

Arteris

1Q 2024 Earnings Presentation

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ARTERIS 

Business Highlights (1 of 2)

- Delivered positive free cash flow quarter and ACV plus royalties of \$58.2M in the quarter
- Robust design activity across our main verticals, primarily in Enterprise Computing and Automotive, followed by Communications, Industrial, and Consumer Electronics
- Licensing momentum:
 - 5 license deals with top 30 global technologies companies
 - Large license deal with a top global semiconductor customer, including 12+ designs
- AI and Machine Learning continues to drive activity—approximately half of 1Q'24 license deals enable AI/ML designs, supporting Generative AI and Large Language Model applications
- Continued FlexNoC 5 adoption across all verticals and regions, with additional evaluations and prospects in the pipeline

Business Highlights (2 of 2)

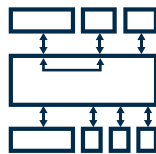
Rebellions rebellions_

Rebellions selects Arteris for its next-generation Neural Processing Unit aimed at Generative AI and Large Language Models

Arm Automotive Partnership

Delivery of Arteris products in partnership with Arm to accelerate automotive electronics innovation

Ncore 3.6 Release



Arteris expands Ncore cache coherent interconnect IP to accelerate leading-edge electronics designs

Mercedes Benz Standardization Collaboration



At the Automotive Computing Conference, Mercedes Benz presented a vision for standardization of automotive computing hardware, supported by partners such as Arm, Intel Foundry, Synopsys, Renesas, **Arteris**, and others

RISC-V Partnerships

Arteris expands its RISC-V ecosystem support with the announcement of added support for Damo Academy XuanTie processor line

1Q 2024 Results

Revenue, ACV + Royalties, RPO, Gross Profit

	1Q 2023	4Q 2023	1Q 2024 Guidance	1Q 2024
Revenue	\$13.2M	\$12.5M	\$12.1M - \$13.1M	\$12.9M (-2% Y/Y) ¹
ACV + Royalties	\$54.8M	\$56.1M	\$55.0M - \$59.0M	\$58.2M (+6% Y/Y)
RPO	\$57.3M	\$72.7M	N/A	\$74.7M (+30% Y/Y)
Gross Profit	GAAP: \$12.0M (91%) Non-GAAP: \$12.1M (92%)	GAAP: \$11.1M (88%) Non-GAAP: \$11.3M (90%)	N/A	GAAP: \$11.5M (89%) Non-GAAP: \$11.7M (91%)

1. +16% Y/Y when discounting ratability impact

1Q 2024 Results

Operating Expenses, Operating Income

	1Q 2023	4Q 2023	1Q 2024 Guidance	1Q 2024
Operating Expenses	GAAP: \$20.8M Non-GAAP: \$17.7M	GAAP: \$20.3M Non-GAAP: \$16.8M	N/A	GAAP: \$20.6M Non-GAAP: \$17.0M (-4% Y/Y)
Operating Income	GAAP: (\$8.8M) Non-GAAP: (\$5.6M)	GAAP: (\$9.2M) Non-GAAP: (\$5.5M)	Non-GAAP: (\$7.9M) – (\$5.3M)	GAAP: (\$9.1M) Non-GAAP: (\$5.3M) (+5% Y/Y)

1Q2024 Results

Free Cash Flow, Cash

	1Q 2023	4Q 2023	1Q 2024 Guidance	1Q 2024
Free Cash Flow	(\$8.5M)	(\$3.4M)	(\$1.2M) – \$1.4M	+\$0.3M
Cash, Cash Equivalents & Investments	\$63.4M	\$53.0M	N/A	\$53.4M

Guidance

2Q 2024 Guidance

ACV + Royalties

\$58M - \$62M

Revenue

\$13.2M - \$14.2M

**Non-GAAP Op.
Income**

(\$6.5M) – (\$4.5M)

Free Cash Flow

(\$1.4M) – \$1.6M

FY 2024 Guidance

ACV + Royalties

\$62M - \$68M

Revenue

\$54.5M - \$57.5M

**Non-GAAP Op.
Income**

(\$23.4M) – (\$19.4M)

Free Cash Flow

(\$2.4M) – \$2.6M