

The background of the slide is a dark, high-contrast image of a printed circuit board (PCB) with intricate green and blue traces. Overlaid on this is a complex system architecture diagram in white and light blue. The diagram shows a central horizontal bar labeled "Ncore® Cache Coherent Interconnect" and "FlexNoC® Non-Coherent Interconnect". Above this bar, there are blocks for "CPU/Cache/IO Interconnect", "CPU/Cache/IO Interconnect", and "Machine Learning Subsystem". Below the bar, there are blocks for "CPU/Cache/IO Interconnect", "CPU/Cache/IO Interconnect", and "CPU/Cache/IO Interconnect". Various other components like "CPU/Cache/IO Interconnect", "CPU/Cache/IO Interconnect", and "CPU/Cache/IO Interconnect" are scattered throughout the diagram, connected by lines representing data paths.

# ACCELERATING THE CREATION OF SEMICONDUCTORS

Corporate Overview  
January 2023

Charlie Janac – CEO      Nick Hawkins - CFO

# Disclaimer

This presentation has been prepared by Arteris, Inc. ("Arteris IP" or "the "Company") for informational purposes only and not for any other purpose. Nothing contained in this presentation is, or should be construed as, a recommendation, promise or representation by the presenter or Arteris IP or any officer, director, employee, agent or advisor of Arteris IP. This presentation does not purport to be all-inclusive or to contain all of the information you may desire. Information provided in this presentation speaks only as of the date hereof.

This presentation includes express and implied "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "estimate," "expect," "intend," "may," "might," "plan," "project," "will," "would," "should," "could," "can," "predict," "potential," "target," "explore," "continue," or the negative of these terms, and similar expressions intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words. These statements may relate to our market size and growth strategy, our estimated and projected costs, margins, revenue, expenditures and growth rates, our future results of operations or financial condition, our plans and objectives for future operations, growth, initiatives, or strategies. By their nature, these statements are subject to numerous uncertainties and risks, including factors beyond our control, that could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the statements. These assumptions, uncertainties and risks include, among others, risks related to: market conditions and global economic factors (including the potential adverse effects of the ongoing global COVID-19 pandemic), our ability to access debt and equity financing, our efforts to establish and maintain proper and effective internal controls, and other factors relating to our business, operations and financial performance. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results or outcomes to differ materially from those contained in any forward-looking statements we may make. You should not rely upon forward-looking statements as predictions of future events. Although our management believes that the expectations reflected in our statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Moreover, neither we, nor any other person, assumes responsibility for the accuracy and completeness of these statements. Recipients are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date such statements are made and should not be construed as statements of fact. Except to the extent required by federal securities laws, we undertake no obligation to update any information or any forward-looking statements as a result of new information, subsequent events, or any other circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we compete are necessarily subject to a high degree of uncertainty and risk.

In addition to the financials presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation includes the following non-GAAP metrics: non-GAAP loss from operations. Non-GAAP metrics have limitations as analytical tools and you should not consider them in isolation or as a substitute for or superior to the most directly comparable financial measures prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of non-GAAP metrics versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP metrics differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP metrics as tools for comparison. We urge you to review the reconciliation Arteris IP's non-GAAP metrics to the most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. See the Appendix for reconciliation between each non-GAAP metric and the most comparable GAAP measure.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

# Investment highlights

## Market leadership

- Leader in semiconductor System-on-Chip (SoC) System IP
- ~39% increase in active customers since 2020
- 640 SoC design starts
- Over 3 billion SoCs shipped

## Large addressable market

- TAM \$1.1 billion in 2020
- TAM \$3.2 billion expected by 2026<sup>1</sup>
- 19% TAM CAGR 2021–2026<sup>1</sup>

## Well-positioned in high growth segments

- 70 – 80% market share of automotive ADAS SoC market<sup>1</sup>
- Level 2+ automated vehicles growing at 63% CAGR<sup>2</sup>

## Differentiated technology

- Networking technology inside semiconductors
- Strong IP deployment technology, IP-XACT committee member
- 52 issued patents and 77 patent applications

## Scalable business model

- IP business model
- Address high growth segments with growing royalty streams
- Targeting high operating margin
- \$59 million contracted future revenue (RPO)<sup>3</sup>

<sup>1</sup> Management estimates

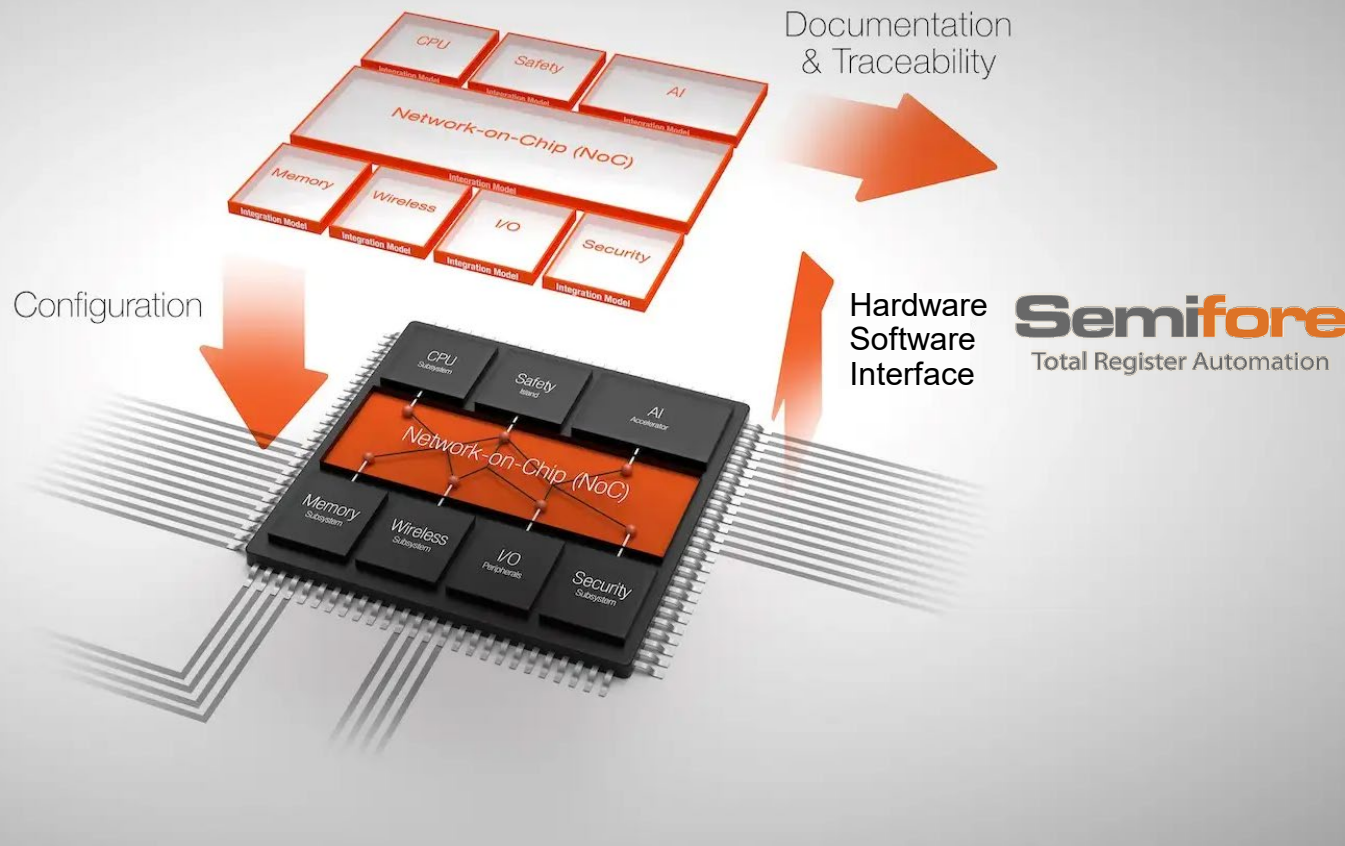
<sup>2</sup> According to MobilEye/Wolfe Research

<sup>3</sup> As of September 30, 2022. We define this as the amount of contracted future revenue not yet recognized, including both deferred revenue and contracted amounts that will be invoiced and recognized as revenue in future periods



# Arteris Acquires Semifore To Accelerate SoC Development

ARTERIS IP



- **Technology**

- Arteris® provides leading system IP
  - FlexNoC®, FlexWay®, Ncore®, CodaCache®
- Arteris provides IP deployment automation
  - Magillem® solution for connectivity and system map
  - Magillem solution for register management
  - **Acquired December 2020**
- Semifore® provides leading HW/SW Interface (HSI)
  - Recommended solution for registers
  - Hardware/software SoC integration
  - Delivering faster time to market and better SoC economics
  - **Acquired December 2022**

- **Roadmap**

- Arteris will create value-add integrations of both solutions

# SoC system IP enables SoCs

- SoCs allowed to make decisions are much more complex than data processing SoCs
- Creates the connections of hundreds of functional blocks (IP blocks) that are the glue that turns IP blocks into SoCs

NoC Interconnect IP

+ NoC Interface IP

+ IP Deployment Software

---

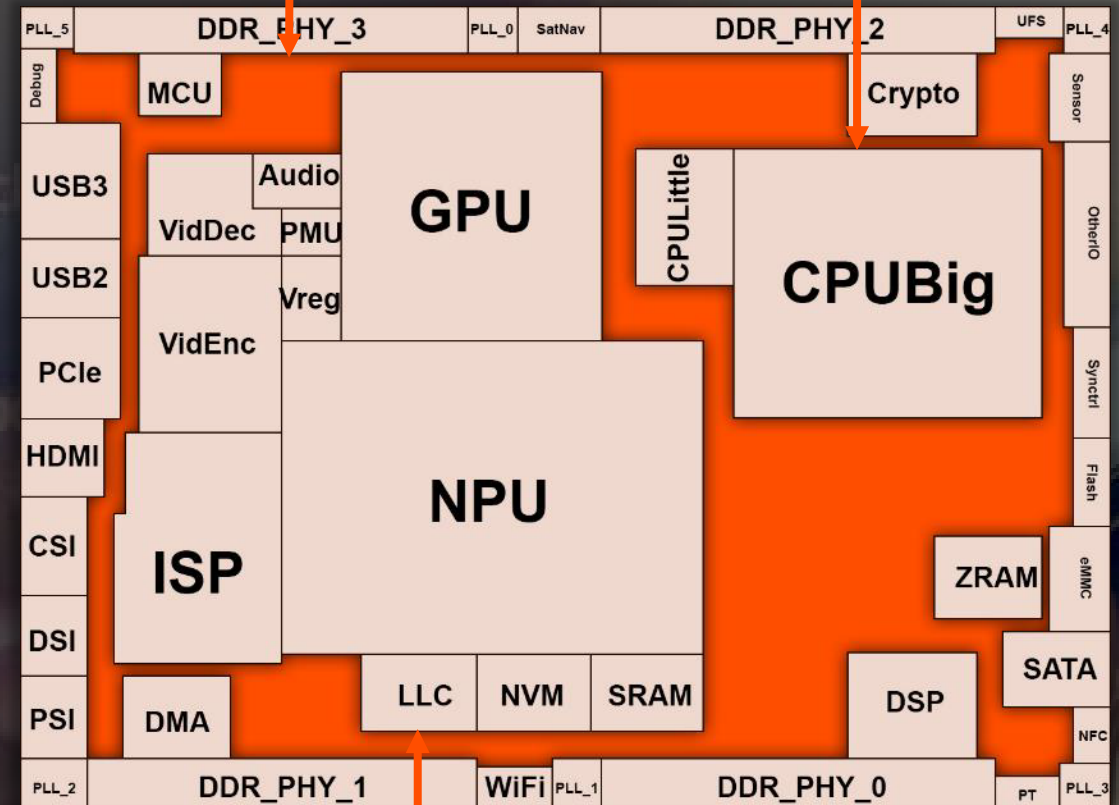
= **SoC System IP**

Arteris NoC Interconnect IP  
connects SoC IP blocks

Protocol converters, switches,  
rate adaptors, etc.

Arteris IP Deployment Software

SoC IP blocks packaged with  
Arteris IP deployment software



Arteris NoC Interface IP

Additional interconnects & IP blocks  
connected to NoC Interconnect IPs

# Addressing Multi-Billion-Dollar Serviceable Market

## Arteris SoC System IP

### NoC Interconnect IP

NoC transports data within SoC

Total Addressable Market -  
2020

~\$600M

Total Addressable Market -  
2026

~\$1.6B

### IP Deployment Software

Package IP Blocks, integrate SoCs

~\$300M

~\$500M

### NoC Interface IP

Data transport and Control IPs  
attached to NoC interconnects

~\$200M

~\$1.1B

*SoC system IP market in 2020,  
~400 SoC companies,  
25B SoC units shipped in 2020*

**\$1.1B** SoC system IP market  
in 2020

**\$3.2B** SoC system IP market  
by 2026 20% CAGR



# Arteris – The Leading System IP Company

Global Customer Base Producing Billions of SoCs with Arteris IP

## System IP Leader

- Founded in 2003
- Pioneer of networking IPs for SoCs
- October '21 IPO (Nasdaq: AIP)
- Global Team of 250+ employees
- 52 patents and 77 patent applications

## Proven Customer Successes

- 600+ SoC design starts
- 3B+ SoCs shipped in electronic systems
- 65+ net new customers in 2020 & 2021
- 97% customer retention rate ('18-'21)
- Used in 70%+ of Automotive ADAS SoCs
- Global customer support for system IP

## Global Presence



## Diversified Customer Base

Partial List of Publicly Disclosed Customers



## Connected with the Ecosystem



# Recent Customer Momentum

Arteris FlexNoC Interconnect  
Licensed by Microchip  
Technology for  
Microcontroller  
Development



ARTERIS IP®

Arteris® FlexNoC® Interconnect  
Licensed to Enhance  
Performance, Security,  
Configurability and Low Power  
for **Microchip's** Next-  
generation MCU Family.



**Sondrel** Deploys Arteris IP for  
Next-Generation Multi-Channel  
Automotive SoC, Leveraging  
Configurability and  
Performance for **ADAS**



ARTERIS IP®

SiMa.ai and Arteris IP  
collaborate on  
Next Generation MLSoC



Arteris Collaborates with  
**SiMa.ai** to Optimize **ML SoC**  
Implementation With **Efficient**  
**Topology Interconnect IP** for  
the **Embedded Edge**



# DIFFERENTIATED COMPETITIVE POSITION

```
##selection: end -add back the deselected mirror-##
mirror_ob.select= 1
modifier_ob.select=1
bpy.context.scene.objects.active = modifier_ob
print("Selected" + str(modifier_ob)) # modifier ob is the active ob
mirror_ob.select = 0
bpy.context.selected_objects[0]
bpy.context
```



# Moats Protecting Arteris' Business

## Arteris vs. Commercial Competitors

### Time to develop an Arteris product

- 3 – 4 years to develop a mature product
- 2 – 4 years of market development
- 5 – 7 years to build royalty generating customer base

### Cost

- Significant solution investment
- Foundry, IP & EDA ecosystem costly to develop

### Competencies and intellectual property

- IP, EDA & methodology R&D teams working together
- 52 issued patents, 77 patent applications

## Arteris vs. Internal Solutions

- Interconnect IP & IP deployment software increasingly expensive to develop in advanced nodes
- Fully-trained support organization to support customer projects on global basis
- Continuous stream of SoC System IP innovation improves customer competitive position



# Arteris IP Competitive Advantage

Enabling Customers to Create Complex SoCs Efficiently and Reliably

## WHAT we provide

## WHY it matters to customers

- |                                  |  |
|----------------------------------|--|
| ✓ Accelerated SoC creation       | Faster time to market, shorter time to revenue |
| ✓ Improved SoC economics         | Reduction of customer R&D cost, SoC unit cost  |
| ✓ Novel SoC architecture support | Creation of more complex, differentiated SoCs  |
| ✓ Lower power/area/performance   | Create lower cost, more market attractive SoCs |
| ✓ Focused System IP eco-system   | Proven IP block, EDA & foundry integrations    |



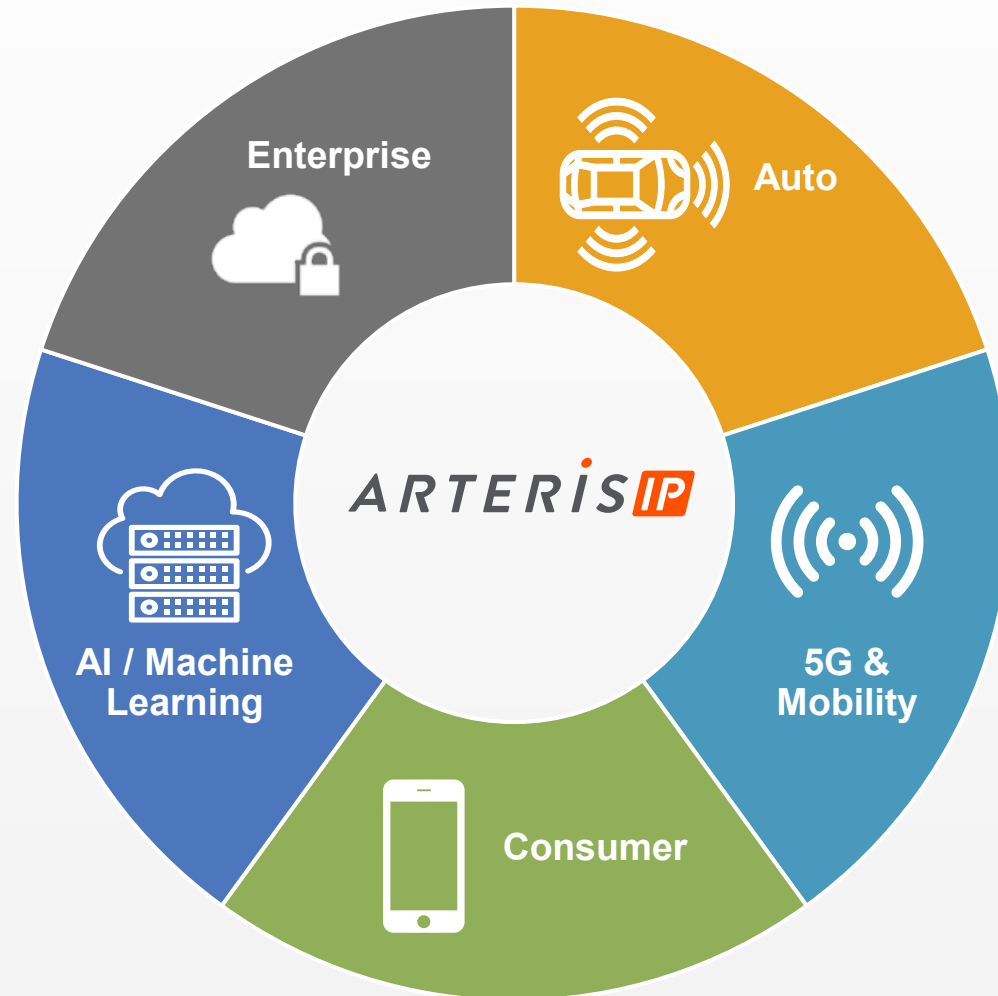
# ADDRESSING THE MOST ATTRACTIVE MARKET SEGMENTS

---



# Owning a Horizontal “Leverage Point” in SoC Creation

Accelerating Reliable SoC Creation Through Innovative System IP Technology



# Arm and Arteris Automotive Partnership

## Strategic Partnership to Accelerate Automotive Electronics Innovation

### Drivers

Enormous demand for autonomous vehicles with Advanced Driver Assistance Systems (ADAS)

Efficient compute required for the electrification and digitization of everything

Evolving expectations driving advanced digital cockpits and in-vehicle-infotainment

### Automotive Partnership

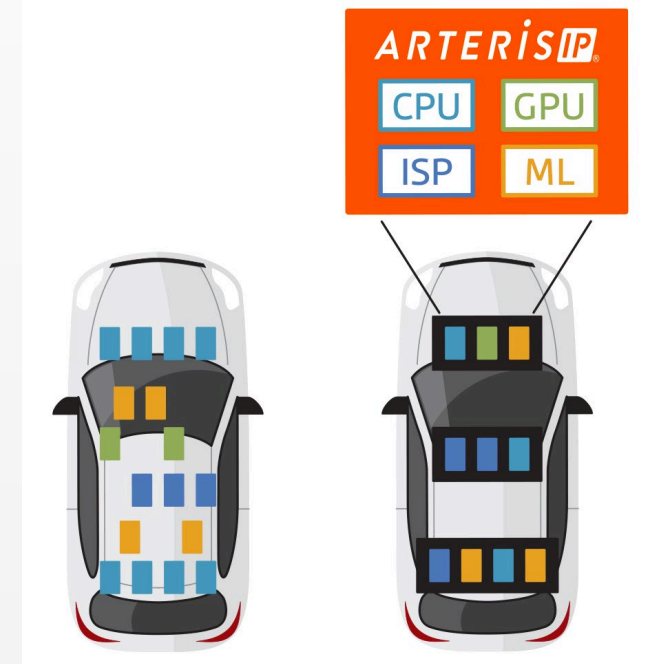
Delivering customer success via integration and aligned roadmaps of best-in-class products across:

- + Arm® processor IP: Cortex®-A family, Cortex-R, Cortex-M, and Mali™ GPU & ISP
- Arteris® system IP: FlexNoC® & Ncore® interconnect, and Magillem® IP deployment software

### Implication

Expanded cooperation required between system-on-chip technology leaders: Arm + Arteris

Mutual growth, leveraging the Automotive Silicon TAM\* scaling from \$12.6B (`21) to \$30B+ (`30)





# Connecting Artificial intelligence Everywhere

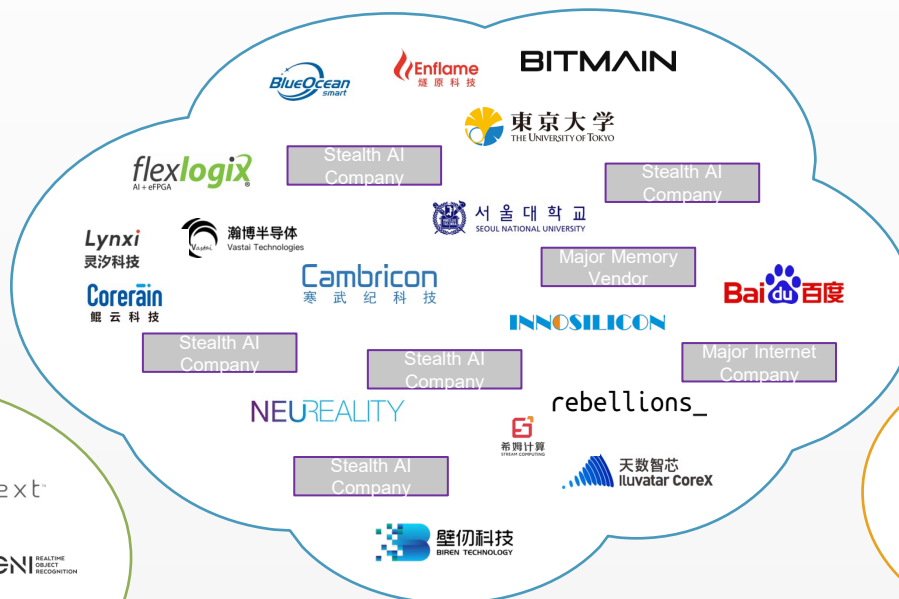
93

AI / ML  
Customers

## Transportation



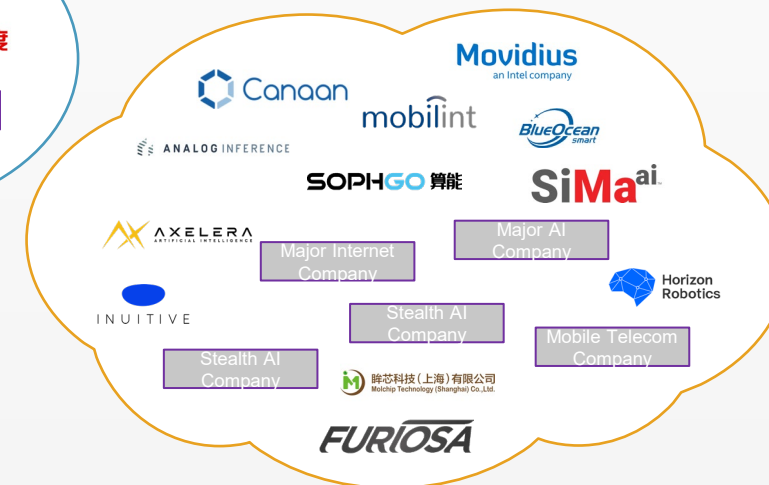
## Datacenter



148

AI / ML Arteris IP Connected  
SoCs Started

## Edge



\$52B

Global AI Edge Chipset  
Revenue by 2025

37%

Annual Growth in Global AI  
Edge Chipset Revenue  
(2019–2025)

# GROWTH STRATEGIES

---

```
Aspiration: end -add back the deselected mirror-  
mirror_ob.select= 1  
modifier_ob.select=1  
bpy.context.scene.objects.active = modifier_ob  
print("Selected" + str(modifier_ob)) # modifier ob is the active ob  
-mirror_ob.select = 0  
-bpy.context.selected_objects[0]  
-bpy.context.active_object
```

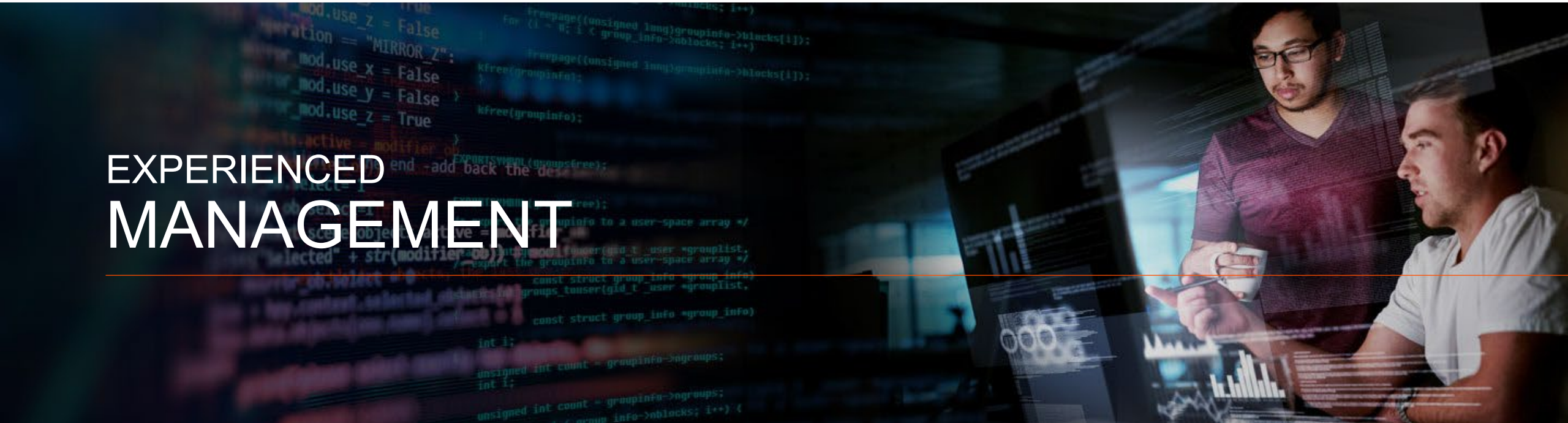
# Growth and Innovation Strategies





# EXPERIENCED MANAGEMENT

---



# Seasoned Executive Team with Deep Domain Expertise



**Charlie Janac**



**Chairman  
President & CEO**

**Laurent Moll**



**Chief Operating  
Officer**

**Michal Siwinski**



**Chief Marketing  
Officer**

**Nick Hawkins**



**Chief Financial  
Officer**

**Christel Mauffet-Smith**



**Executive VP of  
Global Sales**

**Paul Alpern**



**Vice President  
General Counsel**



Charlie has over 30 years of experience in multiple industries including electronic design automation, semiconductor capital equipment, nano-technology, industrial polymers and venture capital

B.S. & M.S. Tufts University & M.B.A Stanford Graduate School of Business

Laurent recently served as VP of Engineering at Qualcomm. Previously, Laurent was the CTO at Arteris Inc

PhD École Polytechnique, and holds over 60 patents on SoC technology

Michal has over 23 years of experience in a variety of marketing, customer success, and operations leadership roles. Most recently he was the Corp VP of Marketing and Business Development at Cadence

B.S. in EE & CS from UC Berkeley, Mini-MBA from University of Santa Clara

Nick has held CFO positions for over 20 years and was recently CFO of Corsair Gaming in the consumer electronics space

BSc from Exeter University & Fellow Chartered Accountant

Christel has over 25 years of experience in sales and field applications management from across Cadence, Synopsys and Ansys, and semiconductor design background from Philips

MS from École Polytechnique, B.S. in EE from Bournemouth University, UC Berkeley Haas School Executive Leadership

Paul has over 20 years of experience in law covering global semiconductor, IP licensing, system & software companies

Graduate Summa Cum Laude in Economics from UC Berkeley, & Juris Doctor from Harvard Law School

# Investment highlights

## Market leadership

- Leader in semiconductor System-on-Chip (SoC) System IP
- ~39% increase in active customers since 2020
- 640 SoC design starts
- Over 3 billion SoCs shipped

## Large addressable market

- TAM \$1.1 in 2020<sup>1</sup>
- TAM \$3.2B expected by 2026<sup>1</sup>
- 19% TAM CAGR 2021–2026<sup>1</sup>

## Well-positioned in high growth segments

- 70 – 80% market share of automotive ADAS SoC market<sup>1</sup>
- Level 2+ automated vehicles growing at 63% CAGR<sup>2</sup>

## Differentiated technology

- Networking technology inside semiconductors
- Strong IP deployment technology, IP-XACT committee member
- 52 issued patents and 77 patent applications

## Scalable business model

- IP business model
- Address high growth segments with growing royalty streams
- Targeting high operating margin
- \$59 million contracted future revenue (RPO)<sup>3</sup>

<sup>1</sup> Management estimates

<sup>2</sup> According to MobilEye/Wolfe Research

<sup>3</sup> As of September 30, 2022. We define this as the amount of contracted future revenue not yet recognized, including both deferred revenue and contracted amounts that will be invoiced and recognized as revenue in future periods



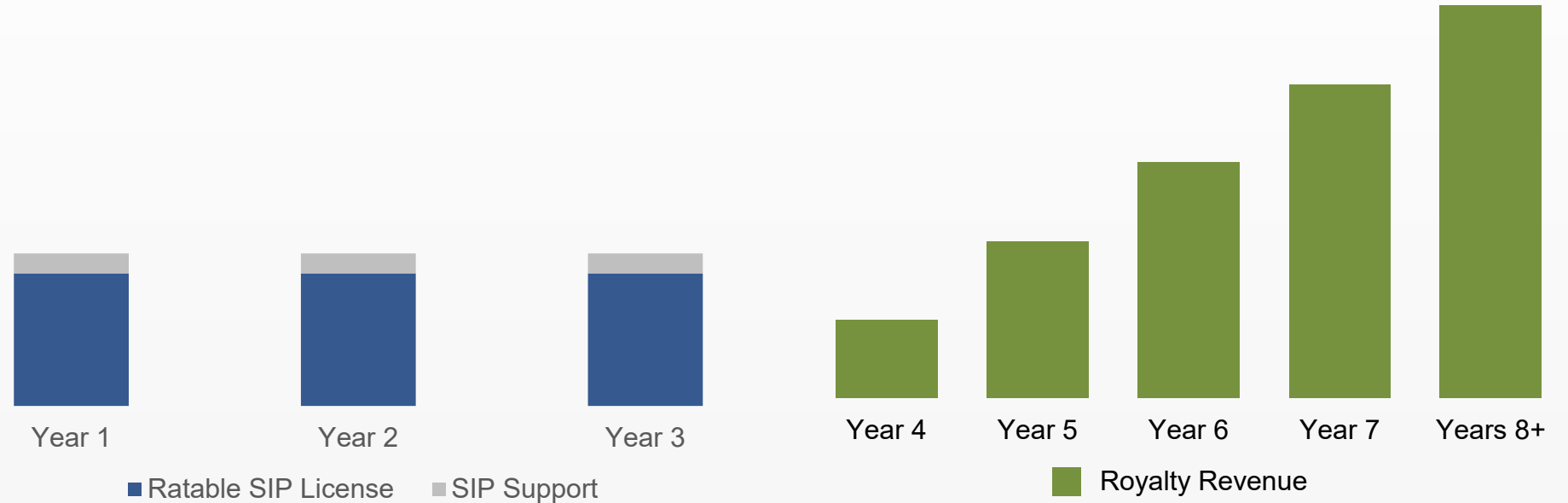
# FINANCIAL OVERVIEW

Nick Hawkins, CFO



# Scalable IP Business Model

## 3 Revenue Streams



Support and  
Maintenance Fee

License  
Fee

Repeatable, Long-term  
Product Royalties

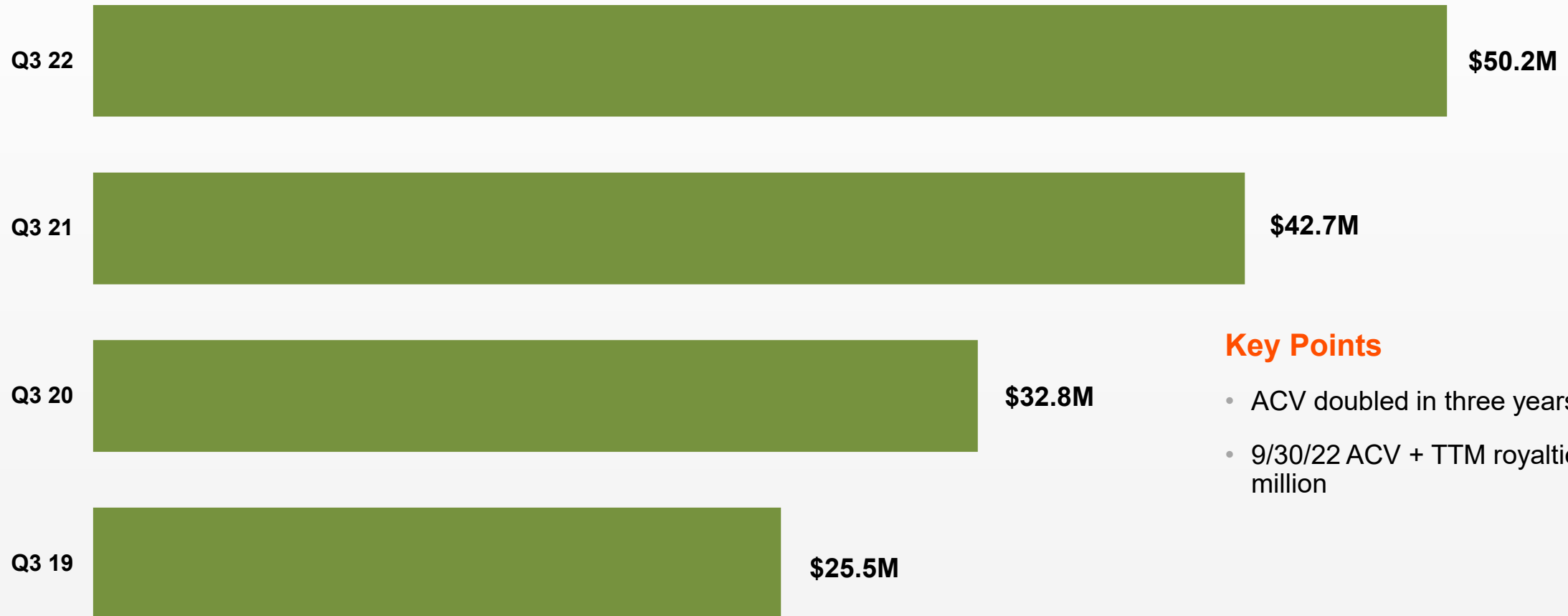
Customer Acquisition  
(2–9 months)

Customer SoC Design  
(1–3 years)

Customer Mass Production  
(2–10 years)

Note: For illustrative purposes only  
IPD License Revenue is largely point in time, except for support

# Customer Growth Drives Increased Annual Contract Value (ACV)<sup>1,2</sup>



## Key Points

- ACV doubled in three years
- 9/30/22 ACV + TTM royalties = \$53.2 million

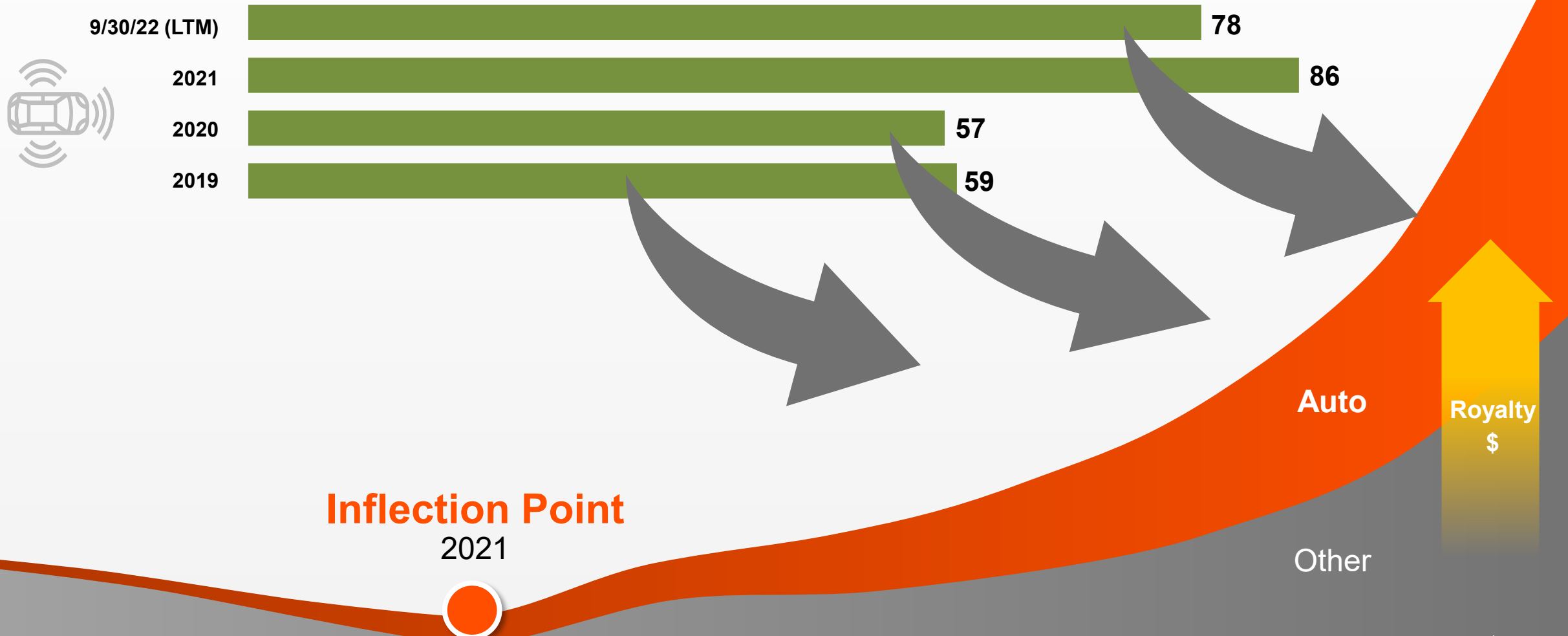
<sup>1</sup>Proforma to include Magillem history (acquired 11/30/20)

<sup>2</sup>ACV is total fixed fees under the agreement divided by the number of years in the license agreement term



# Growth in Confirmed Design Starts Drives Future Royalty Expansion

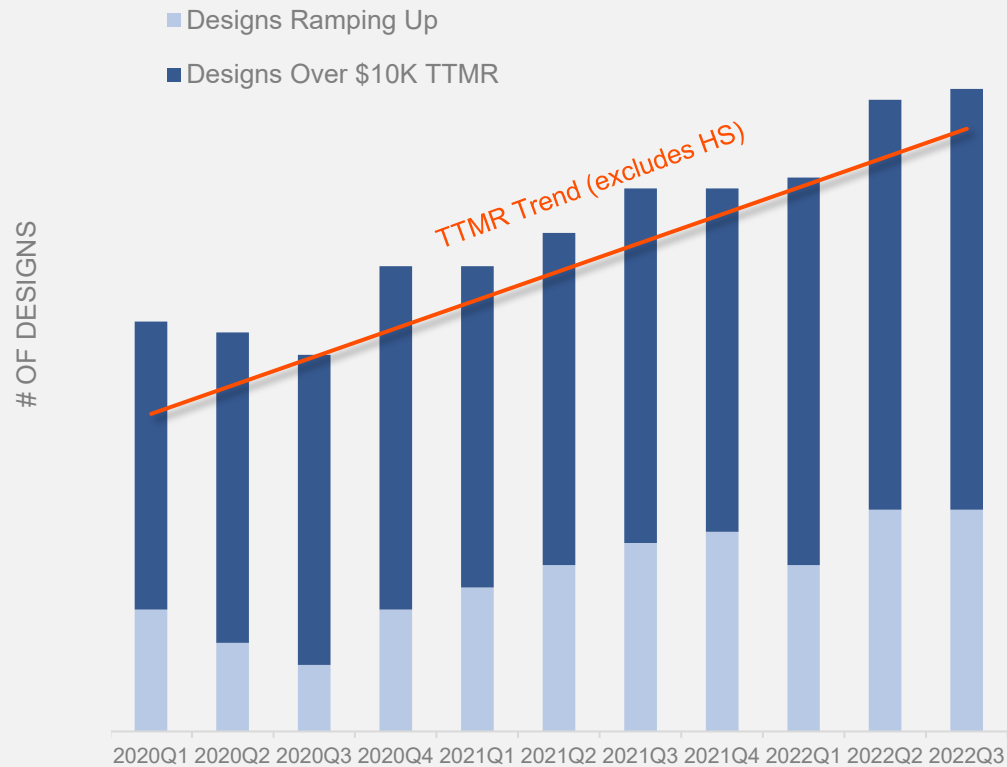
## Confirmed Design Starts<sup>3</sup>



<sup>3</sup> We define Confirmed Design Starts as when customers confirm their commencement of new semiconductor designs using our interconnect IP and notify us

# A Growing Royalty Base

## Material Royalty Designs (>\$10K TTMR)



*“Designs Ramping Up” : Designs under the \$10k TTMR threshold, but over 50% growth Y/Y in TTMR*

## Design Pipeline and Royalties by Year



# High Visibility

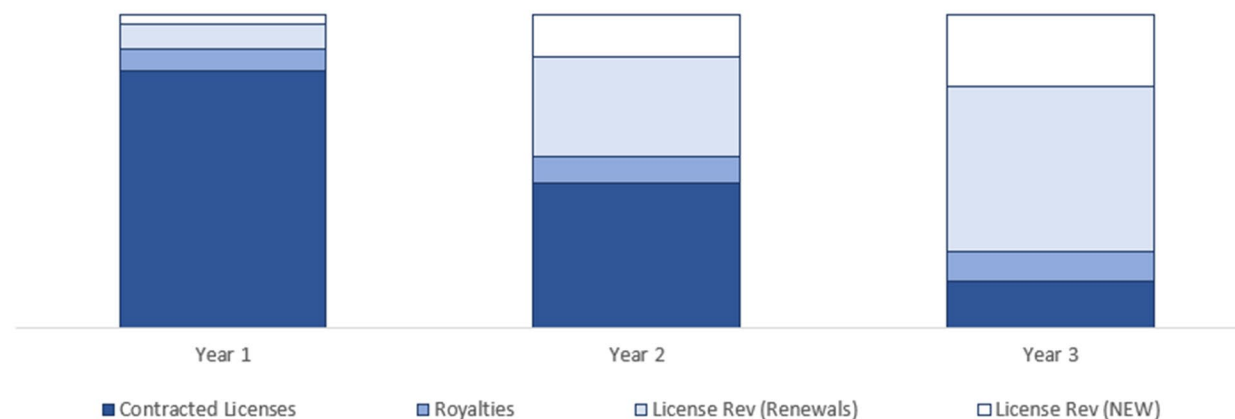
- GAAP revenue drivers:

1. RPO: \$59M at 9/30/22 - amortizes over 3+ years
2. Royalties: contracted except sales out volume
3. License renewals: Over 90% renewal rate p.a.<sup>(1)</sup>
4. New business

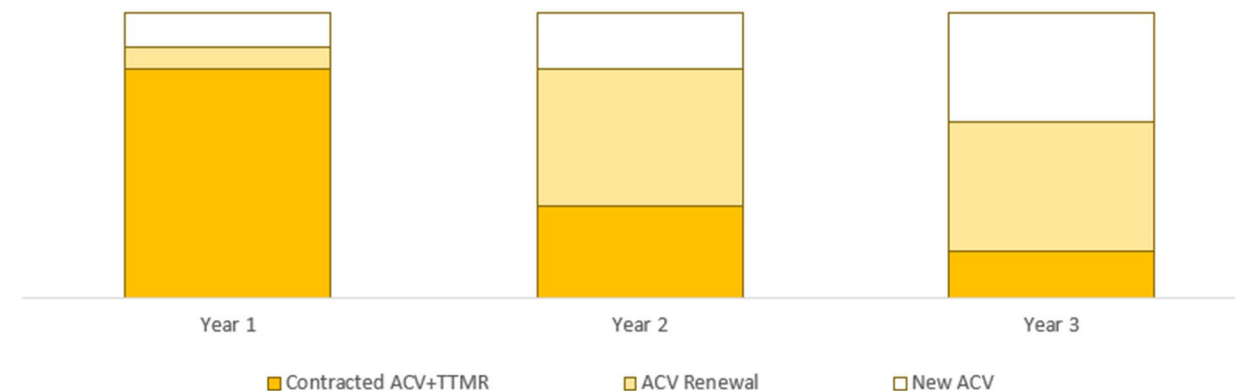
- ACV drivers

1. Existing ACV waterfall extends over 3+ years
2. Renewal ACV: Over 90% renewal rate p.a.<sup>(1)</sup>
3. New business

Potential Revenue Visibility - For Illustrative Purposes



Potential ACV Visibility - For Illustrative Purposes



<sup>1</sup>Annual average customer retention rate, excluding IP deployment solutions, was over 90% from December 31, 2018 to December 31, 2021.



# Operating results

## Key Points

- HiSilicon & DJI both drop out of ACV in 2022 (\$7.0m headwind)
- GAAP license revenue largely ratable
  - Predictable GAAP revenue
  - But defers revenue to future periods
- 90–95% gross margin (FY 20 – Q3 22)
- OpEx investments
  - Next-generation product development
  - Expansion of sales & marketing to drive growth
  - Public company G&A

<i>In \$ millions</i>	<b>FY 2020</b>	<b>FY 2021</b>	<b>9M ended 9/30/21</b>	<b>9M ended 9/30/22</b>	<b>Q4 2022 Guidance</b>	<b>FY 2022 Guidance</b>
ACV	37.7	47.4	42.7	50.2		
TTM <sup>2</sup> Royalties and Other	4.4	2.6	2.9	3.0		
ACV + TTM <sup>2</sup> Royalties	42.1	50.0	45.6	53.2	47.5 – 51.5	47.5 – 51.5
Revenue	31.8	37.9	26.4	39.2	10.8 – 11.8	50.0 – 51.0
<b>Non-GAAP Information</b>						
Non-GAAP Loss From Operations <sup>1</sup>	(1.8)	(15.5)	(12.7)	(10.4)	(70.2%) – (50.2%)	(36.1%) – (31.6%)
Free Cash Flow	1.5	(1.6)	(4.5)	(7.0)	(47.1%) – (13.1%)	(24.6%) – (16.6%)

<sup>1</sup> See appendix for reconciliation of GAAP to non-GAAP

<sup>2</sup> Represents TTM (Trailing Twelve Months)

## Financial highlights

**Strong royalty model** Fueled by automotive & other verticals

---

**\$59M** RPO

---

**2x** ACV increase in 3 years

---

**90–95%** Gross Margin<sup>1</sup>

---

**Significant operating leverage**

---

**Debt free**

# THANK YOU

Q&A

