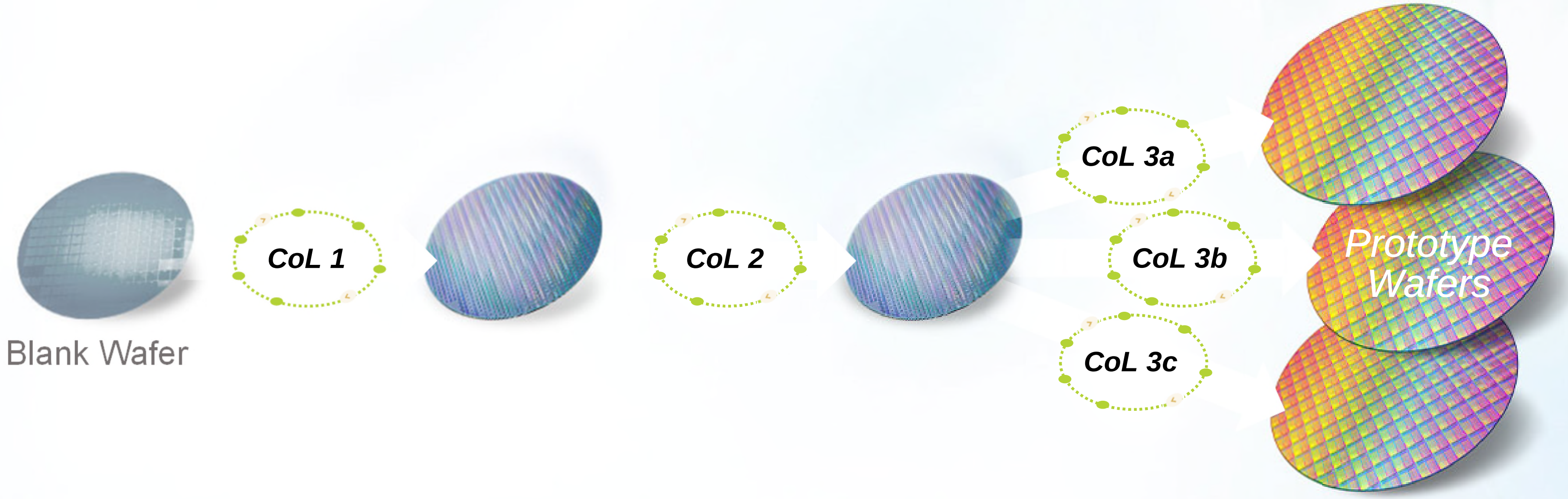
Life of a SkyWater Wafer

Cycles of learning through Advanced Technology Services (ATS) development enable customers to demonstrate and scale new ideas

ATS

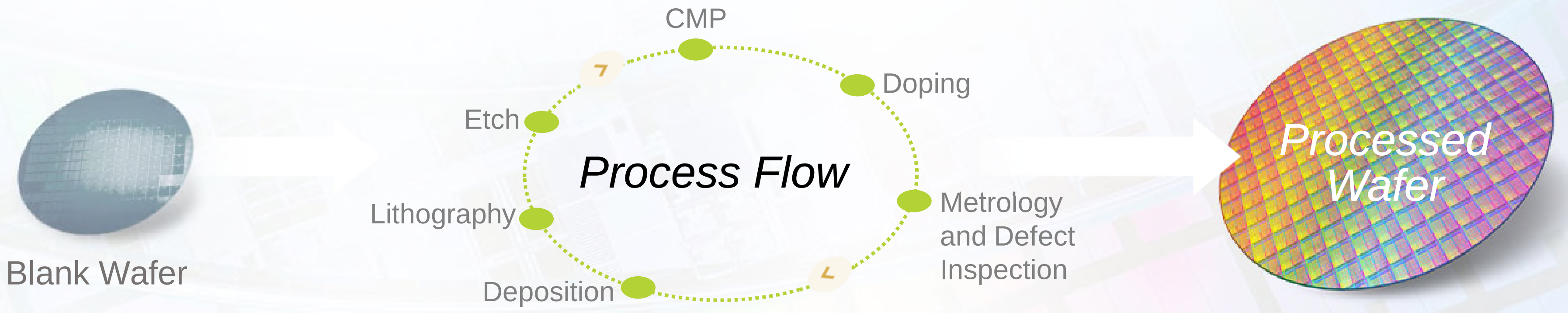
Value is created through **Cycles of Learning (CoL)**; end state product may emerge midway through process



Learning and IP Generation, Process Development

WAFER SERVICES

Wafers are processed to completion through qualified manufacturing flow



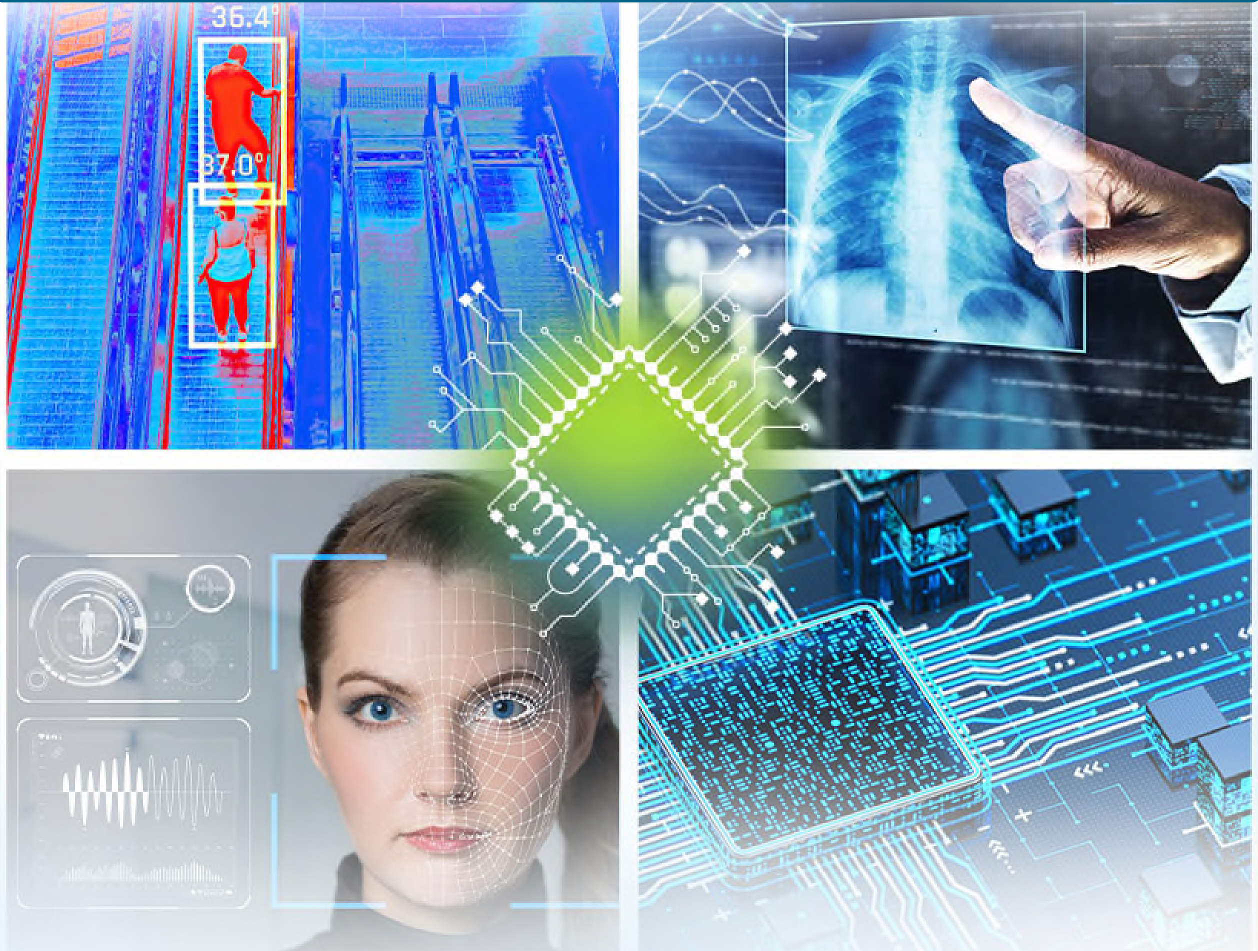
Production Supply

Macro Trends Driving SkyWater's Business

AEROSPACE & DEFENSE MARKET

- Rising semiconductor content
- Onshore supply

COMMERCIAL MARKETS



- More than Moore innovation
- Next-gen Biomed, Advanced Compute, Industrial

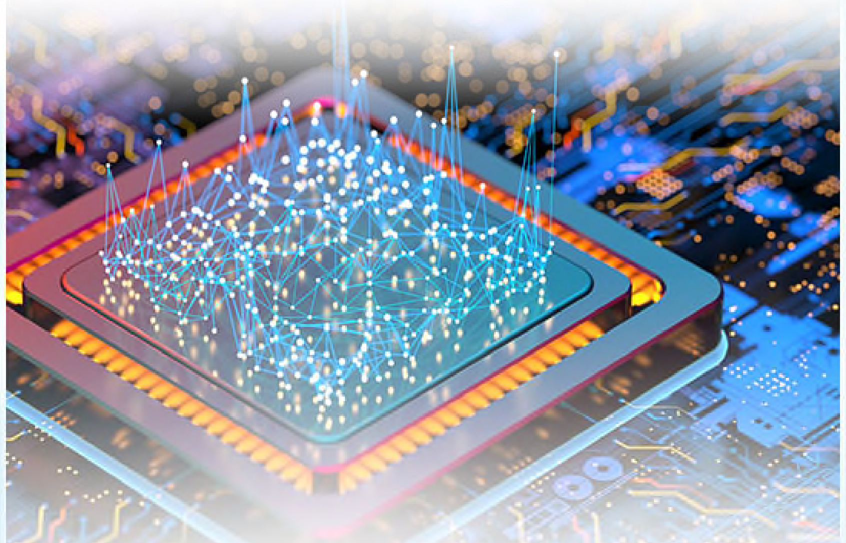
Targeting High-Potential Commercial Markets

NEXT-GENERATION MEDICAL

CATEGORY DRIVERS
- Increasing societal healthcare expenditure rates
- Rise of preventive/individualized medicine and early detection

TARGET APPLICATIONS:
BioMEMS for
- Lab-on-Chip for Point of Care
- Genetic/Protein Sequencing
- Assay Development
- Drug Discovery

ADVANCED COMPUTE



CATEGORY DRIVERS
- Accelerating AI adoption
- Rise of chiplet technology
- Quantum computing architectures enabling new computing applications

TARGET APPLICATIONS:
- 2.5/3D assembly for AI cores
- Photonic quantum computing chips
- Superconducting Qubits

INDUSTRIAL

CATEGORY DRIVERS
- Sensorization of everything
- Edge computing

TARGET APPLICATIONS:
- Thermal imaging systems
- CMOS + X (smart sensors)

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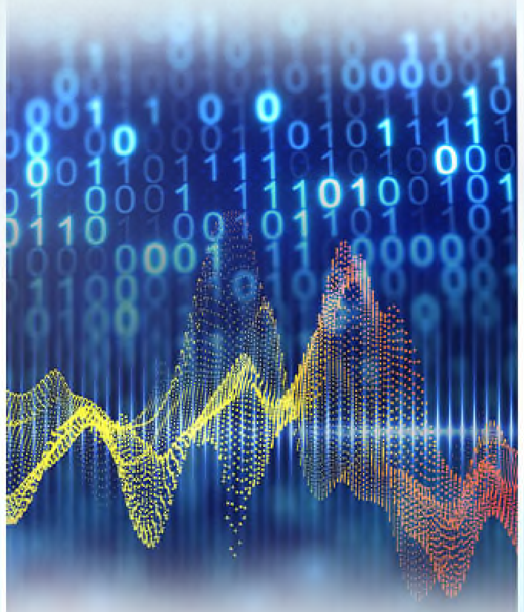
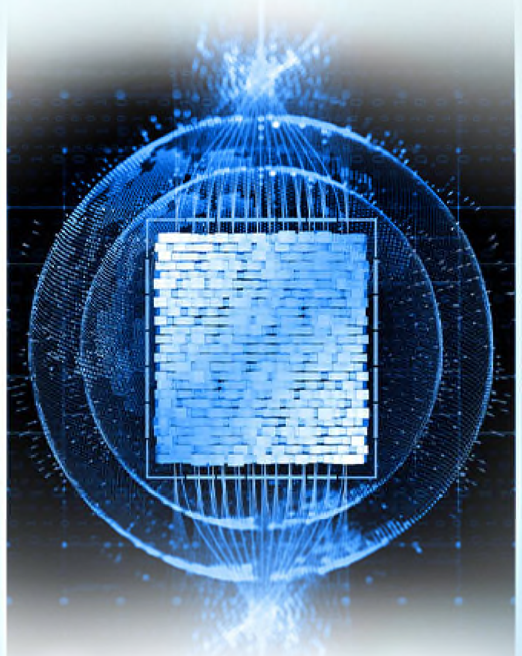
Chip Technologies



Mixed-Signal CMOS

Rad-Hard

MEMS



Superconducting

Photonics

CONNECTED DEVICES, SENSORS & SENSOR INTEGRATION

ADVANCED COMPUTING & ARTIFICIAL INTELLIGENCE

Flexible Solutions for Commercial & Defense

Leading Strategic Rad-Hard Solutions

Microfluidics

Microbolometers

Foundry service provider for quantum and supercomputing applications

Capabilities for passive photonic device integration

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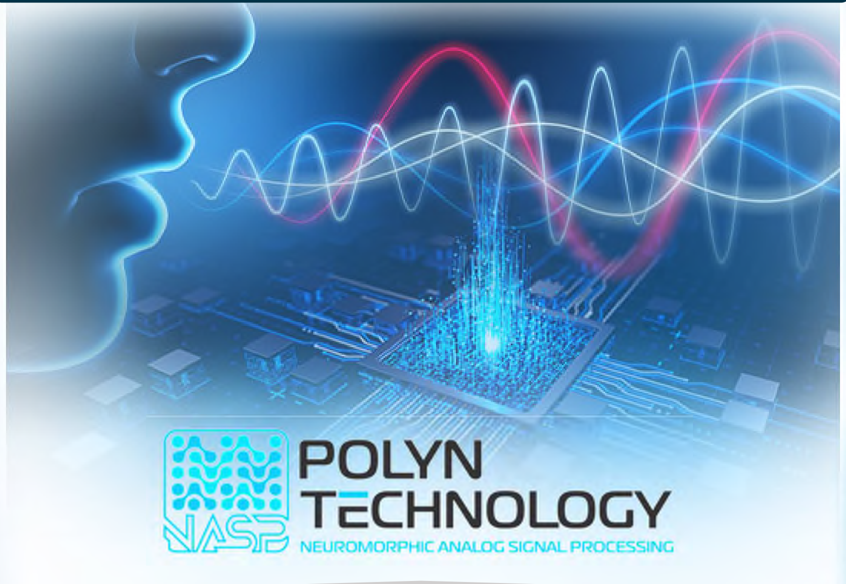
Meeting Demand for Innovation and Trusted Supply

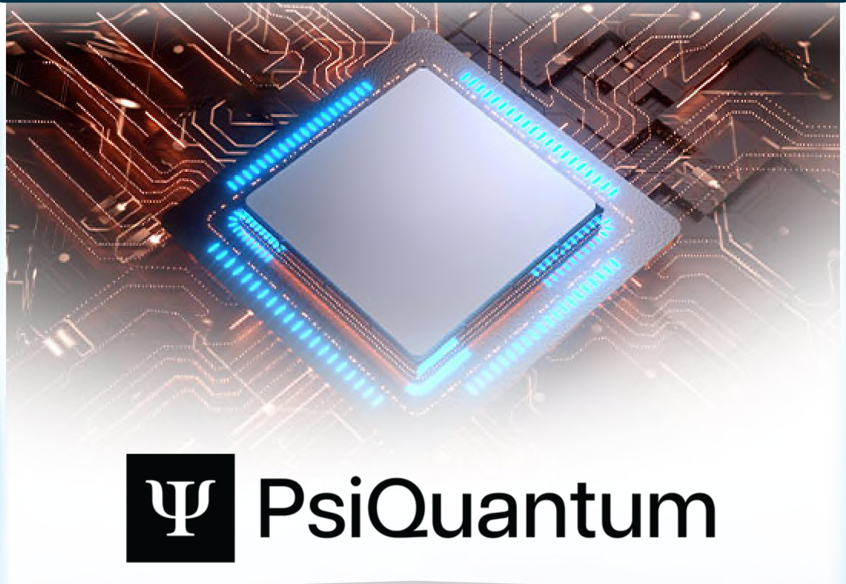
CUSTOMIZING EXISTING TECHNOLOGY



END MARKET:
AI-enabled sensors

WHY SkyWater WINS:
- Advanced process development suite
- S90LN platform success
- Hybrid Technology Solutions

ENABLING DEVELOPMENT OF AN ENTIRELY CUSTOM TECHNOLOGY



END MARKET:
Quantum Computing

WHY SkyWater WINS:
- 200 mm photonics capabilities
- domestic fabs with proven manufacturing capability
- Flexibility and speed to new innovation

PROVIDING TRUSTED SUPPLY

END MARKET:
Secure A&D

WHY SkyWater WINS:
- US-based fab & technology facilities
- Quality focused production infrastructure
- DMEA Cat 1A Trusted

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Significant Growth Opportunities

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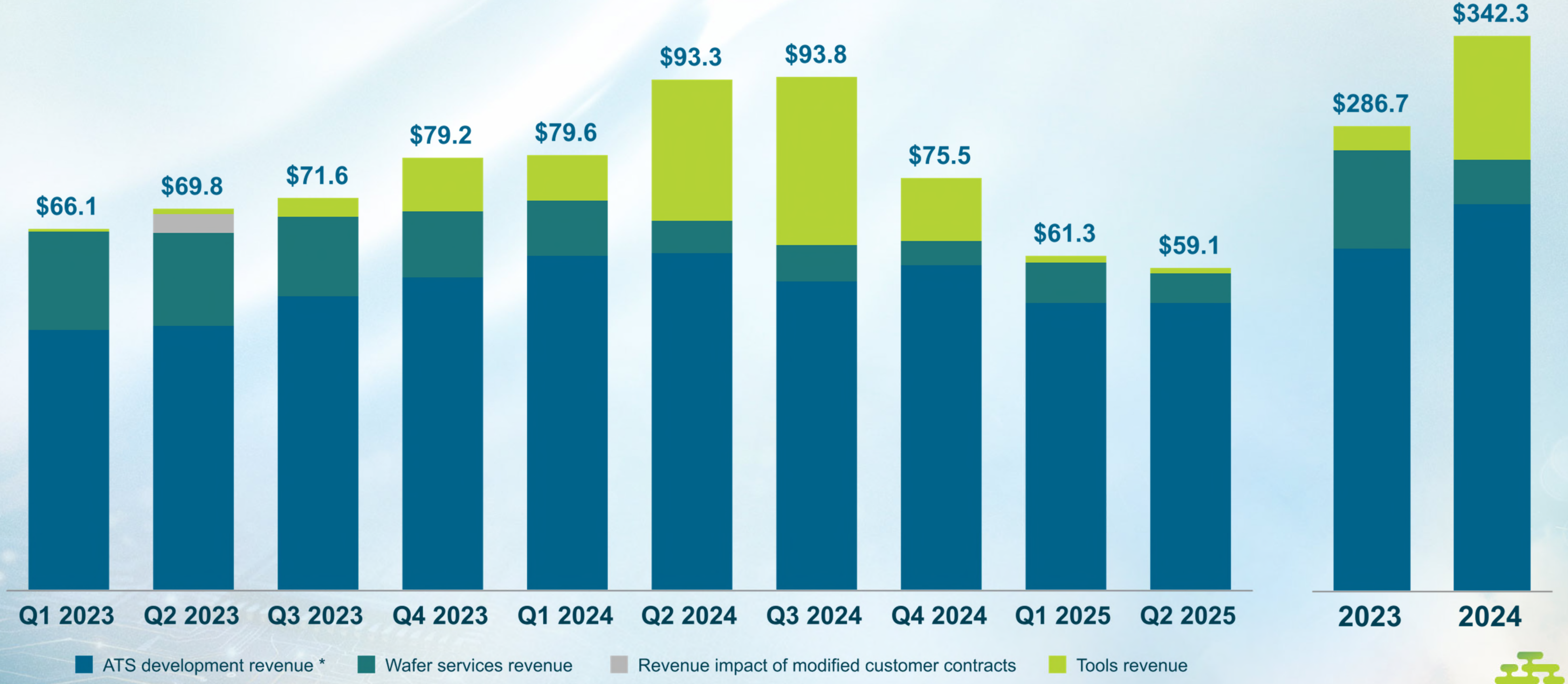
FINANCIALS

Revenue Trend

Expect QoQ ATS Growth to Resume in Q4; Wafer Services Gaining Momentum; Tools Revenue Q4-Weighted in 2025

in USD $ millions



* Q2 2023 ATS development revenue excludes impact of modified customer contracts

Revenue Summary

$'s in USD millions	Q2 2025	Q1 2025	Q/Q*	Q2 2024	Y/Y *
ATS development revenue	$52.6	$52.5	—%	$61.7	(15)%
Wafer Services revenue	$5.4	$7.5	(28)%	$5.8	(6)%
Combined ATS development and Wafer Services revenue *	$58.0	$60.1	(3)%	$67.4	(14)%
Tools revenue	$1.1	$1.2	(15)%	$25.9	(96)%
Total revenue *	$59.1	$61.3	(4)%	$93.3	(37)%

** Amounts calculated based on figures reported in thousands*

- Second quarter revenue of $59.1 million dollars came in at the upper end of our guidance range.
- With wafer services and tools revenue aligned with prior expectations, most of the upside was driven by stronger ATS revenues.

Gross Margin Summary

$'s in USD millions	Q2 2025	Q1 2025	Q/Q *	Q2 2024	Y/Y *
GAAP gross profit	$10.9	$14.3	(24)%	$17.1	(36)%
*GAAP gross margin **	*18.5%*	*23.3%*	*(480) bps*	*18.3%*	*20 bps*
Adjustments:					
Equity-based compensation	$(0.6)	$(0.6)	10%	$(0.5)	24%
Non-GAAP gross profit *	$11.5	$14.8	(22)%	$17.6	(35)%
*Non-GAAP gross margin **	*19.5%*	*24.2%*	*(470) bps*	*18.9%*	*60 bps*

nm - not meaningful
** Amounts calculated based on figures reported in thousands*

- Q2 2025 non-GAAP gross margin exceeded our expectations at 19.5%.
- The impact of Tools in the quarter was 10 basis points.

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Adjusted EBITDA Summary

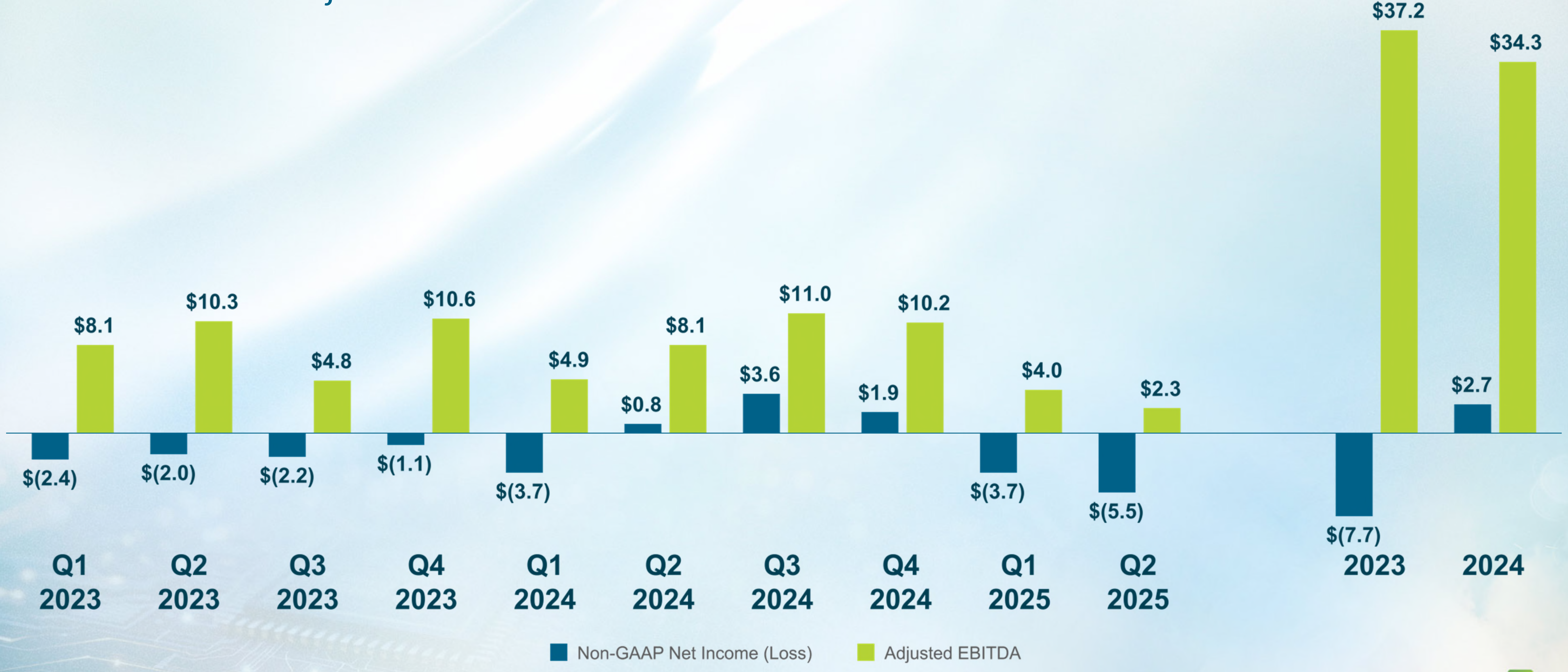
$'s in USD millions	Q2 2025	Q1 2025	Q/Q *	Q2 2024	Y/Y *
Net Income (Loss)	$(10.0)	$(7.3)	(36)%	$(1.9)	(426)%
*Net income (loss) as a percentage of total revenue **	*(16.9)%*	*(12.0)%*	*(490) bps*	*(2.0)%*	*(1,490) bps*
Interest expense	$1.6	$1.8	(10)%	$2.5	(34)%
Income tax (benefit) expense	$0.7	$0.4	93%	$(0.1)	(684)%
Depreciation and amortization expense	$4.3	$4.4	(1)%	$4.1	6%
EBITDA *	$(3.3)	$(0.8)	317%	$4.5	(173)%
Adjusted EBITDA	$2.3	$4.0	(43)%	$8.1	(72)%
*Adjusted EBITDA as a a percentage of total revenue **	*3.9%*	*6.6%*	*(270) bps*	*8.7%*	*(480) bps*

nm - not meaningful
** Amounts calculated based on figures reported in thousands*

- Adjusted EBITDA of $2.3 million was stronger than forecast as a result of favorable gross margin performance as well as lower Operating Expenses compared to forecast.
- Q2 non-GAAP Operating Expenses were $13.5 million, and with continued close management of spending levels we currently expect non-GAAP Operating Expenses for the full year will increase ~5% (organically).

Adjusted EBITDA and Non-GAAP Net Income (Loss)

Continued Positive Adjusted EBITDA



Fab 25 Acquisition: Preliminary Balance Sheet Adjustments

($ in M)

	Selected Balance Sheet Metrics at June 29, 2025	Preliminary Transaction Adjustments	Selected Balance Sheet Metrics at June 30, 2025
Cash and cash equivalents	$49.4	*$7.0*	$56.4
Property and equipment, net (1)	$161.6	*$364.0*	$525.6
Total debt	$65.7	*$113.4*	$179.1
Revolver balance	$23.6	*$113.4*	$137.0
Current portion LTD	$6.8		$6.8
LTD	$35.3		$35.3

(1) The preliminary transaction adjustment specific to property and equipment, net is based on an initial draft valuation, which is subject to change.

Expected Fab 25 Contribution to Financial Results

	Fab 25: Expected Contribution to Q3 2025 Financial Results	Fab 25: Annualized Expected Contribution to Financial Results	
Wafer Services revenue (TX)	$75M – $80M	$300M – $320M	
Gross profit	$3.5M – $4.5M	$14 – $18M	*Currently forecasting similar range for both GAAP and Non-GAAP*
Gross margin (%)	4% – 6%	4% – 6%	*Preliminary range, pending conclusion of purchase accounting asset valuation*
Purchase Acctg Depreciation	~$8M – $10M+	~$30M – $45M	*Preliminary range, pending conclusion of purchase accounting asset valuation*
Gross profit excluding PA Depr.	~$13M	~$52M	
Operating expenses	~$5M	~$20M	*Currently forecasting similar range for both GAAP and Non-GAAP*
Interest expense	~$2.5M	~$10M	*Represents interest expense on incremental June 30 borrowing to fund purchase price*
Adjusted EBITDA	**~$8M**	**~$32M**	***Forecast at least 10% margin***

Purchase Accounting Depreciation for Fab 25 is not yet final and is subject to adjustment. The final PA Depr. Expense will impact reported Gross Margin but not expectations for Adjusted EBITDA within these ranges.

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Q3 2025 Guidance Ranges

Preliminary Q4 Run-Rate and Annualized Baseline for Expected Results

	Q3 2025 Guidance Ranges	Preliminary Q4 2025 Outlook	Illustrative Combined Baseline for Annualized P&L Results
ATS development revenue	$ 50M +/- $2M	+ $5M from Q3	
Wafer Services revenue	$ 83M +/- $3M	+ $1-$2M from Q3	
Total revenue	**$ 133M +/- $5M** **Plus $2M - $3M Tools**	**~$140M +/- $5M** **Plus $20M - $25M Tools**	**>$600M** **Assuming ~$20M Tools**
GAAP gross margin (%)*	10.5% – 13.5%	11.5% – 14.5%	*Low- to Mid-teens %*
Non-GAAP gross margin (%)	11% – 14%	12% – 15%	*Mid-teens %*
Expected impact of Tools on Non-GAAP gross margin	*~20bp*	*~200bp*	*~100bp*
Expected impact of PA Depr on Non-GAAP gross margin	*600bp – 700bp*	*500bp – 700bp*	*500bp – 700bp*
Non-GAAP gross margin (%) ***excluding impact of Tools and PA Depr***	17.5% – 20.5%	19% – 23%	>20%
GAAP operating expenses*	$21.5M – $23.5M	$20.5M – $23.5M	
Non-GAAP operating expenses	$18M – $20M	$19M – $22M	~$80M – $85M
Interest/taxes/income from NCI	$6.0M – $6.5M	$6.0M – $6.5M	~$25M
GAAP Net income (loss) per share*	($0.28) – ($0.22)	~($0.15) (implied midpt)	
Non-GAAP Net income (loss) per share	($0.20) – ($0.14)	~($0.10) (implied midpt)	
Adjusted EBITDA	**$10M – $12M**	**~$14M** (implied midpt)	**>$60M**

** Reconciliation between GAAP and Non-GAAP results = approximately $2.0M - $2.5M per quarter in stock-based compensation expense ($1.5M of which is allocated to GAAP operating expenses); as well as Transaction Costs currently estimated to be approximately $2.0 million in Q3. Both stock-based compensation expense and Transaction Costs are expected to be equivalent to $0.04 per share in EPS in Q3 2025.*

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Benefits of Customer-Funded CapEx Model

CO-INVESTMENT YIELDS MULTIPLE BENEFITS

- Creates high-value and unique capabilities
  - State-of-the-art 200mm lithography
  - 300mm Fan-Out Wafer Level Packaging
  - Atomic layer deposition (ALD)
  - Cu Interconnect (BEOL)
- Enables facility improvements and capacity expansion with minimal company CapEx
- Fosters deep customer partnerships
- Strengthens flow-through and earnings leverage via reduced ongoing fixed costs

We believe SkyWater is the beneficiary of a greater amount of outside co-investment, relative to our size, than any other participant in the domestic semiconductor ecosystem.

MULTI-YEAR PERIOD OF ELEVATED CO-INVESTMENT

Tool funding incorporated in contract awards through 2024	$76M
Tools revenue recognized 2020-2025E	~$150M
Additional customer-funded CapEx through year-end 2026	>$90M
Expected total funding from 2020 to 2026 *	**~$320M**

* Incorporates portion of tools within recently-announced $120 million award for Florida

Potential Additional Outside Funding Announced December 2024

Up to $16 million through the CHIPS for America Program

$19 million through the Minnesota Forward Fund

BENEFITS:

30% increase in capacity | 70 new jobs | Facility modernization

Total outside CapEx co-Investment of >$350 million


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GAAP to Non-GAAP Reconciliation

We provide non-GAAP financial information that our management regularly evaluates to provide additional insight to investors and to supplement our results reported using U.S. generally accepted accounting principles (GAAP). We provide non-GAAP cost of revenue, non-GAAP gross profit, non-GAAP gross margin, non-GAAP research and development expense, non-GAAP selling, general and administrative expense, non-GAAP net income (loss) to shareholders, non-GAAP net income (loss) to shareholders per basic share and non-GAAP net income (loss) per diluted share. Our management uses these non-GAAP financial measures to make informed operating decisions, complete strategic planning, prepare annual budgets, and evaluate Company and management performance. We believe these non-GAAP financial measures are useful performance measures to our investors because they provide a baseline for analyzing trends in our business and exclude certain items that may not be indicative of our core operating results. The non-GAAP financial measures disclosed in this earnings release should not be viewed as an alternative to, or more meaningful than, the reported results prepared in accordance with GAAP. In addition, because these non-GAAP financial measures are not determined in accordance with GAAP, other companies, including our peers, may calculate their non-GAAP financial measures differently than we do. As a result, the non-GAAP financial measures presented in this earnings release may not be directly comparable to similarly titled measures presented by other companies.

We also provide earnings before interest, income taxes, depreciation and amortization (EBITDA), adjusted EBITDA and adjusted EBITDA margin as supplemental non-GAAP measures. We define adjusted EBITDA as net income (loss) attributable to SkyWater Technology, Inc. before interest expense, income tax expense (benefit), depreciation and amortization, and certain other items that we do not view as indicative of our ongoing performance, including net income attributable to noncontrolling interests; equity-based compensation expense; management transition expense; and transaction costs. Our management uses EBITDA, adjusted EBITDA and adjusted EBITDA margin to make informed operating decisions, complete strategic planning, prepare annual budgets, and evaluate Company and management performance. We believe these non-GAAP financial measures are useful performance measures to our investors because they allow for an effective evaluation of our operating performance when compared to other companies, including our peers, without regard to financing methods or capital structures. We exclude the items listed above from net income (loss) in arriving at adjusted EBITDA and adjusted EBITDA margin because the amounts of these items can vary substantially within our industry depending on the accounting methods and policies used, book values of assets, capital structures, and the methods by which assets were acquired. These non-GAAP financial measures should not be considered as an alternative to, or more meaningful than, the reported results prepared in accordance with GAAP. Certain items excluded from these non-GAAP financial measures are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic cost bases of depreciable assets, none of which are reflected in these non-GAAP financial measures. Our presentation of these non-GAAP financial measures should not be construed as an indication that our results will be unaffected by the items excluded from adjusted EBITDA and adjusted EBITDA margin. In future fiscal periods, we may exclude such items and may incur income and expenses similar to these excluded items. Accordingly, the exclusion of these items, and other similar items, from these non-GAAP financial measures should not be interpreted as implying that these items are non-recurring, infrequent or unusual, unless otherwise expressly indicated.

The following tables present a reconciliation of the most directly comparable financial measures, calculated and presented in accordance with GAAP, to our non-GAAP financial measures.

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GAAP to Non-GAAP Reconciliation

	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q1	Q2
GAAP revenue	**$ 66,094**	**$ 69,811**	**$ 71,624**	**$ 79,154**	**$286,682**	**$ 79,636**	**$ 93,329**	**$ 93,817**	**$ 75,487**	**$342,269**	**$ 61,296**	**$ 59,063**
Minnesota GAAP cost of revenue	**$ 49,626**	**$ 53,144**	**$ 57,477**	**$ 67,143**	**$227,390**	**$ 66,656**	**$ 76,215**	**$ 73,582**	**$ 56,190**	**$272,643**	**$ 47,039**	**$ 48,164**
Equity-based compensation expense	$ (513)	$ (291)	$ (438)	$ (313)	**$ (1,555)**	$ (455)	$ (504)	$ (565)	$ (589)	**$ (2,113)**	$ (567)	$ (626)
Management transition expense	—	(705)	—	—	**(705)**	—	—	(97)	—	**(97)**	—	—
Business transformation costs	—	—	—	(806)	**(806)**	—	—	—	—	**—**	—	—
Restructuring costs	—	—	—	(679)	**(679)**	—	—	—	(179)	**(179)**	—	—
Non-GAAP cost of revenue	**$ 49,113**	**$ 52,148**	**$ 57,039**	**$ 65,345**	**$223,645**	**$ 66,201**	**$ 75,711**	**$ 72,920**	**$ 55,422**	**$270,254**	**$ 46,472**	**$ 47,538**
GAAP gross profit (loss)	**$ 16,468**	**$ 16,667**	**$ 14,147**	**$ 12,011**	**$ 59,292**	**$ 12,980**	**$ 17,114**	**$ 20,235**	**$ 19,297**	**$ 69,626**	**$ 14,257**	**$ 10,899**
GAAP gross margin	***24.9%***	***23.9%***	***19.8%***	***15.2%***	***20.7%***	***16.3%***	***18.3%***	***21.6%***	***25.6%***	***20.3%***	***23.3%***	***18.5%***
Equity-based compensation expense	$ 513	$ 291	$ 438	$ 313	**$ 1,555**	$ 455	$ 504	$ 565	$ 589	**$ 2,113**	$ 567	$ 626
Management transition expense	—	705	—	—	**705**	—	—	97	—	**97**	**—**	**—**
Business transformation costs	—	—	—	806	**806**	—	—	—	—	**—**	**—**	**—**
Restructuring costs	—	—	—	679	**679**	—	—	—	179	**179**	**—**	**—**
Non-GAAP gross profit	**$ 16,981**	**$ 17,663**	**$ 14,585**	**$ 13,809**	**$ 63,037**	**$ 13,435**	**$ 17,618**	**$ 20,897**	**$ 20,065**	**$ 72,015**	**$ 14,824**	**$ 11,525**
Non-GAAP gross margin	***25.7%***	***25.3%***	***20.4%***	***17.4%***	***22.0%***	***16.9%***	***18.9%***	***22.3%***	***26.6%***	***21.0%***	***24.2%***	***19.5%***
GAAP research and development expense	**$ 2,668**	**$ 2,396**	**$ 2,233**	**$ 2,872**	**$ 10,169**	**$ 4,012**	**$ 3,382**	**$ 3,431**	**$ 4,214**	**$ 15,040**	**$ 3,249**	**$ 3,368**
Equity-based compensation expense	(162)	(217)	(218)	134	**(464)**	(107)	(90)	(69)	(76)	**(342)**	(83)	(113)
Restructuring costs	—	—	—	(655)	**(655)**	—	—	—	—	**—**	—	—
Non-GAAP research and development expense	**$ 2,506**	**$ 2,179**	**$ 2,015**	**$ 2,351**	**$ 9,050**	**$ 3,905**	**$ 3,292**	**$ 3,362**	**$ 4,138**	**$ 14,698**	**$ 3,166**	**$ 3,255**

GAAP to Non-GAAP Reconciliation

	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q1	Q2
GAAP selling, general, and administrative expense	**$ 14,895**	**$ 17,820**	**$ 16,105**	**$ 15,092**	**$ 63,911**	**$ 11,169**	**$ 12,332**	**$ 12,095**	**$ 12,430**	**$ 48,026**	**$ 15,030**	**$ 14,009**
Equity-based compensation expense	(1,178)	(1,459)	(1,197)	(1,008)	**(4,841)**	(1,510)	(1,422)	(1,384)	(1,397)	(5,713)	(1,229)	(1,543)
Management transition expense	—	(130)	—	—	**(130)**	—	(664)	—	(141)	(806)	—	—
Business transformation costs	—	(2,500)	(3,522)	(5,341)	**(11,363)**	—	—	—	—	**—**	—	—
Restructuring costs	—	—	—	(587)	**(587)**	—	—	—	(9)	**(9)**	—	—
CHIPS Act specialist fees	—	(1,320)	—	—	**(1,320)**	—	—	—	—	**—**	—	—
Transaction costs	—	—	—	—	—	—	—	—	(220)	(220)	(1,810)	(2,171)
Non-GAAP selling, general, and administrative expense	**$ 13,717**	**$ 12,411**	**$ 11,386**	**$ 8,156**	**$ 45,670**	**$ 9,659**	**$ 10,245**	**$ 10,711**	**$ 10,663**	**$ 41,278**	**$ 11,991**	**$ 10,295**
GAAP net income (loss) to shareholders	**$ (4,273)**	**$ (8,590)**	**$ (7,568)**	**$ (10,325)**	**$ (30,756)**	**$ (5,729)**	**$ (1,897)**	**$ 1,512**	**$ (679)**	**$ (6,793)**	**$ (7,345)**	**$ (9,978)**
Equity-based compensation expense	1,853	1,967	1,853	1,187	**6,860**	2,072	2,016	2,018	2,062	**8,168**	1,879	2,282
Management transition expense	—	835	—	—	**835**	—	665	97	141	**903**	—	—
Business transformation costs	—	2,500	3,522	6,147	**12,169**	—	—	—	—	**—**	—	—
Restructuring costs	—	—	—	1,921	**1,921**	—	—	—	188	**188**	—	—
CHIPS Act specialist fees	—	1,320	—	—	**1,320**	—	—	—	—	**—**	—	—
Transaction costs	—	—	—	—	—	—	—	—	220	220	1,810	2,171
Non-GAAP net income (loss) to shareholders	**$ (2,420)**	**$ (1,968)**	**$ (2,193)**	**$ (1,070)**	**$ (7,651)**	**$ (3,657)**	**$ 784**	**$ 3,627**	**$ 1,932**	**$ 2,686**	**$ (3,656)**	**$ (5,525)**

GAAP to Non-GAAP Reconciliation

	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q1	Q2
Equity-based compensation expense allocation in the consolidated statements of operations:												
Cost of revenue	$ 513	$ 291	$ 438	$ 313	**$ 1,555**	$ 455	$ 504	$ 565	$ 589	$ 2,113	$ 567	$ 626
Research and development expense	162	217	218	(134)	**464**	107	90	69	76	342	83	113
Selling, general and administrative expense	1,178	1,459	1,197	1,008	**4,841**	1,510	1,422	1,384	1,397	5,713	1,229	1,543
	$ 1,853	**$ 1,967**	**$ 1,853**	**$ 1,187**	**$ 6,860**	**$ 2,072**	**$ 2,016**	**$ 2,018**	**$ 2,062**	**$ 8,168**	**$ 1,879**	**$ 2,282**
Management transition expense allocation in the consolidated statements of operations:												
Cost of revenue	$ —	$ 705	$ —	$ —	**$ 705**	$ —	$ —	$ 97	$ —	$ 97	$ —	$ —
Selling, general and administrative expense	—	130	—	—	**130**	—	664	—	141	806	—	—
	$ —	**$ 835**	**$ —**	**$ —**	**$ 835**	**$ —**	**$ 664**	**$ 97**	**$ 141**	**$ 903**	**$ —**	**$ —**
Business transformation costs allocation in the consolidated statements of operations:												
Cost of revenue	$ —	$ —	$ —	$ 806	**$ 806**	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Selling, general and administrative expense	—	2,500	3,522	5,341	**11,363**	—	—	—	—	—	—	—
	$ —	**$ 2,500**	**$ 3,522**	**$ 6,147**	**$ 12,169**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Restructuring costs allocation in the consolidated statements of operations:												
Cost of revenue	$ —	$ —	$ —	$ 679	**$ 679**	$ —	$ —	$ —	$ 179	$ 179	$ —	$ —
Research and development expense	—	—	—	655	**655**	—	—	—	—	—	—	—
Selling, general and administrative expense	—	—	—	587	**587**	—	—	—	9	9	—	—
	$ —	**$ —**	**$ —**	**$ 1,921**	**$ 1,921**	**$ —**	**$ —**	**$ —**	**$ 188**	**$ 188**	**$ —**	**$ —**
Transaction costs allocation in the consolidated statement of operations:												
Cost of revenue	$ —	$ —	$ —	$ —	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Research and development	—	—	—	—	**—**	—	—	—	—	—	—	—
Selling, general and administrative expenses	—	—	—	—	**—**	—	—	—	220	220	1,810	2,171
	$ —	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 220**	**$ 220**	**$ 1,810**	**$ 2,171**

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GAAP to Non-GAAP Reconciliation

	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q1	Q2
Net income (loss) to shareholders	**$ (4,273)**	**$ (8,590)**	**$ (7,568)**	**$ (10,325)**	**$ (30,756)**	**$ (5,729)**	**$ (1,897)**	**$ 1,512**	**$ (679)**	**$ (6,793)**	**$ (7,345)**	**$ (9,978)**
Interest expense	2,471	2,950	2,507	2,898	**10,826**	2,390	2,482	1,988	1,978	**8,837**	1,812	1,637
Income tax (benefit) expense	—	25	(96)	(450)	**(521)**	41	(127)	93	233	**240**	384	742
Depreciation and amortization	7,352	7,207	7,092	7,279	**28,930**	5,065	4,064	4,166	4,947	**18,242**	4,358	4,301
EBITDA	**5,550**	**1,592**	**1,935**	**(598)**	**8,479**	**1,767**	**4,522**	**7,759**	**6,479**	**20,526**	**(791)**	**(3,298)**
Equity-based compensation expense	1,853	1,967	1,853	1,187	**6,860**	2,072	2,016	2,018	2,062	**8,168**	1,879	2,282
Management transition expense	—	835	—	—	**835**	—	665	97	141	**903**	—	—
Business transformation costs	—	2,500	3,522	6,147	**12,169**	—	—	—	—	**—**	—	—
Restructuring costs	—	—	—	1,921	**1,921**	—	—	—	188	**188**	—	—
CHIPS Act specialist fees	—	1,320	—	—	**1,320**	—	—	—	—	**—**	—	—
Transaction costs	—	—	—	—	**—**	—	—	—	220	**220**	1,810	2,171
Net income attributable to non-controlling interests	707	2,066	966	1,924	**5,663**	1,097	942	1,116	1,121	**4,276**	1,127	(1,121)
Adjusted EBITDA	**$ 8,110**	**$ 10,280**	**$ 8,276**	**$ 10,581**	**$ 37,247**	**$ 4,936**	**$ 8,145**	**$ 10,990**	**$ 10,211**	**$ 34,281**	**$ 4,025**	**$ 2,276**

Reconciliation of GAAP earnings (loss) per share to Adjusted EBITDA guidance for Q3 2025
(in millions, except per share)

	Low-end of range	High-end of range
EPS guidance range for Q3 2025 (GAAP)	$ (0.28)	$ (0.22)
Shares outstanding (anticipated)	48.3	48.3
Net loss to shareholders (GAAP)	$ (13.5)	$ (10.6)
Interest expense	$ 4.8	$ 4.8
Income tax expense	$ 0.5	$ 0.5
Depreciation and amortization, net	$ 13.0	$ 12.3
EBITDA	$ 4.7	$ 6.9
Equity-based compensation expense	$ 2.3	$ 2.1
Transaction costs	$ 2.0	$ 2.0
Net income attributable to noncontrolling interests	$ 1.0	$ 1.0
Adjusted EBITDA	$ 10.0	$ 12.0

GAAP to Non-GAAP Reconciliation

	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q1	Q2
GAAP EPS												
Numerator:												
Net income (loss) attributable to SkyWater Technology, Inc.	$ (4,273)	$ (8,590)	$ (7,568)	$ (10,325)	**$ (30,756)**	$ (5,729)	$ (1,897)	$ 1,512	$ (679)	**$ (6,793)**	$ (7,345)	$ (9,978)
Denominator:												
Weighted-average common shares outstanding, basic and diluted	43,817	44,743	46,445	47,020	**45,507**	47,099	47,395	47,523	47,659	**47,396**	47,791	48,091
Net income (loss) per common share, basic	**$ (0.10)**	**$ (0.19)**	**$ (0.16)**	**$ (0.22)**	**$ (0.68)**	**$ (0.12)**	**$ (0.04)**	**$ 0.03**	**$ (0.01)**	**$ (0.14)**	**$ (0.15)**	**$ (0.21)**
Weighted-average common shares outstanding, diluted	43,817	44,743	46,445	47,020	**45,507**	47,099	47,395	47,640	47,659	**47,396**	47,791	48,091
Net income (loss) per common share, diluted	**$ (0.10)**	**$ (0.19)**	**$ (0.16)**	**$ (0.22)**	**$ (0.68)**	**$ (0.12)**	**$ (0.04)**	**$ 0.03**	**$ (0.01)**	**$ (0.14)**	**$ (0.15)**	**$ (0.21)**
Non-GAAP EPS												
Numerator:												
Net income (loss) attributable to SkyWater Technology, Inc.	$ (2,420)	$ (1,968)	$ (2,193)	$ (1,070)	**$ (7,651)**	$ (3,657)	$ 783	$ 3,627	$ 1,932	**$ 2,686**	$ (3,656)	$ (5,525)
Denominator:												
Weighted-average common shares outstanding, basic	43,817	44,743	46,445	47,020	**45,507**	47,099	47,395	47,523	47,659	**47,396**	47,791	48,091
Net income (loss) per common share, basic	**$ (0.06)**	**$ (0.04)**	**$ (0.05)**	**$ (0.02)**	**$ (0.17)**	**$ (0.08)**	**$ 0.02**	**$ 0.08**	**$ 0.04**	**$ 0.06**	**$ (0.08)**	**$ (0.11)**
Weighted-average common shares outstanding, diluted	43,817	44,743	46,445	47,020	**45,507**	47,099	47,521	47,640	47,939	**47,560**	47,791	48,091
Net income (loss) per common share, diluted	**$ (0.06)**	**$ (0.04)**	**$ (0.05)**	**$ (0.02)**	**$ (0.17)**	**$ (0.08)**	**$ 0.02**	**$ 0.08**	**$ 0.04**	**$ 0.06**	**$ (0.08)**	**$ (0.11)**

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Q2 Earnings

PRESENTATION