Accelerating the Future of Connectivity

Acquisition of OpenFive

March 14, 2022
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Presenting Team

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# Strategic Rationale, Capabilities and Deal Mechanics

## 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

- **Bookings (2021A):** $245m
- **YoY Bookings Growth (2020-2021A):** >225%
- **Gross Margin (H1 2021A):** 95%
- **Adj. EBITDA Margin (H1 2021A):** 50%

Addressing High Growth End Markets

- Data Centre
- Compute
- Network
- Computing
- Artificial Intelligence
- Autonomous Vehicles
- Solid State Storage
- 5G Wireless
- 5G
- Autonomous Vehicles
- Data Centre
- Compute
- Network
- Computing
- Artificial Intelligence
- Autonomous Vehicles
- Solid State Storage
- 5G Wireless
- 5G
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

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+

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

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