FY 2022 Results

19 May 2023
Forward-Looking Statement

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.
Agenda

Introduction
Business Highlights
Financial Review and Outlook
QA Session
Introduction

John Lofton Holt, Founder and Executive Chair
Focused on Delivering Results Since IPO…

End Customers

Cumulative Bookings

Revenue

Employees

Adjusted EBITDA

Pre-tax Operating Cash Flow

1. Revenue generating customers.
2. FY 2017 and FY 2018 as per IPO prospectus.

Excluding US$28m deferred compensation payments related to acquisitions.
Leading Connectivity Technology for Digital Infrastructure

Vertically Integrated - Monetising our IP Through IP Licence and Silicon

IP Licence Business

Vertically Integrated – IP Licence and Silicon

US$300m multi-year agreement with leading North American hyperscaler

Connectivity Products

Custom Silicon

Chiplets (IP and Fully-delivered products)

Royalties

Core and Product IP Licensing

Illustrative Revenue Mix

IP Licensing & Royalties

Pre-IPO

Capital Deployment

Consolidation

Ramp and Scale

2017

2021

2022

2023

2024

2025

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Business Update

Tony Pialis, Founder and CEO
Q1 2023 Bookings – Our First “Triple Digit” Bookings Quarter

Bookings (US$m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Bookings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2022</td>
<td>25</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>28</td>
</tr>
<tr>
<td>Q3 2022</td>
<td>80</td>
</tr>
<tr>
<td>Q4 2022</td>
<td>95</td>
</tr>
<tr>
<td>Q1 2023</td>
<td>103</td>
</tr>
</tbody>
</table>

Split by Business (US$m)

Q1 2022

- Licence and NRE
  - 6, 24%
- Royalties and Silicon
  - 19, 76%

Q1 2023

- Licence and NRE
  - 36, 35%
- Royalties and Silicon
  - 67, 65%

US$103m bookings in Q1 2023

- Licence & NRE – 7 design wins
  - Main contribution from EMEA and APAC customers
  - First 3nm design win with a top North American hyperscaler
  - Design win with a leading APAC customer for our leading Gen6 PCIe SerDes and Controller IP

- Royalties & Silicon – 1 design win
  - Mainly driven by orders from Chinese and North American customers

1 By market capitalisation as of 19.04.23
## FY 2022 Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2022</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Backlog</strong></td>
<td>US$365m</td>
<td>US$169m</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>US$185m</td>
<td>US$90m</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>US$47m</td>
<td>US$52m</td>
</tr>
<tr>
<td><strong>Design Wins</strong></td>
<td>28</td>
<td>14</td>
</tr>
<tr>
<td><strong>End-Customers</strong></td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>695</td>
<td>149</td>
</tr>
</tbody>
</table>

1 Backlog excluding royalties
Servicing Our Customers’ Connectivity Requirements

Excellent Progress in FY 2022

**Investing in R&D**
- 695 employees globally (FY 2021: 149)
- Leveraging a greater pool of talent focused on the hardest-to-solve connectivity requirements
- Central R&D team develops reusable and configurable IP platforms

**Technology Leadership**
- At the bleeding edge of technology from 7nm to 3nm
- Silicon tapeouts for next generation 224G, PCI-Express Gen6, HBM3 and UCIe interface IP in both 5nm and 4nm processes
- Full range of both electrical and optical connectivity products
- At the forefront of chiplet design

**Expanded Customer Base**
- 80 end-customers vs 20 in FY 2021
- 28 design wins of which approximately 2/3 were new customers
- Customers included seven of the top ten global semi companies
- Growing pipeline of opportunities with North American customers
Adding Value to Customers - Land & Expand

Servicing More Connectivity Requirements

- Technology refresh/upgrade provide an opportunity to work with new customers
- Once technology is qualified and deployed is easier for customers to increase adoption
- Close R&D collaboration with customers drives product development
- Hyperscaler multi-year agreement provides unique platform to develop new products and scale the business

Number of Revenue Generating End Customers¹

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td></td>
<td>80</td>
</tr>
</tbody>
</table>

¹ New Area
2 customers in development phase
Addressing a Growing Market With Leading Edge Capabilities

### High-Speed Connectivity IP
- 224Gbps, 112Gbps, chiplets
- #1 TSMC OIP partner 2020-2022
- 2022 Samsung Best Collaboration Award

### Advanced Silicon
- First in 7nm, 6nm, 5nm, 4nm and 3nm

### Chiplet – Package Design
- Deep expertise in chiplet packages design
- 2.5D and 3D package designs in production

### Opto-Electronics
- PAM4, Coherent DSPs, and silicon photonics for 1.6T Ethernet
- 224Gbps photonics in silicon

#### US$B

<table>
<thead>
<tr>
<th>2023</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>1.4</td>
</tr>
<tr>
<td>10.1</td>
<td>17.6</td>
</tr>
<tr>
<td>7.6</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>11.9</td>
</tr>
</tbody>
</table>

**Custom Silicon 16% CAGR**

**Opto-Electronics 36% CAGR**

**High Performance IP 24% CAGR**

20% CAGR

Semico Research Corporation, December 2022, IPNest and LightCounting

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Connectivity IP Is the DNA of Our Business

Leveraging R&D Across the Business

• IP products at 7nm-3nm addressing a wide range of digital communication channels
• Growing IP portfolio inside the data center
• Next generation 200Gbs+ DSP Transceiver platform and associated products
• Enabling higher value Custom Silicon opportunities
  • Enabling a wide variety of chiplet applications with our full portfolio of Transceiver and D2D IP
• Provide customised IP variants for our Connectivity Products

1 Die-to-Die

25 tape-outs in 2022
10 tape-outs in 2021
Custom Silicon – Well Positioned to Grow

• Carrying business from OpenFive dominating business mix
• Focus on high-growth markets and high value opportunities
• Leverage IP portfolio to create differentiation
  • Validation, verification, and IP qualification represent ~30% of total cost of design
  • Pre-built IP-subsystems to lower costs and a faster time to market
• Investing in pre-built chiplets
  • “Plug and play” approach will contribute to wider adoption of chiplet architecture
  • Enabling customer differentiation, improved performance and higher ROI
• Drive larger NREs and long-tail of revenue streams

FY 2022 Results, 19 May 2023
**Connectivity Products – All Expertise And IP Required**

**Full Range of PAM4 and Coherent DSPs**

- Electrical cables are used within the rack
- Optical cables distribute data across a data center

- Servicing the full range of connectivity requirements inside data centers
- All the IP and expertise required to win
- Good progress on product roadmap development for hyperscaler
  - Full silicon specification is available – finalising testing before going into mask production
  - Engaged with module makers who assemble the full solution
- On track to generate first revenue in 2024
Greater Scale of Vertically Integrated Model

Monetise IP Through Licences and Silicon

- Strong bookings and revenue growth in 2022
- Invested in R&D, both organically and acquisitions, to support our pipeline and future revenue growth
- Excellent strategic progress in 2022. Capital deployed enabling our vision for Alphawave Semi
- High-growth expanded addressable market accessible by vertically integrated business
- Servicing our customers with a wider offering of connectivity silicon IP, custom silicon and opto-electronic products focused on data centers and wireless infrastructure
- 2023 and medium-term outlook for the business remains unchanged
Financial Overview
FY 2022 Highlights

Backlog
- US$365m
  - FY 2021: US$169m

Bookings
- US$228m
  - FY 2021: US$245m
    - US$97m excluding multi-year subscription contracts

Revenue
- US$185m
  - FY 2021: US$90m

Adjusted EBITDA
- US$47m
  - FY 2021: US$52m

Pre-Tax Operating Cash Flow
- US$7.8m
  - FY 2021: US$26.5m
    - US$36.0m exc. def. compensation

Cash and Cash Equivalents
- US$186m
  - FY 2021: US$501m

1 Backlog excluding royalties
2 Approximately US$28.2m of deferred compensation payments related to acquisitions which are expected to be settled over time until August 2026.
FY 2022 Bookings Excluding Multi-Year Contracts up 135%

Increased Contribution From North American Customers

Bookings (US$m)

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bookings (US$m)</td>
<td>27</td>
<td>75</td>
<td>97</td>
<td>228</td>
</tr>
<tr>
<td>Multi-year IP contracts</td>
<td>6</td>
<td>19</td>
<td>35</td>
<td>27</td>
</tr>
</tbody>
</table>

Increased Contribution From North American Customers

Split by Business

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence and NRE</td>
<td>$221m</td>
<td>$228m</td>
</tr>
<tr>
<td>Royalties and Silicon</td>
<td>$73m</td>
<td>$131m</td>
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</tbody>
</table>

Split by Region

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>APAC</td>
<td>29%</td>
<td>9%</td>
</tr>
<tr>
<td>China</td>
<td>64%</td>
<td>39%</td>
</tr>
<tr>
<td>North America</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>EMEA</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Due to rounding, numbers presented in the charts may not add up to the totals provided.
FY 2022 Revenue Doubled Year-on-Year

Organic Revenue Growth 33% - Revenue Outside of China US$81m up 72% Year-on-Year

Due to rounding, numbers presented in the charts may not add up to the totals provided.

Licence & NRE
• Growth driven by multi-year contracts as well as increased revenue in APAC and EMEA

Royalties & Silicon
• Over ¾ from Chinese customers related to pre-existing custom designs in production

North America +36% YoY
APAC +84% YoY
First-time revenue in EMEA
Backlog US$365m

Large Diverse Backlog Drives Stability and Predictability With 18+ Months of Visibility

Backlog exc. Royalties US$m  37.3  168.6  364.5¹

Revenue
- Bookings - Licence and NRE Multi-year subscription
- Bookings - Royalties and silicon
- Bookings - Licence and NRE

¹ Including backlog from OpenFive and Precise-ITC of over US$100m

Source: Company information. FY 19 data is unaudited and has been calculated based on audited IFRS financial information for the 12 months to May 31, 2019, and the 7 months to December 31, 2019.
Investing In Future Revenue Growth

Operating Expenses Reflect Increased Headcount

- Increased headcount from 149 to 695
  - 376 employees from the acquired businesses
- US$7.2m R&D expenses capitalised
- R&D - increased headcount and some additional IT/SW tooling required
  - US$5.5m amortisation of acquired intangibles
- G&A – building finance, legal and HR functions
  - Includes an expected credit loss of US$2.2m
- Other expenses/(income) in 2022 include a US$37m exchange gain

Due to rounding, numbers presented in the chart may not add up to the totals provided.
Adjusted EBITDA Margin Reflects Business Expansion

- Increased EBITDA in 2022 including US$37m exchange gain and higher M&A-related and SBP expenses
- Adjusted EBITDA 10% below FY 2021
- Adjusted EBITDA margin of 25% reflects:
  - Higher revenue at lower gross margin driven by different business mix – IP + Silicon
  - Investment in capabilities to support our pipeline of opportunities
- Adjusted diluted EPS of US$0.98
  - Lower profit before tax and higher effective tax rate
  - Higher share count
FY 2022 Cash Flow Bridge

US$m

501.0

208.8

49.3

(15.0)

(19.9)

(15.5)

(410.4)

(28.2)

(9.1)

(74.8)

186.2

Due to rounding, numbers presented in the chart may not add up to the totals provided.
### Outlook Unchanged

<table>
<thead>
<tr>
<th>US$</th>
<th>2022 Act</th>
<th>2023(^1)</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$185m</td>
<td>$340-360m</td>
<td>$500m</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>67%</td>
<td>c.60%</td>
<td></td>
</tr>
<tr>
<td><strong>Opex %</strong></td>
<td>47%</td>
<td>c.30%</td>
<td></td>
</tr>
<tr>
<td><strong>R&amp;D %</strong></td>
<td>37%</td>
<td>Below 20%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBITDA(^1)</strong></td>
<td>$47m</td>
<td>Approx. $87m</td>
<td>Approx. $150m</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA %</strong></td>
<td>25%</td>
<td>c. 25%</td>
<td>c.30%</td>
</tr>
<tr>
<td><strong>Capex(^2)</strong></td>
<td>8%</td>
<td>c. 12%</td>
<td>c. 10%</td>
</tr>
</tbody>
</table>

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**FY 2022**

- Capitalised R&D of US$7.2m or 4% of revenue

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1 2023 assumes mid-point of the guidance range and 25% adjusted EBITDA margin; 2025 assumes US$500m revenue and 30% adjusted EBITDA margin
2 Capex as a percentage of revenue. 2023 and 2025 exclude capitalised R&D
## Non-GAAP Metrics


<table>
<thead>
<tr>
<th>Backlog (end of the prior year)</th>
<th>Year ended 31 December 2022 US$m</th>
<th>Year ended 31 December 2021 US$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add: New bookings excluding IPR royalties</td>
<td>213.0</td>
<td>220.8</td>
</tr>
<tr>
<td>Add: Backlog acquired with OpenFive and Precise-ITC</td>
<td>168.3</td>
<td>–</td>
</tr>
<tr>
<td>Less: Revenues recognised in the period</td>
<td>(185.4)</td>
<td>(89.4)</td>
</tr>
<tr>
<td>Backlog (end of the year)</td>
<td>364.5</td>
<td>168.6</td>
</tr>
</tbody>
</table>

### Operating profit to EBITDA reconciliation

<table>
<thead>
<tr>
<th>Year ended 31 December 2022 US$'000</th>
<th>Year ended 31 December 2021 US$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>37,627</td>
</tr>
<tr>
<td>Add backs:</td>
<td></td>
</tr>
<tr>
<td>Depreciation of tangible fixed assets and right-of-use assets</td>
<td>5,508</td>
</tr>
<tr>
<td>Amortisation</td>
<td>6,159</td>
</tr>
<tr>
<td>EBITDA</td>
<td>49,294</td>
</tr>
</tbody>
</table>

### EBITDA to adjusted EBITDA reconciliation

<table>
<thead>
<tr>
<th>Year ended 31 December 2022 US$'000</th>
<th>Year ended 31 December 2021 US$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>49,294</td>
</tr>
<tr>
<td>Add backs:</td>
<td></td>
</tr>
<tr>
<td>Non-recurring Initial Public Offering costs</td>
<td>–</td>
</tr>
<tr>
<td>M&amp;A-related costs</td>
<td>16,973</td>
</tr>
<tr>
<td>Share-based payment</td>
<td>15,695</td>
</tr>
<tr>
<td>Exchange gain</td>
<td>(36,838)</td>
</tr>
<tr>
<td>Retention payments</td>
<td>1,703</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>46,827</td>
</tr>
</tbody>
</table>