



# Accelerating the Future of Connectivity

## Acquisition of OpenFive

March 14, 2022



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# Presenting Team

**John Lofton Holt**

Executive Chairman (London)



**Tony Pialis**

President & CEO (Toronto/London)



**Daniel Aharoni**

CFO (London)



# Accelerating connectivity leadership: Agenda for today's call

- 1 Alphawave Overview
- 2 Acquisition of OpenFive
- 3 Strategic Rationale, Capabilities and Deal Mechanics
- 4 Q&A



# Alphawave: The established global connectivity leader

## At a Glance



**Founded:** 2017 – Funded exclusively by founders  
**IPO:** 2021 – One of the largest semiconductor IPOs in history



**Global HQ:** London and Toronto



**Mission:** To be the world's leading provider of connectivity solutions for high-speed data transmission



**Key Products:** Connectivity solutions delivered as Silicon IP cores, full product IPs, chiplet IPs, and physical chiplets



**Business Model:** ARM-like technology licensing and royalties



**Global Presence:** Sales and support offices in North America, UK, Europe, and Asia Pacific



**Diverse Global Customer Base:** Over 25 design wins with Tier-One customers including numerous hyperscalers and five of the top eight global semiconductor companies

## Key Financial Metrics

**\$245m**

Bookings  
(2021A)

**>225%**

YoY Bookings  
Growth  
(2020-2021A)

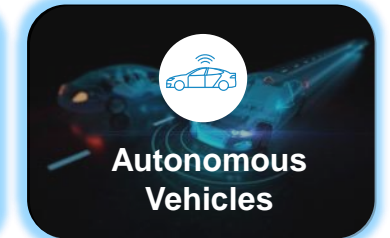
**95%**

Gross Margin  
(H1 2021A)

**50%**

Adj. EBITDA Margin  
(H1 2021A)

## Addressing High Growth End Markets



# Medium-Term Growth Strategies: at IPO



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



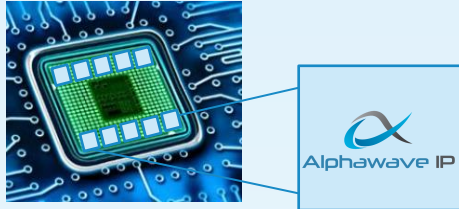
Expand subscription and royalty revenue streams



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

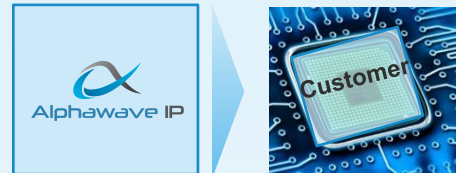
# Accelerating the future of connectivity

## Core IPs: Enabling customer *designs*



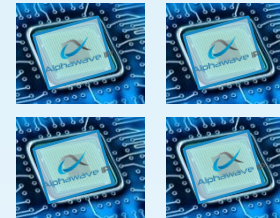
- Provides customers with IP blocks to integrate into their end products
- Customers integrate IP blocks in ASICs, SoCs and standard products

## Product IPs: Enabling customer *products*



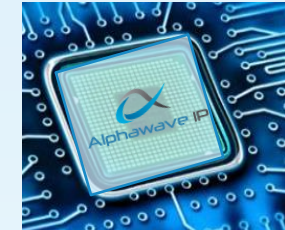
- Richer set of functionality that represents the majority of the complete product
- Customers fabricate, market, brand and sell the product themselves

## Chiplet IPs: Ready-to-manufacture *dies*



- Full-functionality connectivity chiplet die for customers to integrate into their System-On-Package (SOP) products
- Customers fabricate, market, brand and sell full SoP product

## Chiplet Devices: Fully delivered *chiplet silicon*



- Fully completed chiplet silicon
- Alphawave IP markets, brands and sells product, manufactures at 3rd party fab

**100% fully delivered chiplets**

**Chiplet IP**    **100% of solution, but still manufactured and integrated by customer**

**Product IP**    **Up to ~70% of total customer solution**  
**Illustrative deal size: c. \$15M+**

**Core IP**    **Up to ~15% of total customer solution**  
**Illustrative deal size: c. \$5M+**

# AWE acquiring OpenFive to *accelerate leadership*



## High-Speed Connectivity Leader

World leader in the most advanced IP connectivity solutions

Established global customer base with the most advanced customers in the world

Servicing rapidly accelerating demand in most advanced technologies



## SoC Connectivity & Design Leader

One of the largest global independent providers of SoC IP and design capability

300+ person proven team delivering to sophisticated global customers

Experienced in developing in the most advanced SoC technology from 7nm → 4nm



## Connectivity Solutions Leader

Leading semiconductor company **focused exclusively on connectivity solutions**

**Global presence and scale to service the total customer need for connectivity**

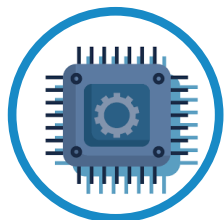
**Full capability to deliver IP and custom silicon solutions to the most demanding global hyperscalers and semiconductor companies**



# Strategic rationale: Three pillars of acceleration



Integrates OpenFive's **advanced SoC IP portfolio** into Alphawave  
Nearly **doubles total IP products** available to customers from 80 → 155 products  
**Accelerates** bundling opportunities for Alphawave customers





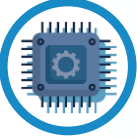
Adds a **custom-silicon team with two decades of experience**  
**Adds 300+ heads** in India and Silicon Valley  
**Accelerates** silicon strategy to complement IP business



Nearly **quadruples Alphawave customer base** from 20 to >75  
**Adds an additional hyperscaler** customer to Alphawave customer base  
**Accelerates** “land & expand” strategy with key customers

Transaction is **EPS accretive immediately upon closing** with further opportunities through synergies

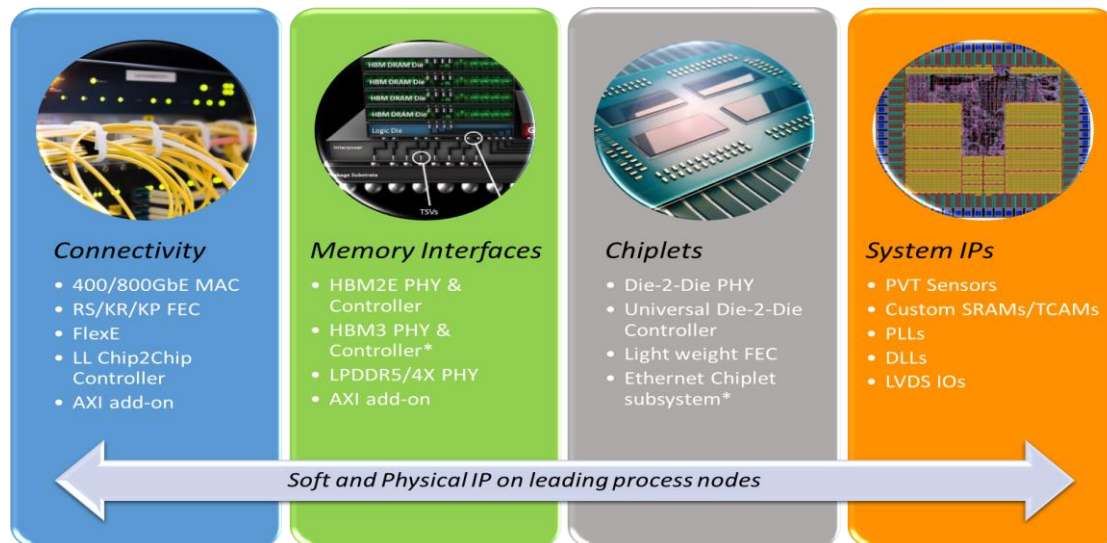
# Key numbers at a glance

	Plan / Guidance at IPO	Anticipated Combined Results
	2023 Revenue: \$210-240M 2024 Revenue: Not stated	\$325m to \$360m \$500m run rate
	2023 Adj. EBITDA Margin: 50%+ 2025 Adj. EBITDA Margin: Not stated	32% to 36% 40% to 45%
	Products: >80 by end 2021 Design Wins: Chiplets wins in 2022 7nm, 6nm, 5nm	>155 by end 2021 Early <b>chiplets shipping</b> in 2022 7nm, 6nm, 5nm, <b>4nm, 3nm</b>
	Customers: 14 customers globally	<b>75 customers</b> including a <b>new US hyperscaler</b> – Expanded platform to continue “land and expand” success

Alphawave is delivering on the strategy at the IPO  
 Targeting >10x revenue growth 2020-2023 post-acquisition

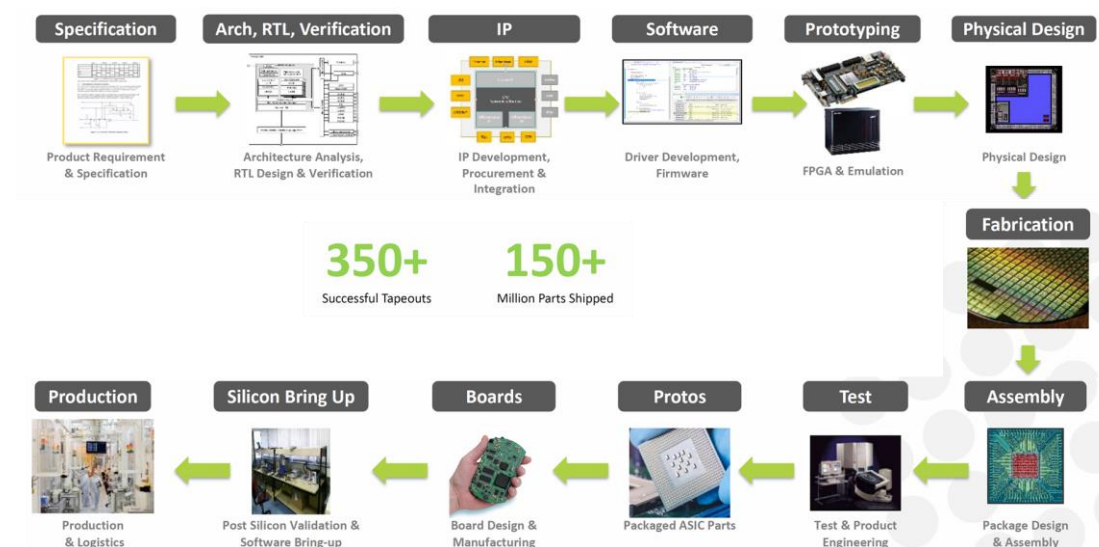
# OpenFive: Multi-decade SoC IP & Custom-Silicon Success

## Industry-Leading SOC IP Portfolio



- >70 SoC IP licensing customers (>100 total licenses)
- Over 75 total IP cores in the library
- Experience in bleeding edge processes since 2003
- TSMC Aggregator partner with experience beyond 4nm

## Silicon Team Experienced in Advanced Technologies



- Total lifetime customer base: 283 customers
- Customers with proven silicon: 217 customers
- Currently delivering to North American hyperscalers and semiconductor leaders in the most advanced technology
- 300+ person R&D team: India (mostly) & Silicon Valley

# Key Deal Terms and Timeline

## Deal Structure

### Financial

- US\$210m Cash
- Subject to customary closing conditions
- Subject to working capital adjustments
- Includes license-back of RISC-V processor IP for use by Alphawave

### People

- Key OpenFive leadership retained with multi-year agreements and incentives
- 300+ person R&D team primarily in India (but also Silicon Valley) retained with incentives

## Closing Timeline & Dependencies

### Timelines

- SiFive Shareholder approval: Not required
- AWE Shareholder approval: Not required
- Closing expected: Late 3Q / early 4Q 2022

### Closing Dependencies

- Regulatory approval
- Satisfaction of closing conditions

# Long-term outlook – Accelerating AWE connectivity leadership

## Long Term Outlook and Priorities



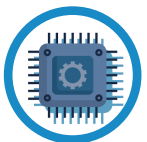
**Accelerate top line growth** faster than expected 2024 and beyond with revenue run rate >\$500m in 2024

**Focus on top line growth** as number one priority, while sustaining strong profitability



**Maintain and extend technology leadership** in all areas of connectivity – Electrical & optical, IP and Silicon

**Expand foundry relationships** with all of the “Big Three”: TSMC, SAMSUNG and Intel



**Rapidly expand IP product offerings** with additional adjacent SoC IPs

Enhance product offerings with **customised chiplet, silicon, and hybrid electro-optic connectivity solutions**

**Accelerating leadership in connectivity**  
**with IP and custom silicon solutions for the world’s most sophisticated customers**



# Moderated Q&A

