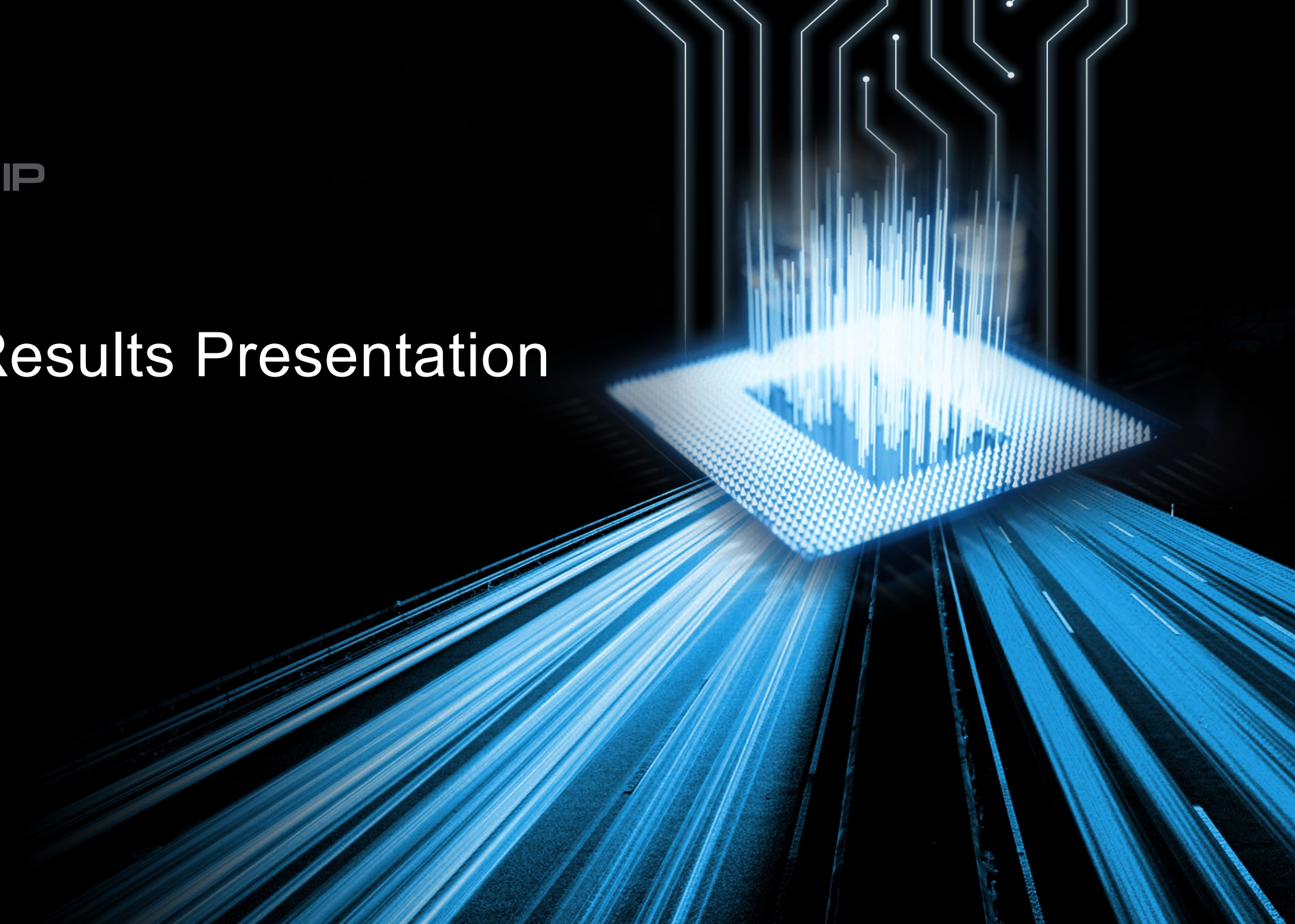




H1 2021 Results Presentation

21 September 2021



Presenting Team

John Lofton Holt, Founder
Executive Chairman (London)



Tony Pialis, Founder
President & CEO (Toronto/London)



Daniel Aharoni
CFO (London)



Agenda

1 Overview & Highlights – John Lofton Holt & Tony Pialis



2 Financial Performance & Results – Daniel Aharoni

3 Outlook & Strategic Progress – John Lofton Holt & Tony Pialis

Overview & Highlights

John Lofton Holt & Tony Pialis

1H2021 Results highlights – Summary vs 1H2020

- Record Bookings, Revenue and EBITDA
- 6 new customers in H1 2021
- R&D headcount doubled since December 2020
- First Silicon leadership again: Now at 4nm
- Lifetime bookings increased to \$308m and 22 design wins
- Customers include 5 of top 8 semi companies
- Increasing full year revenue & EBITDA guidance

Bookings

\$33.1m → 492% → \$196.1m

Revenue

\$11.5m → 140% → \$27.6m

Adjusted EBITDA⁽¹⁾

\$6.3m → 121% → \$13.9m
55% MARGIN 50% MARGIN

While delivering against our rapid expansion plans for 2021

Business Performance and Execution



Completed IPO

US\$492m Net Proceeds Raised

- Completed **one of the largest IPOs** in semiconductor history, ahead of schedule
- Largest North American company** to ever list on LSE



Accelerated Hiring

132 Employees

- Accelerated hiring globally**, with a focus on the UK and Canada
- Doubled R&D headcount** since December 2020 to meet customer demand



Global Expansion

c. 30% Long-term revenue expected outside of NA

- Expanded direct and indirect sales channel globally, to **enable accelerated pipeline conversion**
- Completed first two major subscription deals in China that may **drive over \$250M of EBITDA from China** over next five years

And expanding our technology leadership with our customers

Technical Performance and Execution



Competitive Leadership

70

Total number of IPs available today with



- First 7nm **customer products now in production** – Ahead of any other IP supplier globally
- **First to demonstrate Silicon** success in 7nm, 6nm and 5nm
- **Expanded roadmap** with 224G offerings beyond 4nm



Technology Leadership

4nm

First again: This time with 4nm tapeout

- **World's first 4nm tapeout** in 1H2021 – Ahead of schedule and in 100% virtual/remote work environment
- First IP provider to have entire high-volume **production-ready IP portfolio** 7nm, 6nm, and 5nm at 112Gbps in 1H2021
- **Engaged at 3nm and beyond** with multiple foundry leaders globally



Customer Leadership

17

Total Customers

- **Expanded customer engagement** both within existing customers and new customers
- Multiple **new design wins** at multiple hyperscalers globally
- **All major global hyperscalers now in pipeline**
- **Customers include five of the top eight** global semi companies

Upgrading full-year guidance based on strong pipeline

		IPO Guidance	Upgraded Guidance	
Key P&L and Cash Flow items	Revenue growth (%)	100% YoY	125% YoY	• Upgrading guidance based on strong execution and pipeline
	EBITDA margin (%)	c.50% plus China	>55%	• Better visibility into revenue recognition
	Change in NWC	<10% of sales (outflow)	NO GUIDANCE	• Varies depending on invoice timing on specific projects
	Near Term Corp Tax Rate	c.26%	NO CHANGE	• Corporate tax payer in Canada and UK
	Total capex % of revenue	Minimal	NO CHANGE	• As before, plus some new office fit out costs
	D&A	<5% revenue	c. 5%	• Expanding presence globally
	Interest	Minimal	NO CHANGE	• Positive interest contribution expected from cash balance of IPO proceeds

Financial Performance

Daniel Aharoni

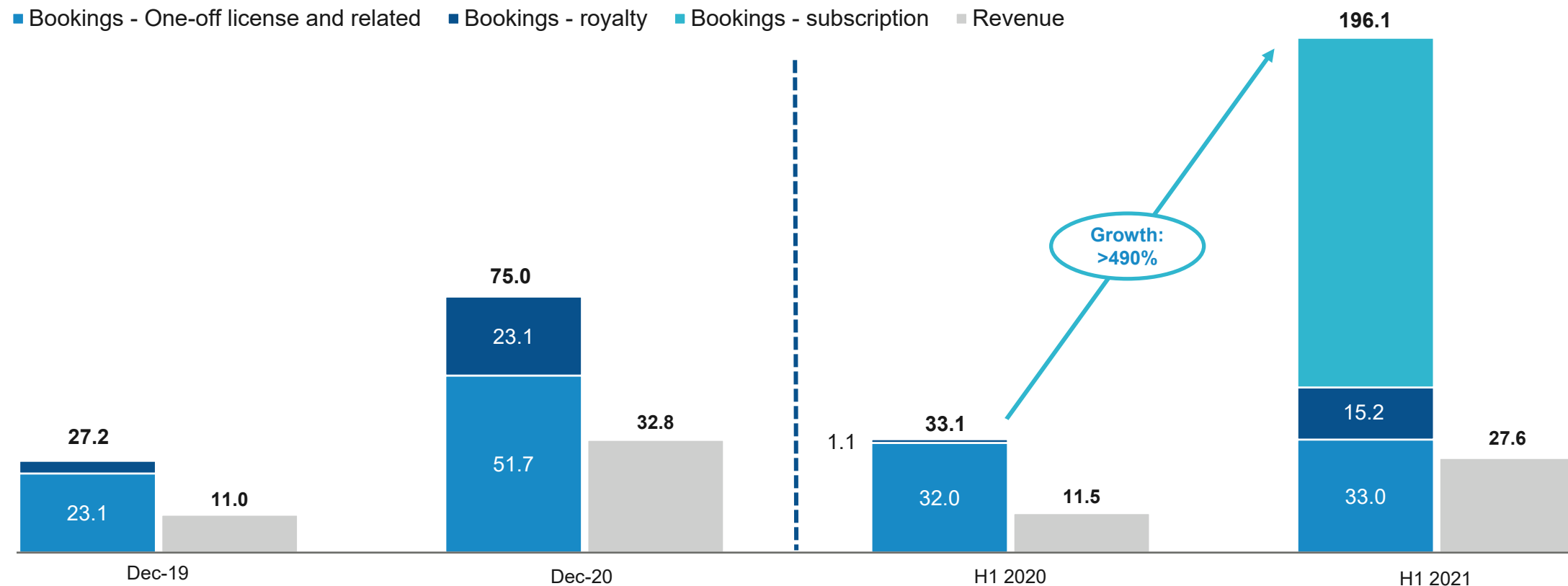
Financial Highlights

	H1 FY2021	H1 FY2020	Change
Bookings	196.1	33.1	492%
Bookings (ex. Royalties)	180.8	32.0	465%
Revenue⁽¹⁾	27.6	11.5	140%
Adjusted EBITDA⁽²⁾	13.9	6.3	121%
<i>Margin</i>	50%	55%	
EBITDA⁽²⁾	5.2	6.2	(16%)
<i>Margin</i>	19%	54%	
Pre-tax Operating Cash Flow	6.4	2.8	124%
Net cash balance (end of period)	519.1	8.0	

- Record bookings driven by subscription licences and new customer wins
- Increasing revenue diversification – customers, markets, geographies
- H1 revenues include no contribution from CPP or Verisilicon
- Strong profitability maintained, adjusting for IPO costs and non-cash items
- Net cash reflects IPO proceeds

Bookings and Revenue

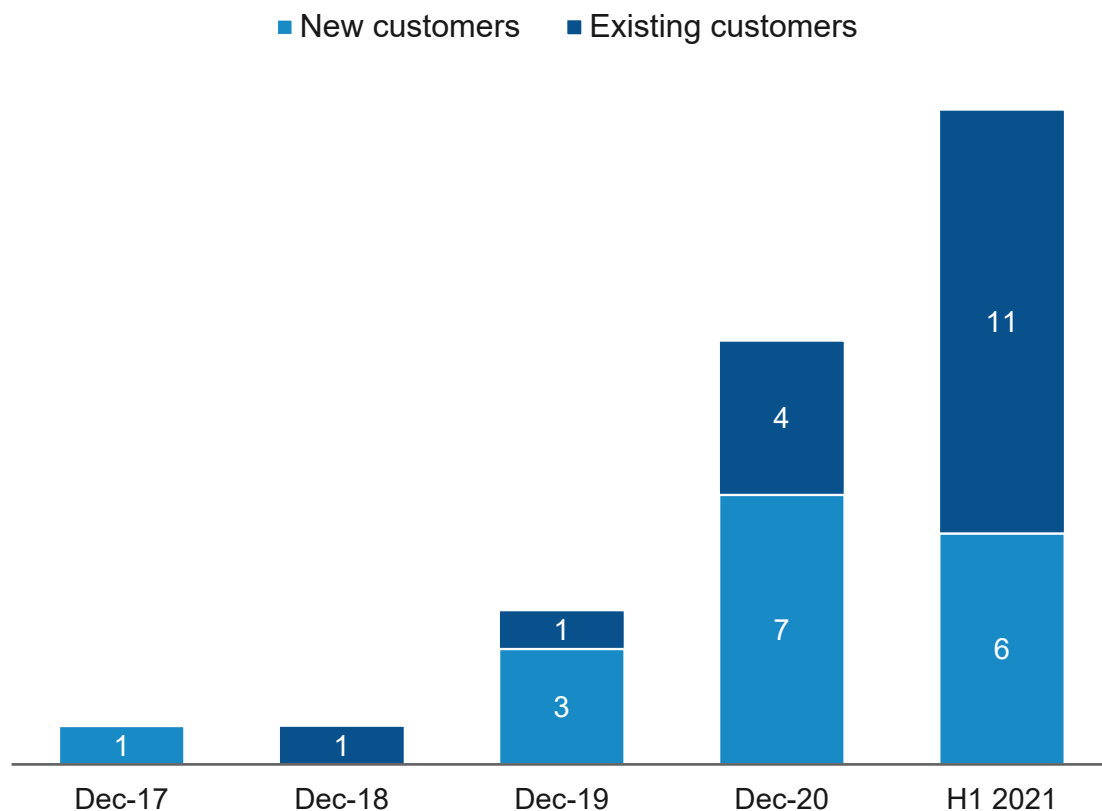
Bookings (US\$m) and IFRS Revenue (US\$m)



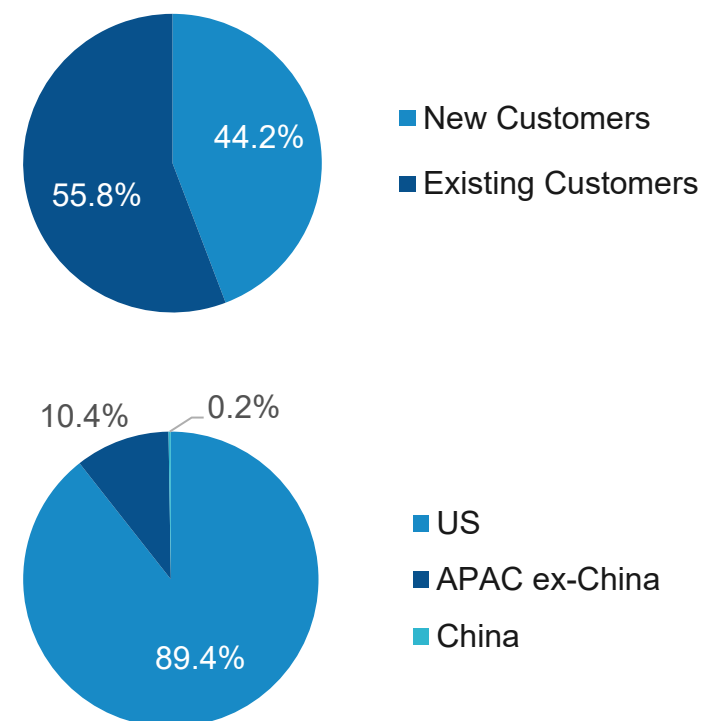
New Customer Wins and Repeat Business

6 new customers added in H1 2021

Cumulative annual customer wins



H1 2021 \$ Bookings by Customer (excluding CPP and Verisilicon)



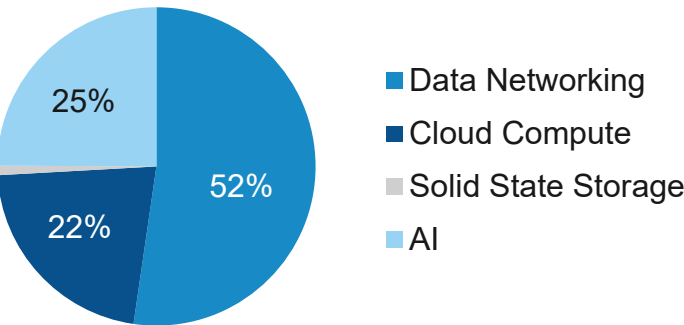
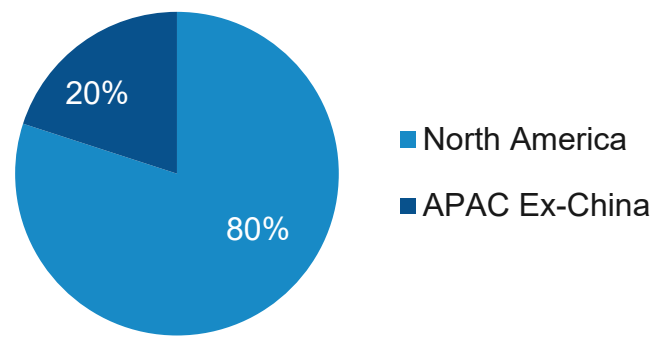
Increasingly Diversified Revenues

Revenues By Geography

Revenues by Vertical

Revenues by Customer

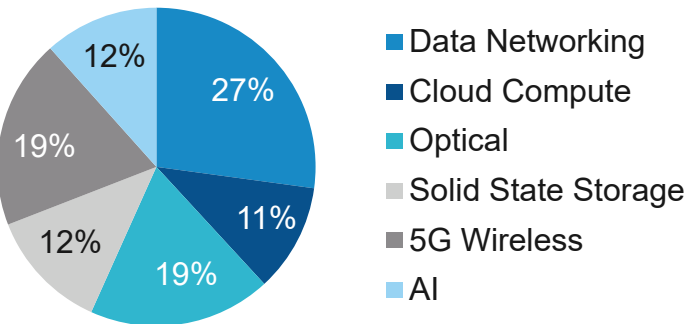
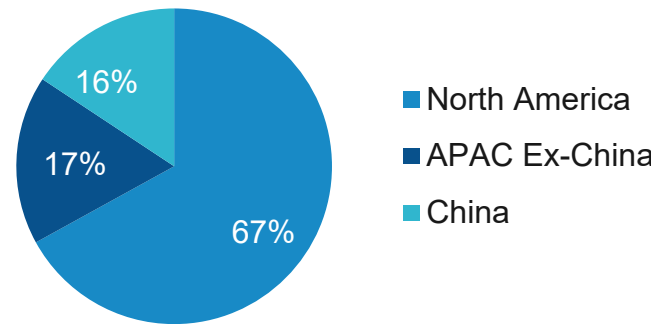
H1 2020



73% Top 3 Customers

6 Revenue Generating

H1 2021

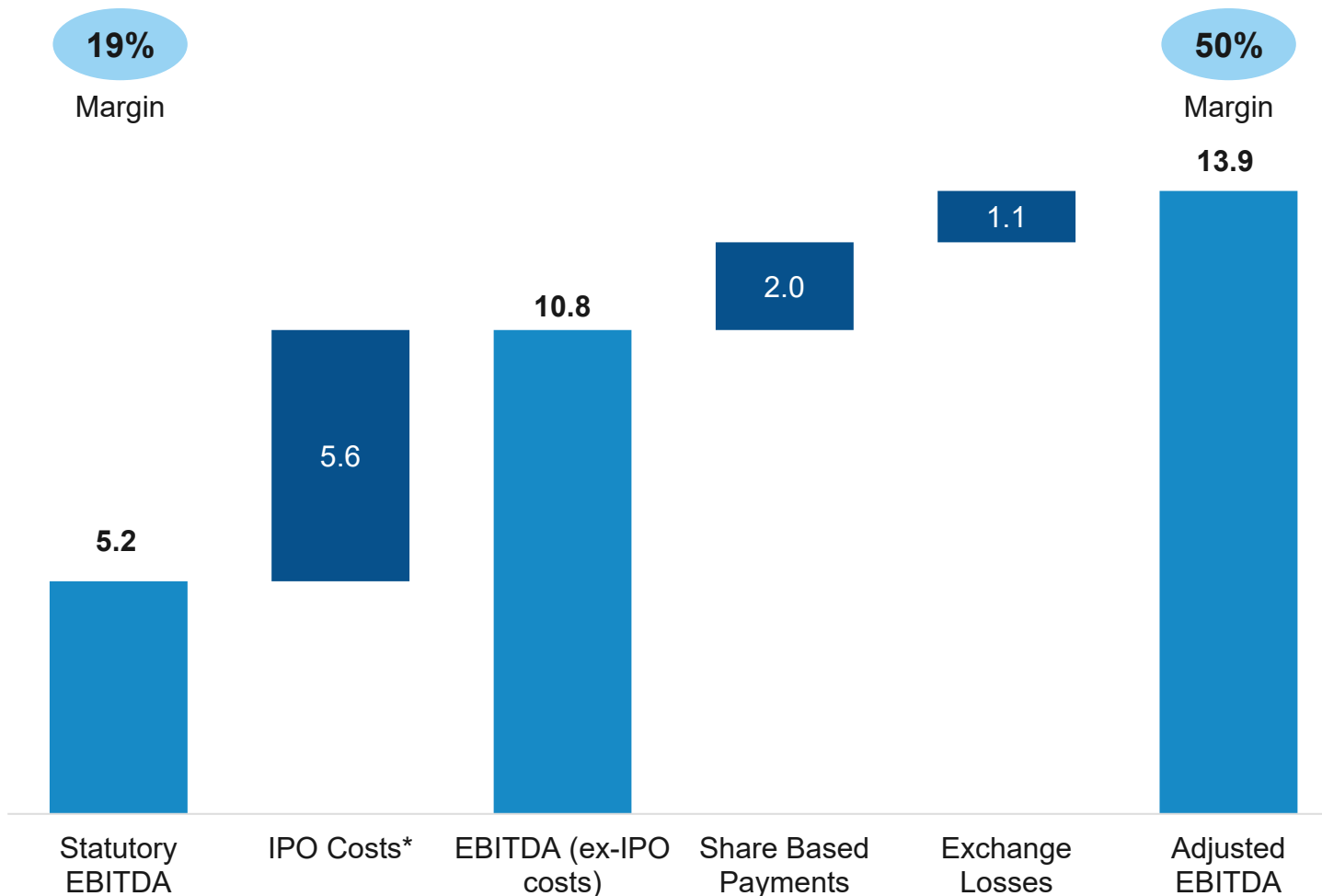


43% Top 3 Customers

16 Revenue Generating

Adjusted EBITDA Bridge

US\$m

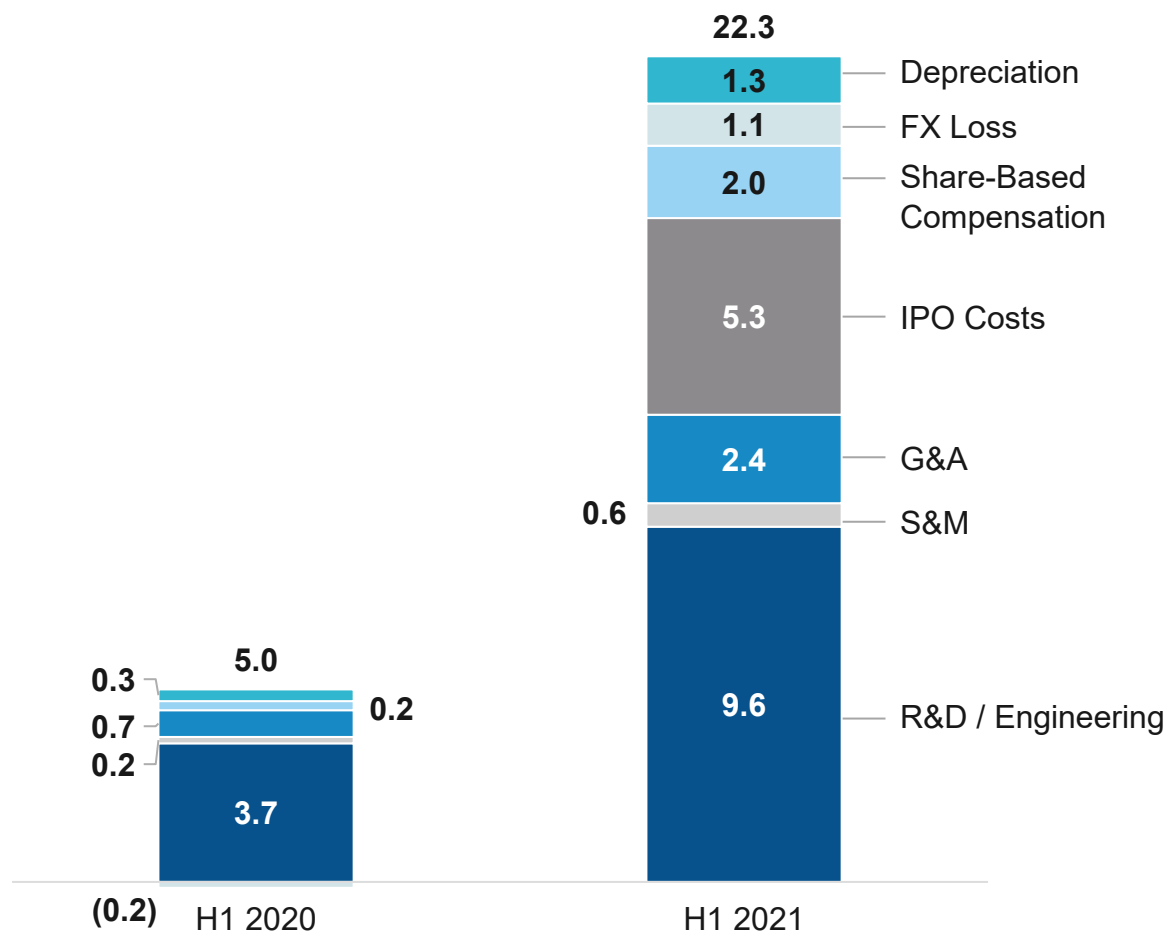


50% Adjusted EBITDA Margin

- EBITDA stated after **\$5.3m** of one-time IPO costs expensed through P&L
- **\$2.0m** of non-cash share-based compensation reflecting option/RSU issuance in H1 2021. Expected to be an ongoing charge as we continue to hire
- **\$1.1m** of Exchange Losses reflect revenues invoiced in US\$ and booked in CAD\$
- **\$0.3m** of one-time legal costs associated with CPP transaction

Operating Expenses

US\$m



G&A (8.7% of Sales)

- Reflects increased administrative costs and accruals post-IPO
- Board costs, accounting advisory / audit fees
- Building finance and legal teams

S&M (2.3% of Sales)

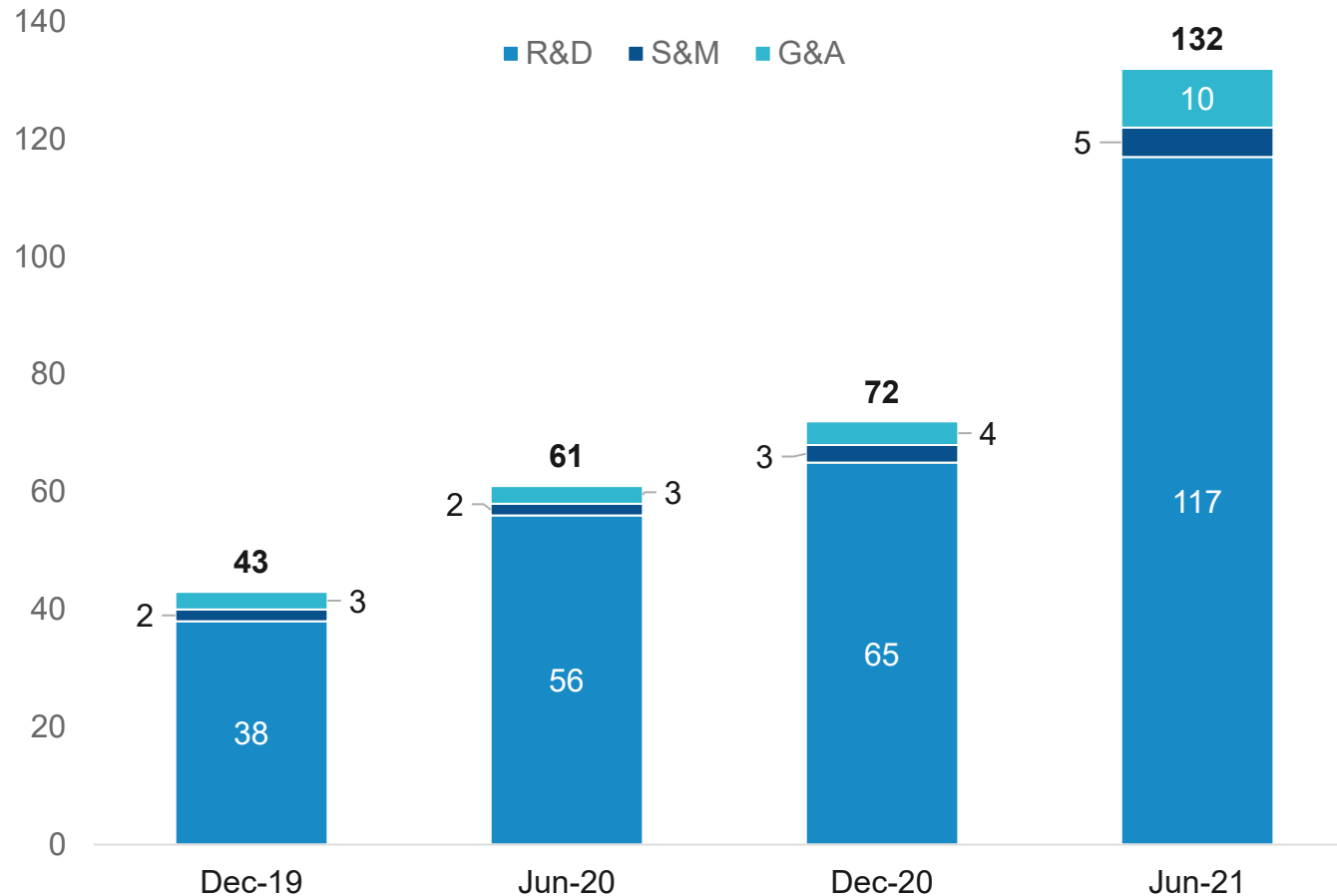
- Lean sales team
- Targeted customer base and direct/indirect sales model
- Proven low-friction land-and-expand sales strategy

R&D / Engineering (34.8% of Sales)

- Doubling of R&D / Engineering headcount in the period to support customer project
- Software tools spend tracks headcount

Accelerated R&D expansion

Headcount - Investing in Talent to Drive Growth



- Primary headcount growth in R&D / Engineering to scale operations, meet customer demand and execute on roadmap
- Customer support function provides a dedicated program lead to assist each customer across the manufacturing and product life cycles
- Team of 24 hired in May/June 2021
- Minimal growth in S&M professionals given targeted customer base reached through a direct and indirect sales model
- G&A growth reflects build out of finance and legal teams

Outlook & Strategic Progress

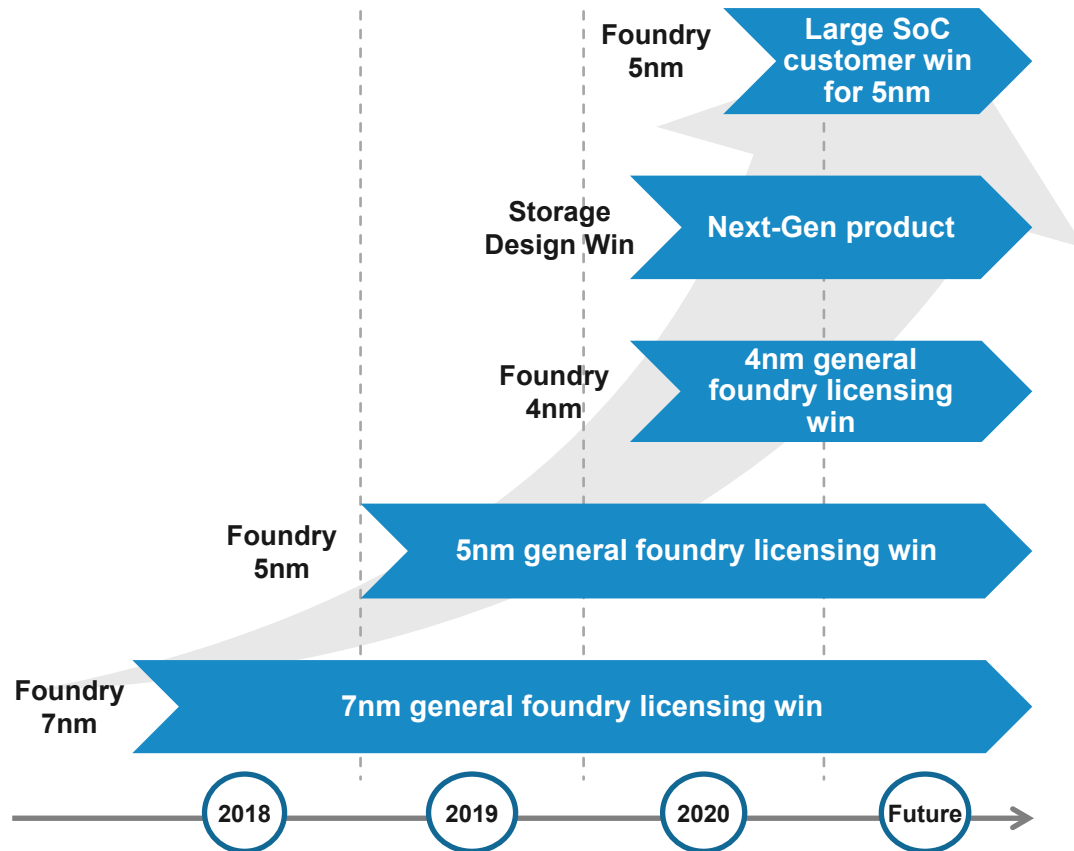
John Lofton Holt & Tony Pialis

Proven Global Sales Strategy: Land-and-Expand

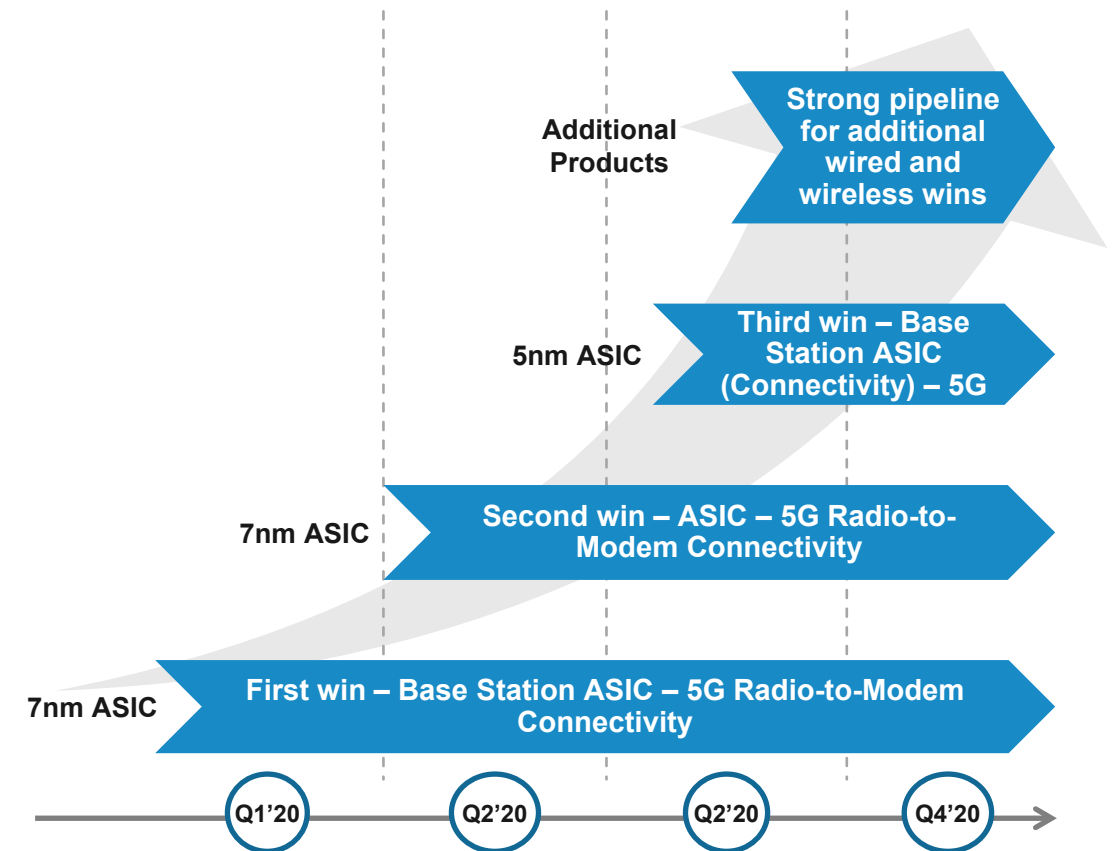
We continue expanding design wins into multiple projects within customers

SAMSUNG

Total Sockets Available >200 2021-2025



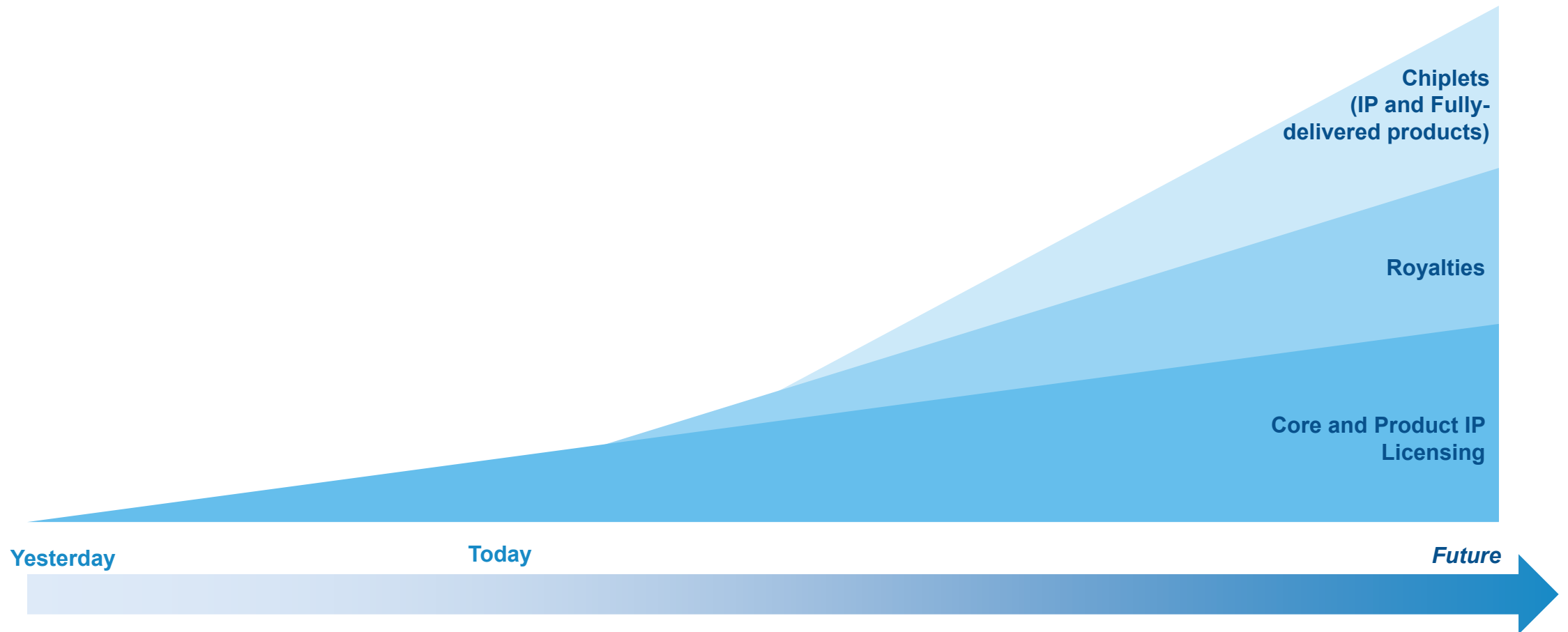
Tier-1 Networking OEM – 5G Base Station Total Sockets Available = >60 2021-2025



The Long-Term Vision

Driving long term scale through layered business models

Illustrative Revenue Mix



Delivering against IPO investment priorities for growth



Scale team globally and in UK to maintain technology leadership at 112G and establish 224G lead in new products



Land and Expand: Win new customers in new and existing markets, and win new designs at existing customers



Expand growth globally, including key high-growth regions such as China



Expand product offerings including subscription and royalty revenue streams



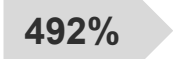
Address emerging chiplet market (estimated \$50bn in 2024) with chiplet IPs and eventually, manufactured chiplets

On Track
to Deliver


Summary – A record 1H2021 and bright outlook for the full year

1H2021 Results Summary

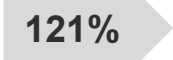
Bookings

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Revenue

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Adjusted EBITDA⁽¹⁾

\$6.3m  121% \$13.9m
55% MARGIN 50% MARGIN

Full Year 2021 Outlook

- Increasing full year revenue & EBITDA guidance
- Strong pipeline with increasing diversification terms of geography, application and customer
- Revenue expected to exceed \$75M
- EBITDA margin expected to exceed 55%
- Bookings expected to significantly exceed \$230M
- Non-China bookings expected to dominate 2H2021 as momentum accelerates
- First recognition of revenue from Verisilicon and CPP bookings expected in H2 2021

Q&A

Appendix

H1 2021 - Income Statement

Income statement

US\$'000	Six months ended 30 June 2021	Six months ended 30 June 2020
Revenue	27,589	11,484
Cost of Sales	(1,336)	(546)
Gross profit	26,253	10,938
R&D / Engineering	(10,749)	(4,038)
Sales and Marketing	(672)	(183)
General and Administration	(2,490)	(738)
Other items	(8,415)	(84)
<i>Exceptional items</i>	(5,316)	-
<i>Share-based payment</i>	(1,958)	(245)
<i>Exchange gain or loss</i>	(1,141)	161
Operating Profit	3,927	5,895
Finance Income	102	97
Finance Expense	(159)	(88)
Profit before tax	3,870	5,904
Income tax expense	(1,148)	(1,632)
Profit after tax	2,722	4,272

EBITDA and Adjusted EBITDA

US\$'000	Six months ended 30 June 2021	Six months ended 30 June 2020
Operating Profit	3,927	5,895
Add backs:		
Depreciation	1,278	316
EBITDA	5,205	6,211
Add backs:		
Non-recurring IPO costs	5,316	-
Share-based payment	1,958	245
Exchange gain or loss	1,141	(161)
CPP legal costs	299	-
Adjusted EBITDA	13,919	6,295

H1 2021- Balance Sheet

Balance Sheet – Assets & Liabilities

US\$'000	Unaudited as at 30 June 2021	Audited year ended 31 December 2020
Property, plant and equipment	840	412
Intangible assets	681	140
Right-of-use assets	6,675	6,915
Non-current assets	8,196	7,467
Trade and other receivables	7,900	6,224
Accrued revenue	18,983	10,328
Taxes receivable	1,525	2,553
Cash and cash equivalents	519,137	14,039
Current assets	547,545	33,144
Total Assets	555,741	40,611
Lease liabilities	2,152	1,672
Trade and other payables	11,531	2,207
Income tax payables	417	3,550
Deferred revenue	5,888	7,381
Short-term debt	17	27
Current liabilities	20,005	14,837
Portion of long-term debt	-	27
Flexible spending account	8,415	2,335
Deferred income taxes	479	492
Lease liabilities	4,586	5,129
Non-current liabilities	13,480	7,983
Total Liabilities	33,485	22,820
Net Assets	522,256	17,791

Balance Sheet – Share capital and reserves

US\$'000	Unaudited as at 30 June 2021	Audited year ended 31 December 2020
Share capital*	939,863	474,447
Preference shares	71	-
Share premium account	385,064	-
Share based payment reserve	1,652	331
Merger reserve	(811,660)	(472,566)
Currency translation reserve	(11,035)	-
Retained earnings	18,301	15,579
Total Equity	522,256	17,791

* Restated 31 December 2020 share capital as if the merger happened before this date to give comparative figures

H1 2021 - Cash Flow Statement

Statement of cashflows

US\$'000	Unaudited as at 30 June 2021	Audited year ended 31 December 2020
Cash generated from operating activities before tax	6,368	2,843
Income tax paid	(3,133)	(1,335)
Net cash generated from operating activities	3,235	1,508
Purchase of property, plant and equipment	(557)	(97)
Purchase of intangible asset	(541)	-
Net cash used in investing activities	(1,098)	(97)
Issuance of common shares	509,003	265
IPO share issuance costs	(23,061)	-
Exercise of options	4,064	-
Proceeds from IPO stabilisation	22,238	-
Decrease in bank indebtedness	(38)	104
Increase in long-term debt	-	56
Interest paid	(144)	-
Collection of notes receivable	428	-
Repayment of principal under lease liabilities	(951)	(292)
Net cash generated from financing activities	517,539	133
Net increase in cash and cash equivalent	513,676	1,544
Cash and cash equivalents at start of year	14,039	5,353
Effects of foreign exchange on cash and cash equivalents	(8,578)	1,128
Cash and cash equivalents at end of year	519,137	8,025

DISCLAIMER

Certain statements included herein may constitute forward-looking statements within the meaning of the securities laws of certain jurisdictions. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts. They include statements regarding Alphawave IP Group Plc’s (“Alphawave IP”) intentions, beliefs or current expectations concerning, amongst other things, its results in relation to operations, financial condition, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and Alphawave IP’s actual results of operations, financial condition, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Presentation. In addition, even if Alphawave IP’s results of operations, financial condition, or the development of the industry in which it operates are consistent with the forward-looking statements contained in this Presentation, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to customer demand, Alphawave IP’s innovation and R&D and technology capabilities, target market trends, industry trends, customer activities and end-market trends, market acceptance of Group technologies; increased competition; macroeconomic conditions; changes in laws, regulations or regulatory policies; and timing and success of strategic actions. These forward-looking statements speak only as of the date of this Presentation. As such, undue reliance should not be placed on forward-looking statements. Other than in accordance with legal and regulatory obligations, Alphawave IP undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.