

ACCELERATING THE CREATION OF SEMICONDUCTORS

Corporate Overview

November 2022

Charlie Janac – CEO

Nick Hawkins - CFO

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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 \$1.3 in 2021¹
- TAM \$3.2B expected by 2026¹
- 19% TAM CAGR 2021–2026¹

Well-positioned in high growth segments

- 70 – 80% market share of automotive ADAS SoC market¹
- Level 2+ automated vehicles growing at 63% CAGR²

Differentiated technology

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

Scalable business model

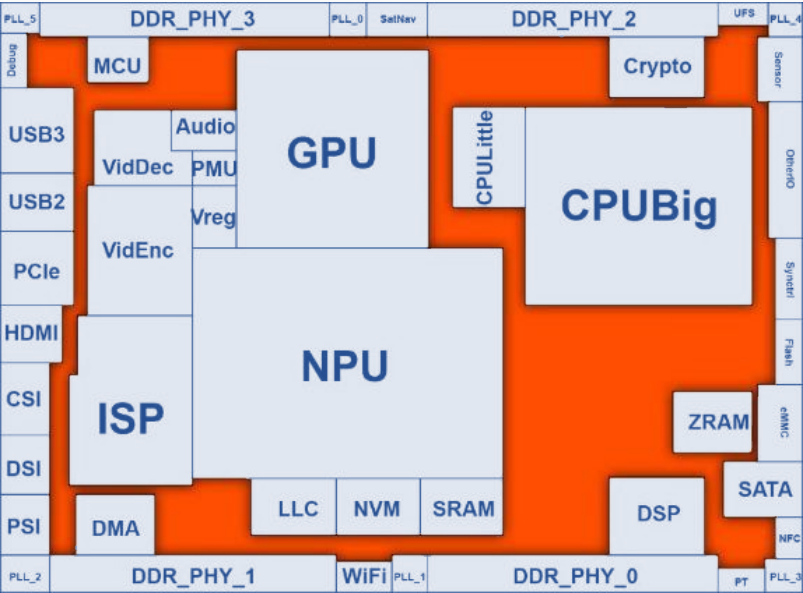
- IP business model
- Address high growth segments with growing royalty streams
- Targeting high operating margin
- \$59 million contracted future revenue (RPO)³

¹ Management estimates

² According to MobilEye/Wolfe Research

³ 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

SoC Hardware = Client IP Cores + System IP



	Client IP Cores	System IP
Functionality	CPU's, GPU's, NPU's, I/O's	NoC IP's, Assembly Software
Perceived Value	High	Growing
SoC-agnostic	Yes	No
Schedule	Pre-exists SoC	Driven by SoC requirements
Floorplan Dependency	Low / Medium	High
Specification	Product Top-Down	Derived from SoC spec.

Addressing Multi-Billion-Dollar Serviceable Market

Arteris SoC System IP

NoC Interconnect IP

NoC transports data within SoC

~\$600M

Total addressable market in 2020

~\$1.6B

Total addressable market by 2026

IP Deployment Software

Package IP Blocks, integrate SoCs

~\$300M

Total addressable market in 2020

~\$500M

Total addressable market by 2026

NoC Interface IP

Data transport and Control IPs attached to NoC interconnects

~\$200M

Total addressable market in 2020

~\$1.1B

Total addressable market by 2026

*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 – A Leading System IP Company

Global Customer Base Producing Billions of SoCs with Arteris System IP Technology

System IP Leader

- Pioneer of networking IPs for SoCs
- Leader in IP deployment software
- System IP team of 200+ employees
- Global customer support for system IP
- Aim to deliver one system IP product per year

Continuous Technology Innovation

FlexNoC®	2010	Main interconnect, 2 nd generation
FlexWay™	2010	IP subsystem interconnect
FlexPSI	2013	All-digital inter-chip link
FlexNoC Resilience	2014	Resilience for ISO 26262
FlexNoC Physical™	2015	Links to physical SP&R
Ncore®	2016	Cache coherent interconnect
PIANO®	2017	Automated timing closure
CodaCache®	2018	Independent last-level cache
AI Package™	2019	Machine learning interconnect
Ncore 3	2020	CHI & ACE cache coherency
Harmony Trace®	2021	Design-centric requirements traceability

Global Presence



Diversified Customer Base

Publicly Disclosed Customers

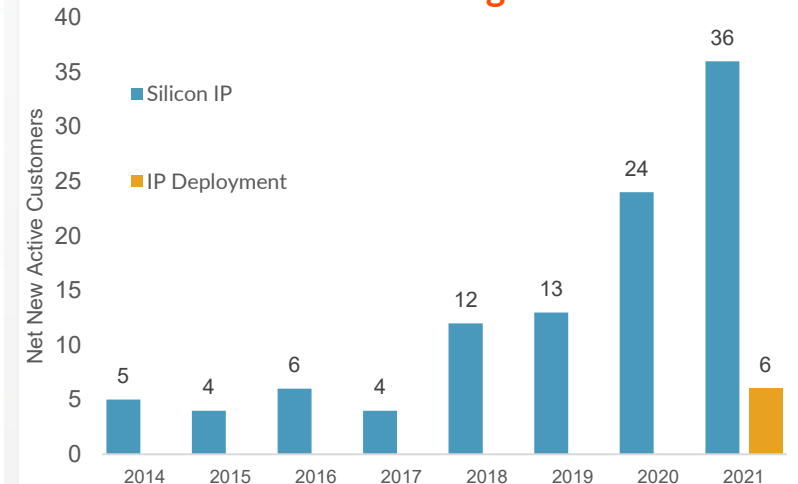


Proven Customer Successes

Data is as of Sep 30, 2022

- 640 SoC design starts
- Over 3 Billion SoCs shipped in electronic systems
- 97% annual customer retention rate in SIP from Dec 2018 to Dec 2021
- 65+ net new customers in 2020 & 2021
- Used in 70%+ of Automotive ADAS SoCs
- Proven eco-system

Net New Logos



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

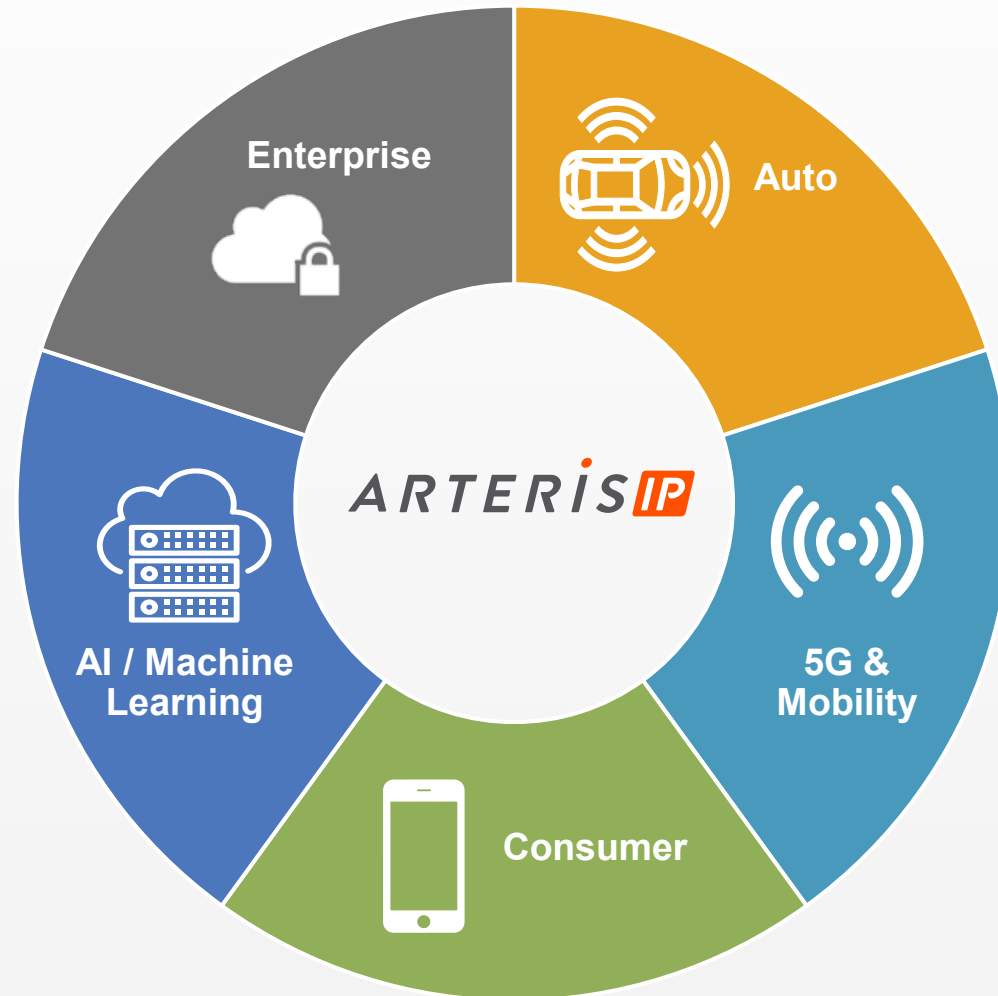
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|----------------------------------|--|
| ✓ Accelerated SoC creation | Faster time to market, shorter time to revenue |
| ✓ Improved SoC economics | Reduction of customer R&D cost, SoC unit cost |
| ✓ Novel SoC architecture support | Creation of more 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











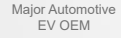
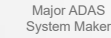

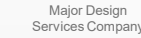
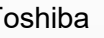














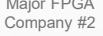














Positioned for Automotive Growth

Arteris System IP Enables Novel Transportation SoC Architectures

SoCs per function

Arteris customers → 102 SoC design wins

ADAS / Machine Learning / Car Controller (1-4 systems per vehicle)	2	              
Vision Camera – Local Processing (4-16 systems per vehicle)	4	    
Radar / Lidar	6	      
Infotainment	1	  
Dashboard / HUD / DMS	2	    
Chassis / Engine / Motor Control	5	 
V2X / V2I / WAN Modem / Gateway	3	    

23

Average of 23 complex SoCs per electronically enabled vehicle by 2026

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

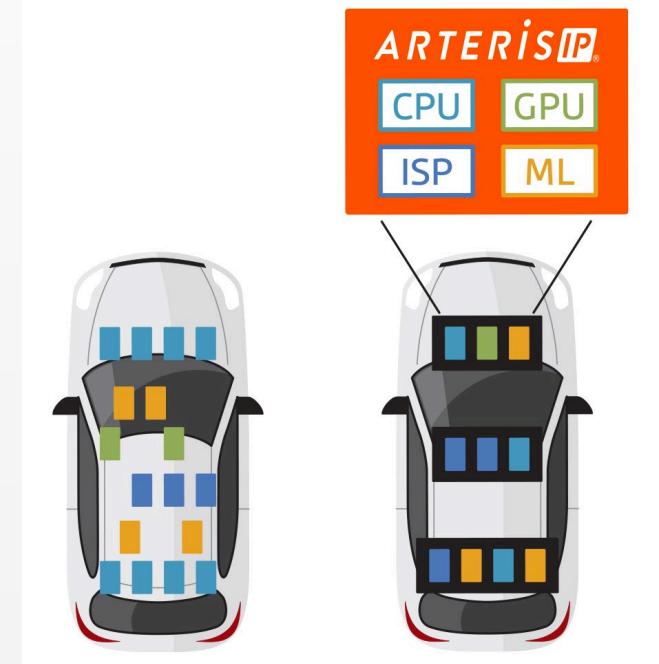
Delivering customer success via integration and aligned roadmaps of best-in-class products across:

- + 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

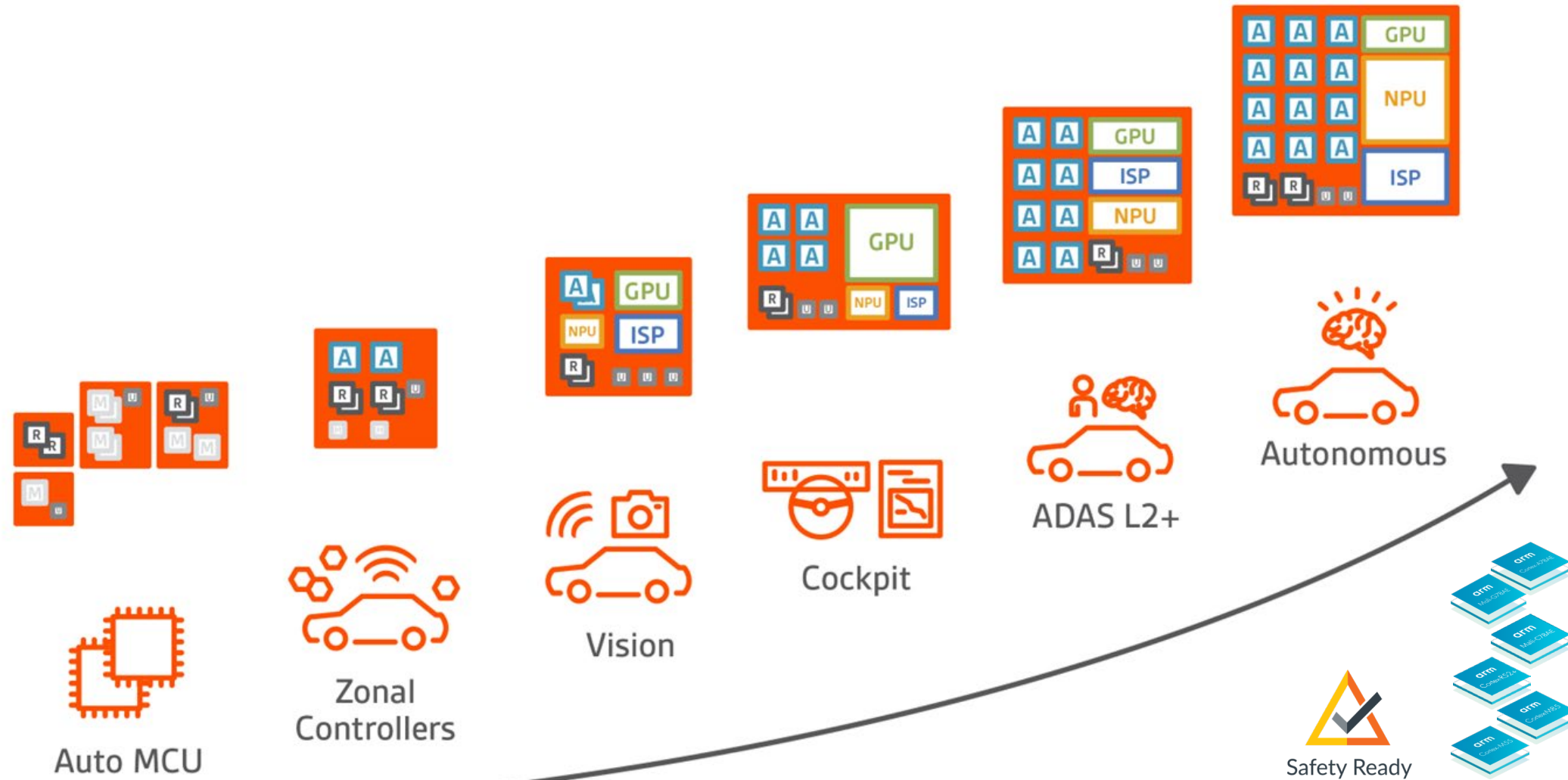
Expanded cooperation required between system-on-chip technology leaders: Arm + Arteris

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



Automotive Electronics Innovation

Arm Processor IP and Arteris System IP

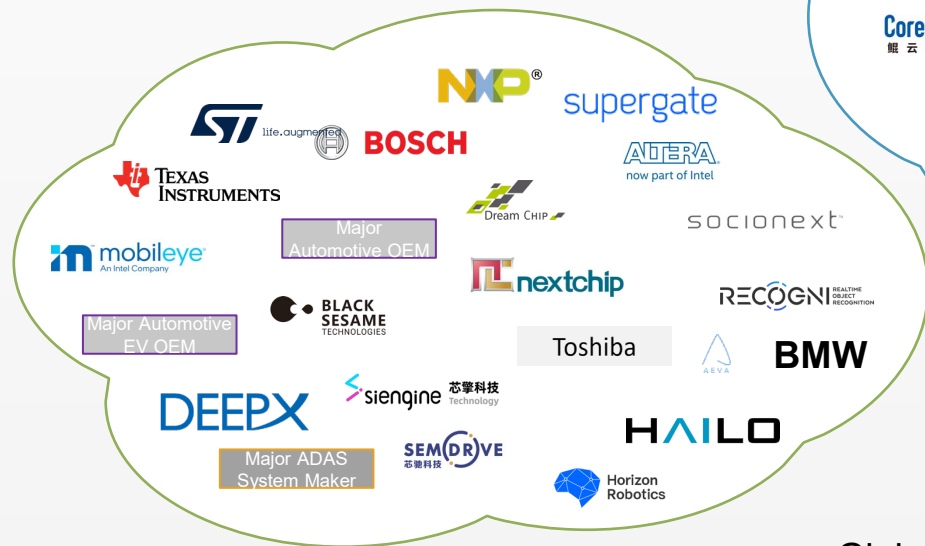


Connecting Artificial intelligence Everywhere

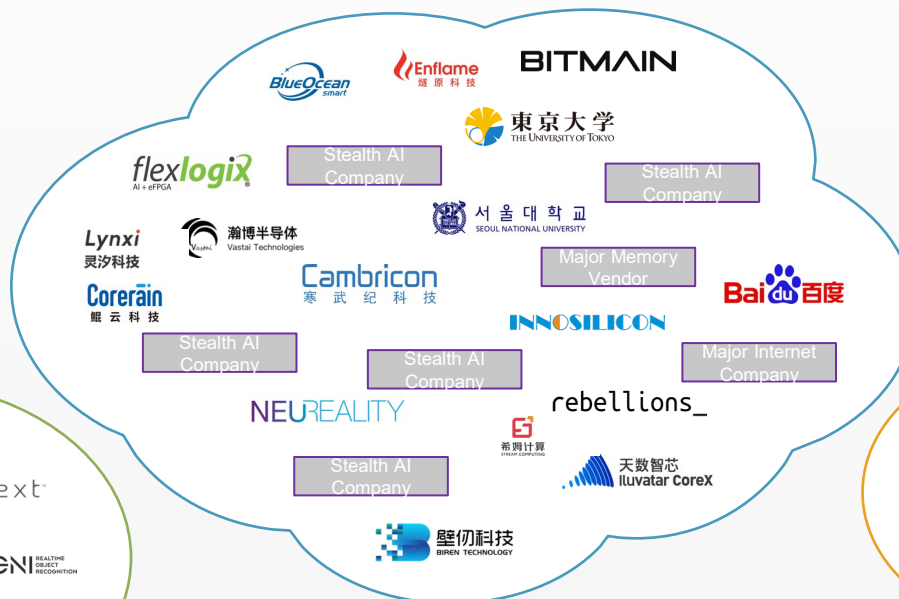
93

AI / ML
Customers

Transportation



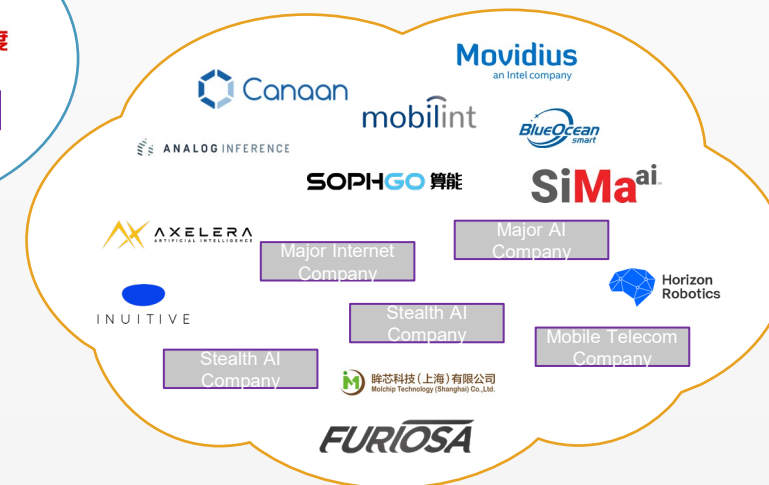
Datacenter



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)

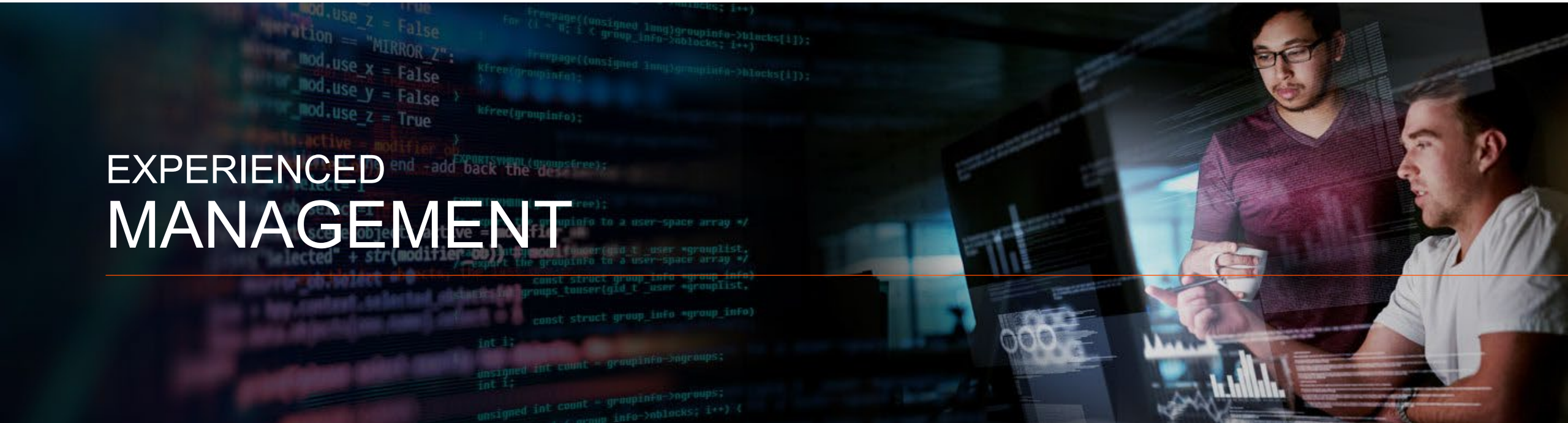
GROWTH STRATEGIES

```
Asplines: 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  
new = bpy.context.selected_objects[0]  
new.data.from_object(mirror_ob)
```


Growth and Innovation Strategies



EXPERIENCED MANAGEMENT



Seasoned Executive Team with Deep Domain Expertise



Charlie Janac



**Chairman
President & CEO**



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 Moll



**Chief Operating
Officer**



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 Siwinski



**Chief Marketing
Officer**



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 Hawkins



**Chief Financial
Officer**



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 Mauffet-Smith



**Executive VP of
Global Sales**



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 Alpern



**Vice President
General Counsel**



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

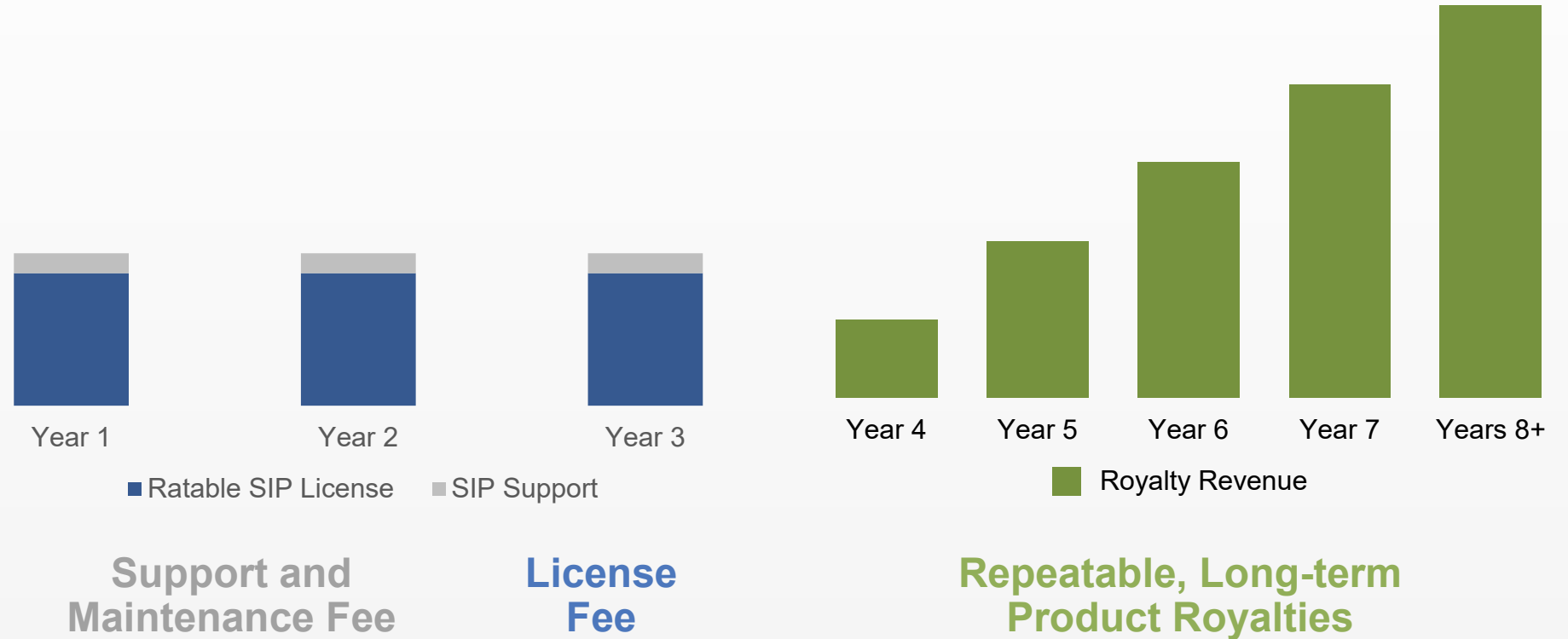
FINANCIAL OVERVIEW

Nick Hawkins, CFO



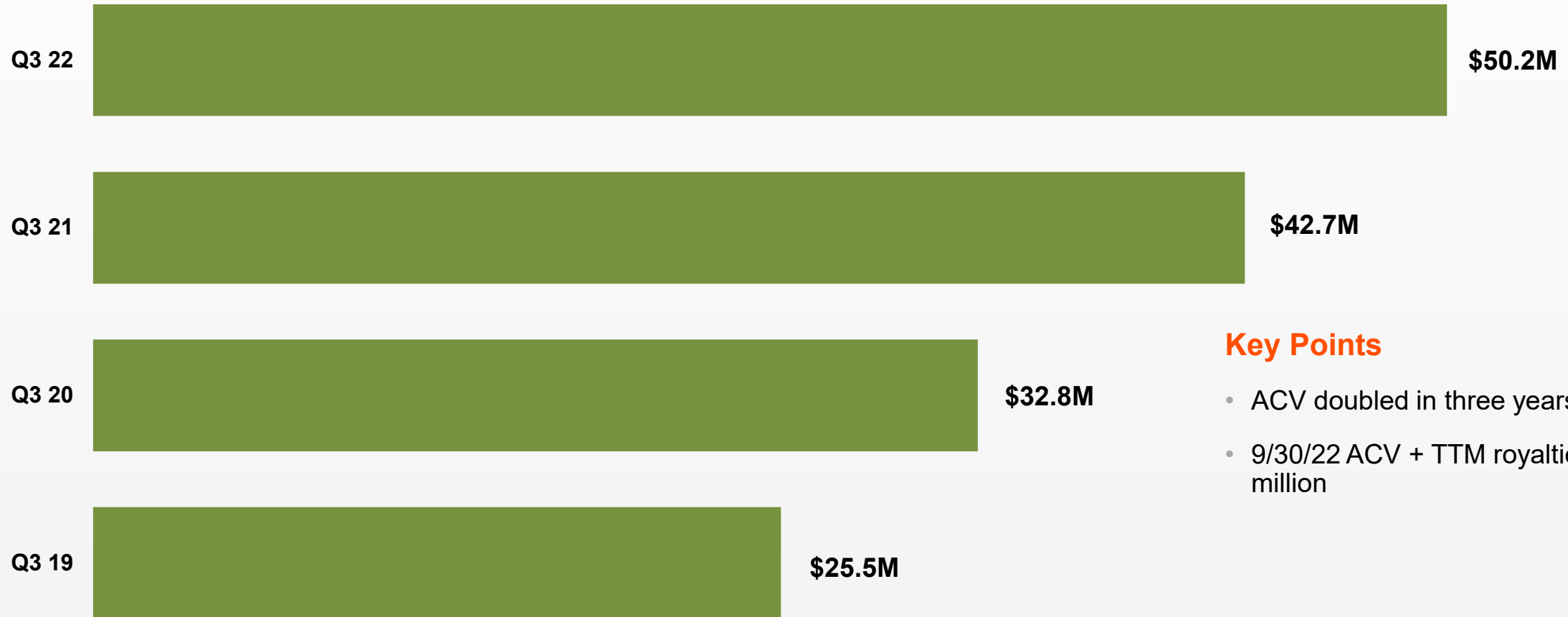
Scalable IP Business Model

3 Revenue Streams



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

Customer Growth Drives Increased Annual Contract Value (ACV)^{1,2}



Key Points

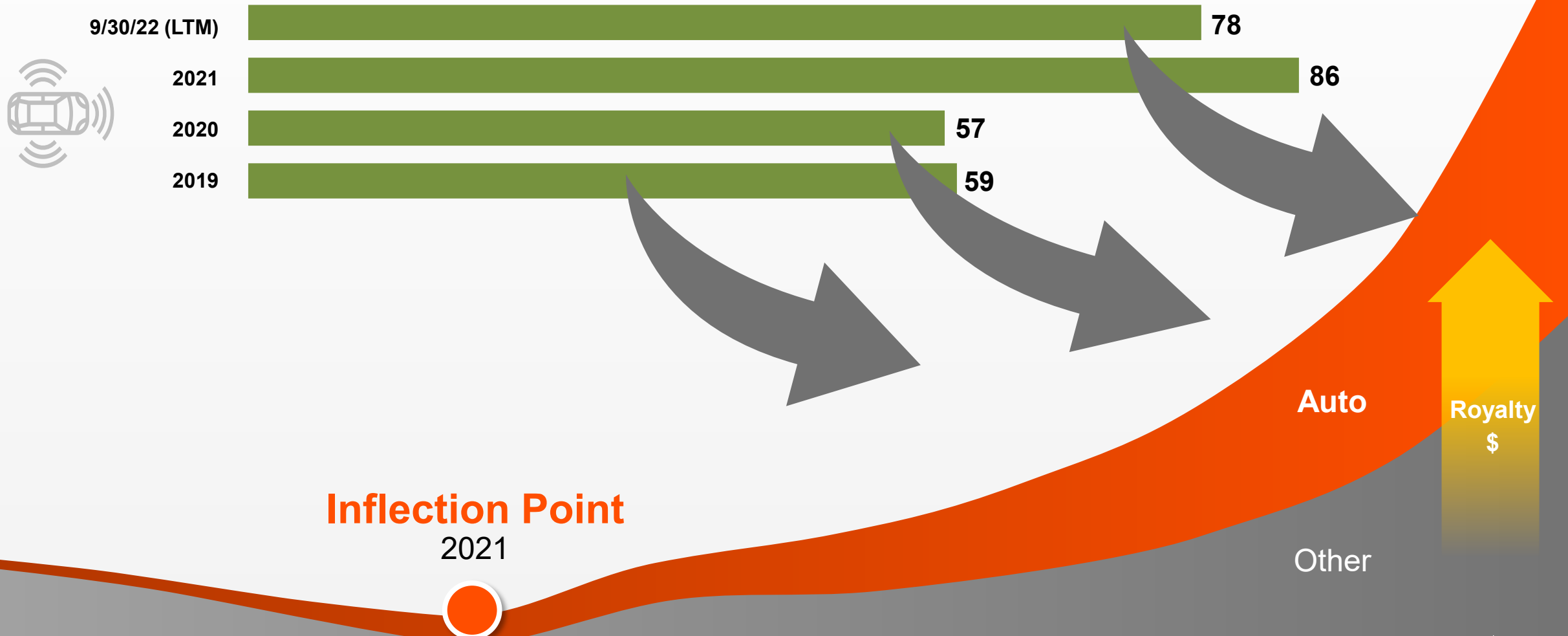
- ACV doubled in three years
- 9/30/22 ACV + TTM royalties = \$53.2 million

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

²ACV 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

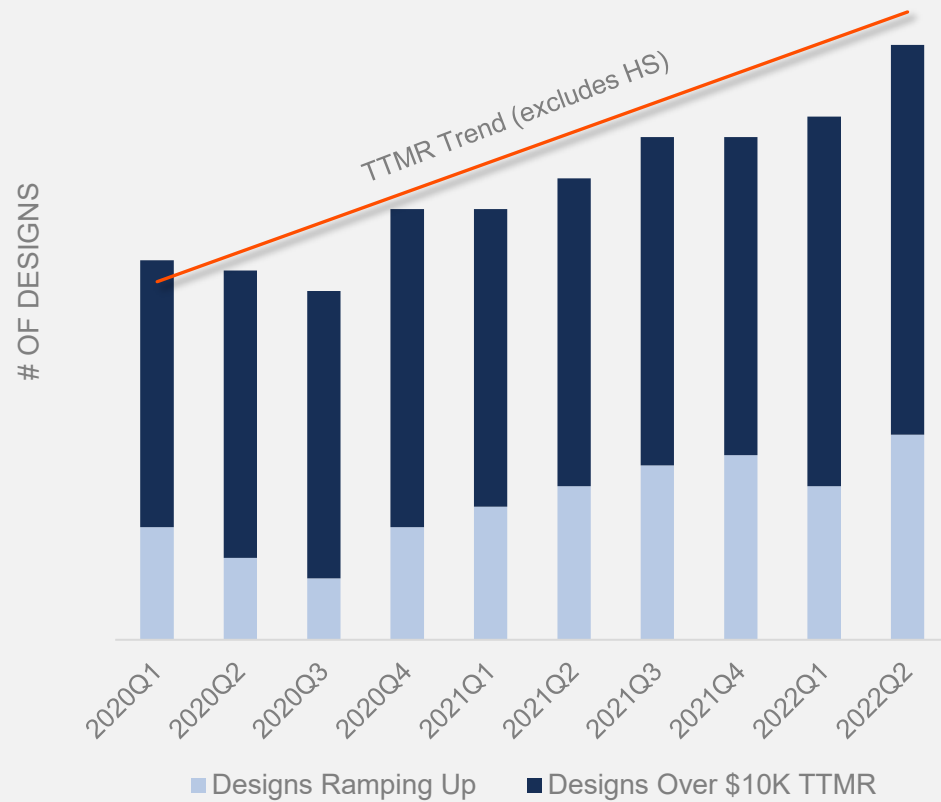
Confirmed Design Starts³



³ 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

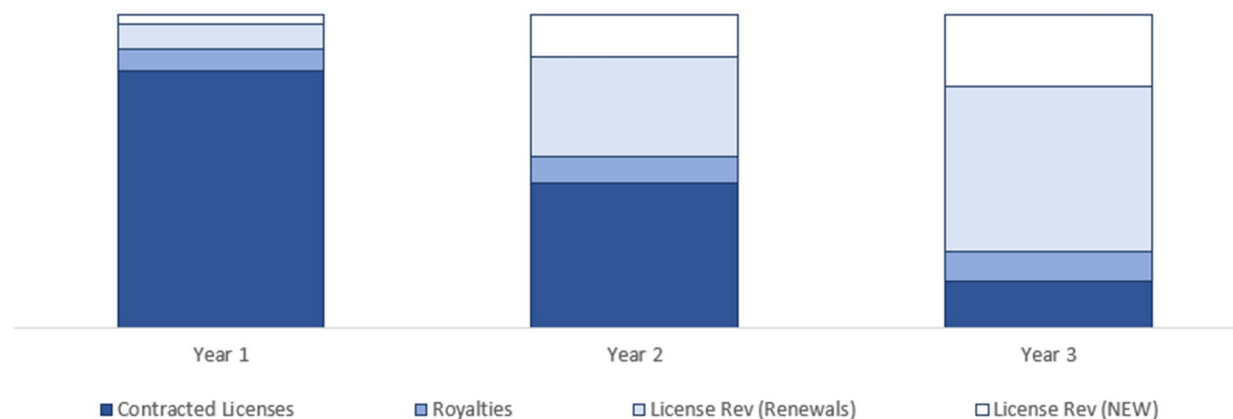
- GAAP revenue drivers:

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.⁽¹⁾
4. New business

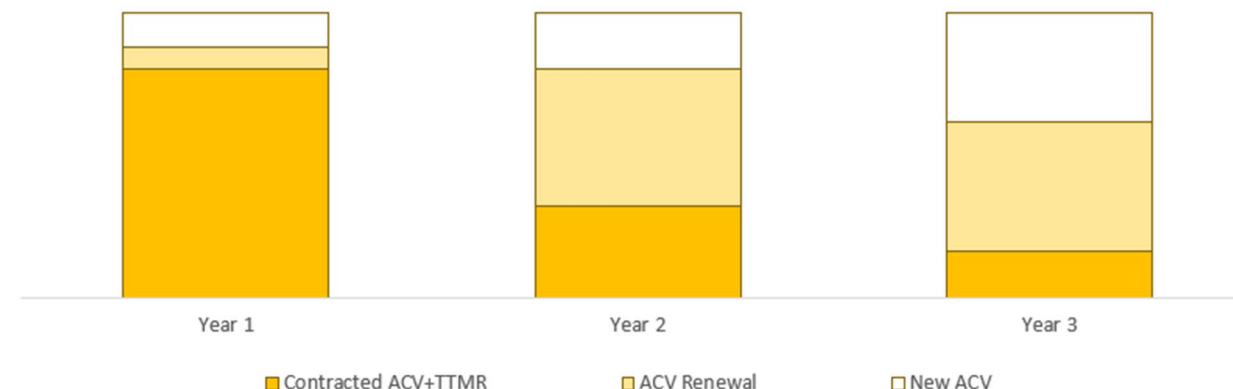
- ACV drivers

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

Potential Revenue Visibility - For Illustrative Purposes



Potential ACV Visibility - For Illustrative Purposes



¹Annual 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>	FY 2020	FY 2021	9M ended 9/30/21	9M ended 9/30/22	Q4 2022 Guidance	FY 2022 Guidance
ACV	37.7	47.4	42.7	50.2		
TTM ² Royalties and Other	4.4	2.6	2.9	3.0		
ACV + TTM ² 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
Non-GAAP Information						
Non-GAAP Loss From Operations ¹	(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%)

¹ See appendix for reconciliation of GAAP to non-GAAP

² 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 Margin¹

Significant operating leverage

Debt free

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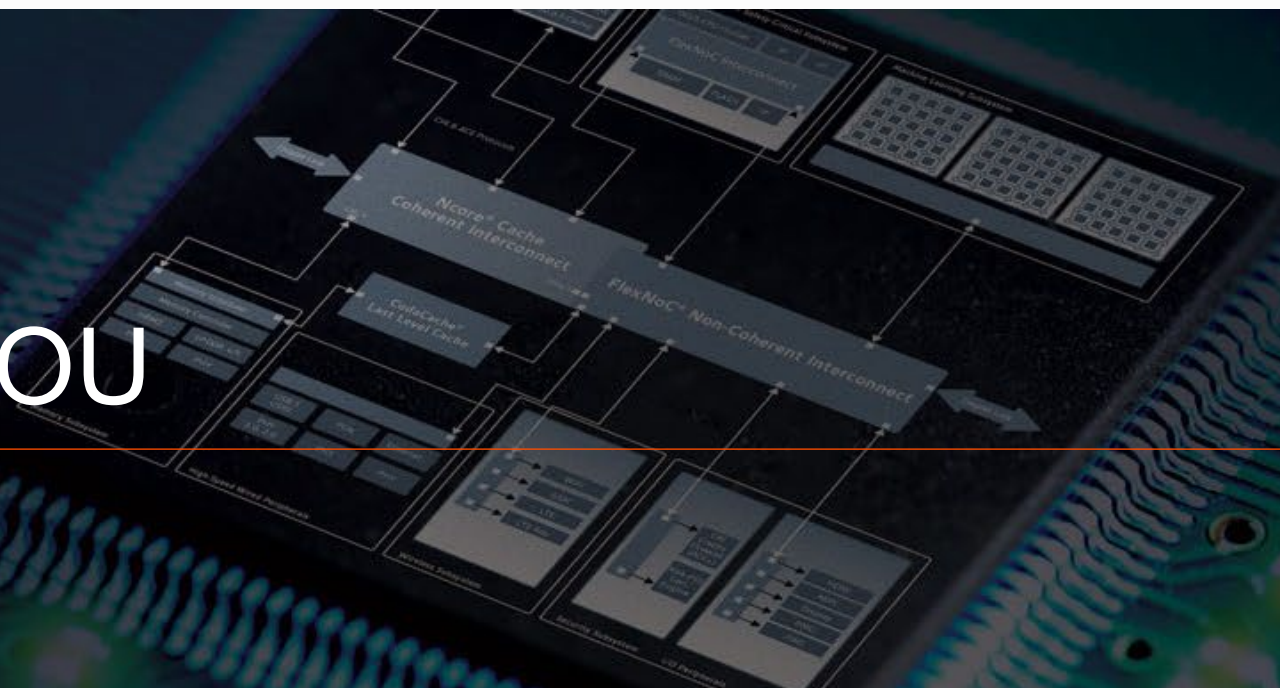
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THANK YOU

Q&A



APPENDIX

Appendix - GAAP to non-GAAP reconciliation

Income (loss) from operations

<i>In \$ thousands</i>	Twelve Months Ending:		Nine Months Ending	
	December 31, 2020	December 31, 2021	September 30, 2021	September 30, 2022
Income (loss) from Operations	(\$3,777)	(\$21,765)	(\$14,485)	(\$19,796)
Add:				
Stock-based Compensation	458	5,510	1,144	9,082
Acquisition costs	1,429	238	238	0
Amortization of acquired intangible assets	41	478	358	358
Non-GAAP income (loss) from operations	(\$1,849)	(\$15,539)	(\$12,745)	(\$10,356)