



# FADU 2025 Q2

Pushing the Storage Frontier:  
Next-Generation SSDs for Tomorrow's Datacenters

Ticker : 440110 KOSDAQ

## **Disclaimer** Investor Relations 2025

All financial information contained herein is based on a consolidated basis in accordance with International Financial Reporting Standards (“IFRS”).

Review of the FY2025 Q2 financial results has not been finalized and was solely for the convenience of investors prior to being reviewed by the external auditor. Hence, figures in this earnings release are subject to changes during the independent auditing process.

The presentation may contain statements that reflect FADU Inc.’s beliefs and expectations about the future. These forward-looking statements are based on a number of assumptions about the future, some of which are beyond FADU Inc.’s control. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements.

FADU Inc. does not undertake any obligation to update any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

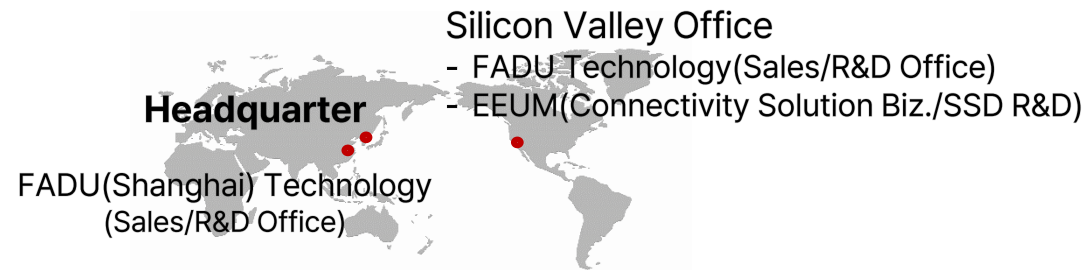
2025 Q2

# Company Presentation

# Company Overview

## Fabless Semiconductor Company

2Q'25 Employees(based on HQ) : Total 287 / R&D 253



### C-SUITE

#### Jihyo Lee CEO, Co-Founder

- Seoul National University, MS/BS
- The Wharton School, MBA
- Partner, Bain & Company

#### Daekun Lee COO

- Seoul National University, BBA
- Sapphire Technology

#### Taekyun KIM CBO

- Sungkyunkwan University, BS
- VP of Samsung Device Solution(DS)
- VP of Samsung Strategy Innovation Center(SSIC)

#### Ehyun Nam CTO, Co-Founder

- Seoul National University, PhD/BS in Computer Science & Electrical Engineering
- SKT

#### Jongtaek Won CFO

- Seoul National University, BS
- Columbia University, MBA
- Partner, Bain & Company
- Samsung SDS

## Enterprise Pure Player

### Major Product

- **Enterprise PCIe NVMe SSD Controller Solution**
  - Customized solutions for hyperscale datacenters
  - Specialized solutions for compute-intensive workloads
- **Flexible eSSD Solutions to fit customers' needs**
  - ODM SSD with FADU brand
  - White label SSD with customers' brand
  - Self-build SSD with customers' preferences

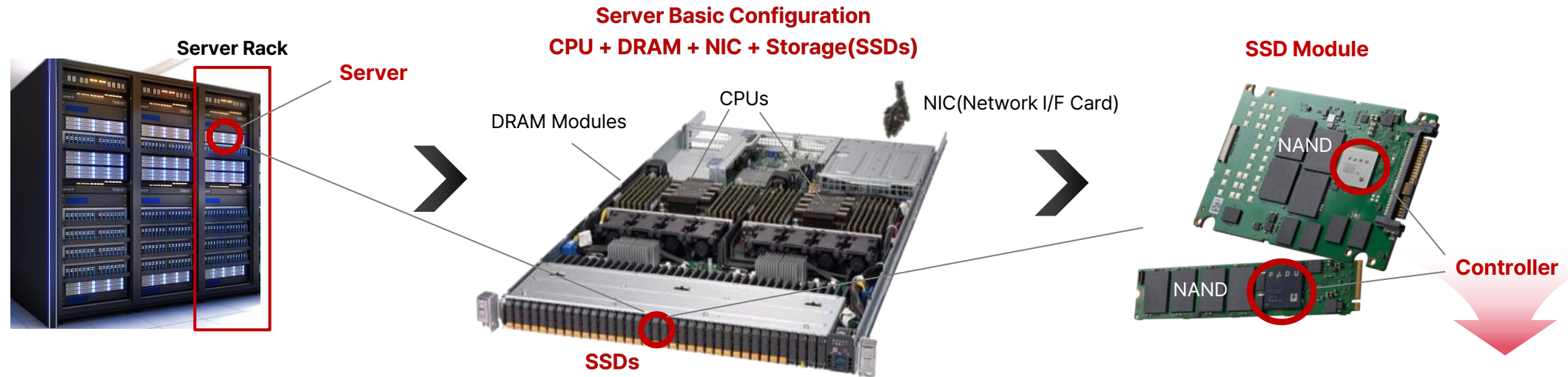


### Future Data Center Portfolio

- **Power Solution**
- **CXL Solution**



# Enterprise SSD Controller Evolution



Source: fadu.io

2018

2020

2022

2026



PCIe 3.0

Sequential Read	3,400 MB/s
Sequential Write	2,400 MB/s
Random Read	800 KIOPS
Random Write	95 KIOPS



PCIe 4.0

Sequential Read	7,050 MB/s
Sequential Write	4,200 MB/s
Random Read	1,350 KIOPS
Random Write	200 KIOPS



PCIe 5.0

Sequential Read	13,700 MB/s
Sequential Write	10,600 MB/s
Random Read	3,300 KIOPS
Random Write	500 KIOPS



PCIe 6.0  
 Launch in early 2026

Performance >28GB/s  
 Up to 2x better Power efficiency vs. PCIe 5.0

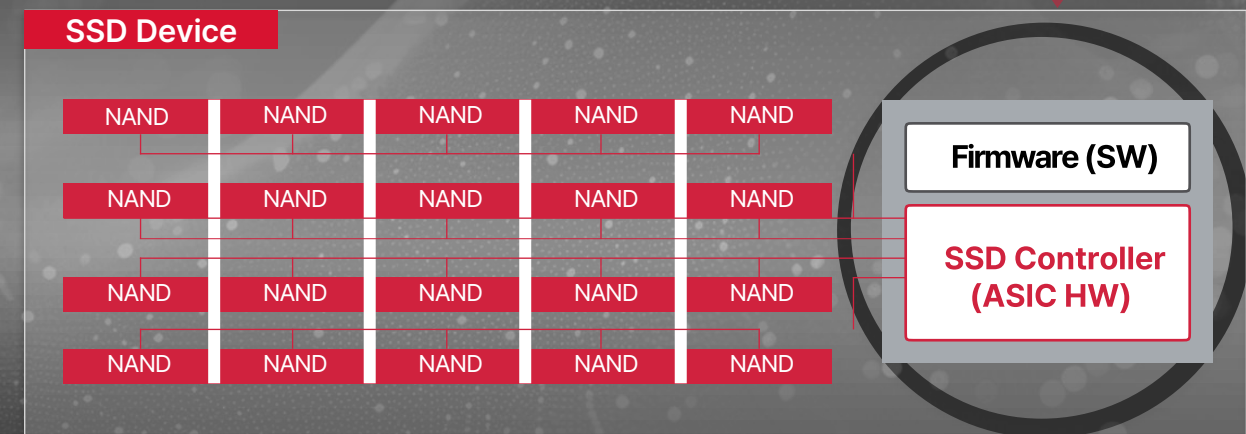
# Controller

## SSD Core Logic

- ✓ **Emergence of differentiated architectures driven by the growing importance of controller**
  - ✓ The exponential growth of data workloads is pushing controllers to handle high-performance, high-capacity, and low power.
  - ✓ Emergence of innovative architectures through an optimization of hardware and software(e.g., Multi-functions of SW → HW Offloading)
  
- ✓ **Strengthening controller performance, software, and security requirements to drive the full implementation of AI SSD**
  - ✓ Defining performance requirements for each stage of AI data workloads(e.g., Inference stage → Random Read performance)
  - ✓ Expansion of software(e.g., FDP) and security requirements to efficiently handle diverse data workloads in multi-tenant environments
  
- ✓ **Growing demand for diverse form factor support to enable optimal space utilization and the deployment of high-performance, high-capacity storage systems**
  
- ✓ **Flexibility through broad NAND compatibility**

## Controller

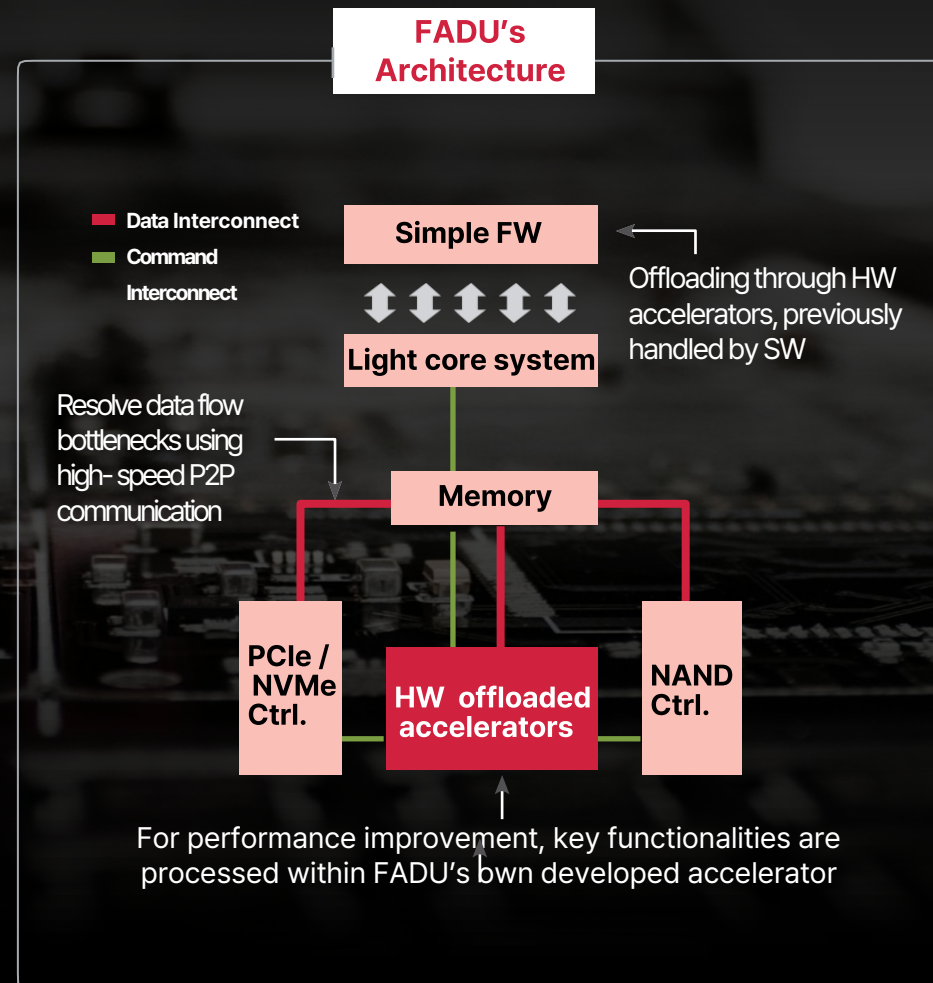
Crucial component especially in Data Center, which determines the performance and reliability of SSDs



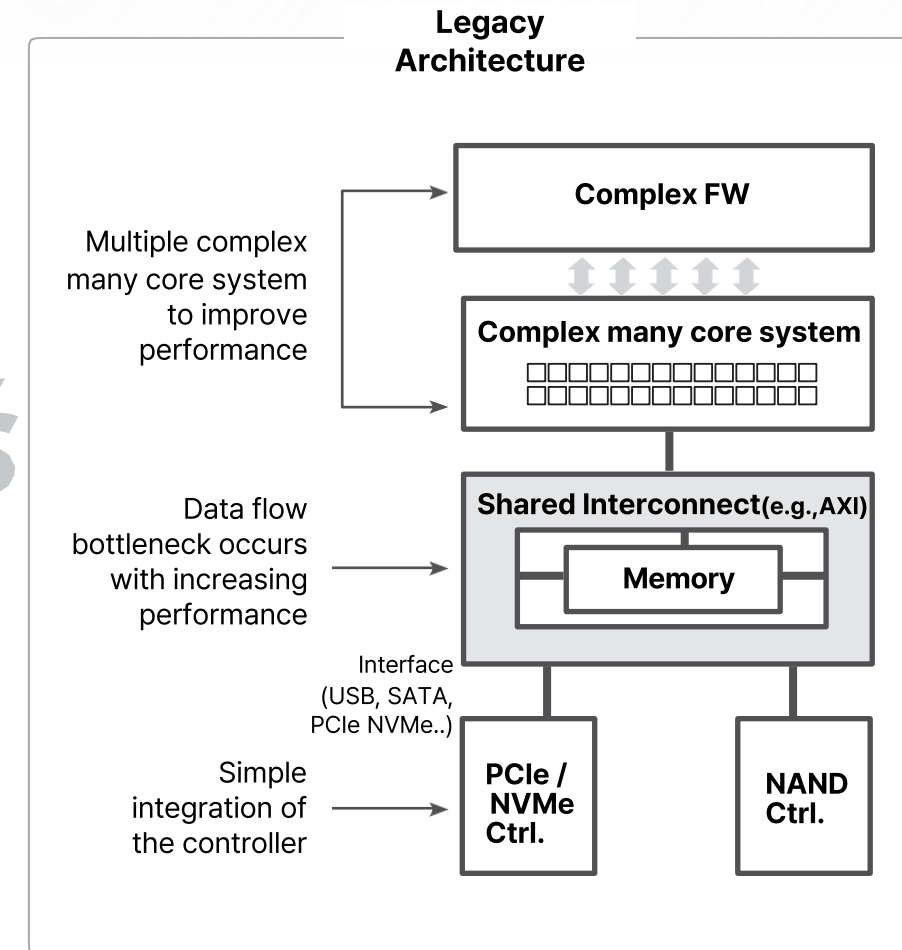
# Developed an Innovative High-efficiency FADU Architecture

Introduction of an innovative architecture in line with the emergence of the PCIe NVMe interface for SSDs  
 Navigated the limitations, resulting in high performance / low power / compact size SSD Controller

- ✓ Emergence of legacy architectures' limitation due to the exponential growth of data processing volume (resulting in heat and thermal issues)
- ✓ Delivering both high-performance and power efficiency through innovative architecture designs
- ✓ To optimize the entire system, FADU rebuilt the architecture from scratch and developed all major IPs internally (based on open-source RISC-V)



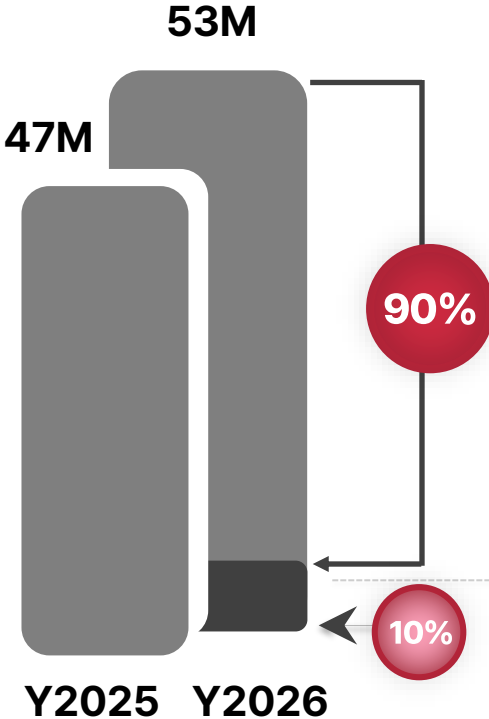
vs



# Enterprise SSD Market

## Market Participants

### Yearly eSSD Shipments



\*Source: 2Q25 TrendForce eSSD Tracker, Company estimates

SSD Supplier	SSD Buyer	FADU Status
<p><b>NAND Player-driven Market</b></p> <ul style="list-style-type: none"> <li>Value chain1: In-house Controller + NAND Players</li> <li>Value chain2: 3<sup>rd</sup> Party Controller + NAND Players</li> </ul> <hr/> <ul style="list-style-type: none"> <li>6 NAND Players : SAMSUNG, SKHYNIX, SOLIDIGM, SanDisk, MICRON, KIOXIA</li> </ul> <hr/> <ul style="list-style-type: none"> <li>For long-term partnerships, not only the controller vendor's technology but also its reliability is important.</li> <li>Enable stable long-term supply after going through 1.5 years of customization / validation process leveraging the NAND partnership.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Hyperscalers</li> <li>✓ Server OEMs</li> <li>✓ System builders</li> </ul>	<p>2 NAND partnerships in mass production</p> <p>Additional partnership underway</p>
<p><b>SSD Providers(Non-NAND Manufacturers)</b></p> <p><b>Value chain:</b> 3<sup>rd</sup> Party Controller → SSDs with controllers' brand Channel Distributors Module Houses</p> <hr/> <ul style="list-style-type: none"> <li>Purchase NANDs and Controllers to manufacture / sell SSDs</li> </ul>	<ul style="list-style-type: none"> <li>✓ Server OEMs</li> <li>✓ Server ODMs</li> <li>✓ Storage Platform builders</li> <li>✓ Enterprises</li> </ul>	<p>Proven technology competence through track records with global hyperscalers</p> <p>Expanding partnerships with various SSD providers</p>

# Enterprise SSD Market Landscape changes

## Market Landscape 01

### Solid enterprise SSD demand supported by unwavering CapEx from hyperscalers and the diffusion of AI applications

Major hyperscalers' plans to expand CapEx through 2026, following 2025.

While concerns are growing over a slowdown in the overall NAND market due to the delayed recovery of the consumer sector, the enterprise SSD market continues to see solid demand due to the expansion of high-performance storage needs fueled by AI growth.

## Market Landscape 02

### Acceleration of NAND players' partnerships with 3rd party Controllers

With sophisticated requirements increase for the full implementation of AI SSD and the growing importance of controller, the incumbents with legacy architectures are losing ground and their exit from the market is accelerating.

## Market Landscape 03

### Shift to the next-generation controller alongside AI advancement

The shift to Gen5 is accelerating to maximize efficiency by defining the performance requirements for controllers at each stage of AI data workloads.

The diffusion of inference services is driving demand for controller technologies that can support high-capacity, high-performance (with an emphasis on Random Read performance), and high-efficiency SSDs.

Enhancements on software technologies (e.g., FDP) optimized for AI workloads and security features.

**FADU's  
opportunity to  
expand  
market  
presence**

## Enhance Partnership with Global Tiers

Leveraging its industry-leading Gen5 technology, FADU has begun actively pursuing customer diversification to solidify its market presence. With the next-generation Gen6 technology - expected to deliver twice the performance of Gen5 - FADU anticipates securing an even broader customer base.

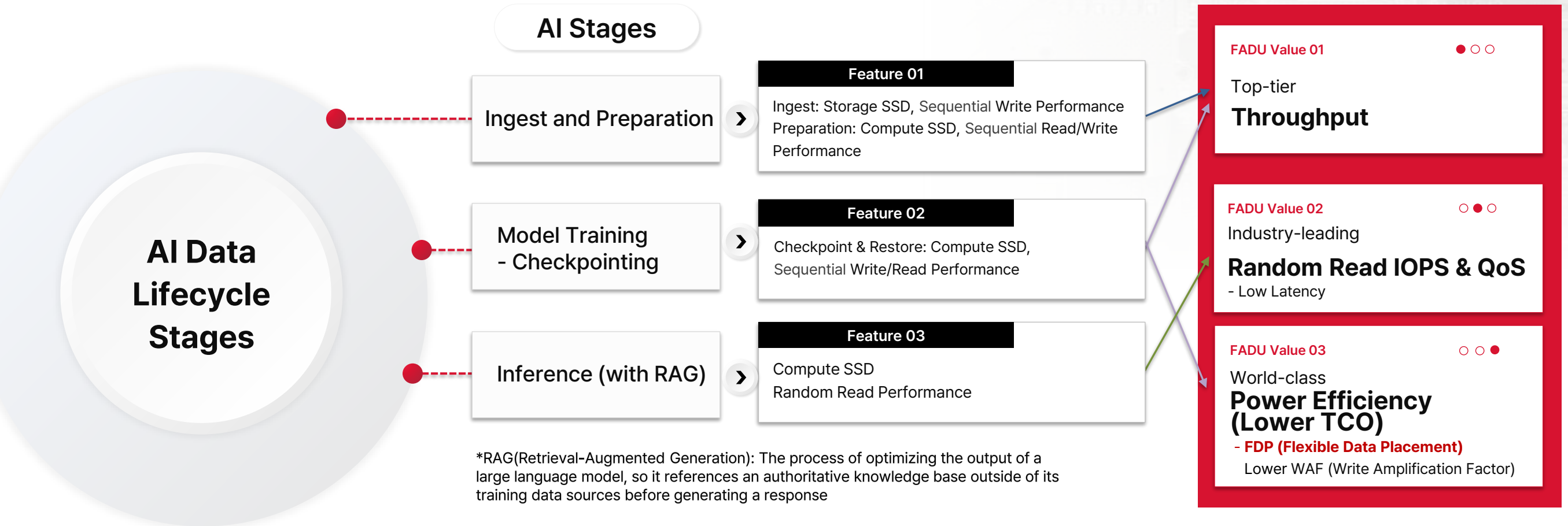
### Global Hyperscalers



### Top6 NAND Manufacturers



# FADU's Value in the AI Data Lifecycle



# Corporate Responsibility

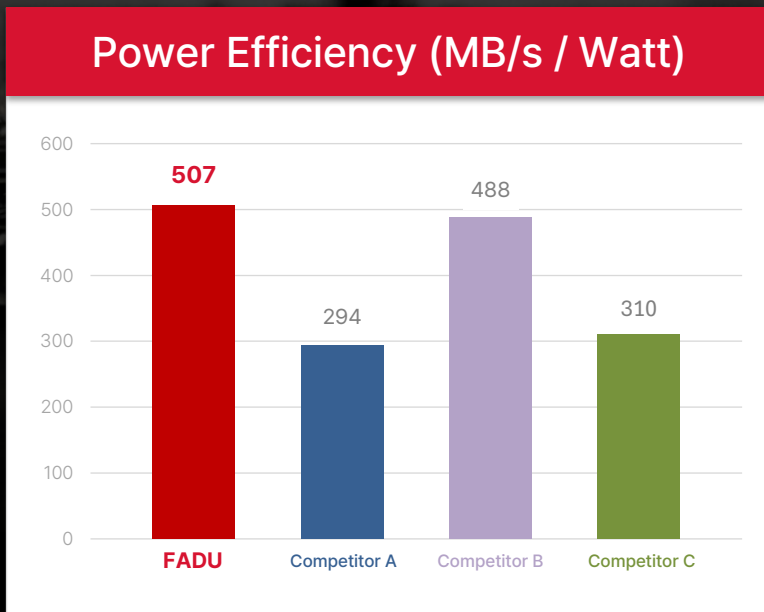
## Pursuit of environment-friendly technology

### ✓ LOW POWER / LOW THERMAL

FADU is addicted to POWER.

Building a fast controller is easy, But creating one that is both power-efficient and high-performing controller is an entirely different challenge.

FADU has introduced the world's most power-efficient controllers to the market, ranging from PCIe Gen3 to Gen5.



\*Source: 2025 FMS

## The best place for people to create innovation



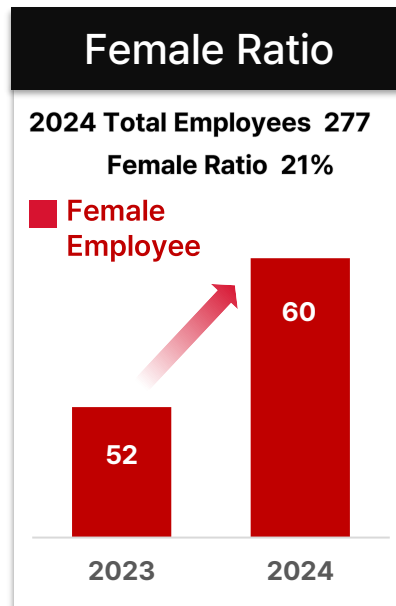
Y2024 Outstanding Work-Life Balance Companies



Y2023 Global Star Fables to grow into a top tier

### Enhance work productivity through Flexible Work Arrangements

- ✓ Flextime System for all employees
- ✓ Remote Work Policy including working from home to enable Global talents engagement

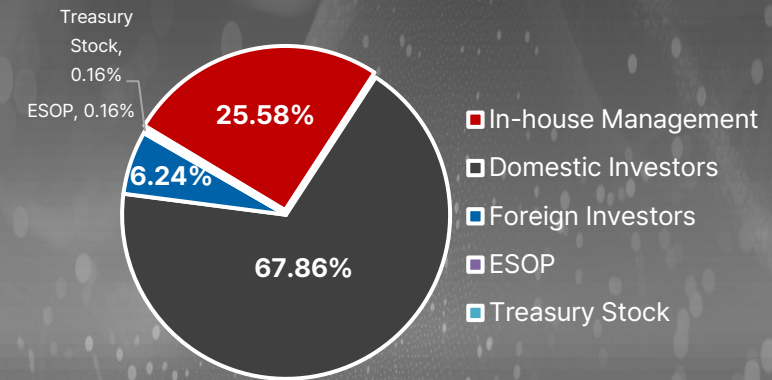


## Shareholding Status & Corporate Governance

### ✓ Shareholding Status (2Q'25)

Shares Outstanding(K): 49,442

Shares Free Float(K): 40,324(81.56%)



### ✓ Board of Directors (2Q'25)

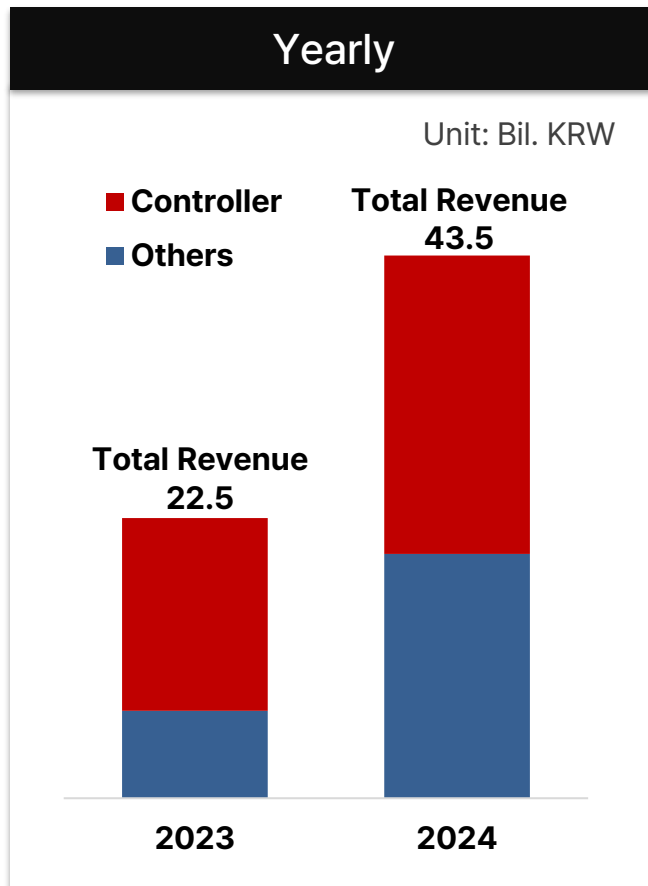


2025 Q2

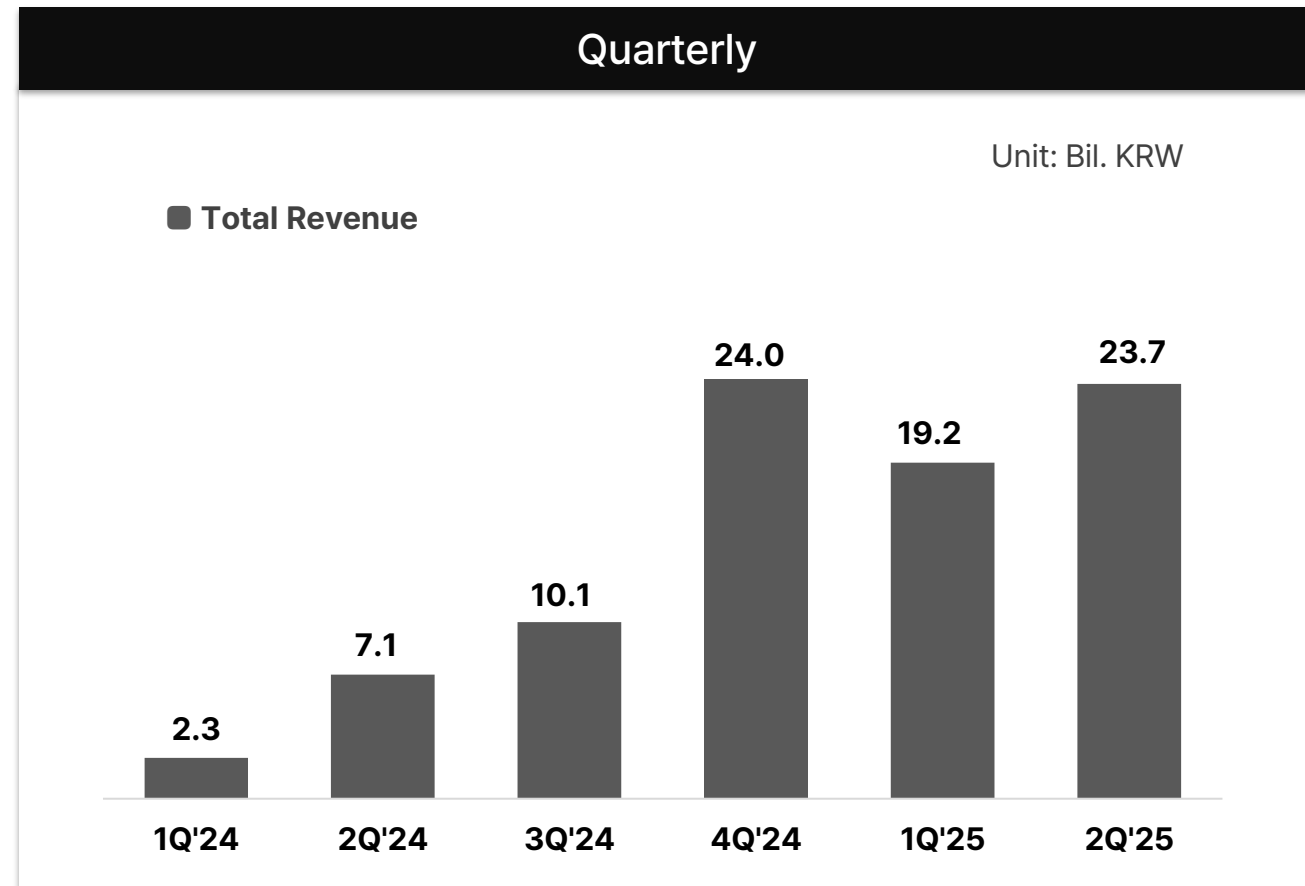
# Financial Performance

# Revenue

## 2024 Revenue YoY 93.6% ↑



## 2Q'25 Revenue QoQ 23.2% ↑ / YoY 233.9% ↑

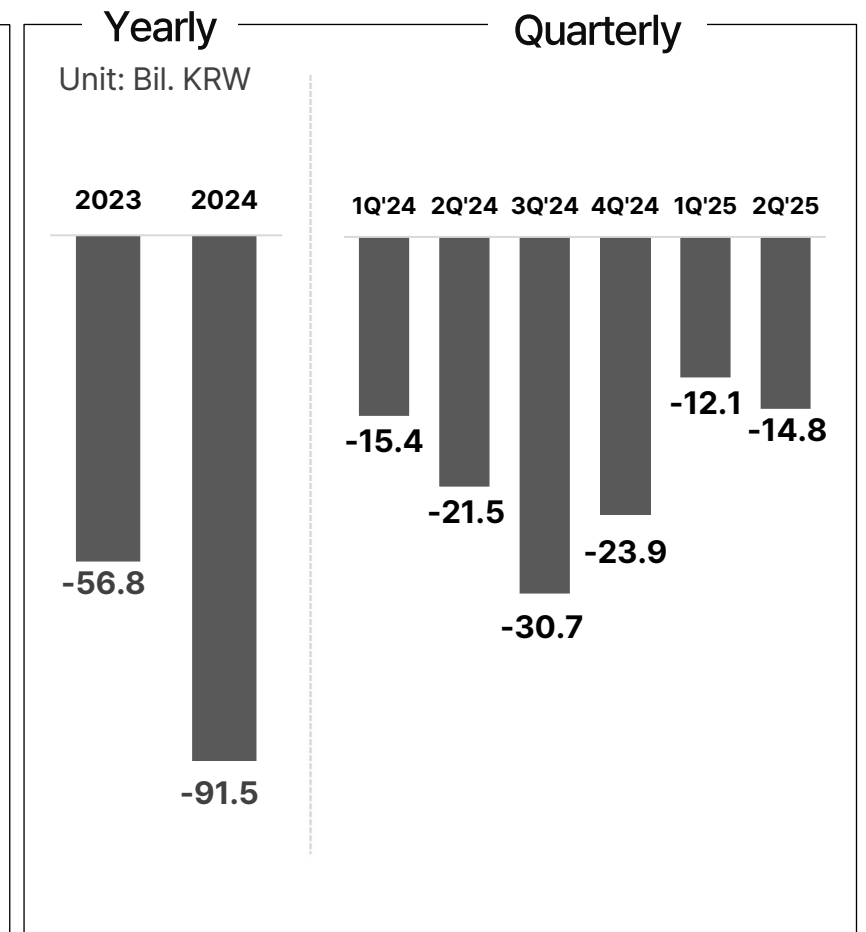
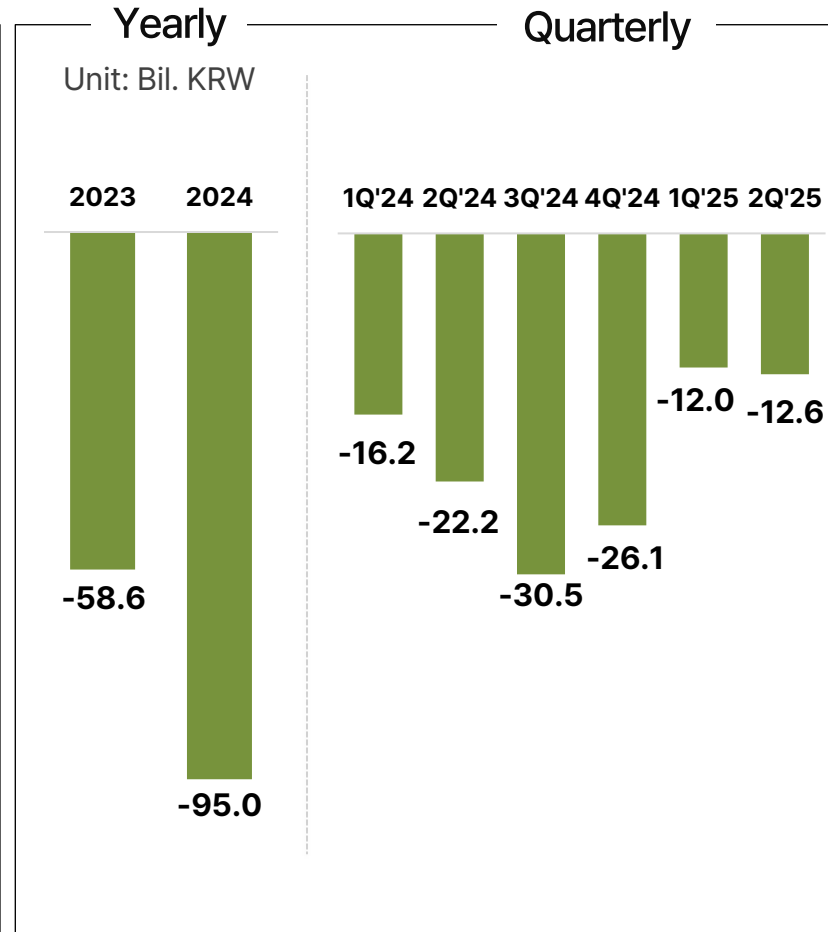
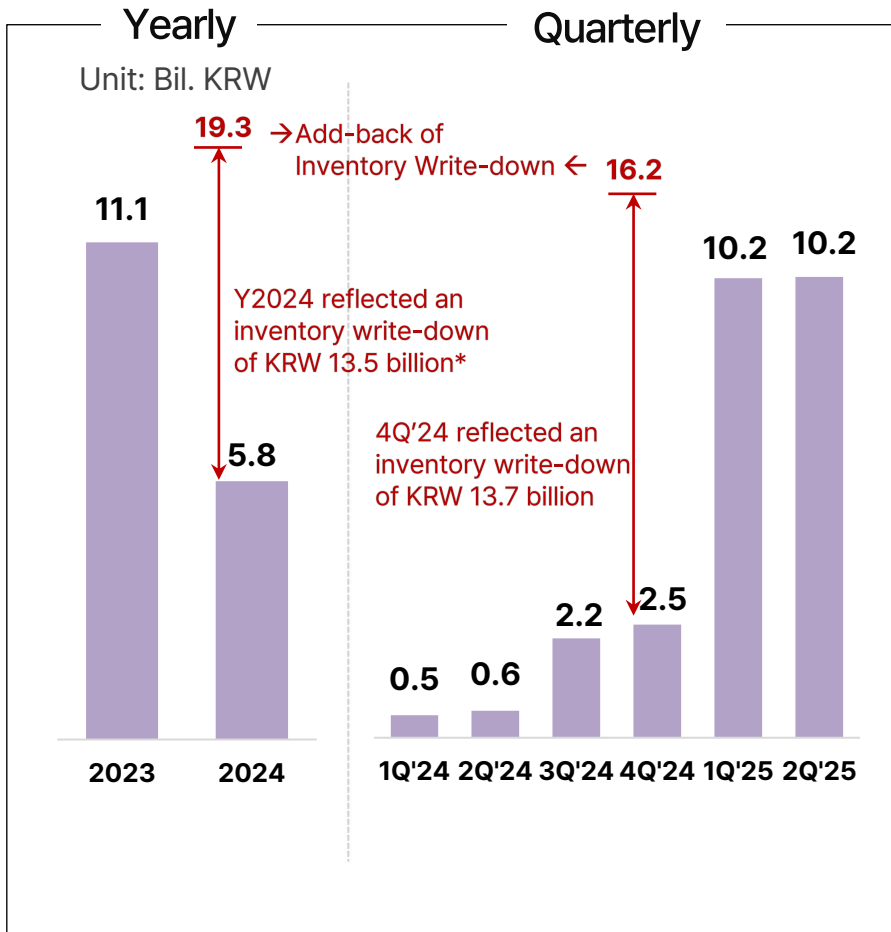


# Profitability

## Gross Profit

## Operating Profit

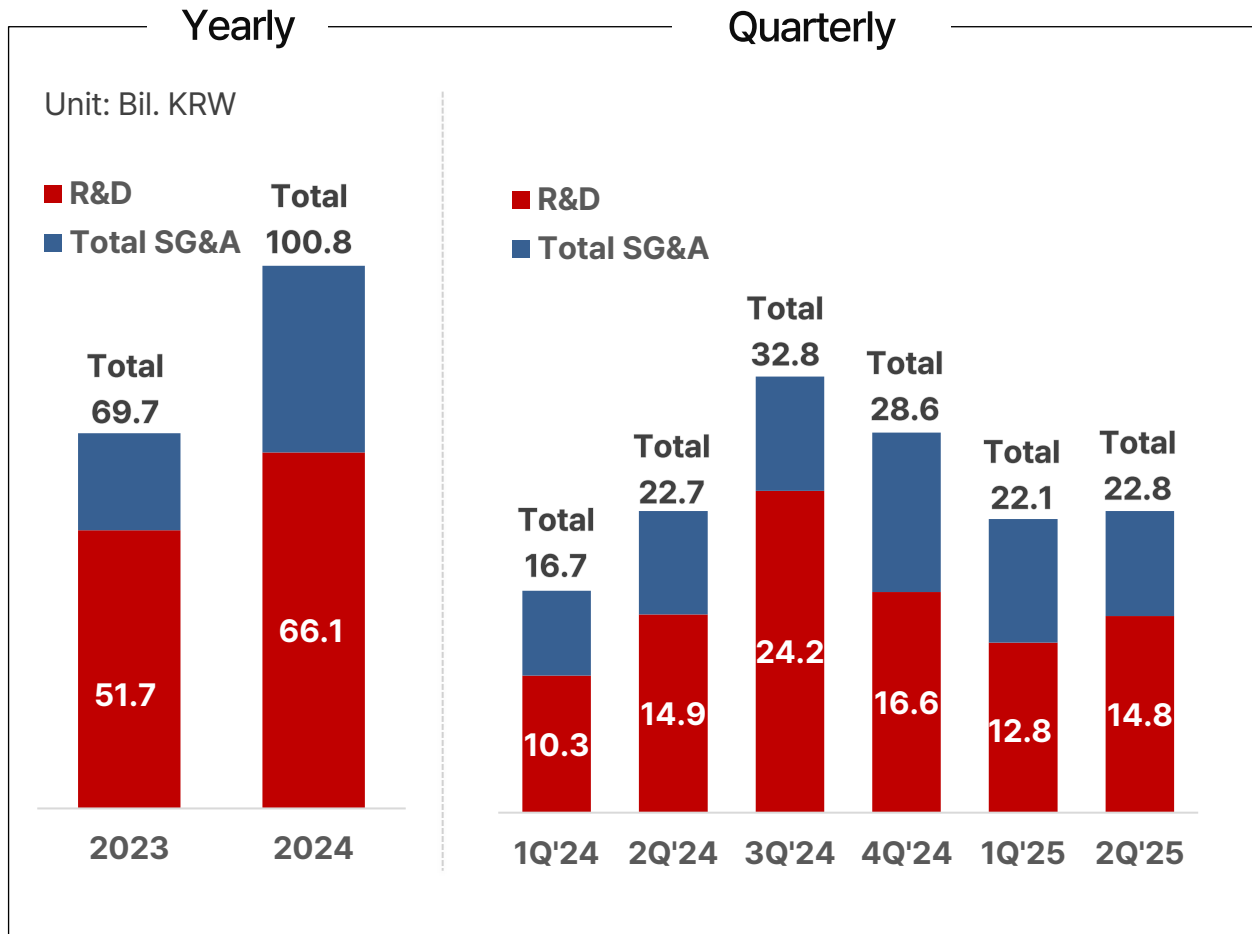
## Net Profit



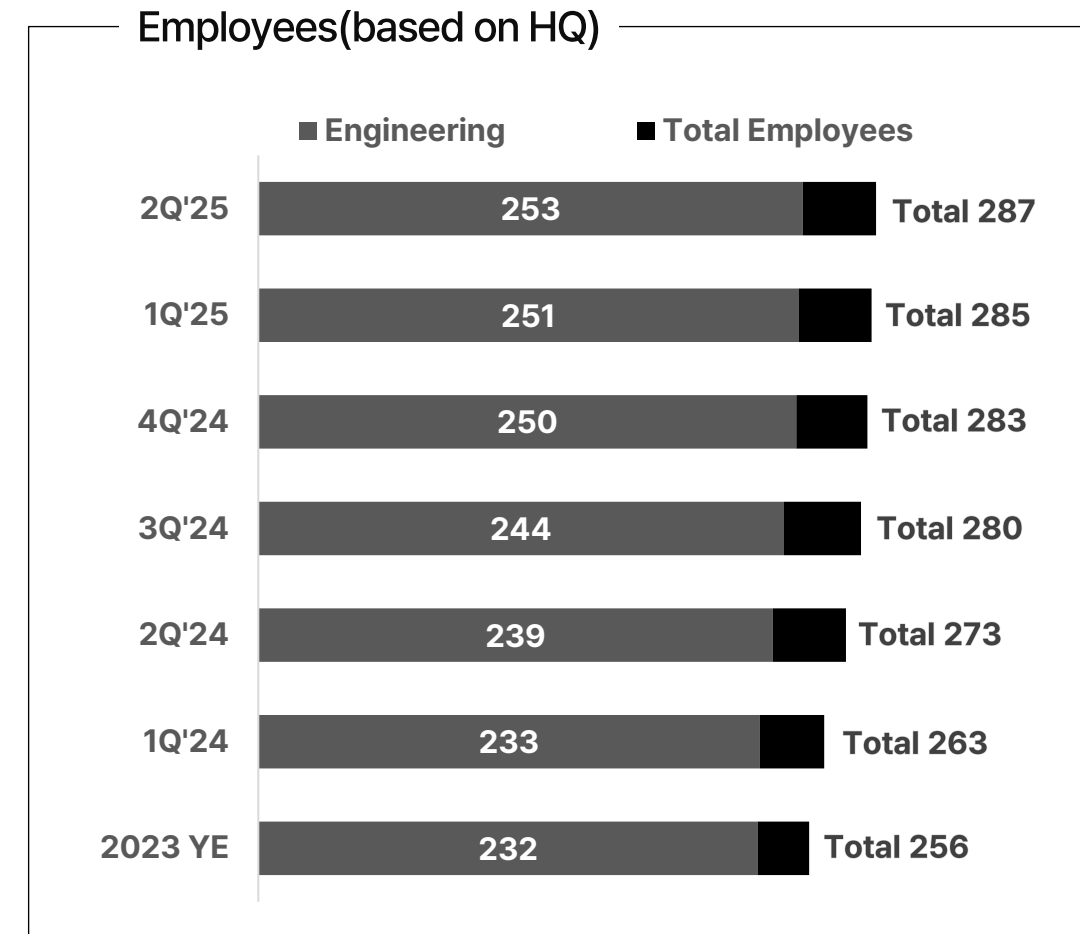
\* 2024 Total Inventory Write-down (KRW13.5bn) = 2Q'24 Reversal of Inventory Valuation loss (-KRW0.1bn) + 4Q'24 Inventory Write-down (KRW 13.7bn)

# OPEX

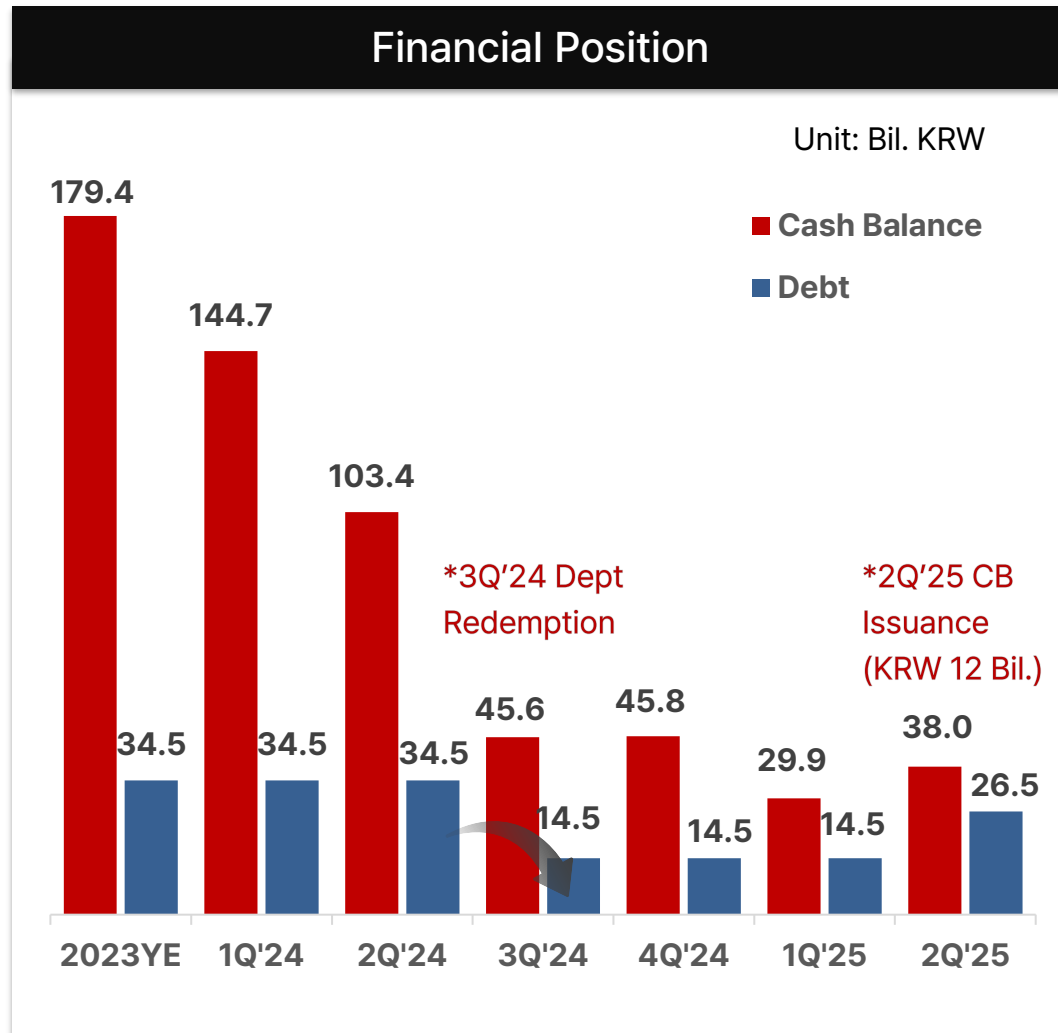
## OPEX



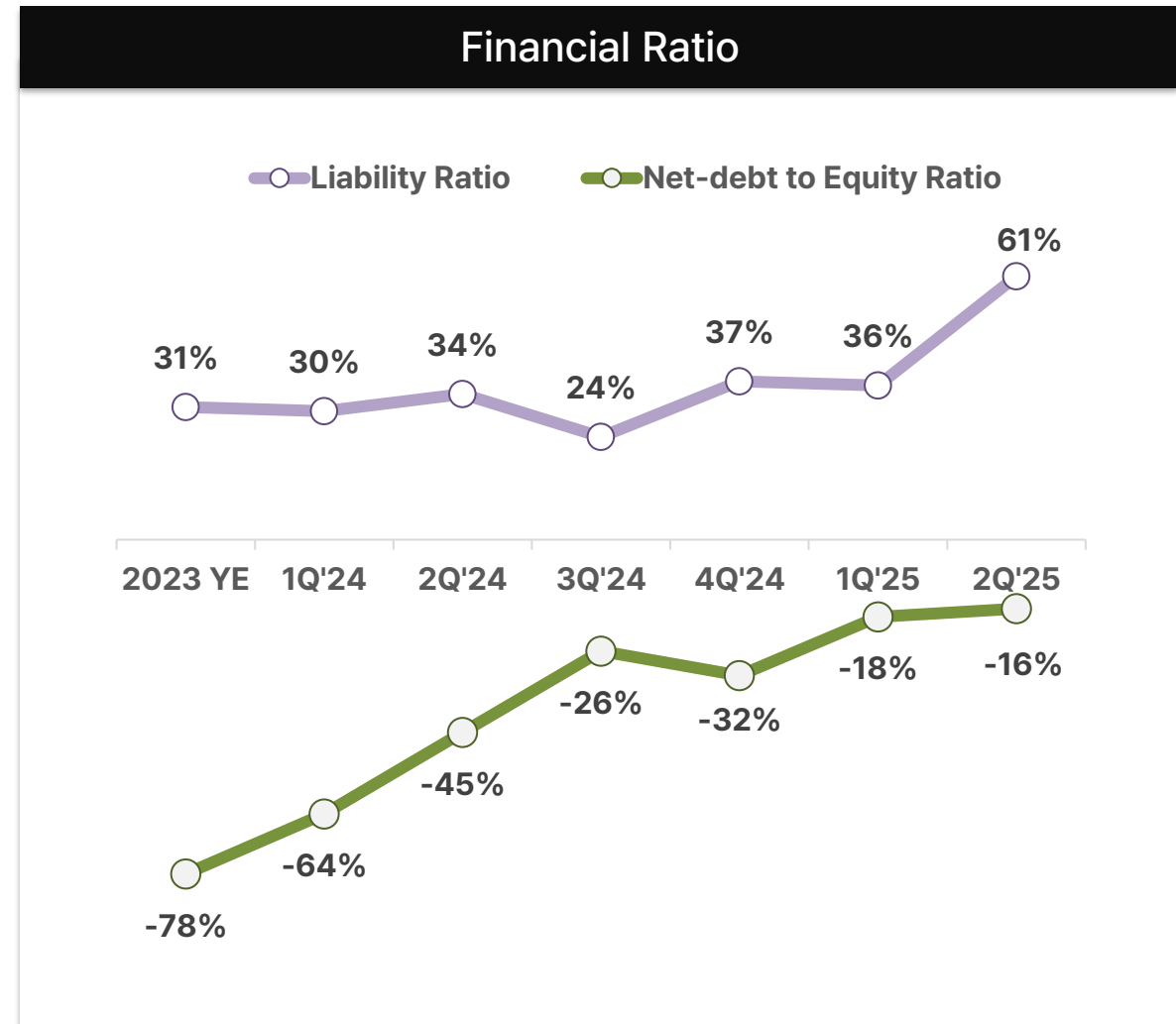
## Employees



# Financial Position



\* Cash Balance = Cash & Cash Equivalents + Short-term Financial Instruments etc.  
 \*\* Debt = Short-term Borrowings + Current portion of Long-term Borrowings + Long-term Borrowings + Debentures + Bonds etc.



\* Liability Ratio(%) = Total Liabilities / Shareholder's Equity X 100  
 \*\* Net-debt to Equity Ratio(%) = Net-debt / Shareholder's Equity X 100  
 Net-debt = Total debts - Cash

# Appendix1. Consolidated Financial Position(Unaudited)

Unit: Mil. KRW

Account	2024.1Q	2024.2Q	2024.3Q	2024.4Q	2025.1Q	2025.2Q	2023	2024
Current Assets	183,394	163,977	113,978	98,648	84,410	83,770	203,276	98,648
Non-current Assets	39,716	38,639	35,902	35,780	33,574	31,802	40,386	35,780
<b>Total Assets</b>	<b>223,110</b>	<b>202,616</b>	<b>149,880</b>	<b>134,427</b>	<b>117,984</b>	<b>115,571</b>	<b>243,662</b>	<b>134,427</b>
Current Liabilities	44,555	45,029	23,620	31,263	27,106	40,210	50,212	31,263
Non-current Liabilities	6,510	5,913	5,099	5,217	4,402	3,795	7,101	5,217
<b>Total Liabilities</b>	<b>51,065</b>	<b>50,942</b>	<b>28,719</b>	<b>36,480</b>	<b>31,508</b>	<b>44,005</b>	<b>57,314</b>	<b>36,480</b>
Paid-in Capital	4,907	4,919	4,933	4,936	4,941	4,944	4,875	4,936
Capital Surplus	231,731	232,581	233,344	233,690	233,870	234,157	230,751	233,690
Retained Earnings(Loss)	(66,116)	(87,171)	(117,764)	(141,508)	(153,455)	(168,046)	(50,944)	(141,508)
Other Equity	269	(654)	(1,172)	(1,042)	(555)	(869)	197	(1,042)
Non-controlling interests	1,255	1,999	1,818	1,871	1,675	1,381	1,469	1,871
<b>Total Shareholders' Equity</b>	<b>172,046</b>	<b>151,674</b>	<b>121,161</b>	<b>97,947</b>	<b>86,476</b>	<b>71,566</b>	<b>186,348</b>	<b>97,947</b>

# Appendix 2. Consolidated Income Statement(Unaudited)

Unit: Mil. KRW

Account	2024.1Q	2024.2Q	2024.3Q	2024.4Q	2025.1Q	2025.2Q	2023	2024
Revenue	2,332	7,093	10,095	23,983	19,219	23,679	22,471	43,503
Cost of Goods Sold	1,860	6,537	7,853	21,484	9,063	13,493	11,375	37,734
<b>Gross Profit</b>	<b>472</b>	<b>556</b>	<b>2,242</b>	<b>2,499</b>	<b>10,156</b>	<b>10,186</b>	<b>11,096</b>	<b>5,769</b>
SG&A	16,701	22,740	32,786	28,590	22,142	22,750	69,665	100,817
- R&D	10,344	14,907	24,247	16,595	12,788	14,824	51,742	66,093
<b>Operating Profit</b>	<b>(16,229)</b>	<b>(22,185)</b>	<b>(30,544)</b>	<b>(26,091)</b>	<b>(11,986)</b>	<b>(12,564)</b>	<b>(58,569)</b>	<b>(95,048)</b>
Non-operating Income	1,808	1,708	760	2,865	560	438	4,179	7,140
Non-operating Expenses	1,028	971	877	685	680	2,621	2,442	3,559
<b>EBIT</b>	<b>(15,448)</b>	<b>(21,448)</b>	<b>(30,661)</b>	<b>(23,911)</b>	<b>(12,105)</b>	<b>(14,747)</b>	<b>(56,833)</b>	<b>(91,467)</b>
Income Tax	-	33	7	1	32	4	-	41
<b>Net Income</b>	<b>(15,448)</b>	<b>(21,481)</b>	<b>(30,667)</b>	<b>(23,912)</b>	<b>(12,136)</b>	<b>(14,751)</b>	<b>(56,833)</b>	<b>(91,509)</b>

# Appendix 3. Consolidated Cash Flow (Unaudited)

Unit: Mil. KRW

Account	2024.Q1	2024.Q2	2024.Q3	2024.Q4	2025.Q1	2025.Q2	2023	2024
<b>Beginning Cash Balance</b>	179,386	144,673	103,410	45,642	45,763	29,931	10,427	179,386
<b>Net Cash From Operating Activities</b>	<b>(33,311)</b>	<b>(38,937)</b>	<b>(36,067)</b>	<b>(526)</b>	<b>(13,528)</b>	<b>(1,049)</b>	<b>(42,165)</b>	<b>(108,840)</b>
- Net income	(15,448)	(21,481)	(30,667)	(23,912)	(12,136)	(14,611)	(56,833)	(91,509)
- Evaluation loss on inventories	-	(134)	-	13,668	-	(3,767)	3,374	13,534
- Interest expenses	805	799	591	447	425	505	1,935	2,641
- Depreciation	2,745	2,750	2,756	2,859	2,763	2,759	8,663	11,110
- Changes in working capitals etc.	(20,114)	(19,733)	(8,406)	6,270	(5,027)	12,244	(1,446)	(41,983)
<b>Net cash from investing activities</b>	<b>(1,138)</b>	<b>(2,337)</b>	<b>(671)</b>	<b>45</b>	<b>(1,632)</b>	<b>(583)</b>	<b>(14,018)</b>	<b>(4,102)</b>
CAPEX	(1,774)	(2,438)	(857)	(972)	(1,526)	(516)	(10,577)	(6,041)
<b>Net cash from financing activities</b>	<b>(536)</b>	<b>(106)</b>	<b>(20,428)</b>	<b>(720)</b>	<b>(694)</b>	<b>11,246</b>	<b>225,265</b>	<b>(21,790)</b>
Paid in capital increase	371	536	464	225	72	12,188	209,926	1,597
Changes in borrowings	-	-	(20,000)	-	-	-	25,000	(20,000)
<b>Changes in FX</b>	272	117	(602)	1,322	22	(1,530)	(123)	1,109
<b>Changes in cash</b>	<b>(34,712)</b>	<b>(41,264)</b>	<b>(57,767)</b>	<b>120</b>	<b>(15,832)</b>	<b>8,083</b>	<b>168,958</b>	<b>(133,623)</b>
<b>Ending cash balance</b>	<b>144,673</b>	<b>103,410</b>	<b>45,642</b>	<b>45,763</b>	<b>29,931</b>	<b>38,014</b>	<b>179,386</b>	<b>45,763</b>

\* Cash includes cash and cash equivalents and short-term financial instruments etc., which is available for actual operation

\*\* Working Capitals = Accounts receivable + Accounts payable + Inventories + Other receivables + Other payables

\*\*\* CAPEX is the aggregate of the purchase amount of tangible and intangible assets

\*\*\*\* Paid in Capital is net cash flow excluding cost of new shares issuance

# Creating Future



Company Website: <https://www.fadu.io>  
IR Website: <https://ir.fadu.io>