

Q2 2024 Trading and Business Update

- Third consecutive quarter of bookings above \$100m at US\$107m, up 27% year-over-year
- Record design win quarter with 14 new design wins
- Multiple new chiplet design wins reflect industry adoption of chiplet architectures
- Restructured debt facility strengthens balance sheet and provides flexibility

LONDON, United Kingdom and TORONTO, Ontario, Canada 24 July 2024 – Alphawave IP Group plc (LN: AWE, the “Company” or “Alphawave Semi”), a global leader in ultra-high-speed data connectivity for AI, compute and network architectures, is pleased to publish its trading and business update for the three months ended 30 June 2024.

US\$m	Q2 2024	Q2 2023	Change
Licence and NRE (non-recurring engineering)	94.6	47.7	98%
Royalties and Silicon Orders	12.8	36.4	-65%
New Bookings	107.4	84.1	27%
Additional design win activity - FSA drawdowns and China re-sale licences ¹	-	3.4	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 are delighted with our Q2 2024 bookings, demonstrating our strong pipeline and outlook for the business. For the third quarter in a row, we achieved over US\$100m in bookings. This was also a record quarter for design wins with 14 new design wins in the business. As we mentioned at our Capital Markets Day last month, we now see the industry quickly adopting chiplet-based architectures for critical AI and data centre applications. Once again, we are pleased to demonstrate our leadership this quarter with new IP, Custom Silicon & chiplet design wins in advanced nodes and a new design win with a hyperscaler leveraging our 112G and UCIe-based solutions. In addition, we are seeing strong interest from the industry for our portfolio of scalable, interchangeable and customisable connectivity and compute chiplets, including our Arm-based compute chiplets. We are excited to lead the migration of the industry towards chiplet-based designs.”

John Lofton Holt, Executive Chairman of Alphawave Semi said: “The momentum in all areas of the business is expanding, and this is reflected in the strong bookings numbers for the second quarter. Our trajectory is expected to continue, and we expect to have nearly half a billion dollars in backlog by the end of the year. In addition, we have restructured our debt which strengthens the balance sheet and provides us with flexibility to further enhance our capital structure in the future.”

¹ 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.

Expanding Technology Leadership in IP, Chiplets, Custom Silicon and Silicon Products

Alphawave Semi held its Capital Markets Day in early June and reiterated the importance of continued and expanded technology leadership in connectivity solutions in all solution spaces – IP, custom silicon, chiplets, and silicon products. The design wins in the second quarter demonstrate this continued and expanded technology leadership.

Design win activity in the quarter was a record, with 14 new design wins from new and existing end-customers. Several of these were for hyperscalers and leading semiconductor companies requiring advanced 112G, PCI-Express, UCIe and High Bandwidth Memory technology solutions, as well as Arm-based chiplet solutions. These wins reflect Alphawave Semi’s continued strength in AI and the data infrastructure markets that require the world’s most advanced connectivity technology.

Alphawave has continued to demonstrate design win leadership in chiplets for AI and the data infrastructure markets for hyperscalers and semiconductor companies. As of the end of the second quarter, Alphawave has seven designs leveraging advanced packaging and chiplet-based designs on advanced nodes. Most of these chiplets are expected to enter production in 2025 and contribute revenues in 2025 and beyond.

Development of Alphawave Semi’s first connectivity silicon products remains on schedule and first silicon shipments are expected by the end of 2024. These first products will be shipped to one of the world’s leading hyperscalers, with the potential for aggregate sales to exceed US\$300 million over a multi-year period. We expect to begin initial ramp in the second half of 2025.

In Q2 2024, Alphawave booked a Flexible Spending Account (“FSA”) with a leading semiconductor company, providing it with access to Alphawave’s leading portfolio of connectivity IPs in the most advanced nodes. In the same quarter, there were no FSA² drawdowns (Q2 2023: US\$nil FSA drawdowns and US\$3.4m of China reseller (VeriSilicon) deals). Both FSA and reseller deals represent the conversion of customer commitments to design wins.

Shortly after Q2 ended, Alphawave amended its existing debt facility to align covenants more closely to operational metrics and provide for additional debt capacity. This increased flexibility will allow the Company to capitalise on its strong pipeline of opportunities.

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 centres, 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

² 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.

critical data infrastructure at the heart of our digital world. To find out more about Alphawave Semi, visit: awavesemi.com

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