

## Q1 2024 Trading and Business Update

- Second consecutive quarter of bookings above \$100m at US\$117.9m
- Licence and NRE bookings of US\$108.9m up 75% over Q1 2023
- Lower silicon orders reflect accelerated transition away from China
- Approximately 95% of licence & NRE bookings in advanced nodes, 5nm and below
- 9 new design wins, mainly in APAC and North America
- Strong pipeline of opportunities in FY 2024
- Management remains confident in the outlook for the business

**LONDON, United Kingdom and TORONTO, Ontario, Canada 23 April 2024** – Alphawave IP Group plc (LN: AWE, the “Company” or “Alphawave Semi”), a global leader in high-speed connectivity for the world’s technology infrastructure, is pleased to publish its trading and business update for the three months ended 31 March 2024.

| US\$m  | Q1 2024 | Q1 2023 <sup>1</sup> | Change |
|--|---------|----------------------|--------|
| Licence and NRE  | 108.9   | 62.3                 | 75%    |
| Royalties and Silicon Orders   | 9.0     | 35.8                 | (75)%  |
| New Bookings   | 117.9   | 98.1                 | 20%    |
| Additional design win activity - FSA drawdowns and China re-sale licences <sup>2</sup> | -       | -                    | nm     |

Due to rounding, numbers presented in the table may not add up to the totals provided and percentages may not precisely reflect the absolute figures.

**Tony Pialis, President and Chief Executive Officer of Alphawave Semi said:** “We started the year with another strong quarter of bookings in excess of US\$110m. We achieved several exciting new wins during the quarter, including two 5nm AI custom silicon designs, for a Korean and a North American customer. We also signed a 4nm IP licencing deal for a leading North American automotive company. Customers’ demand for our high-performance custom silicon and IP remains strong and the level of Q1 bookings underpins our confidence for the year. We are excited about the year ahead and the long-term growth potential of our business.”

**John Lofton Holt, Executive Chairman of Alphawave Semi said:** “Our technology leadership in the most advanced technologies is driving the ongoing momentum of design wins and strong quarterly bookings. Following our updated revenue outlook guidance last week that reflects our transition away from China and changes in expected revenue recognition of long-term contracts in advanced nodes, we are entering 2024 with strong business momentum and remain focused on execution and long-term value creation.”

<sup>1</sup> Licence and NRE bookings in Q1 2023 have been adjusted for an amount of US\$4.9m related to a licence & NRE booking reported in Q1 2023.

<sup>2</sup> Both FSA (Flexible Spending Account) drawdowns and China re-sale licences convert previously announced contractual commitments included within bookings reported in prior periods to new product design wins which will be recognised as revenue over time.

## Key Highlights

New bookings in Q1 2024 were 20% above the prior period at US\$117.9m (Q1 2023: US\$98.1m).

Licence and Non-recurring Engineering (“NRE”) bookings in Q1 2024 were 75% above Q1 2023 at US\$108.9m. APAC (excluding China) and North American customers represented 93% of these bookings and approximately 95% of the licence & NRE bookings were in advanced nodes, 5nm and below.

Royalties and Silicon orders were down significantly compared to Q1 2023 at US\$9.0m, as we actively de-prioritised the legacy lower margin silicon business from Chinese customers and accelerate our transition away from China. Silicon orders in the quarter were from EMEA and North American customers. We expect further silicon orders from Chinese customers in 2024, albeit at a lower level than in 2023.

The level of bookings in the quarter and our growing pipeline reflects the scalability of our technology through IP licensing and custom silicon.

The Company has also received its first orders for silicon products from a top networking equipment OEM in North America. Our Connectivity Products Group continues to make good progress toward our plan to start generating revenue in 2024.

## Expanding Technology Leadership and Strong Customer Traction

Alphawave Semi’s customers include leading semiconductor device companies, as well as data centre module makers and hyperscalers.

Overall, design win activity in the quarter was strong with 9 new design wins, from new and existing end-customers. These wins reflect Alphawave Semi’s continued strength in AI and the data infrastructure markets that require the world’s most advanced connectivity technology.

Since 2017, Alphawave Semi has demonstrated connectivity technology leadership in leading-edge technologies. In Q1 2024 we signed various licencing deals in 5nm and below. During the quarter we signed our first licensing deal with a leading North American automotive business and a licencing deal with a leading North American compute silicon company. These design wins reflect the ongoing market momentum of leading-edge connectivity. The Company expects further design wins in advanced nodes and continues to work with its foundry partners in 2nm and beyond.

With our expanded IP portfolio and silicon expertise, we are strongly positioned to deliver the most advanced connectivity solutions for our custom silicon customers. In Q1 2024 we won an AI custom silicon design with a leading APAC customer. This is a chiplet design win that leverages the Company’s full range of capabilities including IP, custom silicon, and advanced packaging solutions. Furthermore, during the quarter we won additional 5nm business with an AI North American business building next generation AI solutions.

In Q1 2024, there were US\$nil Flexible Spending Accounts<sup>3</sup> (“FSA”) drawdowns (Q1 2023: US\$nil). Both FSA and reseller deals represent the conversion of customer commitments to design wins.

**About Alphawave Semi**

Alphawave Semi is a global leader in high-speed connectivity for the world’s technology infrastructure. Faced with the exponential growth of data, Alphawave Semi’s technology services a critical need: enabling data to travel faster, more reliably and with higher performance at lower power. We are a vertically integrated semiconductor company, and our IP, custom silicon, and connectivity products are deployed by global tier-one customers in data centers, compute, networking, AI, 5G, autonomous vehicles, and storage. Founded in 2017 by an expert technical team with a proven track record in licensing semiconductor IP, our mission is to accelerate the critical data infrastructure at the heart of our digital world. To find out more about Alphawave Semi, visit: [awavesemi.com](http://awavesemi.com)

**Related Party Disclosures**

There are no new related parties disclosed in this press release.

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<sup>3</sup> FSAs or Flexible Spending Accounts represent contracts with customers who have committed to regular periodic payments. These payments are not in respect of specific licences but can be used as credit against future deliverables. FSA drawdowns represent the design win value of transactions signed during the period, against which FSA payments will be credited and will convert to revenue over time.