



FY 2022 Preliminary Results

28 April 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.



On The Call Today



Jan Frykhammar, Senior Independent Director and Audit Committee Chair



John Lofton Holt, Founder and Executive Chair



Tony Pialis, Founder and Chief Executive Officer



Daniel Aharoni, Chief Financial Officer



Agenda

Introduction	John Lofton Holt, Founder and Executive Chair
Business Highlights	Tony Pialis, Founder and CEO
Financial Review and Outlook	Daniel Aharoni, Chief Financial Officer
QA Session	





Introduction

John Lofton Holt, Founder and Executive Chair

Audit Process Update

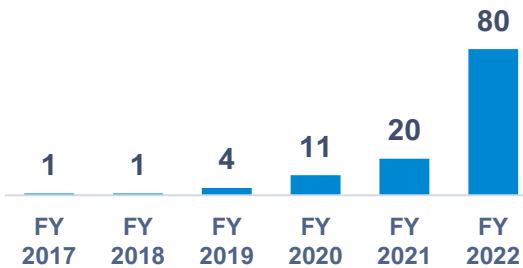
- The Company does not expect any changes to the preliminary results
- KPMG has requested more time to complete its internal oversight and assurance processes before issuing its formal audit opinion
 - Additional procedures required in connection with the first-time audit of the Company as an enlarged group following three transformational acquisitions over the past year
- Publication of the audited results is now anticipated to be on or before May 12
- The Company will request for the listing of its shares to be suspended from trading for a brief period from 7.30am on 2 May 2023 until the publication of its audited FY 2022 results



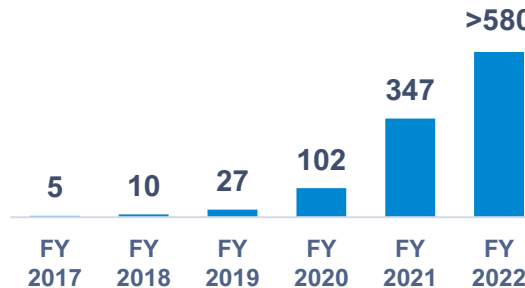
Focused on Delivering Results Since IPO...



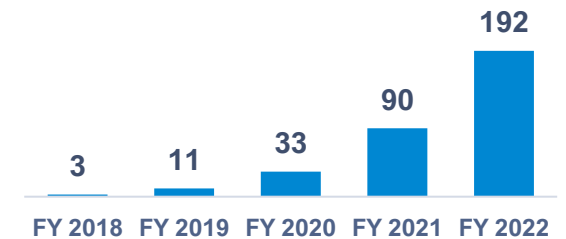
End Customers^{1,2}



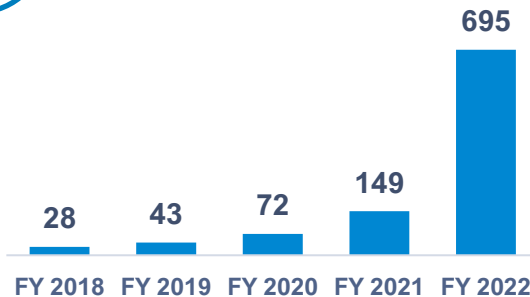
Cumulative Bookings² (US\$m)



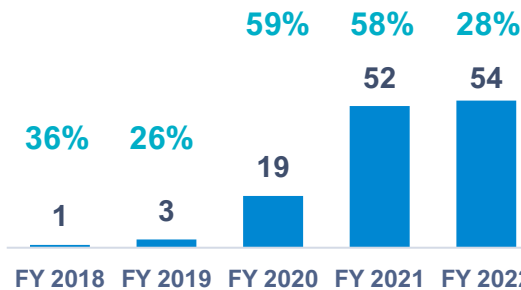
Revenue (US\$m)²



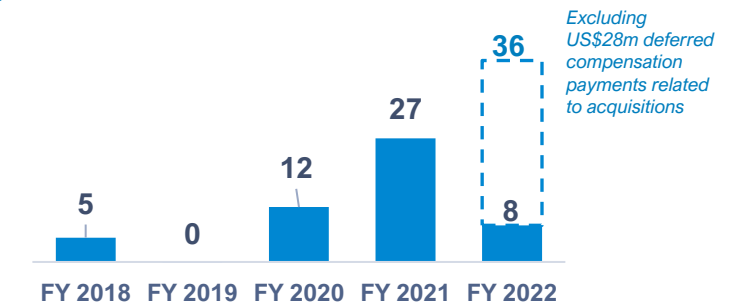
Employees²



Adjusted EBITDA² (US\$m) & Margin



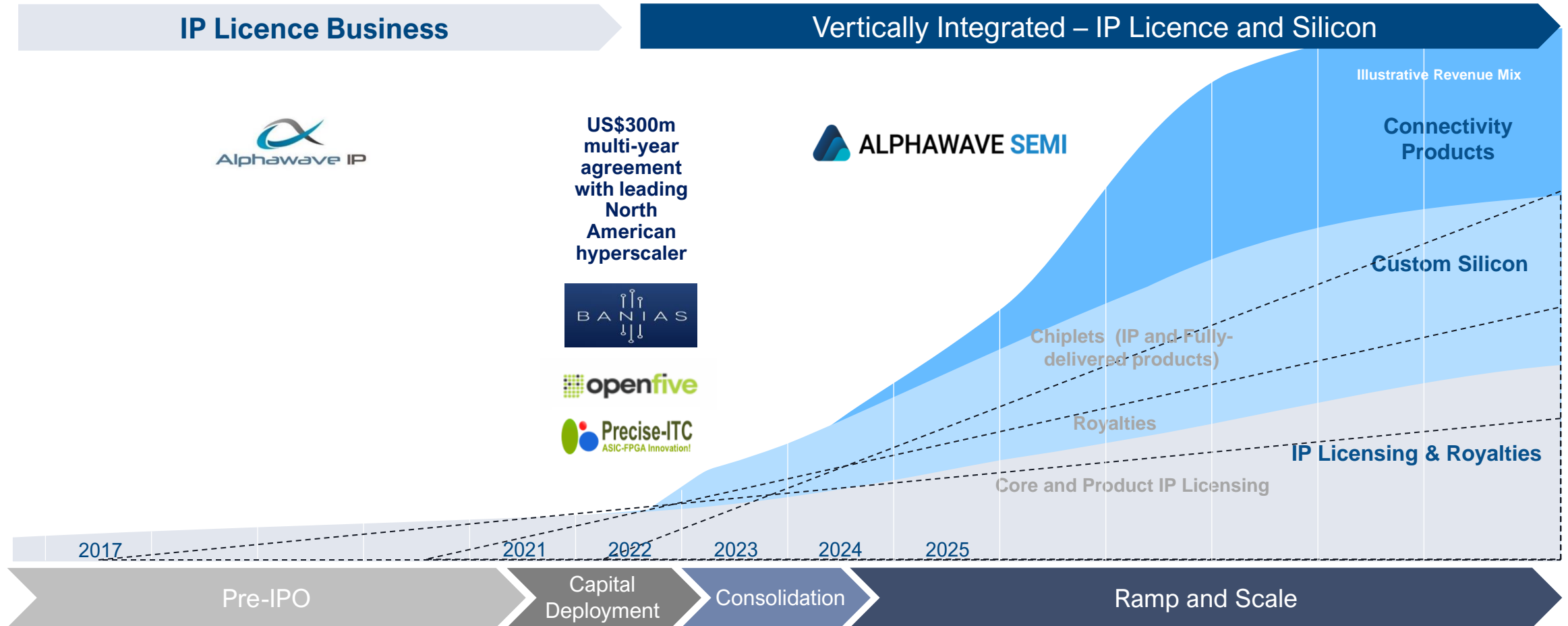
Pre-tax Operating Cash Flow² (US\$m)



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

Leading Connectivity Technology for Digital Infrastructure

Vertically Integrated - Monetising our IP Through IP Licence and Silicon





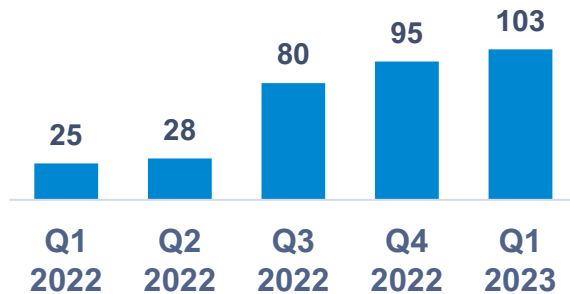
Business Update

Tony Pialis, Founder and CEO

Q1 2023 Bookings – Our First “Triple Digit” Bookings Quarter



Bookings (US\$m)

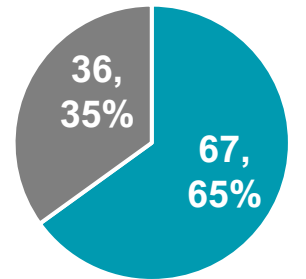


- 8 new design wins in Q1 2023
- Working with more than half of the top 20 semiconductor device companies¹



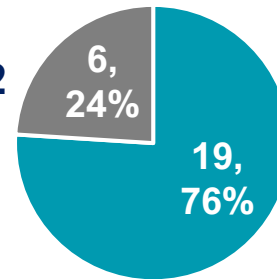
Split by Business (US\$m)

Q1 2023



■ Licence and NRE
■ Royalties and Silicon

Q1 2022



■ Licence and NRE
■ Royalties and Silicon

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

Backlog¹

US\$366m

FY 2021: US\$169m

Revenue

US\$192m

FY 2021: US\$90m

Adjusted EBITDA

US\$54m

FY 2021: US\$52m

Design Wins

28

FY 2021: 14

End-Customers

80

FY 2021: 20

Employees

695

FY 2021: 149



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



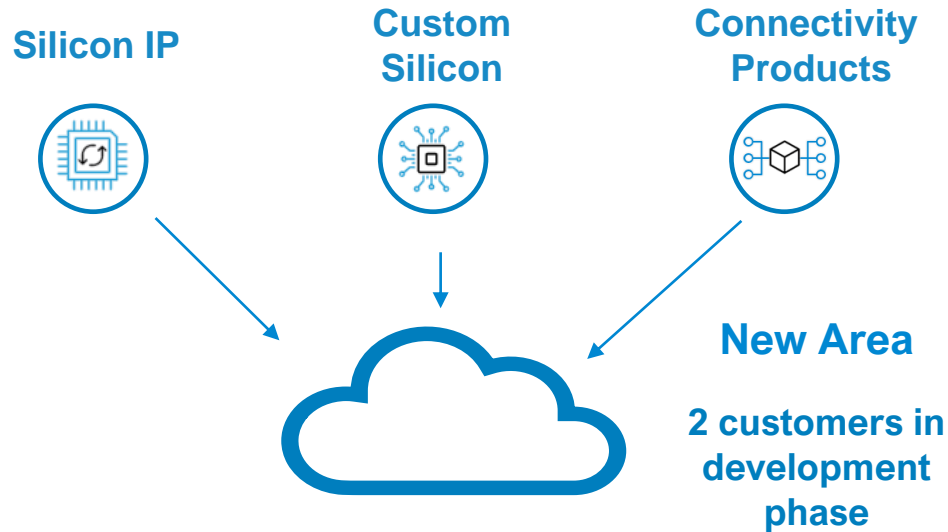
Expanded Customer Base

- 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



Number of Revenue
Generating End Customers¹

20

80

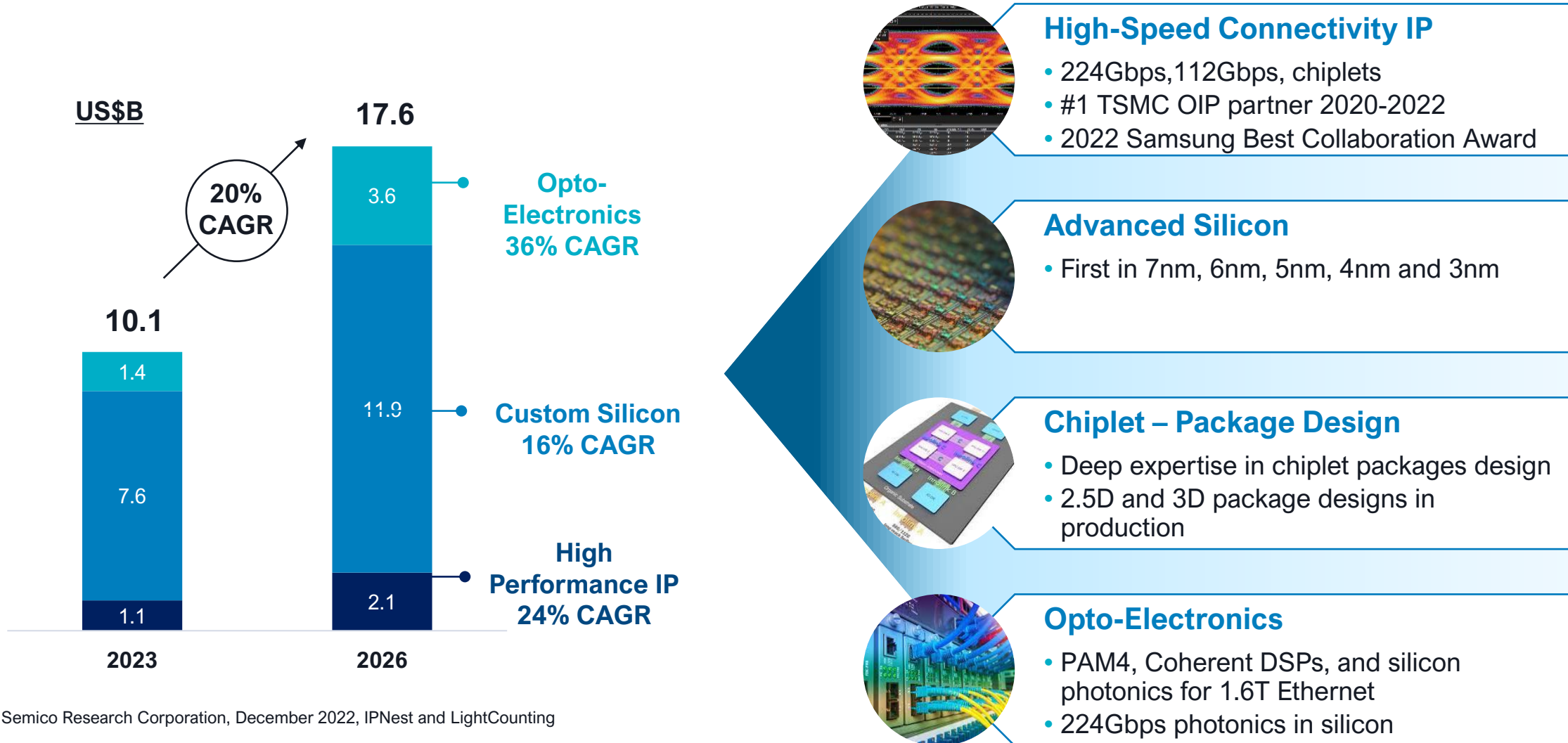
FY 2021

FY 2022

- 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



Addressing a Growing Market With Leading Edge Capabilities



Semico Research Corporation, December 2022, IPNest and LightCounting



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 D2D¹ IP
- Provide customised IP variants for our Connectivity Products

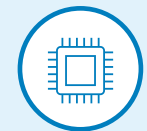


Custom Silicon – Well Positioned to Grow

- 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



6 chiplet
engagements
in 2022

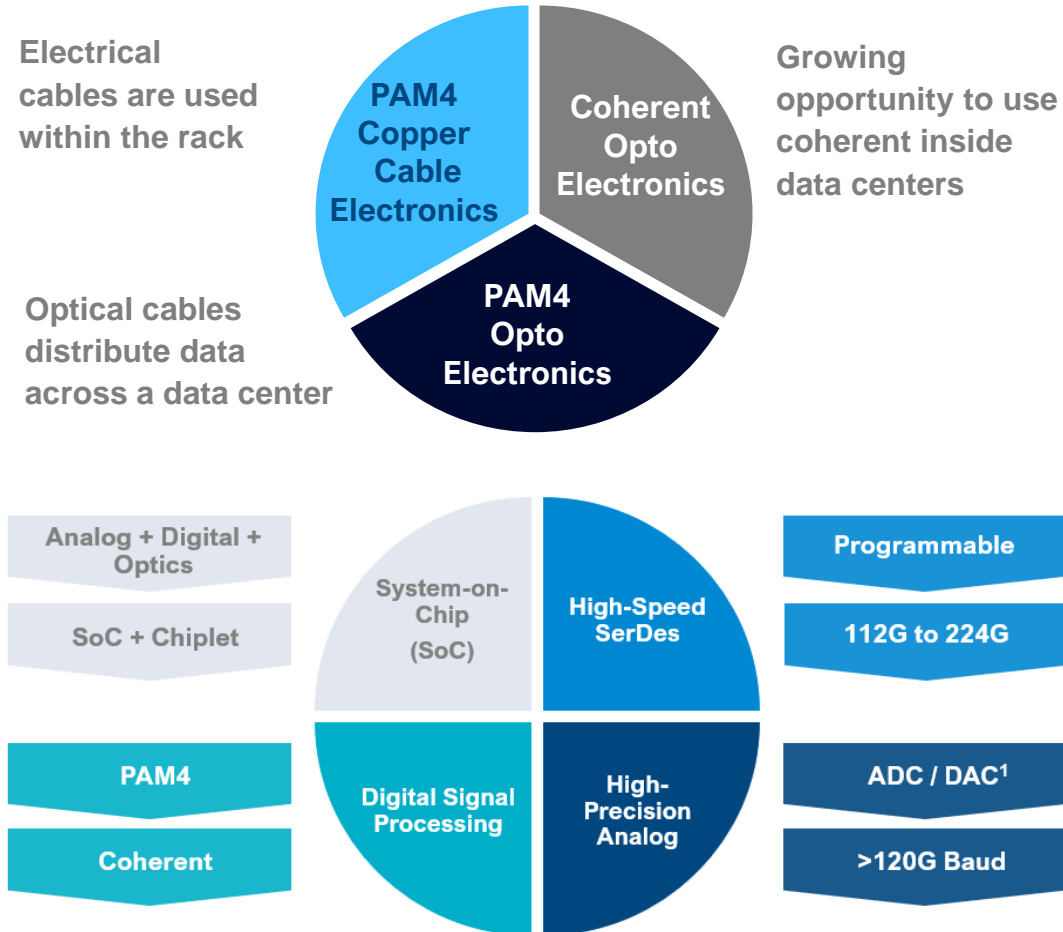


20 tape-outs in
2022



Connectivity Products – All Expertise And IP Required

Full Range of PAM4 and Coherent DSPs



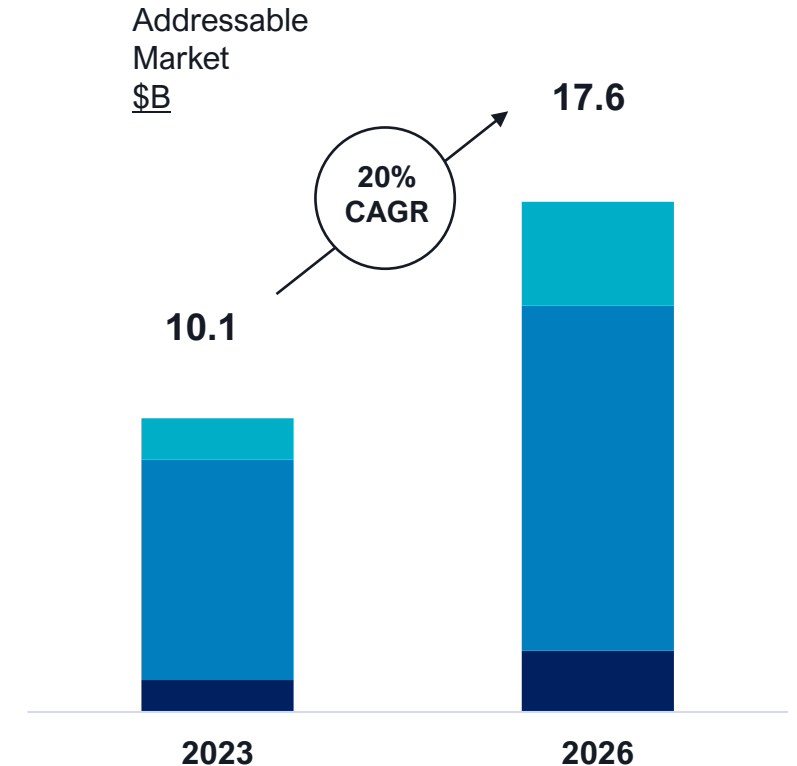
- Servicing the full range of connectivity requirements inside data centers
- All the IP and expertise required to win
- Good progress on product roadmap development for hyperscaler
 - Full silicon specification is available – finalising testing before going into mask production
 - Engaged with module 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

Daniel Aharoni, Chief Financial Officer

FY 2022 Highlights

Backlog¹

US\$366m

FY 2021: US\$169m

Bookings

US\$228m

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

Revenue

US\$192m

FY 2021: US\$90m

Adjusted EBITDA

US\$54m

FY 2021: US\$52m

Pre-Tax Operating
Cash Flow

US\$7.8m

US\$36.0m exc. def. compensation²

FY 2021: US\$26.5m

Cash and Cash
Equivalents

US\$186m

FY 2021: US\$501m



¹ Backlog excluding royalties

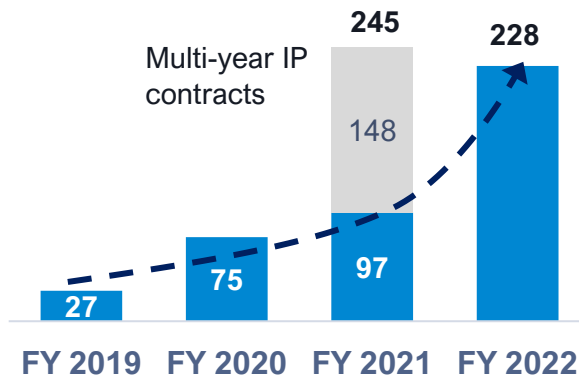
² Approximately US\$28.2m of deferred compensation payments related to acquisitions which are expected to be settled over time until August 2026.

FY 2022 Bookings Excluding Multi-Year Contracts up 135%

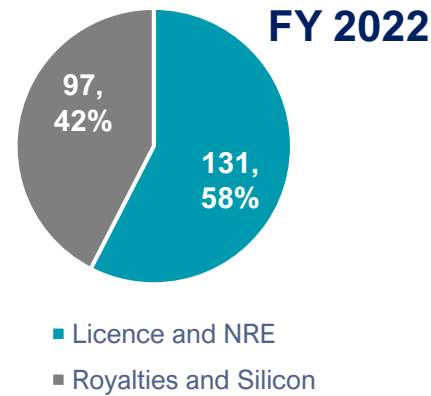
Increased Contribution From North American Customers



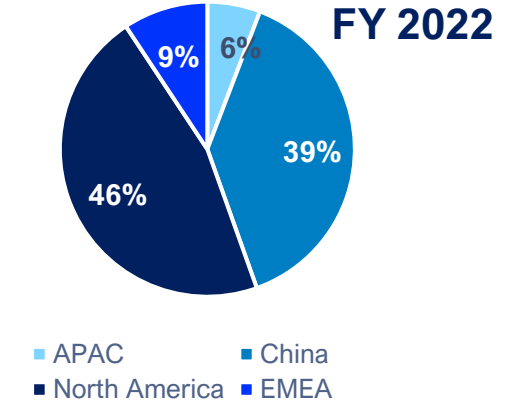
Bookings (US\$m)



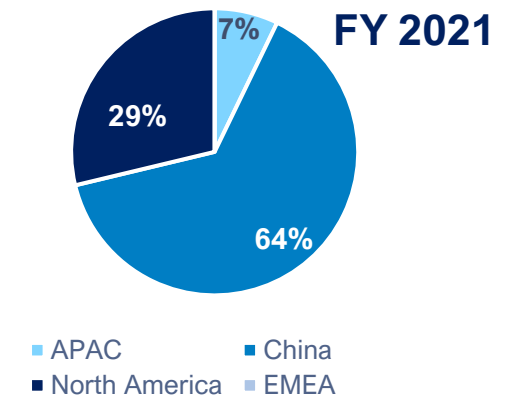
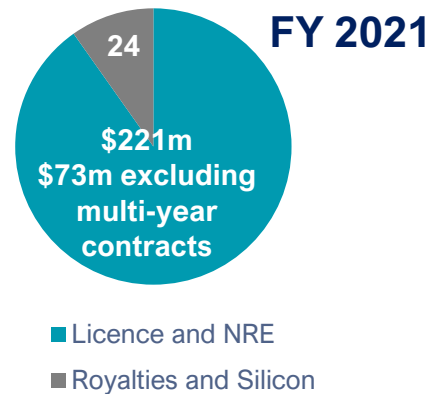
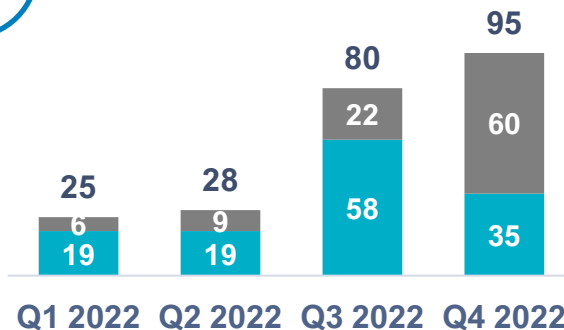
Split by Business



Split by Region



By Quarter (US\$m)

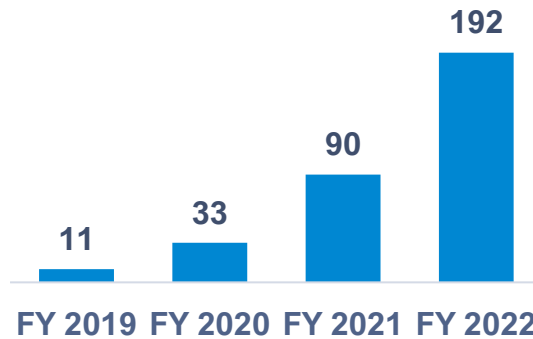


FY 2022 Revenue Doubled Year-on-Year

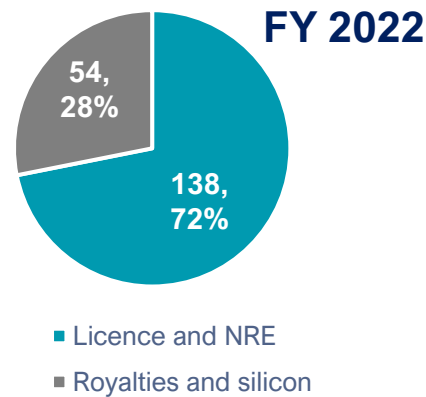
Organic Revenue Growth 33% - Revenue Outside of China US\$81m up 74% Year-on-Year



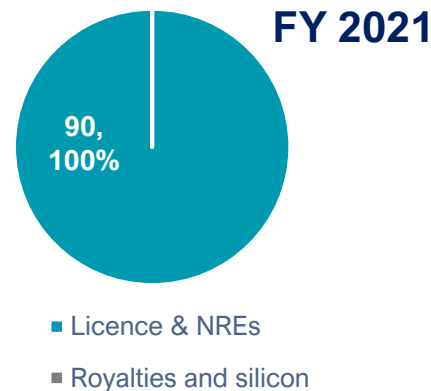
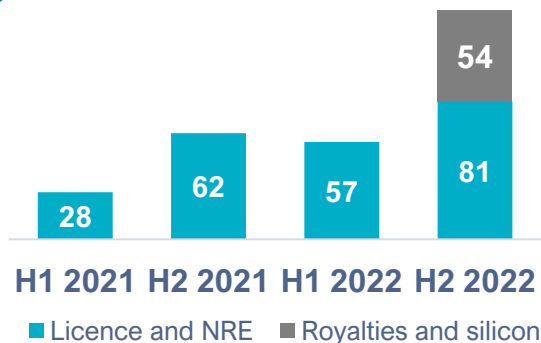
Revenue (US\$m)



Revenue (US\$m)



H1/H2 Split by Business (US\$m)



Licence & NRE

- Growth driven by multi-year contracts as well as increased revenue in APAC and EMEA

Royalties & Silicon

- Over $\frac{3}{4}$ from Chinese customers related to pre-existing custom designs in production

North America +38% YoY

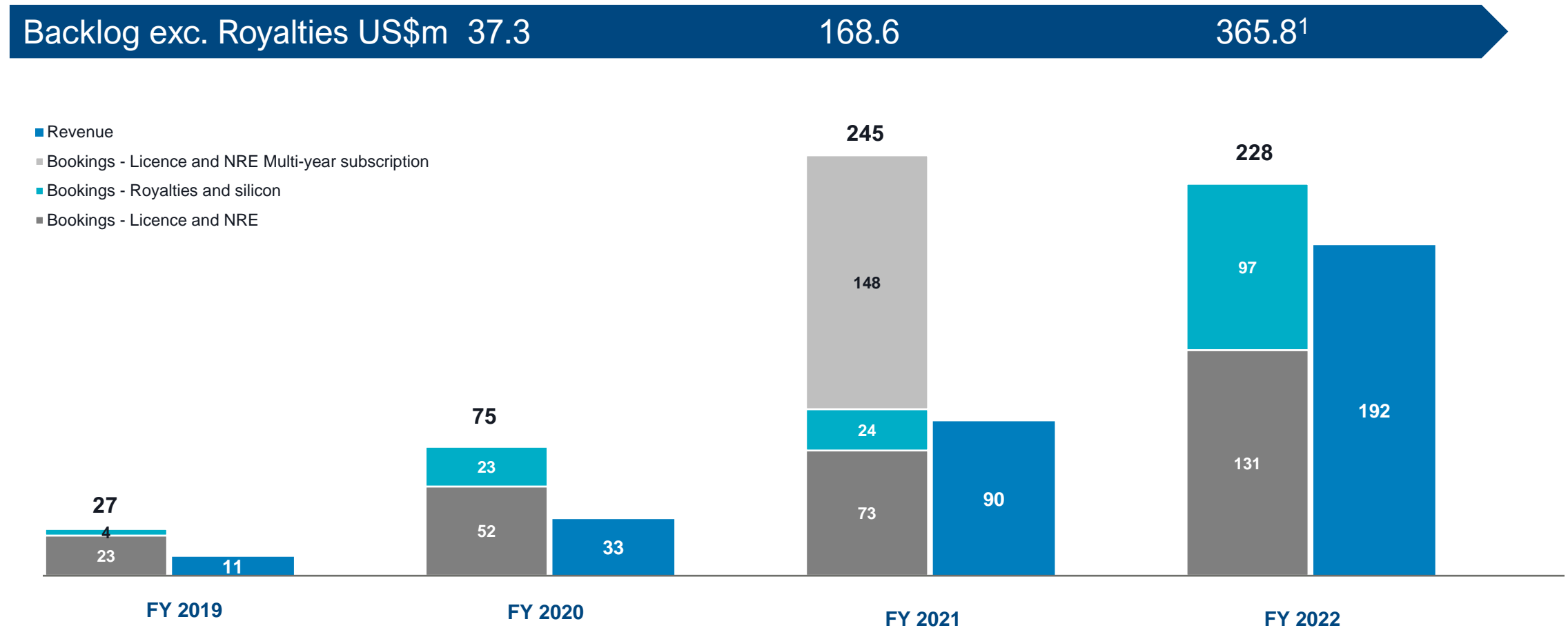
APAC +84% YoY

First-time revenue in EMEA



Backlog US\$366m

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



¹ Including backlog from OpenFive and Precise-ITC of approximately US\$116m

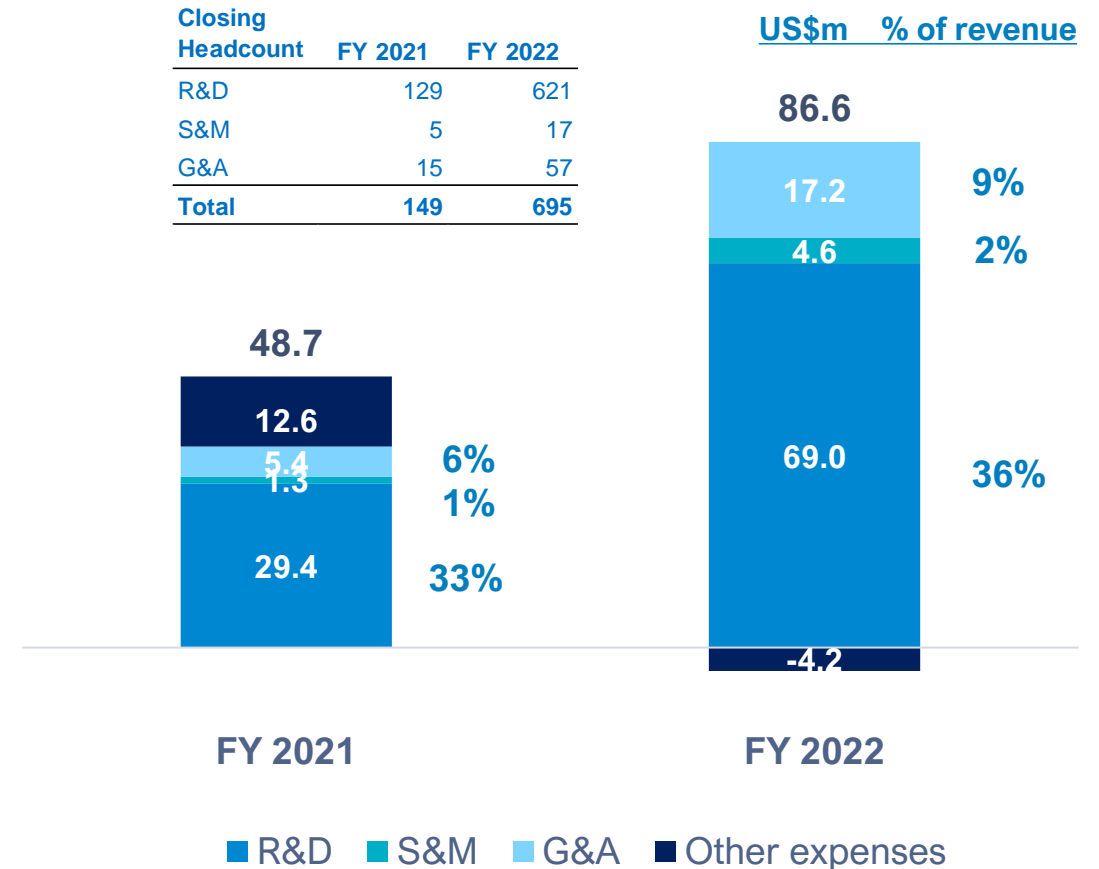
Source: Company information. FY 19 data is unaudited and has been calculated based on audited IFRS financial information for the 12 months to May 31, 2019, and the 7 months to December 31, 2019.



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\$5.1m 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



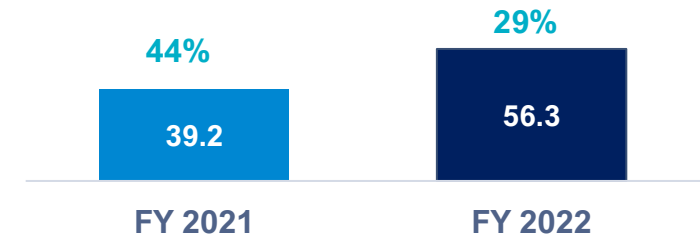
Due to rounding, numbers presented in the chart may not add up to the totals provided.



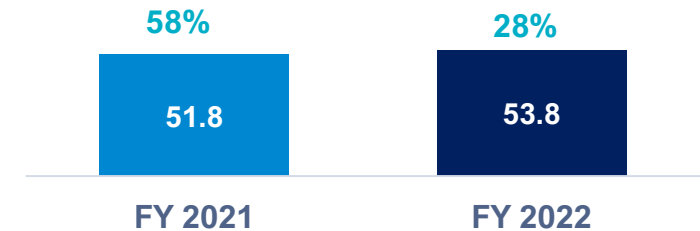
Adjusted EBITDA Margin Reflects Business Expansion

- Increased EBITDA in 2022 including \$37m exchange gain and higher M&A-related and SPB expenses
- Adjusted EBITDA 4% above FY 2021
- Adjusted EBITDA margin of 28% 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 \$1.21
 - Lower profit before tax and higher effective tax rate
 - Higher share count

EBITDA (US\$m) and margin



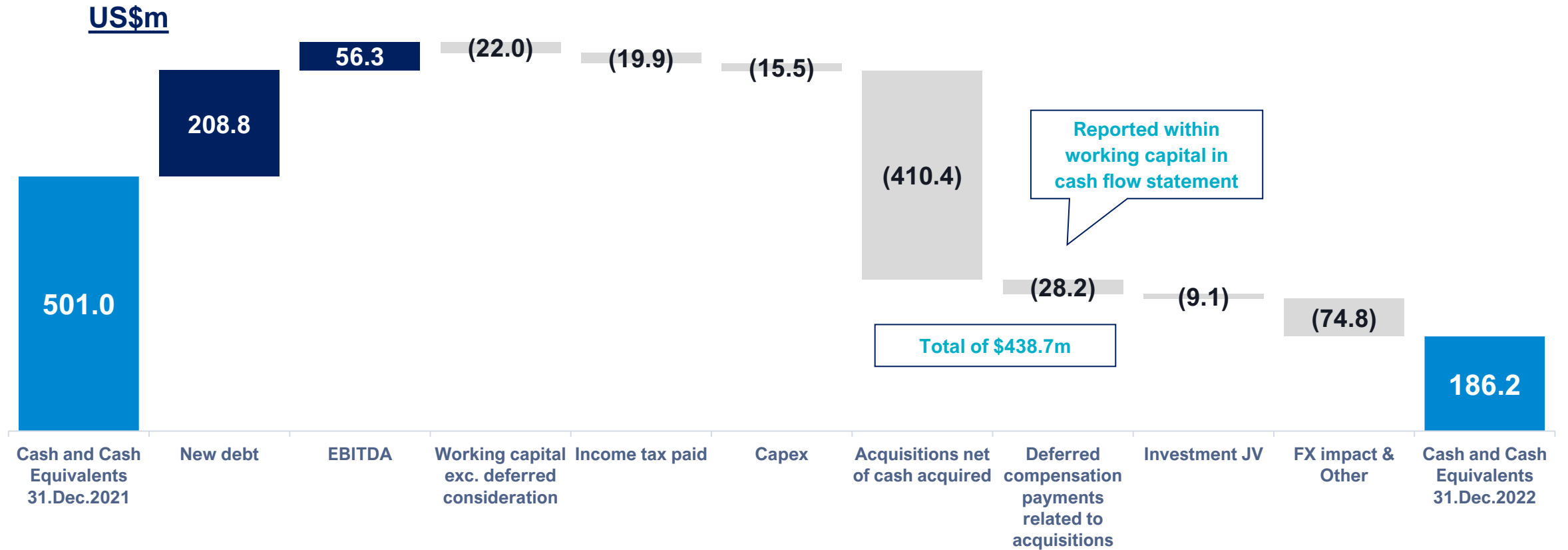
Adjusted EBITDA (US\$m) and margin



Adjusted Diluted EPS US\$



FY 2022 Cash Flow Bridge



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



Outlook Unchanged

US\$	2022 Act	2023 ¹	2025
Revenues	\$192m	\$340-360m	\$500m
Gross margin	68%		c.60%
Opex %	45%		c.30%
R&D %	36%		Below 20%
Adjusted EBITDA ¹	\$54m	Approx. \$87m	Approx. \$150m
Adjusted EBITDA %	28%	c. 25%	c.30%
Capex (exc. Cap R&D)	8%	c. 12%	c. 10%

FY 2022

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

¹ 2023 assumes mid-point of the guidance range and 25% adjusted EBITDA margin; 2025 assumes US\$500m revenue and 30% adjusted EBITDA margin





QA Session



Thank You!

Non-GAAP Metrics

See note 4 to the accounts Alternative Performance Measures FY 2022 Preliminary Results Report and FY 2021 Annual Report at <https://www.awaveip.com/en/investors/results-reports-presentations/>

	Year ended 31 December 2022 US\$m	Year ended 31 December 2021 US\$m
Backlog (end of the prior year)	168.6	37.3
Add: New bookings excluding IP royalties	213.0	220.8
Add: Backlog acquired with OpenFive and Precise-ITC	176.5	—
Less: Revenues recognised in the period ¹	(192.4)	(89.4)
Backlog (end of the year)	365.8	168.6

Operating profit to EBITDA reconciliation		
	Year ended 31 December 2022 US\$'000	Year ended 31 December 2021 US\$'000
Operating profit	45,021	36,035
Add backs:		
Depreciation of tangible fixed assets and right-of-use assets	5,508	3,127
Amortisation	5,769	—
EBITDA	56,298	39,162

	Year ended 31 December 2022 US\$'000	Year ended 31 December 2021 US\$'000
EBITDA	56,298	39,162
Add backs:		
Non-recurring Initial Public Offering costs	—	9,961
M&A-related costs	16,973	533
Share-based payment	15,695	6,143
Exchange gain	(36,838)	(4,023)
Retention payments	1,703	—
Adjusted EBITDA	53,831	51,776

Profit for the year to adjusted profit after tax reconciliation		
	Year ended 31 December 2022 US\$'000	Year ended 31 December 2021 US\$'000
Profit for the year	6,483	9,431
Add backs:		
Non-recurring Initial Public Offering costs	—	9,961
M&A-related costs	16,973	533
Share-based payment	15,695	6,143
Exchange gain	(36,838)	(4,023)
Retention payments	1,703	—
Amortisation of acquired intangibles	5,129	—
Adjusted profit for the year	9,145	22,045
Adjusted profit per ordinary share attributable to the shareholders (expressed in cents per ordinary share)		
	Year ended 31 December 2022	Year ended 31 December 2021
Adjusted basic earnings per share (US\$ cents)	1.35	3.52
Adjusted diluted earnings per share (US\$ cents)	1.21	3.14

