

ALPHAWAVE IP GROUP PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

LONDON, United Kingdom and TORONTO, Ontario, Canada, 29 September 2025 - Alphawave IP Group plc (LSE: AWE, “Alphawave Semi”, or the “Company” and together with its subsidiaries, the “Group”), a global leader in high-speed connectivity for the world’s technology infrastructure, announces its interim results for the six months ended 30 June 2025.

Tony Pialis, President and Chief Executive Officer of Alphawave Semi said: “Since announcing the agreement for the recommended acquisition of the Group by Qualcomm, which values the Group at an implied enterprise value of approximately US\$2.4 billion, we have continued to deliver against our strategy and maintain strong momentum in the business. This transaction reflects the significant progress we have made and the quality of our platform and people, and we remain focused on executing for our customers and stakeholders as we move through the second half of the year. We are continuing to support Qualcomm in obtaining the approvals required to complete the transaction and, as announced on 5 August 2025, we received clearance from the UK government in respect of the notification made under the National Security and Investment Act 2021.”

Financial Summary and APMs¹ – US\$m	H1 2025	H1 2024	Change
Licence and NRE	77.3	64.8	12.5
Royalties and silicon	25.7	26.2	(0.5)
Revenue	103.0	91.0	12.0
Gross Profit	38.7	41.3	(2.6)
Gross margin	38%	45%	
Operating loss	(172.8)	(48.3)	(124.5)
Operating margin	(168%)	(53%)	
EBITDA ¹	(152.9)	(31.5)	(121.4)
EBITDA margin ¹	(148%)	(35%)	
Adjusted EBITDA ¹	(43.0)	(11.8)	(31.2)
Adjusted EBITDA margin ¹	(42%)	(13%)	
Loss after tax ¹	(172.1)	(40.0)	(132.1)
Loss after tax margin ¹	(167%)	(44%)	
Adjusted (loss) after tax ¹	(56.9)	(13.5)	(43.4)
Adjusted (loss) after tax margin ¹	(55%)	(15%)	
Pre-tax operating cash flow	(15.3)	50.4	(65.7)
Cash and cash equivalents	118.7	76.3	42.4
Net debt ¹	(231.4)	(141.6)	(89.8)
Bookings² and Design Win Activity – US\$m	H1 2025	H1 2024	Change
Licence and NRE	107.4	203.5	(96.1)
Royalties and silicon	52.0	21.8	30.2
New Bookings	159.4	225.3	(65.9)
Number of revenue generating end-customers (end of period)	81	73	8

Interim Results Highlights

- H1 2025 revenues of US\$103.0m (H1 2024: US\$91.0m) reflect the global economic uncertainty and the nature of the imposed tariff regimes described in the 2024 Annual Report, as well as certain customers deferring or revising their purchase decisions due to the uncertainty arising from the announcement in

¹ See Alternative Performance Measures (APMs) section on page 30. Adjusted EBITDA and adjusted profit after tax exclude foreign exchange adjustments, share-based payments, deferred compensation payments, Qualcomm related expenses, expected credit loss related to a customer and M&A transaction costs.

² Bookings are a non-IFRS measure representing legally binding and largely non-cancellable commitments by customers to license our technology. Bookings comprise licence fees, non-recurring engineering, support, silicon orders, and, in some instances, our estimates of potential future royalties.

early April 2025 of the recommended acquisition of the Group by Qualcomm, as described in the Scheme Document published on 7 July 2025. Anticipated tapeouts of customer ASICs and the timing of conversion of IP and NRE bookings into revenue is expected to help drive significant revenue growth in H2 2025 compared to H1 2025.

- Adjusted EBITDA in H1 2025 was a loss of US\$43.0m (negative 42% margin) compared to a loss of US\$11.8m (negative 13% margin) in H1 2024. This decrease is primarily driven by certain customer projects taking longer to complete than expected, increased headcount, US\$10.0m (H1 2024: US\$nil) impairment of a purchased intangible asset and an additional US\$4.5m commission payment due to a customer.
- H1 2025 results were impacted by certain non-recurring items including the US\$10.0m (H1 2024: US\$nil) impairment of a purchased intangible asset mentioned above, US\$19.8m (H1 2024: US\$nil) impairment of warrants, US\$44.1m (H1 2024: US\$nil) costs related to the acquisition by Qualcomm and a US\$19.7m (H1 2024: US\$nil) expected credit loss relating to a customer.
- Cash outflow from pre-tax operating activities in H1 2025 was US\$15.3m (H1 2024 cash inflow: US\$50.4m), reflective of lower revenues in H1 2025, and the continued investment in leading connectivity technology products. In line with previously flagged impacts, bookings of US\$159.4m were down 29% vs H1 2024, and the current backlog excluding royalties was US\$327.7m (H1 2024: US\$486.4m)
- Working capital improvement of US\$90.6m, with an increase in contract liabilities of US\$32.7m, an increase in trade and other payables of US\$28.9m, a decrease in contract assets of US\$19.1m, a decrease in trade and other receivables of US\$8.4m, and a decrease in inventories of US\$1.6m.
- Cash and cash equivalents held by the Group were US\$118.7m with net debt of US\$231.4m. On 30 June 2025, the Group executed the Sixth Amendment to the Credit Agreement which suspended the testing of the minimum interest coverage ratio and secured net leverage ratio covenants.

The Group's H1 2025 Report is also available to view in the Investor Relations section of the Company's website (<https://awavesemi.com/investors/events-announcements-and-presentations/>).

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. Alphawave Semi is 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, its mission is to accelerate the critical data infrastructure at the heart of the digital world. To find out more about Alphawave Semi, visit: awavesemi.com

Trademarks

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Cautionary statement regarding forward-looking statements

This document may contain forward-looking statements which are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. You can sometimes, but not always, identify these statements by the use of a date in the future or such words as "will", "anticipate", "estimate", "expect", "project", "intend", "plan", "should", "may", "assume" and other similar words. By their nature, forward-looking statements are inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance and are subject

to factors that could cause our actual results to differ materially from those expressed or implied by these statements. The Company undertakes no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise.

A. Financial, Operational and Strategic Highlights

Summary

Whilst underlying demand for the Group's technology and products remains strong, bookings in the half year to 30 June 2025 were impacted by customer uncertainty arising from the announcement in early April 2025 of the recommended acquisition of the Group by Qualcomm, which resulted in certain customers deferring some purchasing decisions. As a result, total bookings in H1 2025 of US\$159.4m, were down 29% year-on-year.

Licence and non-recurring engineering ("NRE") bookings in H1 2025 were US\$107.4m, down 47% year-on-year over H1 2024 (H1 2024: US\$203.5m). North American customers represented approximately 69% of these bookings, followed by EMEA customers representing 13%. China represented 10%, up from 8% in H1 2024 and APAC (excluding China) represented 8%. Royalties and Silicon orders were US\$52.0m, up 139% over H1 2024 (H1 2024: US\$21.8m).

At the end of H1 2025, backlog (contracted bookings not yet recognised as revenue) excluding royalties was US\$327.7m (H1 2024: US\$486.4m).

Revenue in H1 2025 was US\$103.0m up 13% year-on-year (H1 2024: US\$91.0m). The year-on-year increase in revenue is due to increased bookings through 2024 converting to revenue. During H1 2025 the Group recognised revenue from 81 customers compared to 73 in H1 2024 which included an increase in revenues from the legacy custom silicon business as compared to last half year. H1 2025 revenue continued to be heavily weighted to core markets of data networking, cloud compute, and AI.

- Customers - In H1 2025 the Group recognised revenues from 81 end-customers, compared to 73 end-customers in H1 2024 and 103 in FY 2024. The top three customers represented 22% of H1 2025 revenues versus 32% in H1 2024.
- Regions - In H1 2025, revenues were 59% from customers in North America, 21% from China, 13% from APAC (excluding China) and 7% from EMEA.

Gross margin in H1 2025 was 38% compared to 45% in H1 2024. The reduction in gross margin was due to higher costs incurred in NRE projects and additional IP commissions due to external partners. The year-on-year increase in R&D, S&M and G&A expenses from US\$70.0m to US\$101.7m was primarily due to the increase from 896 employees in H1 2024 to 1,144 in H1 2025, together with a reduction in R&D capitalisation and a US\$10.0m impairment of a purchased intangible asset. In H1 2025 the Group capitalised US\$25.5m of R&D expenses related to the development of future products (H1 2024: US\$33.8m).

Other operating expenses in H1 2025 totalled US\$109.8m (H1 2024: US\$19.6m), and consisted of the following:

- Share-based compensation expense of US\$22.3m (H1 2024: US\$10.7m). The increase in the share-based compensation expense was due to the front-loaded weighting of the four-year charge relating largely to awards to a few new senior employees who joined the business through the last 12 months which led to a larger charge in H1 2025 relative to H1 2024. The Employee Share Purchase Plan ('ESPP') was initiated during H2 2024 which led to an additional US\$1.1m share-based compensation expense in H1 2025.
- Acquisition related costs and expenses of US\$44.1m (H1 2024: US\$6.5m). The increase in acquisition related costs was due to professional adviser fees and other expenses associated with the recommended acquisition of the Group by Qualcomm which comprises the total US\$44.1m in H1 2025.
- Compensation element of Baniyas Labs deferred cash rights of US\$2.7m (H1 2024: US\$3.8m)².
- Impairment of warrants of US\$19.8m (H1 2024: US\$nil).
- Impairment of a trade receivable and contract assets balance related to a customer of US\$19.7m (H1 2024: US\$nil).

Over the period the Group generated an operating loss of US\$172.8m, driven partially by continued investment in new products in IP, Silicon Products, Connectivity Products and Chiplets and the margin profile of Silicon Products. This margin profile is expected to improve significantly in future periods. The operating loss is also driven by the Group incurring US\$44.1m of acquisition related costs and expenses relating to the recommended acquisition of

² Deferred compensation payments related to acquisitions which are expected to be settled over time until August 2026.

the Group by Qualcomm, a purchased intangible asset impairment of US\$10.0m, a total ECL provision of US\$23.8m and warrants impairment of US\$19.8m.

Adjusted EBITDA in H1 2025 was a loss of US\$43.0m (negative 42% margin) compared to a loss of US\$11.8m (negative 13% margin) in H1 2024. This decrease in Adjusted EBITDA is primarily driven by some lower margin revenue projects taking longer to complete than expected, increased headcount outpacing revenue growth, US\$10.0m impairment of a purchased intangible asset and an additional US\$4.5m commission payment due to a customer.

The Group closed the period with cash and cash equivalents of US\$118.7m compared to US\$180.2m and US\$76.3m at the end of December 2024 and June 2024, respectively. At the end of H1 2025, the Group had a net debt position of US\$231.4m (FY 2024: net debt position of US\$171.9m; H1 2024: net debt position of US\$141.6m).

WiseWave disposal

On 7 June 2025, the Group fully disposed of its ownership interest in WiseWave Technology Co., LTD (“WiseWave”), by transferring our equity ownership in WiseWave to Wise Road Huazhi (Zhuhai) Equity Investment Partnership (Limited Partnership), Wise Road Zhiguang (Zhuhai) Equity Investment Partnership (Limited Partnership), Zhuhai Wise Road Huajin Zhiying Investment Partnership (Limited Partnership), Wise Road Zhibo (Zhuhai) Equity Investment Partnership (Limited Partnership), and Zhuhai Wise Road Huajin Zhisheng Investment Partnership (Limited Partnership) for no consideration. The value of the investment in WiseWave was reduced to US\$nil in 2022, as a result of equity accounting for losses at WiseWave to the end of 2022. As such, when the Group disposed of WiseWave on 7 June 2025, no gain or loss on disposal was recorded.

Balance Sheet

The Group ended H1 2025 with cash and cash equivalents of US\$118.7m compared to US\$180.2m at the end of December 2024. The net debt position at the end of H1 2025 was US\$231.4m, compared to US\$171.9m at the end of December 2024. On 30 June 2025, the Group executed the Sixth Amendment to the Credit Agreement which suspended the testing of the minimum interest coverage ratio and secured net leverage ratio covenants for the period ending on the earlier of (i) the date upon which it is determined that the recommended acquisition of the Group by Qualcomm will not go ahead due to regulatory conditions not being satisfied and (ii) the end of Q1 2026. During this period the Group is not required to measure and report the secured net leverage ratio or the minimum interest coverage ratio.

In H1 2025, current trade and other receivables and other assets decreased from US\$81.3m at 31 December 2024 to US\$35.2m, largely due to a US\$28.8m decrease in trade receivables from contracts with customers and US\$3.1m decrease in restricted cash. The restricted cash balance is reduced as payments are made to employees on a quarterly basis and is expected to be settled over the period to August 2026. In addition, there is an increased expected credit loss provision of US\$13.7m to US\$23.8m, based on an assessment of credit risk on trade receivables and contract assets.

Total contract assets, i.e. revenue recognised but not yet billed to the customer, decreased from US\$95.7m at the end of 2024 to US\$77.0m at the end June 2025 due to project billing milestones being hit, triggering invoicing to customers.

In the first six months of 2025, intangible assets increased from US\$263.2m to US\$286.8m, largely as a result of the ongoing capitalisation of development expenditure of US\$26.1m with capitalised interest of US\$8.4m, purchased IP of US\$8.3m offset by an impairment of US\$10.0m and amortisation of US\$9.2m.

In H1 2025 current trade and other payables increased from US\$76.8m to US\$120.3m largely as a result of an increase of US\$54.0m in accrued expenses, of which US\$42.2m relates to costs incurred in relation to the recommended acquisition of the Group by Qualcomm and a decrease of US\$19.0m in trade payables due to timing of vendor payments. Contract liabilities, including the flexible spending account (“FSA”, where the Group has invoiced or received money from customers for products or services where revenue recognition conditions have not yet been met, increased from US\$82.2m at the end of 2024 to US\$114.8m at the end of H1 2025. This increase is partially due to NRE invoicing and cash received towards the end of Q2 2025 where the revenue is expected to

be recognised in Q3 and Q4 2025. The remainder of the total increase was driven by an increase in the FSA of US\$14.4m from invoices raised in H1 2025 against two FSA agreements.

Liquidity and Cashflow

In H1 2025 the Group generated a pre-tax operating cash outflow of US\$15.3m, compared to a pre-tax operating cash inflow of US\$50.4m in H1 2024, reflective of lower-than-expected revenues in H1 2025 where we saw some reduced customer activities due to the uncertainty around the recommended acquisition of the Group by Qualcomm. The cash outflow in H1 2025 was despite an improvement in working capital of US\$90.6m. The working capital improvement was the result of an increase in contract liabilities of US\$32.7m, an increase in trade and other payables of US\$28.9m, a decrease in contract assets of US\$19.1m, a decrease in trade and other receivables of US\$8.4m, and a decrease in inventories of US\$1.6m.

Capital expenditure on intangible assets and property and equipment during H1 2025 totalled US\$49.5m (H1 2024: US\$59.2m). The decrease in capital expenditure is due to timing differences of payments to suppliers in comparison to H1 2024.

Investing in People

During the first six months of 2025, the Group continued to make opportunistic investments in talent. As of 30 June 2025, total closing headcount increased to 1,144, comprising 1,014 in R&D/engineering, 28 in sales and marketing and 102 in general and administrative roles (from 891, 32 and 68, respectively as at 31 December 2024). Turnover rate³ remained broadly stable at approximately 4% and the percentage of female employees as of 30 June 2025 was 21%, broadly in line with the ratio as at the end of 2024 (19%).

Significant Post-Interim Events

On 9 June 2025, Qualcomm Incorporated (NASDAQ: QCOM) (“Qualcomm”) and Alphawave announced that they had reached an agreement on the terms of a recommended acquisition by Aqua Acquisition Sub LLC, an indirect wholly-owned subsidiary of Qualcomm for the entire issued and to be issued ordinary share capital of Alphawave, which values the Group at an implied enterprise value of approximately US\$2.4 billion. The acquisition represents a significant milestone for Alphawave and reflects the strength of our technology, strategy, and people.

Qualcomm is a leading wireless technology company, and the acquisition aims to further accelerate its expansion into data centres and AI markets. Qualcomm believes that Alphawave’s high-speed wired connectivity and compute technologies are highly complementary to Qualcomm’s next generation CPU and NPU scores, creating a stronger platform to serve customers across high growth markets including AI, data centres, data networking, and data storage.

The Board believes that the cash offer element of the acquisition provides Alphawave shareholders an opportunity to realise their investment at a fair and reasonable value and wholly in cash while supporting the long-term growth of Alphawave’s platform and capabilities, and that the terms of Alternative Offer 1 (as defined in the Scheme Document) are fair and reasonable. By joining forces with Qualcomm, Alphawave will be well positioned to broaden its customer reach, enhance its technological offering, and unlock new opportunities in high-performance, low-power compute and connectivity solutions.

On 7 July 2025, Alphawave published a Scheme Document which, amongst other things, sets out the full terms and conditions of the acquisition. The acquisition is conditional on the satisfaction (or waiver, where applicable) of various conditions, including, amongst other things, the approval by the requisite majorities of Alphawave shareholders, the sanction by the High Court in the UK, as well as the satisfaction or waiver of various regulatory conditions, including merger control approvals in the US, Germany, South Korea and Canada, and foreign direct investment approval, in the UK. On 5 August 2025, Alphawave announced that the acquisition was approved by the requisite majorities of Alphawave shareholders and that clearance from the UK government has been received in respect of the notification made under the National Security and Investment Act 2021.

³ Last twelve months turnover rate

Subject to the satisfaction (or waiver, where applicable) of the various conditions, the acquisition is expected to be complete during the first calendar quarter of 2026.

Principal Risks and Uncertainties

The Group faces a number of risks and uncertainties that may have an impact on our operations and performance. These risks and uncertainties are regularly assessed by the Directors. The principal risks and uncertainties affecting the Group in respect of the first half of the year have not changed materially from those set out on pages 58 to 61 of the 2024 Annual Report. In summary, the principal risks and uncertainties are as follows:

Risk	Description
Managing our growth	We have a limited operating history and are growing rapidly, with increased pressure on cash flows. If we do not manage our growth successfully, fail to execute on our strategy, fail to meet future debt covenants or maintain sufficient liquidity, or fail to implement or maintain governance and control measures, our business may be adversely impacted. We have rapidly expanded our headcount and the complexity of our business and operations, both organically and through acquisitions.
Competition and failure to maintain our technology leadership	We seek to maintain our competitive advantage by being first to market with new IP as data speeds increase and manufacturing sizes decrease. If these industry transitions do not materialise, or are slower than anticipated, our competitors may be able to introduce competing IP which may diminish our competitive advantage and selling prices. Our ability to maintain our technology leadership is further dependent on our ability to attract R&D and engineering talent.
Customer dependence	Our products and technology target the AI, data centre and network infrastructure markets, where there are a limited number of customers. Further, the cost and complexity of developing semiconductors targeted by our IP limits the number of our potential addressable customers. In any reporting period, a substantial part of our revenues may be attributable to a small number of customers.
Customer demand	Demand for our technology is dependent on the continued global growth in generation, storage and consumption of data across our target markets, as well as the increasing cost and complexity of designing and manufacturing semiconductors. We may be impacted by our customers' demand sensitivity to broader economic and social conditions. Our potential customers may seek to develop competitive IP or semiconductors internally or acquire IP or semiconductors from our competitors.
Risks associated with WiseWave	As we have fully disposed of our investment in our WiseWave joint venture, we may be limited in our ability to influence strategy, operational, legal, commercial or financial matters of WiseWave. We have also fully provided for billed and unbilled receivables from WiseWave as it is unlikely that we will receive any additional payments.
Dependence on licensing revenues	Our financial performance is dependent on licensing revenues. If our customers delay or cancel their development projects, our IP and support revenues may be delayed, diminished or may not materialise. We are in the middle of a transformation into a semiconductor product company and are making investments in developing custom and connectivity products. Should these not develop as expected we may not achieve the required growth in revenue or expected margins. The acquisition of OpenFive has materially reduced our dependency on IP licensing revenues as we seek to monetise our IP through custom silicon. Given the costs, time and resources involved, our customers are typically incentivised to take their products into production. Our programme management teams actively manage progress on development of both custom and connectivity products.
Reliance on key personnel and ability to attract talent	We rely on the senior management team and our business may be negatively impacted if we cannot retain and motivate our key employees. Our ability to grow the business is also dependent on attracting talent, particularly in R&D and engineering, and if we are unable to do so, our business may be negatively impacted.

External environment and events	Semiconductors are becoming increasingly important as countries and regions seek to guarantee supply and build domestic supply chains, as well as restrict outside access to their domestic technologies. Our business could be impacted by the actions of governments, political events or instability, or changes in public policy in the countries in which we operate. The current conflict in the Middle East potentially has wide-ranging impacts, including global economic instability, increased geopolitical tensions and disruption to our operations and supply chains.
IP protection and infringement	We protect our technology through trade secrets, contractual provisions, confidentiality agreements, licences and other methods. A failure to maintain and enforce our IP could impair our competitiveness and adversely impact our business. If other companies assert their IP rights against us, we may incur significant costs and divert management and technical resources in defending those claims. If we are unsuccessful in defending those claims, or we are obliged to indemnify our customers or partners in any such claims, it could adversely impact our business.
Reliance on third-party manufacturing foundries	We rely on third-party semiconductor foundries, both as customers and as manufacturing partners to our customers. If foundries delay the introduction of new process nodes or customers choose not to develop silicon on those process nodes, our ability to license new IP and our selling prices may be adversely impacted. By pursuing a vertically integrated model and supplying silicon products, we are reliant on the foundries' capacity for a portion of our revenues and this reliance may increase as royalty revenues become more material to us.
Reliance on complex IT systems	We rely heavily on IT systems to support our business operations. The vast majority of our design tools, software and IT system tools are off-the-shelf solutions and our business would be disrupted if these components became unavailable. If our IT systems were subject to disruption, for example, through malfunction or security breaches, we may be prevented from developing our IP and fulfilling our contracts with our customers.
Recommended acquisition by Qualcomm not completing	We have considered that if the Acquisition does not consummate, the Group may be at risk of not being able to meet certain financial covenants applicable to the Term Loan and Revolving Credit Facility, and consequently may need to either renegotiate or obtain waiver of the covenants, or undertake other remedial actions for such time as may be necessary.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted for the use in the UK, and gives a true and fair view of the assets, liabilities, financial position and profit of the Group and Company; and
- This Half-Year Report includes a fair review of the information required by:
 - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
 - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period.

Details of all current Directors of Alphawave IP Group plc are maintained on www.awavesemi.com.

By order of the Board

Tony Pialis
President and Chief Executive Officer
26 September 2025

Condensed consolidated statement of comprehensive income

		Unaudited six months ended 30 June 2025	Unaudited Six months ended 30 June 2024
	Note	US\$'000	US\$'000
Revenue	4	102,961	90,975
Cost of sales		(64,228)	(49,682)
Gross profit		38,733	41,293
Research and development	12	(65,052)	(39,378)
<i>of which impairment of purchased intangible</i>		<i>(10,000)</i>	-
Sales and marketing		(7,617)	(6,990)
General and administration		(29,016)	(23,603)
<i>of which expected credit loss</i>		<i>(1,279)</i>	<i>(699)</i>
Other operating expense	5	(109,853)	(19,636)
<i>of which impairment of warrants</i>		<i>(19,848)</i>	-
<i>of which costs related to acquisition by</i>		<i>(44,058)</i>	-
<i>Qualcomm</i>			
<i>of which expected credit loss</i>		<i>(19,707)</i>	-
Operating loss		(172,805)	(48,314)
Finance income	8	3,778	1,773
Finance expense	8	(8,938)	(3,373)
Loss before tax		(177,965)	(49,914)
Income tax benefit	9	5,884	9,953
Loss after tax		(172,081)	(39,961)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency exchange gain/(loss) on translation of foreign operations		222	(1,431)
Total comprehensive loss for the period		(171,859)	(41,392)

Loss per ordinary share attributable to the shareholders (expressed in US\$ cents per ordinary share):

Basic and Diluted earnings per share	10	(22.69)	(5.48)
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The notes on this document form part of these financial statements.

Condensed consolidated balance sheet

		Unaudited as at 30 June 2025	Audited year ended 31 December 2024
	Note	US\$'000	US\$'000
Assets			
Current assets			
Cash and cash equivalents	15	118,663	180,159
Trade and other receivables	16	35,181	81,301
Contract assets	4	57,754	67,696
Inventories		4,375	5,989
Income tax receivables		24,537	28,999
Warrant payment to customer	4	-	484
Other current assets	17	45,964	11,812
Total current assets		286,474	376,440
Non-current assets			
Goodwill	11	309,199	309,199
Other intangible assets	12	286,800	263,242
Property and equipment – owned	13	58,704	35,869
Property and equipment – leased		14,746	17,997
Other investments		1,017	1,017
Trade and other receivables	16	1,500	2,006
Contract assets	4	19,263	27,999
Other assets	17	3,248	775
Warrant payment to customer	4	-	19,364
Deferred tax assets		21,917	15,492
Total non-current assets		716,394	692,960
Total assets		1,002,868	1,069,400
Liabilities			
Current liabilities			
Trade and other payables	18	120,270	76,806
Contract liabilities	4	114,593	81,631
Income taxes payable		1,422	952
Lease liabilities		4,612	3,834
Loans and borrowings	19	9,375	9,375
Total current liabilities		250,272	172,598
Non-current liabilities			
Trade and other payables	18	6,044	132
Contract liabilities		232	537
Warrant liability	4	13,319	13,671
Lease liabilities		12,674	15,779
Loans and borrowings	19	340,736	342,650
Deferred tax liabilities		34,312	34,280
Total non-current liabilities		407,317	407,049
Total liabilities		657,589	579,647
Net assets		345,279	489,753
Share capital and reserves			
Share capital	20	10,743	10,451
Share premium account		9,238	4,474
Merger reserve		(793,216)	(793,216)
Share-based payment reserve		42,037	32,641
Currency translation reserve		(87,344)	(87,566)
Convertible bond		34,051	34,051
Retained earnings		1,129,770	1,288,918
Total equity		345,279	489,753

Condensed consolidated cash flow statement
For the period ended 30 June 2025

		Unaudited six months ended 30 June 2025	Unaudited six months ended 30 June 2024
	Note	US\$'000	US\$'000
Cash flows from operating activities			
Net (loss)		(172,081)	(39,961)
Non-cash items within operating loss:			
Amortisation of intangible assets		9,215	7,150
Depreciation of property and equipment - owned		8,512	6,968
Depreciation of property and equipment - leased		2,201	2,732
Share-based compensation expense		22,329	10,743
Currency translation gain on Intercompany balances		(3,095)	(2,257)
Impairment of R&D assets		10,000	-
Impairment of warrants		19,848	-
Deferred cash rights		2,679	3,788
Finance income		(3,778)	(1,773)
Finance expense		8,938	3,373
Income tax expense		(10,695)	(14,764)
Cash used in operations before changes in working capital		(105,927)	(24,001)
Changes in working capital:			
Decrease in trade and other receivables		8,408	23,401
Decrease in inventories		1,614	7,200
Decrease in contract assets	4	19,078	10,407
Increase in trade and other payables		28,865	1,175
Increase in contract liabilities	4	32,657	32,247
Cash (used in) / generated from operating activities before tax		(15,305)	50,429
Income tax paid		(801)	(3,395)
Income tax refund		14,002	-
Net cash generated from operating activities		(2,104)	47,034
Cash flows from investing activities			
Purchase of property and equipment		(18,806)	(24,346)
Purchase of intangible asset		(5,165)	(1,000)
Interest received		3,004	1,773
Capitalised development expenditure		(25,521)	(33,832)
Net cash used in investing activities		(46,488)	(57,405)
Cash flows from financing activities			
Issuance of ordinary shares		5,056	1,351
Interest paid		(11,626)	(9,017)
Lease payments		(2,479)	(3,016)
Repayment of loans and borrowings		(4,687)	(2,500)
Net cash used in financing activities		(13,736)	(13,182)
Net decrease in cash and cash equivalents		(62,328)	(23,553)
Cash and cash equivalents at the beginning of the period		180,159	101,291
Currency translation gain/(loss) on cash and cash equivalents		832	(1,431)
Cash and cash equivalents at end of period	15	118,663	76,307

Condensed consolidated statement of changes in equity
Six months ended 30 June 2025

US\$'000	Ordinary share capital	Share premium account	Merger reserve	Share- based payment reserve	Currency translation reserve	Convertible bonds	Retained earnings	Total equity
Balance at 1 January 2025	10,451	4,474	(793,216)	32,641	(87,566)	34,051	1,288,918	489,753
Loss for the period	-	-	-	-	-	-	(172,081)	(172,081)
Other comprehensive income	-	-	-	-	222	-	-	222
Total comprehensive loss	-	-	-	-	222	-	(172,081)	(171,859)
Settlement of share awards:								
- Issue of ordinary shares	292	4,764	-	-	-	-	-	5,056
- Transfer of cumulative compensation expense on settled awards	-	-	-	(12,933)	-	-	12,933	-
Share-based compensation expense for the year	-	-	-	22,329	-	-	-	22,329
Other changes in equity	292	4,764	-	9,396	-	-	12,933	27,385
As at 30 June 2025 (Unaudited)	10,743	9,238	(793,216)	42,037	(87,344)	34,051	1,129,770	345,279

Six months ended 30 June 2024

US\$'000	Ordinary share capital	Share premium account	Merger reserve	Share- based payment reserve	Currency translation reserve	Convertible bonds	Retained earnings	Total equity
Balance at 1 January 2024	10,011	1,638	(793,216)	41,875	(86,546)	-	1,294,686	468,448
Loss for the period	-	-	-	-	-	-	(39,961)	(39,961)
Other comprehensive income	-	-	-	-	(1,431)	-	-	(1,431)
Total comprehensive loss	-	-	-	-	(1,431)	-	(39,961)	(41,392)
Settlement of share awards:								
- Issue of ordinary shares	248	1,103	-	-	-	-	-	1,351
- Transfer of cumulative compensation expense on settled awards	-	-	-	(22,808)	-	-	22,808	-
Share-based compensation expense for the year	-	-	-	10,743	-	-	-	10,743
Other changes in equity	248	1,103	-	(12,065)	-	-	22,808	12,094
As at 30 June 2024 (Unaudited)	10,259	2,741	(793,216)	29,810	(87,977)	-	1,277,533	439,150

Notes to the unaudited interim financial statements

Six months ended 30 June 2025

1. General information

These condensed consolidated interim financial statements represent the consolidated interim financial statements of Alphawave IP Group plc (the 'Company' or 'Alphawave' or 'Alphawave Semi') and its subsidiaries (together 'the Group').

The principal activities of the Company and its subsidiaries are described on pages 1 to 5.

The Company is a public limited company whose shares are listed on the London Stock Exchange and is incorporated and domiciled in the United Kingdom. The address of its registered office changed from Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL to 19th Floor 51 Lime Street, London, United Kingdom, EC3M 7DQ on 23 June 2025.

2. Basis of preparation

The condensed consolidated interim financial statements of the Group have been prepared in accordance with UK-adopted international accounting standard (IAS) 34 Interim Financial Reporting and should be read in conjunction with the Group's consolidated financial statements as of and for the year ended 31 December 2024, which have been delivered to the Registrar of Companies as per Section 435 of the Companies Act 2006. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to give an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial information as of 31 December 2024 and for the six months ended 30 June 2025.

These condensed consolidated interim financial statements do not comprise of statutory accounts within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the six months ended 30 June 2024 are not the Group's statutory accounts for that financial period. The preparation of these condensed consolidated interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in note 3.

These condensed consolidated interim financial statements were authorised for issue by the Company's Board of Directors on 26 September 2025. The Independent Auditor's Report on the Annual Report and Accounts of Alphawave IP Group plc for the year ended 31 December 2024 was unqualified and did not draw attention to any matters by way of emphasis and did not contain statements under s498 (2) or (3) of the Companies Act 2006. The financial information for the periods ended 30 June 2025 and 30 June 2024 is unaudited but has been subject to a review by the Company's auditor.

Going concern

The condensed interim financial statements have been prepared on a going-concern basis which the Directors believe to be appropriate for the following reasons.

At the time of approving these condensed interim financial statements, the Directors are required to form a judgement as to whether the Group has adequate resources to continue in operational existence for a period of at least a year from the date of approval of the financial statements ("Going Concern Assessment"). In their Going Concern Assessment, the Directors have considered various factors including the Group's current financial position, the Group's medium-term plan, its budget for the next financial year, and the principal risks and uncertainties that it faces.

On 9 June 2025, the Boards of Qualcomm Incorporated ("Qualcomm") and the Company announced that they had reached agreement on the terms of a recommended offer by Qualcomm for purchase of the entire issued, and to be issued, ordinary share capital of the Company (the "Acquisition"). On 7 July 2025, Alphawave published a Scheme Document which, amongst other things, sets out the full terms and conditions of the

Acquisition. The Acquisition is conditional upon the satisfaction (or waiver, where applicable) of various conditions, including, amongst other things, the approval by the requisite majorities of Alphawave shareholders, the sanction by the High Court in the UK, as well as the satisfaction or waiver of various regulatory conditions, including merger control approvals in the U.S., Germany, South Korea and Canada, and foreign direct investment approval, in the UK. On 5 August 2025, Alphawave announced that the Acquisition was approved by the requisite majorities of Alphawave shareholders and that clearance from the UK government has been received in respect of the notification made under the National Security and Investment Act 2021.

The Directors have considered the impact of certain consequences arising from the Acquisition in their Going Concern Assessment.

On the basis of a successful completion of the Acquisition, loans and borrowings and convertible bonds of the Group may become subject to change of control provisions. While the Directors do not, on the date of approval of these financial statements, have full clarity on what the exact impact of the Acquisition may be on the Group's structure and financing, to the best of their knowledge, the Directors expect Qualcomm to have the necessary ability to arrange any financing that may be required to address the impact of these change of control provisions.

The Directors have assessed a severe but plausible downside scenario that reflects a reduction in revenues of 16% from the base case projections driven by a range of current or emerging risks to the Group. These risks include delays in commercialisation of the Group's own connectivity products as well as the continued impact of the Acquisition by Qualcomm on the ability of the Group to win new business from certain customers. The Directors have assessed the downside scenario to be appropriately severe, whilst being plausible. In the downside scenario, if the Acquisition does not complete by the end of Q4 2025, the Group may be at risk of not being able to meet certain financial covenants applicable to the Term Loan and Revolving Credit Facility on conclusion of the existing covenant waiver, and consequently may need to either renegotiate or obtain extended waivers to the covenants, and undertake other remedial actions for such time as may be necessary. The Directors considered the Group's ability to undertake mitigating measures and specifically note that the Group maintains good relationships and a regular dialogue with each of its lenders. The Directors are confident that an amendment or waiver to its covenants could be secured, if necessary. This is based on the fact that the Group has, through proactive negotiations with its lenders, secured a suspension of certain financial covenants for the period ending on the earlier of (i) the date upon which it is determined that the recommended acquisition of the Group by Qualcomm will not go ahead due to regulatory conditions not being satisfied or (ii) through to and including Q4 2025 (See Note 19 for further details). However, being able to secure an amendment or waiver of its covenants, or ability to successfully execute other mitigating actions are not guaranteed.

The Directors have therefore deemed it appropriate to prepare the financial statements on a going concern basis but note the existence of a material uncertainty arising from the risks outlined above, that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets or discharge its liabilities in the normal course of business. The condensed interim financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Basis of organisation

The Group's management has performed its evaluation for reporting its reportable segments, if any, and concluded that the Group's business constitutes only one operating segment as all its products and services are of similar nature and focus on customers from the same industry. Its entire revenues, expenses, assets and liabilities pertain to the one business as a whole. This has been ratified by the chief operating decision maker (CODM), Tony Pialis (CEO) who is deemed best placed to evaluate the entity's operating results to assess performance and to allocate resources.

Foreign currency translation

Each entity within the Group has a functional currency, which is normally the currency in which the entity primarily generates and expends cash.

At entity level, a foreign currency is a currency other than the entity's functional currency. Sales, purchases and other transactions denominated in foreign currencies are recorded in the entity's functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the end of the reporting period. Currency translation differences arising at entity level are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies are not retranslated subsequent to initial recognition.

On consolidation, the results of foreign operations are translated into US dollars at the average exchange rate for the reporting period and their assets and liabilities are translated into US dollars at the exchange rate ruling at the end of the reporting period. Currency translation differences arising on consolidation are recognised in other comprehensive income and taken to the currency translation reserve. In the event that a foreign operation is sold, the related cumulative currency translation difference recognised in other comprehensive income is reclassified from equity to profit or loss and is included in calculating the gain or loss on disposal of the foreign operation.

Accounting policies

The accounting policies that have been used in the preparation of these consolidated interim financial statements are the same as those applied in the last annual consolidated financial statements as of 31 December 2024. New standards effective on or after 1 January 2025 have been reviewed and do not have a material effect on the Group's financial statements.

3. Critical judgements and key sources of estimation uncertainty

In the application of the Group's and Company's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Changes to critical judgements and key sources of estimation uncertainty in the 6 months to 30 June 2025 include removing accounting for WiseWave as a joint venture, share of losses in excess of interest in WiseWave, unrealised profit on sales to WiseWave due to the disposal of WiseWave on 7 June 2025, reassessment of the judgement over the recoverability of accounts receivable and contract assets with Wisewave. The resultant estimate in relation to the allowance for credit losses in respect of these balances arising from the increased uncertainty introduced by the disposal of Wisewave in June 2025 and resulted in an additional US\$19.7m being recorded as an expected credit loss in the period. No material estimation uncertainty over the remaining carrying amount of US\$0.2m.

In addition, as a result of the recommended acquisition of the Group by Qualcomm, the Directors have been required to reassess or consider a number of new judgements and estimates. The Directors have also been required to consider whether indicators of impairment existed in relation to the carrying amount of any of the Group's assets. This assessment led to impairment indicators being identified in relation to certain assets and thus the Directors were required to apply judgement in determining the recoverable amount of these assets. Consequently, an impairment has been recorded of US\$10m against purchased IP and US\$19.8m against a warrant payment to a customer, both of which are now fully impaired. The Directors have not identified any indicators of impairment associated with other assets at 30 June 2025. Further, in concluding on the going concern basis of preparation of the interim financial statements, the Directors have also made a number of estimates and judgements as set out in the basis of preparation in note 2, Going Concern. The Directors draw attention to the critical nature of these estimates and judgements in preparing these interim financial statements, and note the existence of a material uncertainty arising from these risks, that may cast doubt on the Group's ability to continue as a going concern.

4. Revenue

Revenue in the unaudited condensed consolidated statement of comprehensive income is analysed as follows:

<i>(US\$'000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Revenue by type:		
IP and NRE	75,983	61,393
IP and NRE – Reseller	1,313	318
IP and NRE - JV	-	3,021
Silicon and Royalties	25,665	26,243
	102,961	90,975

‘IP and NRE’ represents revenue from IP products licensing, along with related support and NRE services, in addition to custom silicon NRE (which can include internal engineering services, our IP and related support, third party IP, tooling costs and prototypes).

‘IP and NRE – Reseller’ represents revenue from contracts with resellers which allow customers to sub-license the Group’s IP to third-party end-customers.

‘IP and NRE – JV’ represents revenue from our former joint venture, WiseWave, which was fully disposed of on 7 June 2025. The balance at the end of June 2024 includes revenues recognised under the five-year subscription licence and revenues recognised under the VeriSilicon reseller arrangements which were moved under WiseWave in late 2021 but subsequently moved back to the ‘IP and NRE Reseller’ for H1 2025 due to disposing of the joint venture.

‘Silicon and royalties’ represent revenues recognised once our customers are in production and in the case of custom silicon are based on shipments of physical silicon products and, for standalone IP licensing, royalties payable on usage of our IP within silicon products.

<i>(US\$'0000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Revenue by region:		
North America	61,262	42,044
China	21,109	18,130
APAC (ex-China)	13,157	24,147
EMEA	7,433	6,654
	102,961	90,975

Where goods are delivered electronically, for example IP, the above revenue by region analysis is determined by classifying customers based on their main base of operations. Where goods are delivered physically, customers are classified based on the delivery location.

US\$73.5m (71% of total revenues) (H1 2024: US\$64.8m, 71%) represent revenues recognised over time. Of the US\$73.5m revenue recognised over time, US\$56.2m is subject to estimation uncertainty. US\$25.1m of contract assets and US\$23.8m of contract liabilities are also subject to estimation uncertainty. These revenues require management judgements and estimates of project hours or costs that are used in percentage of completion calculations. These revenues relate to work done during the design phase of a customer project and include (with the exception of a limited amount of revenue relating to our soft IP) IP product licensing fees, together with related support and NRE, as well as custom silicon NRE fees. We have applied a sensitivity to revenues recognised over time in 2025 which are subject to estimates. If our estimates of total hours or total costs had been 10% higher, these revenues would be US\$49.8m, contract assets would be US\$18.8m and contract liabilities would be US\$30.2m. If our estimates of total hours or total costs had been 10% lower, these revenues would be US\$63.2m, contract assets would be US\$32.3m and contract liabilities would be US\$16.7m.

US\$29.5m (29% of total revenues) (H1 2024: US\$26.2m, 29%) are recognised at a point in time. These revenues are based on silicon shipments once our customers are in production. In the case of custom silicon, this represents revenues from shipments of physical silicon products, and for standalone IP licensing, royalties payable on usage of our IP within silicon products.

Please see the 'Financial, Operational and Strategic Highlights' section on page 3 for further information on revenue.

Below is a reconciliation of the movement in contract assets during the period:

<i>(US\$'000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
At the beginning of the period	95,695	65,173
Revenue accrued in the period	16,087	14,803
Accrued revenue invoiced in the period	(29,514)	(26,110)
Expected credit loss	(5,251)	900
At the end of the period	77,017	54,766

Below is a reconciliation of the movement in contract liabilities, excluding the flexible spending account, during the period:

<i>(US\$'000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
At the beginning of the period	62,317	50,106
Revenue recognised in the period	(38,382)	(33,023)
Revenue deferred in the period	56,648	52,440
At the end of the period	80,583	69,523

The contract liabilities balance is all expected to be satisfied within 12 months of the balance sheet date. There has been an increase in the contract liabilities balance since the end of December 2024 due to an increase in NRE invoicing and cash received towards the end of Q2 2025 where the revenue is expected to be recognised in Q3 and Q4 2025.

The flexible spending account, which is included within contract liabilities on the balance sheet, has increased to US\$34.2m at the end of June 2025 from US\$19.9m at the end of December 2024 and US\$18.8m at the end of June 2024. The increase was driven by a US\$11.6m of invoices raised in H1 2025 against two FSA agreements. These are contracts with customers who have committed to regular periodic payments to us over the term of the contract. These payments are not in respect of specific licences or other deliverables, but they can be used as credit against future deliverables.

Capitalised contract costs

The balances related to costs to obtain contracts from customers are as follows:

<i>(US\$'000)</i>	As at 30 June 2025	As at 31 December 2024
Capitalised contract costs	3,959	3,914

The costs to obtain contracts from customers include commissions. Amortisation of US\$1.2m (H1 2024: US\$1.1m) was charged to the consolidated statement of comprehensive income in the period.

Warrants

In September 2024, the Group issued 20,571,995 warrants to a customer which were expected to vest based on total cash collected in respect of revenue over the vesting period from the customer and its affiliates. These warrants will also vest in full immediately upon a change in control of the Group. During H1 2025, the Group recorded a reduction in revenue in the amount of US\$nil (H1 2024: US\$nil and H2 2024: US\$28,000) as a result of amortisation of the warrant payment to customer. In addition, finance income of US\$0.4m (H1 2024: US\$nil and H2 2024: US\$6.2m) was recognised as a result of changes in the estimated fair value of the warrant liability.

On 9 June 2025, Qualcomm announced its plans to acquire Alphawave, with an expected closing date in Q1 2026. Under the warrant instrument, all warrants issued will immediately vest and become exercisable upon completion of the acquisition. At this point the related warrant liabilities will be settled. In addition, the announcement of the acquisition necessitates an assessment of whether the warrant payment to customer was impaired as a result.

During the year ended 31 December 2024, warrant payment to customer was recognised with an intention of amortising on a pro-rata basis, based on the forecast ratio of revenue from or on behalf of the customer to the Vesting Target. Amortisation of the warrant payment to customer was to be recognised as a reduction in revenue.

The announcement of the recommended acquisition of the Group by Qualcomm has significantly reduced the economic benefits anticipated from the revenue-linked vesting condition of the warrants with the value being limited to the revenue expected to be recorded up until the acquisition close date.

After careful evaluation of these factors and exercising management's judgement, it has been determined that the warrant asset is fully impaired as of 30 June 2025.

The Group has recorded an impairment of US\$19.8m within the 'other operating expense' line of the condensed consolidated statement of comprehensive income. Therefore, as at 30 June 2025, the Group had a current asset of US\$nil (31 December 2024: US\$0.5m) and a non-current asset of US\$nil (31 December 2024: US\$19.4m) relating to the warrant.

The non-current warrant liability is US\$13.3m at 30 June 2025 (31 December 2024: US\$13.7m). The warrant liability's initial fair value was derived using an option-valuation model applied to the total number of warrants issued, based on the strong likelihood that all warrants will vest. As of 30 June 2025, the liability was re-measured as a weighted average of two scenarios: (1) the probability of acquisition completion applied to the warrants' intrinsic value, and (2) the probability of acquisition non-completion applied to the value obtained from the option-pricing model. The inputs into the option valuation model as at 30 June 2025 include an exercise price of the warrants of £1.4236 (31 December 2024: £1.4236), share price of £0.935 (31 December 2024: £0.844), risk free interest rate of 3.895% (31 December 2024: 3.986%), estimated dividend yield of 0% and expiration date of the warrants of 28 September 2034.

5. Other operating expense

Other operating expense items were as follows:

<i>(US\$'000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Acquisition-related costs	-	6,459
Costs related to acquisition by Qualcomm	44,058	-
Compensation element of deferred cash rights	2,679	3,788
Share-based compensation expense	22,329	10,743
Currency translation loss / (gain)	1,232	(1,354)
Impairment of warrants	19,848	-
Expected credit loss related to a customer	19,707	-
Total other operating expenses	109,853	19,636

The increase in other operating expenses is due to costs related to the recommended acquisition of the Group by Qualcomm, the share-based compensation expense, the impairment of warrants and the expected credit loss related to a customer.

6. Employee costs excluding Directors and key management personnel

<i>(US\$'000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Wages, salaries and benefits	66,928	51,068
Defined contribution pension costs	3,120	2,643
Social security costs	1,691	2,553
Share-based payments (all employees)	22,329	8,437
Investment tax credit	(4,811)	(4,811)
Total employee costs	89,257	59,890

The average number of employees during the period, analysed by category, was as follows:

	Six months ended 30 June 2025	Six months ended 30 June 2024
R&D/engineering	961	770
General & administration	92	63
Sales & marketing	28	34
Total employees (average)	1,081	867

The number of employees at the end of each period, analysed by category, was as follows:

	Six months ended 30 June 2025	Six months ended 30 June 2024
R&D/engineering	1,014	794
General & administration	102	69
Sales & marketing	28	33
Total employees (end of period)	1,144	896

7. Directors and key management personnel compensation

<i>(US\$'000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Directors and key management emoluments	5,512	4,400
Pension costs	83	89
Total Directors and key management remuneration	5,595	4,489

8. Finance income and expense

<i>(US\$'000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Finance income		
Interest income from contracts with customers containing significant financing components	400	136
Interest on bank deposits	3,004	1,602
Warrants income	352	-
Interest on lease deposit	22	35
	3,778	1,773
Finance expense		
Bank charges	(708)	(46)
Lease interest	(701)	(605)
Term loan interest	(13,110)	(9,093)
Term loan interest capitalised to the balance sheet	8,354	6,371
Convertible bonds related expenses	(2,773)	-
	(8,938)	(3,373)
Net finance expense	(5,160)	(1,600)

9. Income tax expense

During the six months ended 30 June 2025, the Group recorded a consolidated tax credit of US\$5.9m (H1 2024: US\$10.0m tax credit), which represented effective tax rates of 3% (H1 2024: 20%).

Income tax credit has been recognised based on management's estimate of the annual actual income tax rate for the financial period applied to the reported profits before tax of the interim reporting period for each entity in the consolidated Group.

10. Earnings per share

Basic loss per share is calculated by dividing net loss from operations by the weighted average number of ordinary shares in issue during the period.

Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding during the period to assume conversion of all potential dilutive share options and restricted share units to common shares.

<i>(US\$'000 except shares)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Numerator:		
Net loss from operations	(172,081)	(39,961)

Denominator:		
Weighted average number of common shares outstanding for basic EPS	758,476,694	728,559,101
Weighted average number of common shares outstanding for diluted EPS	758,476,694	728,559,101
Basic EPS (US\$ cents)	(22.69)	(5.48)
Diluted EPS (US\$ cents)	(22.69)	(5.48)

Basic loss per share in the six months to 30 June 2025 and diluted loss per share in the six months to 30 June 2025 are the same because the share options and RSUs are anti-dilutive. Therefore, they have been excluded from the calculation of diluted weighted average number of ordinary shares.

11. Goodwill

Goodwill is tested for impairment annually and whenever there is an indication that it may be impaired, at the level of the cash-generating unit (CGU) or group of CGUs to which it is allocated. Our business model is such that our IP is leveraged across the channels through which we provide our products and services to customers, i.e. IP licensing, custom silicon and own products. Given this interdependence of the Group's operations, management considers that the Group constitutes only one CGU because there is no asset or group of assets within the business that generates cash inflows that are largely independent of cash inflows generated by other assets or groups of assets. Goodwill was tested for impairment at Group level at the end of 2024 by comparing the Group's recoverable amount, determined from its fair value less costs of disposal, against its carrying amount. In 2024, the Group's fair value less costs of disposal was higher than its carrying amount and therefore no impairment of goodwill was required. In H1 2025, we assessed whether there were any indications that goodwill may be impaired and concluded that there are none. Specifically, we do not expect the Group's consolidated net loss incurred in H1 2025 to be indicative of a permanent reduction in the Group's ability to generate cash flows.

12. Other intangible assets

<i>(US\$'000)</i>	Six months ended 30 June 2025
As at 1 January 2025	263,242
Additions	42,773
Impairment	(10,000)
Amortisation	(9,215)
As at 30 June 2025	286,800

The identifiable intangible asset from the acquisition of Precise-ITC in 2022 was valued at US\$7.8m, against which amortisation of US\$1.0m was recorded in H1 2025 (H1 2024: US\$1.0m).

The identifiable intangible assets from the acquisition of OpenFive in 2022 were valued at US\$61.0m, against which amortisation of US\$5.4m was recorded in H1 2025 (H1 2024: US\$5.4m).

The identifiable intangible asset from the acquisition of Banias Labs in 2022 was valued at US\$83.9m. No amortisation is recorded as the intangible asset is not yet available for use.

The US\$42.8m of additions includes US\$8.3m purchased from a third-party IP provider and US\$8.4m of capitalised borrowing costs. The remaining US\$26.1m is capitalised development expenditure comprising primarily of staff costs where staff have worked on projects that are capitalisable under the Group's research and development capital expenditure policy.

The US\$10.0m impairment relates to an internal project that has been cancelled.

The Group incurred research and development costs, net of a SRED credit of US\$4.8m, that have been expensed in the consolidated statement of comprehensive income, due to not meeting the criteria for capitalisation. The amounts expensed through salaries, subscriptions, subcontracting, depreciation of right-of-use assets, equipment rentals, and prototypes which relate to research and development are as follows:

<i>(US\$'000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
Research and development	65,052	39,378

13. Property and equipment - owned

The value of property and equipment has increased by US\$22.8m from US\$35.9m at 31 December 2024 to US\$58.7m at the end of June 2025. The increase is mainly due to purchasing US\$26.8m lab equipment and US\$4.2m mask sets, less US\$8.5m depreciation charge.

14. Investments

WiseWave joint venture:

On 7 June 2025, the Group fully disposed of its ownership interest in WiseWave Technology Co., LTD ("WiseWave"), by transferring its equity ownership in WiseWave to Wise Road Huazhi (Zhuhai) Equity Investment Partnership (Limited Partnership), Wise Road Zhiguang (Zhuhai) Equity Investment Partnership (Limited Partnership), Zhuhai Wise Road Huajin Zhiying Investment Partnership (Limited Partnership), Wise Road Zhibo (Zhuhai) Equity Investment Partnership (Limited Partnership), and Zhuhai Wise Road Huajin Zhisheng Investment Partnership (Limited Partnership) for no consideration.

The value of the investment in WiseWave was reduced to US\$nil in 2022, as a result of equity accounting for losses at WiseWave to the end of 2022. As such, when the Group disposed of WiseWave on 7 June 2025 and relieved themselves of any constructive obligation, no gain or loss on disposal was recorded.

15. Cash and cash equivalents

<i>(US\$'000)</i>	As at 30 June 2025	As at 31 December 2024
Cash at bank and in hand	118,663	162,159
Short-term deposits	-	18,000
Total cash and cash equivalents	118,663	180,159

Please see the 'Financial Highlights' section on page 4 for further information on cash, including the decrease in cash as at 30 June 2025 compared to 31 December 2024.

16. Trade and other receivables

<i>(US\$'000)</i>	As at 30 June 2025	As at 31 December 2024
Current:		
Trade receivables from contracts with customers	50,080	78,903
Less: Allowance for expected credit losses	(23,827)	(10,107)
Trade receivables – net	26,253	68,796
Restricted cash	2,682	5,798

Other receivables	6,246	6,707
Total current	35,181	81,301
Non-current:		
Restricted cash	866	626
Other receivables	634	1,380
Total non-current	1,500	2,006
Total trade and other receivables	36,681	83,307

Current trade and other receivables have decreased from US\$81.3m on 31 December 2024 to US\$35.2m on 30 June 2025. This reduction is due partly to timing of invoicing and collection but also due to the US\$13.7m increase in the allowance for expected credit loss. Total restricted cash reduced by US\$2.9m due to deferred compensation payments made to employees from acquired entities. All of this relates to a reduction in amounts held by third-party paying agents in respect of future compensation amounts payable to employees of Alphawave Semi Israel (formerly Baniyas Labs) being settled in the first half of 2025. The payments associated with Alphawave Semi Israel deferred cash are presented within operating activities in the condensed consolidated statement of cash flows. The reduction of the deferred cash asset from these transactions is included in working capital in the condensed consolidated statement of cash flows.

Regarding the allowance for expected credit loss for both trade receivables and contract assets, management evaluated and recorded a specific reserve of US\$5.2m for trade receivables and US\$3.8m for contract assets for balances owed / to be billed to WiseWave at 31 December 2024. These provisions were 21% of the gross balance outstanding at the time and this was based on the fact that all overdue invoices were at least 3 months overdue at 31 December 2024 but that the Group continued to hold a significant ownership interest and should, over time, still be able to collect some or all of the outstanding balances. In our H1 2025 ECL assessment of the remaining net accounts receivable and contract assets, we considered the following factors:

1. In late May 2025, the US government imposed restrictions on the sale of critical semiconductor design software tools to China, in response to China's rare-earth export embargo. While these restrictions have recently been rescinded, the situation highlights the ongoing uncertain geopolitical relationship between the US and China, posing a risk to semiconductor companies.
2. In 2022 we informed Wise Road (the other investor in the WiseWave joint venture) that we would not be making any further investments in WiseWave. WiseWave has been loss making since its incorporation, had been operating based on capital being raised from Wise Road and its affiliates and was continuing to actively seek additional funding to support operations. We understand that prior to Alphawave's disposition of its investment in WiseWave, during the first half of 2025 Wise Road made further efforts to raise capital for WiseWave from third-party investors but failed to do so due to a variety of reasons, including the geopolitical risks as discussed above. On 7 June 2025, the Group disposed of its entire interest in WiseWave for US\$nil. Management believes that the disposition of the investment to Wise Road at no cost was in the interest of the shareholders of the Group, including in facilitating the acquisition of the Group by Qualcomm.
3. Given the challenges faced by WiseWave during Q2 2025 to raise funding from external third-party investors and persistent continuing negative cash flow from operations, we have concluded that it is unlikely WiseWave will be able to make any further payments to the Group.

Based on the above considerations, as of 30 June 2025, management decided to fully impair both the trade receivables and contract asset balances, net of any amounts due to WiseWave which are being withheld. As at 30 June 2025, the Group held a gross trade receivables balance of US\$20.0m and a contract assets balance of US\$8.9m in relation to WiseWave. The corresponding ECL provision for trade receivables at 30 June 2025 is US\$19.8m and for contract assets is US\$8.9m. In the consolidated statement of comprehensive income, the expected credit loss is recognised within the other operating (expense)/income line and is therefore excluded from the Group's adjusted EBITDA calculations.

Non-current trade and other receivables have decreased from US\$2.0m on 31 December 2024 to US\$1.5m on 30 June 2025 due to a decrease in non-current other receivables.

17. Other assets

<i>(US\$'000)</i>	As at 30 June 2025	As at 31 December 2024
Current:		
Prepayments	42,005	7,898
Capitalised contract costs	3,959	3,914
Total current	45,964	11,812
Non-current:		
Prepayments	3,248	775
Total non-current	3,248	775
Total other assets	49,212	12,587

Prepayments have increased by US\$36.6m, predominantly due to a large prepayment of US\$26.8m to one of our suppliers relating to mask costs.

18. Trade and other payables

<i>(US\$'000)</i>	As at 30 June 2025	As at 31 December 2024
Current:		
Trade payables	13,589	32,588
Accrued expenses ¹	81,567	27,524
Social security and other taxes	10,472	992
Other payables	14,642	15,702
Total current	120,270	76,806
Non-current:		
Accrued expenses	6,043	-
Other payables	1	132
Total non-current	6,044	132
Total trade and other payables	126,314	76,938

1. Accrued expenses includes interest payable on convertible bonds amounting to US\$1.8m.

Current trade and other payables have increased from US\$76.8m on 31 December 2024 to US\$120.3m on 30 June 2025. Trade payables have decreased by US\$19.0m since 31 December 2024, due to paying off invoices built up with one of our largest suppliers. Total accrued expenses have increased by US\$60.1m since 31 December 2024 due to various professional adviser fees and other expenses incurred in relation to the recommended acquisition of the Group by Qualcomm.

19. Loans and borrowings

(US\$'000)	As at 30 June 2025	As at 31 December 2024
Current:		
Term loan	9,375	9,375
Total current loans and borrowings	9,375	9,375
Non-current:		
Revolving credit facility	125,000	125,000
Term loan	98,594	103,281
Convertible loan	115,620	112,847
Israel innovation authority	1,522	1,522
Total non-current loans and borrowings	340,736	342,650
Total loans and borrowings	350,111	352,025

On 30 June 2025, the Group executed the Sixth Amendment to the Credit Agreement which suspended the testing of the minimum interest coverage ratio and secured net leverage ratio covenants for the period ending on the earlier of (i) the date upon which it is determined that the recommended acquisition of the Group by Qualcomm will not go ahead due to regulatory conditions not being satisfied or (ii) through to and including Q4 2025. During this period the Group is not required to measure and report the minimum interest coverage ratio or the secured net leverage ratio. For further information on the Group's loans and borrowings, please refer to the Group's 2024 Annual Report.

20. Share capital

	Number of shares	US\$ '000
Balance as at 31 December 2023	715,514,567	10,011
Shares issued under employee share schemes	35,624,639	440
Balance as at 31 December 2024	751,139,206	10,451
Shares issued under employee share schemes	21,492,002	292
Balance as at 30 June 2025	772,631,208	10,743

21. Share-based payments

	Six months to 30 June 2025		Six months to 30 June 2024	
	Number of awards	Weighted average exercise price (US\$)	Number of awards	Weighted average exercise price (US\$)
Outstanding at the beginning of the period	77,724,535	0.980	86,263,963	0.834
Exercised or vested during the period	(23,501,685)	0.789	(20,098,870)	1.149
Forfeited during the period	(2,075,228)	1.463	(1,510,305)	1.189
Granted during the period	37,670,915	0.467	21,798,539	1.522
Outstanding at the end of the period	89,818,537	1.323	86,453,327	0.934

Vested at the end of the period	24,785,440	0.549	40,671,675	0.228
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Options and RSUs granted under the Company's Long Term Incentive Plan (LTIP) generally vest in accordance with the following schedule: (i) 25% of each award vests on the first anniversary of issuance; and (ii) the remainder of each award vests equally each month over the following 36 months. Options expire within ten years of their grant.

On 29 June 2025, the Company granted LTIP awards over 6,957,179 shares under the LTIP to Tony Pialis (4,666,667 shares) and Rahul Mathur (2,290,512 shares). The performance metrics and weightings are:

- Relative TSR vs constituents of the FTSE 250 – 35% weighting
- Relative TSR vs constituents of the FTSE All-World Technology Index – 35% weighting
- Adjusted EPS growth (2027 figure vs 2024 base year) – 30% weighting.
- Performance is measured over three consecutive financial years from 1 January 2025 and vesting is expected to occur on 1 May 2028.

Of the US\$22.3m (H1 2024: US\$10.7m) share based payment expense recorded in the condensed consolidated statement of comprehensive income, US\$1.8m of the expense recorded relates to LTIPs (H1 2024: US\$nil).

On 21 March 2024, the Company modified 30 million share options, which had been granted under the Company's LTIP, by extending the expiry date from 5 years to 10 years from the date of their grant. This incremental share based payment expense recorded as a result of this modification was \$3m. This charge should have been recorded in H1 2024 at the date of the modification but has instead been recorded as an additional charge in H1 2025.

During the current period, the Company strategic review triggered modifications to the existing LTIPs, which represented changes in non-market based terms. Due to this modification, the Company has calculated the fair value on the modification date which resulted in an immaterial impact to the fair value of the awards and LTIPs.

22. Related party transactions

During the period, Group companies entered into the following transactions with related parties who are not members of the Group

(US\$'000)	As at and for the period ended		
	30 June 2025	31 December 2024	30 June 2024
Transactions:			
Revenue from a company on which a Director is the chairman of the board ¹	200	33	33
Revenue from VeriSilicon	674	2,056	318
Revenue from WiseWave, a joint venture, where there is common directorship ²	-	3,227	3,021
Cost of sales from a company on which a Director is the chief financial officer ³	-	-	(1,031)
Operating expenses from a company on which a Director is a director	(227)	(3,278)	(100)
Costs capitalised as intangible assets from a company on which a Director is a director	0	(1,000)	(1,000)
	647	1,038	1,241
Balances:			
Accounts receivable from a company on which a Director is the chairman of the board ¹	1,440	2,760	200
Accounts receivable from VeriSilicon	441	200	893
Accounts receivable from WiseWave, a joint venture, where there is common directorship ²	160	19,603	20,569
Contract asset from companies on which a Director is the chairman of the board ¹	845	1,720	5,300

Contract asset from WiseWave, a joint venture, where there is common directorship ²	-	14,361	31,925
Prepaid expenses with a company on which a director is a director	-	67	167
Prepaid expenses with a company on which a Director is a director ¹	167	-	-
	3,053	38,711	59,054
Contract liabilities from VeriSilicon	(2,534)	(2,566)	(575)
Contract liabilities from WiseWave, a joint venture, where there is common directorship ²	(160)	(326)	(2,796)
Accrued liabilities with a company on which a Director is a director	-	(500)	(1,100)
Accrued liabilities with a company on which a Director is a director ¹	(1,161)	-	-
	(3,855)	(3,392)	(4,471)

1. Companies on which a Director is the chairman of the board are FLC Technology Group and DreamBig Semiconductor Inc. where Sehat Sutardja was chairman until his passing in September 2024. We have included all transactions with FLC Technology Group and DreamBig Semiconductor Inc. for H1 2025 as his wife, Weili Dai is Co-founder and President of FLC Technology Group and Co-founder and vice Chairwoman of DreamBig Semiconductor Inc. Operating expenses from a company on which a Director is a director, prepaid expenses with a company on which a Director is a director and accrued liabilities with a company on which a Director is a director all relate to where Sehat Sutardja was a director of Wolley Tech Inc., until his passing in September 2024. For completeness, we have included all transactions for H1 2025 as well as comparatives.
2. WiseWave has been included as a related party for H1 2025 even though Alphawave fully disposed of its shareholding on 7 June 2025.
3. Director ceased to be chief financial officer of this company in February 2024.

Sales to related parties are made at market prices and in the ordinary course of business. Outstanding balances are unsecured and settlement occurs in cash. This assessment is undertaken at each key reporting period through examining the financial position of the related party and the market in which the related party operates.

In the interests of transparency, we have opted to disclose VeriSilicon as a related party within this note. However, we have received advice that VeriSilicon is not a related party as defined by IAS 24 or UK Listing Rule 8.

Qualcomm is not a related party of Alphawave as defined by IAS 24 or UK Listing Rule 8. However, given the recommended acquisition of the Group by Qualcomm, we have decided to disclose any balances with Qualcomm. The only balance through H1 2025 with Qualcomm is \$9k support revenue and nothing on the balance sheet at 30 June 2025.

23. Subsidiaries of the Group as at 30 June 2025

All subsidiaries have been included in the consolidated financial statements using the equity method. Details of the Group's subsidiaries as at 30 June 2025 are as follows:

Name	Registered address	Country
Alphawave IP Inc.	70 University Ave, 10th Floor, Toronto, Ontario, Canada M5J 2M4	Canada
Alphawave Semi US Corp. (formerly Alphawave IP Corp.)	1730 N 1st St, Suite 650, San Jose, CA, 95112	United States (Delaware)
Alphawave IP (BVI) Ltd. ¹	Trinity Chambers, PO Box 4301, Road Town, Tortola	British Virgin Islands
Alphawave Call. Inc. ^{1,2}	70 University Ave, 10th Floor, Toronto, Ontario, Canada M5J 2M4	Canada
Alphawave Exchange Inc.	70 University Ave, 10th Floor, Toronto, Ontario, Canada M5J 2M4	Canada
Alphawave IP Limited ¹	21 Avenida da Praia Grande, No 409, Edificio China Law, 21 andar, em, Macau	China
Precise-ITC, Inc.	170 University Avenue, 10th Floor, Toronto, Ontario, M5H 3B3	Canada
AWIPInsure Limited ¹	1st Floor, Limegrove Centre, Holetown, St. James	Barbados
Alphawave Semi International Corp. (formerly Alphawave Holdings Corp.) ¹	1730 N 1st St, Suite 650, San Jose, CA, 95112	United States (Delaware)

Alphawave Semi, Inc. (formerly 490 N McCarthy Blvd #220, Milpitas, CA 9503 Open-Silicon, Inc)	United States (Delaware)
Alphawave Semiconductor Corp. (dissolved)	United States (Delaware)
Alphawave Semi Holding Corp. 3rd Floor, Les Cascades, Edith Cavell Street, Port Louis (formerly Open-Silicon Holding Corp.)	Mauritius
Open-Silicon Development Corp. (dissolved) ²	United States (Delaware)
Open-Silicon International, Inc. ²	United States (Delaware)
Alphawave Semi Japan Corporation (formerly Open-Silicon Japan) ²	Japan
Awave Semiconductor India Pvt Ltd (formerly Open-Silicon Research Private Ltd)	India
Alphawave Semi (Nanjing) Co. Ltd (formerly Yuanfang Silicon Technology (Nanjing) Co. Ltd)	China
Alphawave Semi Asia Co. Ltd	China
Alphawave Semi Israel Ltd (formerly Solanium Labs Ltd) ¹	Israel

All subsidiaries are wholly owned.

1. Owned directly by Alphawave IP Group plc.

2. Dormant

24. Post balance sheet events

On 7 July 2025, the Company published a Scheme Document outlining the terms and conditions of a recommended acquisition. The transaction is subject to various conditions, including shareholder approval, UK High Court sanction, and regulatory clearances in the US, Germany, South Korea, Canada, and the UK.

On 5 August 2025, the Company announced that shareholder approval had been obtained and clearance was received from the UK government under the National Security and Investment Act 2021.

Subject to the satisfaction or waiver of the remaining conditions, the recommended acquisition of the Company by Qualcomm is expected to complete in Q1 2026.

Alternative Performance Measures (APMs)

Introduction

Management uses a number of measures to assess the Group's financial performance. We consider certain of these measures to be particularly important and identify them as 'key performance indicators' (KPIs). We have identified the following financial measures as KPIs: revenue; bookings; backlog (excluding royalties); adjusted EBITDA; and cash generated from operations.

Certain of these measures are non-IFRS measures because they exclude amounts that are included in, or include amounts that are excluded from, the most-directly comparable measure calculated and presented in accordance with IFRS or are calculated using financial measures that are not calculated in accordance with IFRS. We have included reconciliations for certain of these measures below. We do not regard non-IFRS measures as a substitute for, or superior to, the equivalent IFRS measures. Non-IFRS measures presented by Alphawave may not be directly comparable with similarly titled measures presented by other companies.

Bookings and backlog

Management monitors bookings and backlog as indicators of future revenue from contracts with customers.

Bookings

Bookings is a non-IFRS measure and represents legally binding commitments by customers. Bookings comprise licence fees, non-recurring engineering support, orders for silicon products, financing components and estimated future royalties (based on contractually committed royalty prepayments or on volume estimates provided by customers). Our customer contracts for ASIC design services are typically cancellable upon payment of a fee. Customer contracts for IP licensing are typically non-cancellable. We include estimated sales for silicon products in bookings when respective arrangements with customers includes a minimum purchase commitment. Such commitments are typically effective only upon completion of engineering qualification and validation of our products.

Bookings are recorded at the point the contract has been signed by both Alphawave and the customer. There are occasions where customers request to cancel bookings. At the time of cancellation, these are recorded as debookings after taking into account any pertinent cancellation charges in the backlog, which is updated in the annual financial statements.

Bookings during the year were as follows:

	Six months ended 30 June 2025 US\$m	Six months ended 30 June 2024 US\$m
Bookings (excluding royalties)	159.4	225.3

The bookings figure of US\$159.4m for the six months to June 2025 is made up of 'License and NRE' bookings of US\$107.4m (six months to June 2024: US\$203.5m) and 'Royalties and silicon' bookings of US\$52.0m (six months to June 2024: US\$21.8m).

Backlog

Backlog is a non-IFRS measure that represents cumulative bookings (excluding royalties) that have not yet been recognised as revenue and which we expect to be recognised in future periods.

Backlog at the end of the year is calculated based on our backlog as at the beginning of the year, plus new bookings during the year and backlog acquired in business combinations, less revenue recognised during the year, less any adjustments for debookings.

Movements on backlog during the first half of 2025 were as follows:

	Six months ended 30 June 2025 US\$m	Year ended 31 December 2024 US\$m
Backlog at the beginning of the period	520.0	354.9
Add: Bookings during the period (excluding royalties)	159.4	515.4
Less: Net adjustments/debookings during the period (excluding royalties) ¹	(248.8)	(42.8)
Less: Revenue recognised during the period (excluding royalties) ²	(102.9)	(307.5)
Backlog (end of the period)	327.7	520.0

¹This includes customer debookings in the period of US\$168.8m, a net adjustment for legacy bookings of US\$37.6m and a debooking of \$42.4m related to a customer contract that was cancelled in 2024 but was not recorded as a debooking in that period.

During H1 2025, as part of ongoing process improvements, the Group completed a comprehensive review of open backlog which resulted in certain legacy items being excluded from the backlog reflected as net adjustments in the table above. The legacy items adjusted primarily related to backlog acquired from Open Silicon in 2022 that never resulted in any revenue being realised.

²There is a difference between the revenue in the statement of comprehensive income and the above revenue figure as the above excludes \$0.1m of royalty revenue.

Earnings before interest, taxation, depreciation and amortisation (EBITDA)

Earnings before interest, taxation, depreciation and amortisation (EBITDA) is a non-IFRS measure that we consider is useful to investors and other users of our financial information in evaluating the sensitivity of the Group's trading performance to changes in variable operating expenses.

Joint venture profit or loss

In 2024, we excluded the costs of our joint venture in WiseWave from EBITDA because we consider that, as a start-up, they hinder the comparison of the Group's trading performance from one period to another or with other businesses. As we disposed of WiseWave on 7 June 2025, there is nothing to exclude for the half year to 30 June 2025.

Operating profit to EBITDA reconciliation

(US\$'000)	Six months ended 30 June 2025	Six months ended 30 June 2024
Operating (loss)	(172,805)	(48,314)
Add backs:		
Depreciation and amortisation	19,928	16,850
EBITDA	(152,877)	(31,464)

Adjusted measures of profitability

We report adjusted measures of profitability because we believe that they provide both management and investors with useful additional information about the financial performance of our business. Adjusted measures of profitability are non-IFRS measures that represent the equivalent IFRS measures adjusted for specific items that we consider hinder comparison of the Group's financial performance from one period to another or with other businesses. Adjusted measures of profitability exclude items that can have a significant effect on profit or loss. We compensate for this limitation by monitoring separately the items that are excluded from the equivalent IFRS measures in calculating the adjusted measures. We outline below the specific items of income and expenses that are recognised in profit or loss in accordance with IFRS but are excluded from the Group's adjusted results.

EBITDA to adjusted EBITDA reconciliation

<i>(US\$'000)</i>	Six months ended 30 June 2025	Six months ended 30 June 2024
EBITDA	(152,877)	(31,464)
Add backs:		
Acquisition-related costs	-	6,459
Costs related to Qualcomm transaction	44,058	-
Compensation element of Banias Labs deferred cash rights	2,679	3,788
Share-based compensation expense	22,329	10,743
Currency translation gain/(loss)	1,232	(1,354)
Impairment of warrants	19,848	-
Expected credit loss related to a customer	19,707	-
Adjusted EBITDA	(43,024)	(11,828)

Business combinations

We exclude those effects of applying the acquisition method of accounting under IFRS that we consider are not indicative of the Group's trading performance, including the accounting for transaction costs; the recognition of certain elements of the purchase price as compensation expense; and the recognition of remeasurements of contingent consideration in profit or loss.

During the periods under review, we excluded from our adjusted results the following items arising from the accounting for business combinations:

- > acquisition-related costs;
- > the costs incurred by Alphawave related to the recommended acquisition of the Group by Qualcomm, which consist of legal and professional fees and certain other expenses; and
- > the element of the value of the deferred cash rights granted to employees of Banias Labs to replace the unvested employee share awards at the acquisition date that is accounted for as compensation expense rather than as consideration.

We also exclude from our adjusted measures the amortisation of identifiable intangible assets acquired in business combinations in order that the performance of our business may be compared more fairly with that of businesses that have developed on an organic basis.

We exclude the costs of integrating acquired businesses because we consider that they hinder the comparison of the Group's trading performance from one period to another or with other businesses.

Share-based payments and related expenses

We exclude the compensation expense recognised in relation to share options and RSUs granted under the Company's LTIP because the awards are equity-settled and their effect on shareholders' returns is already reflected in diluted earnings per share measures. We additionally exclude the expense for payroll taxes payable on the exercise or vesting of the awards because the expense fluctuates according to the Company's share price at the exercise or vesting date and the effect on profit or loss is therefore not necessarily indicative of the Group's trading performance.

Currency translation differences

We exclude gains and losses that arise at entity level on the translation of foreign currency-denominated net cash and borrowings into the entity's functional currency. Such gains and losses can be significant and are not representative of the Group's trading performance.

Expected credit loss related to a customer

We exclude the impairment of accounts receivable and contract assets from a long-standing customer of the Group.

Impairment of warrants

We exclude the impairment of warrants as this is not representative of the Group's trading performance.

Income tax effect of adjustments

Where relevant, we calculate the income tax effect of adjustments by considering the specific tax treatment of each item and by applying the relevant statutory tax rate to those items that are taxable or deductible for tax purposes.

Loss after tax to adjusted loss after tax reconciliation

(US\$'000)	Six months ended 30 June 2025	Six months ended 30 June 2024
Loss after tax	(172,081)	(39,961)
Add backs:		
Acquisition-related costs	-	6,459
Costs related to Qualcomm transaction	44,058	-
Compensation element of Banias Labs deferred cash rights	2,679	3,788
Amortisation of acquired intangibles	6,328	6,328
Share-based compensation expense	22,329	10,743
Currency translation gain/(loss)	1,232	(1,354)
Impairment of warrants	19,848	-
Expected credit loss related to a customer	19,707	-
Tax effect of above adjustments	(978)	533
Adjusted loss after tax	(56,878)	(13,464)

Adjusted loss per ordinary share attributable to the shareholders (expressed in cents per ordinary share)

	Note	Six months ended 30 June 2025	Six months ended 30 June 2024
Adjusted basic earnings per share	10	(7.50)	(1.85)
Adjusted diluted earnings per share	10	(7.50)	(1.85)

Adjusted basic and diluted earnings per share have been calculated by taking the adjusted loss for the year and dividing it by the basic or diluted, as appropriate, weighted average number of common shares outstanding. Adjusted basic earnings per share and adjusted diluted earnings per share are the same for the six months ended 30 June 2025 because the share options and RSUs are anti-dilutive. Therefore, they have been excluded from the calculation of diluted weighted average number of ordinary shares.

Net (debt)/cash

Net (debt)/cash is defined as the difference between total borrowings and cash and cash equivalents. It is a measure that provides additional information on the Group's financial position. Restricted cash, which cannot be accessed by the Group, has been excluded from the net debt measure.

The net debt of US\$231.4m as at 30 June 2025 (31 December 2024:US\$171.9m) is made up of the bank loan of US\$233.0m (31 December 2024:US\$237.8m), the IIA loan in Israel of US\$1.5m (31 December 2024:US\$1.5m),

convertible debt of US\$115.6m (31 December 2024:US\$112.8m) less the cash and cash equivalents balance of US\$118.7m (31 December 2024:US\$180.2m).