

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 semi-transparent system architecture diagram. 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" and "Machine Learning Subsystem". Below the bar, there are blocks for "Cache/Cache/L2/L3" and "System". Various other smaller blocks and arrows represent the complex interconnectivity of the system.

# ACCELERATING THE CREATION OF SEMICONDUCTORS

Corporate Overview  
June 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
- 600+ SoC Design Starts
- Approximately 3.0 billion SoCs shipped

## Large addressable market

- TAM \$1.3 in 2021<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
- 48 issued patents and 69 patent applications

## Scalable business model

- IP business model
- Address high growth segments with growing royalty streams
- Targeting high operating margin
- \$56 million contracted future revenue (RPO)<sup>3</sup>

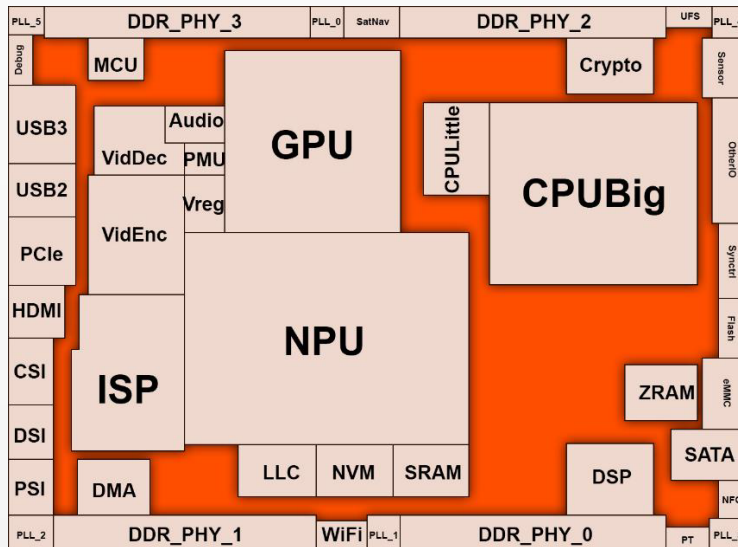
<sup>1</sup> Management estimates

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<sup>3</sup> As of June 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 Cores	System IP
Functionality	CPUs, GPUs, NPUs, I/Os	NoC IPs, 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.



# 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

+ IP Deployment Software

+ NoC Interface IP

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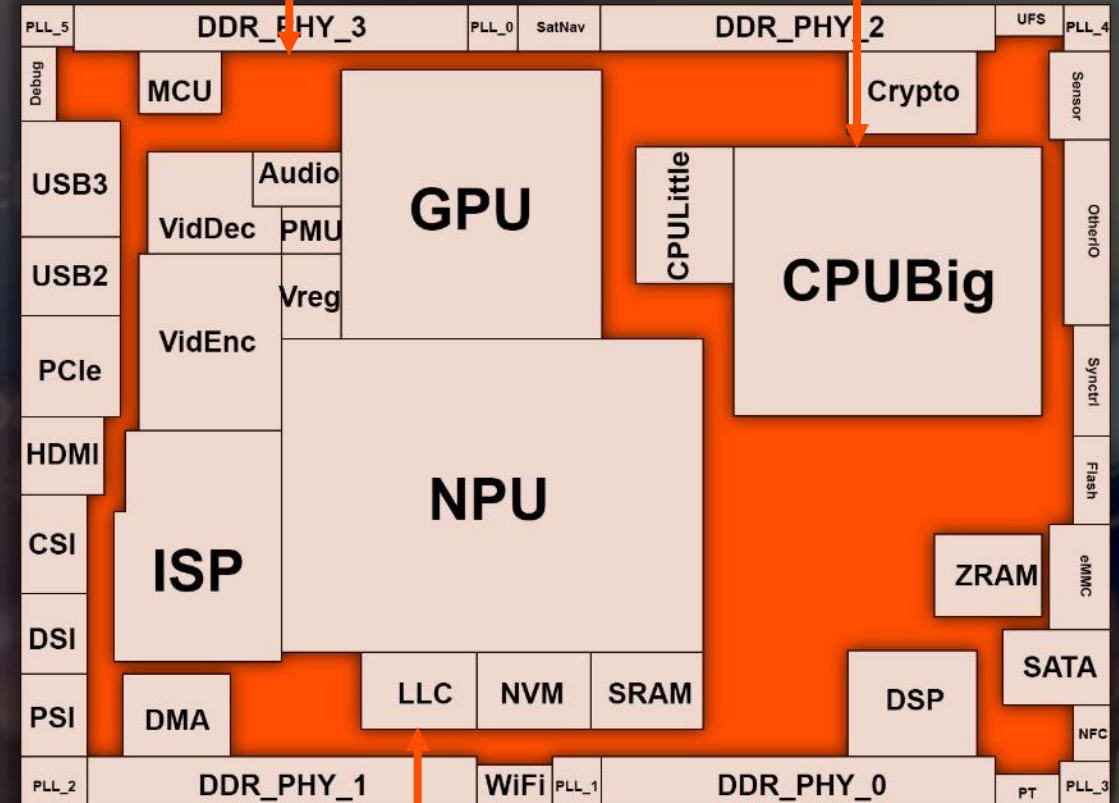
= **SoC System IP**

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 IP 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 IP – A Leading SoC System IP Company

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

## System IP Leader

- Pioneer of networking IPs for SoCs
- Leader in IP deployment software & IP-XACT standard
- 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 <sup>nd</sup> 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 June 30, 2022

- 600+ SoC design starts
- ~3.0 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

## A Growing Active Customer Base



## Connected by Arteris Ecosystem





# 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 IP business

## Arteris IP 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
- 48 issued patents, 69 patent applications

## Arteris IP 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

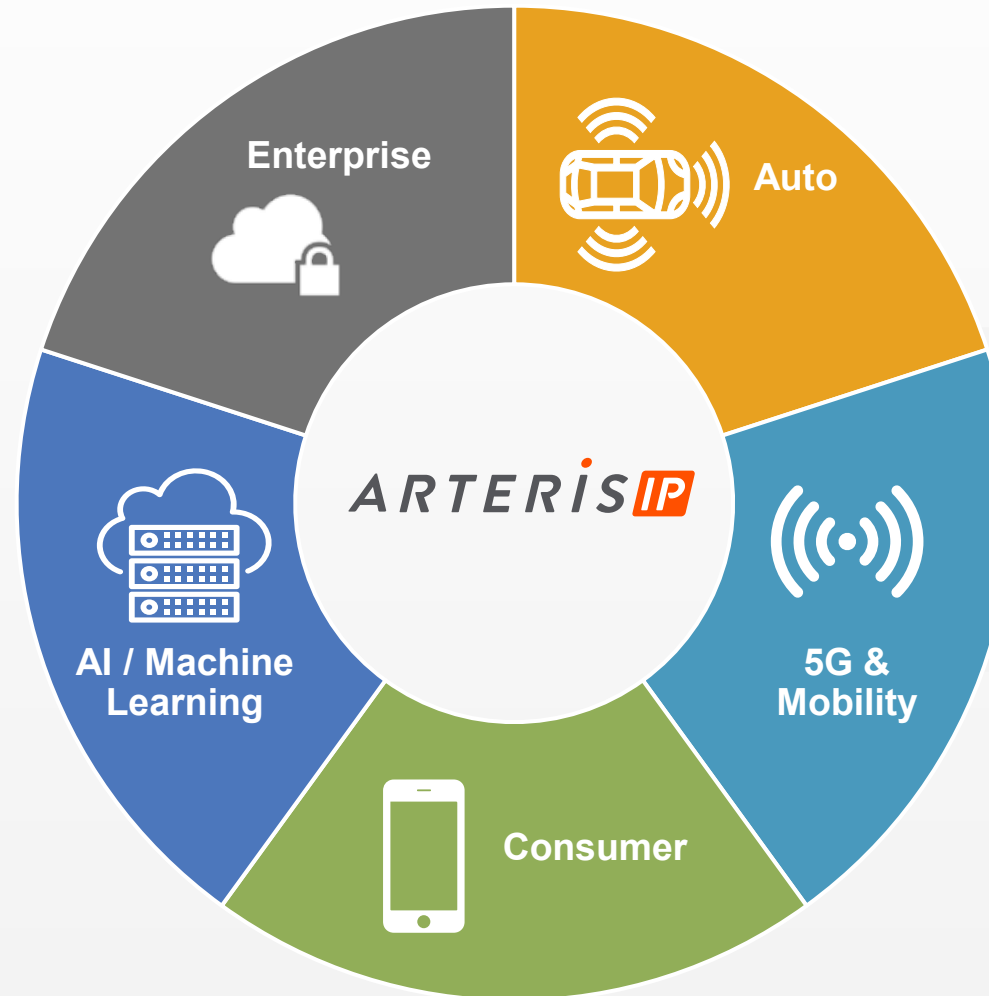
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# Owning a horizontal “Leverage Point” in SoC creation

Accelerating reliable  
SoC creation through  
innovative SoC  
System IP products



**Arteris addresses  
all these end markets**











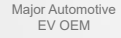
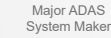

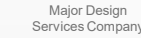
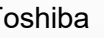

















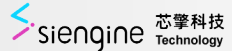











# Arteris IP well positioned for automotive growth

Arteris System IP enables novel transportation SoC architectures

## SoCs per function

## Arteris IP customers → 89 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

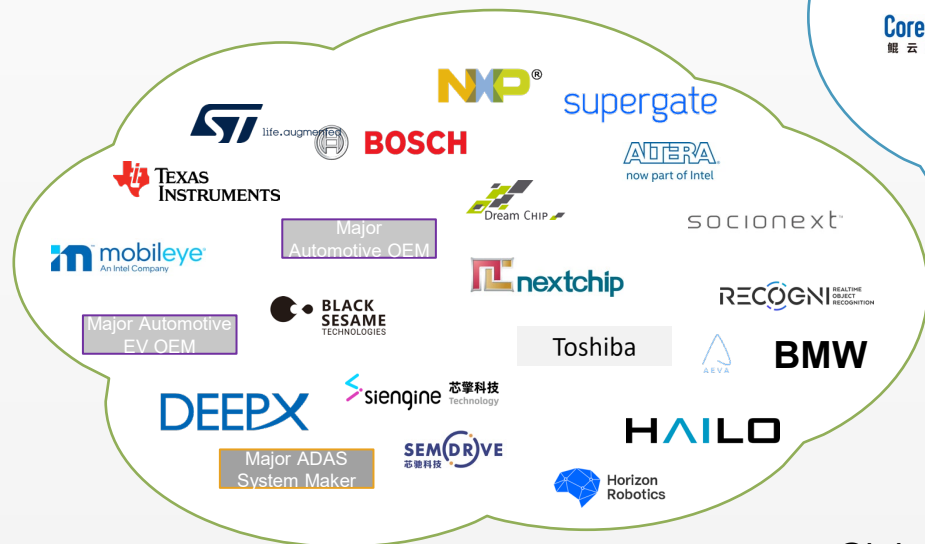


# Connecting artificial intelligence Everywhere

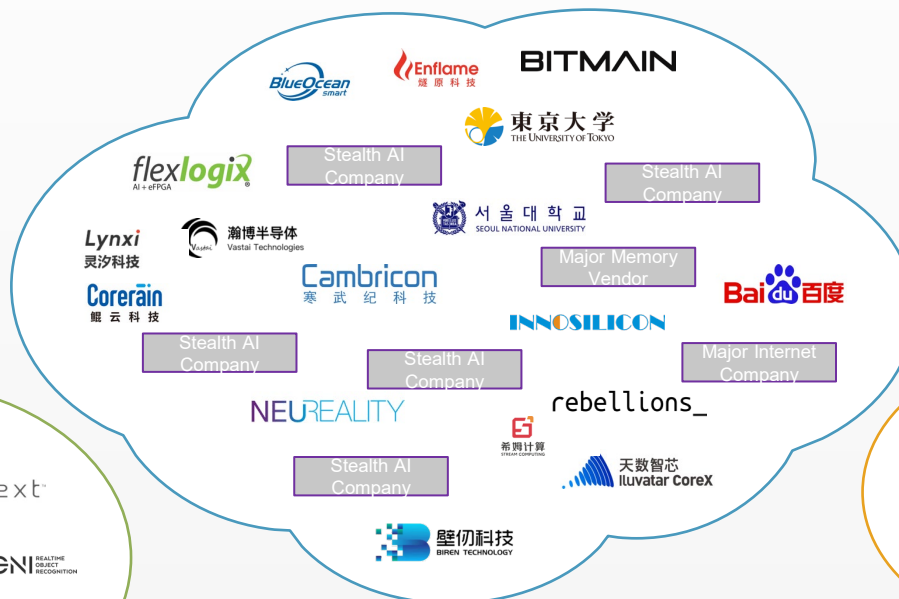
84

AI / ML  
Customers

## Transportation



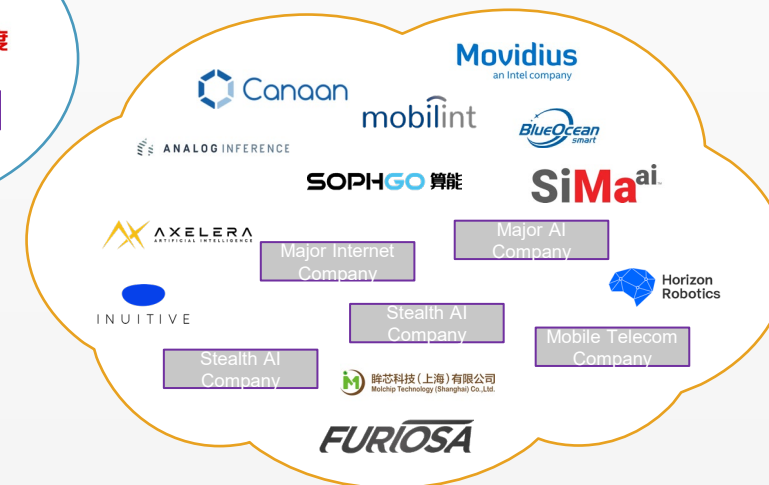
## Datacenter



143

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)

Source: Statista



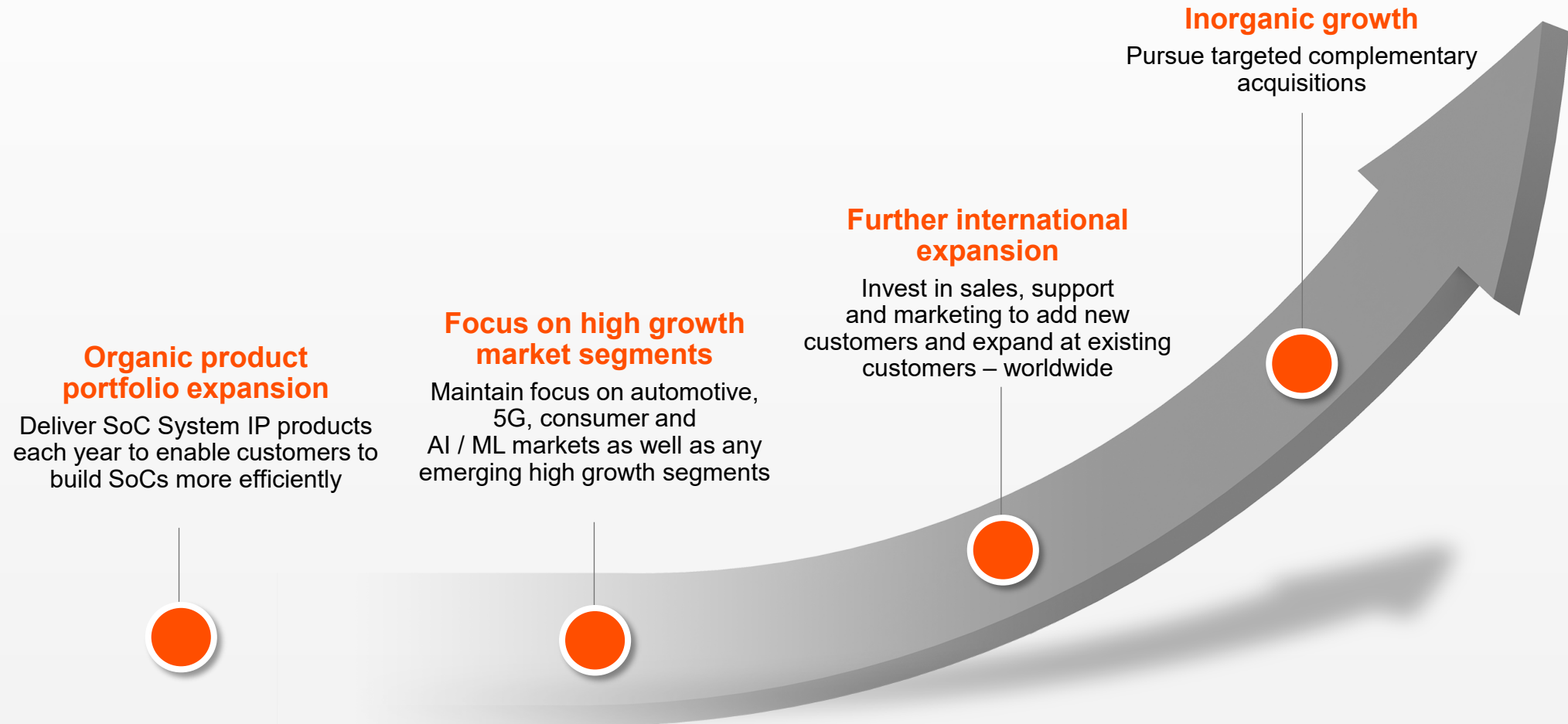
# GROWTH STRATEGIES

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```
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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.parent = mirror_ob
```



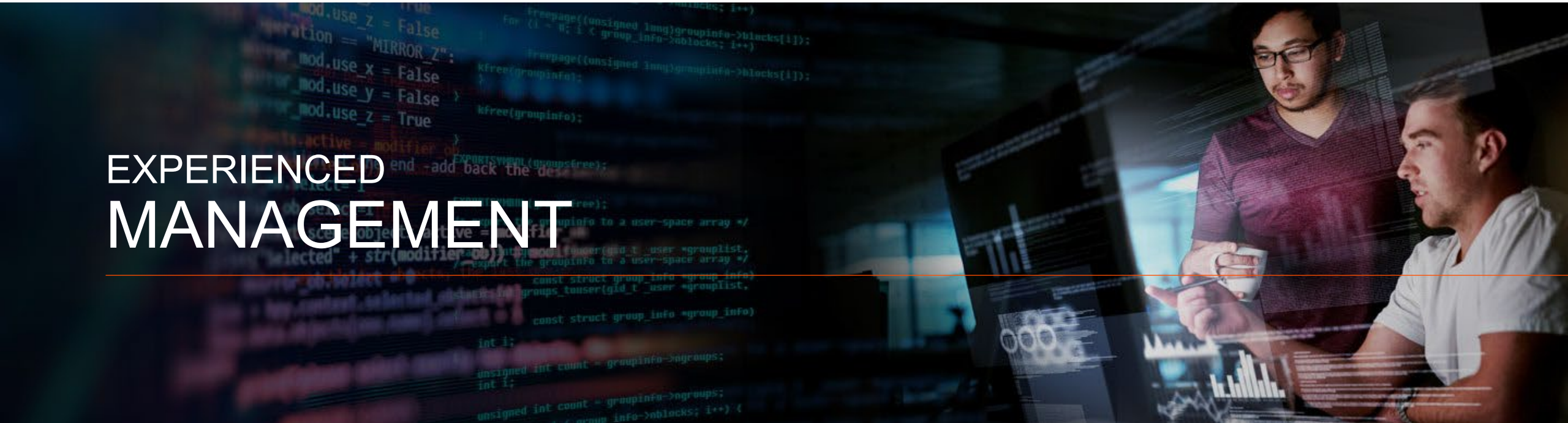
# Growth and innovation strategies





# EXPERIENCED MANAGEMENT

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# Seasoned management team with deep domain expertise

Charlie Janac



Chairman  
President & CEO

cadence®

Brooks

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

Qualcomm

NVIDIA.

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

PhD École Polytechnique & holds over 60 patents on SoC technology

Nick Hawkins



Chief Financial  
Officer

CORSAIR

pwc

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

Michal Siwinski



Chief Marketing  
Officer

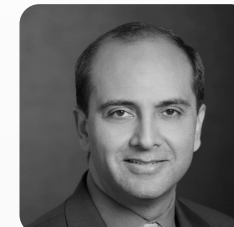
cadence®

VERPLEX

Michal was previously the Corporate Vice President of Marketing and Business Development at Cadence Design System where he spent 22 years in variety of marketing management positions

B.S. in EE and Computer Science from UC Berkeley, Mini-MBA from University of Santa Clara

Pankaj Mayor



Executive VP of  
Global Sales

Ansys

GlobalFoundries®

Pankaj last served as the Vice President of Sales and Marketing at Omni Design. Previously, Pankaj was the VP of Marketing at Ansys and VP of Business Development at Global Foundries. He also held a variety of senior management positions in Marketing and Sales Operations at Cadence Design Systems.

Paul Alpern



Vice President  
General Counsel

MACOM™

MIPS

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

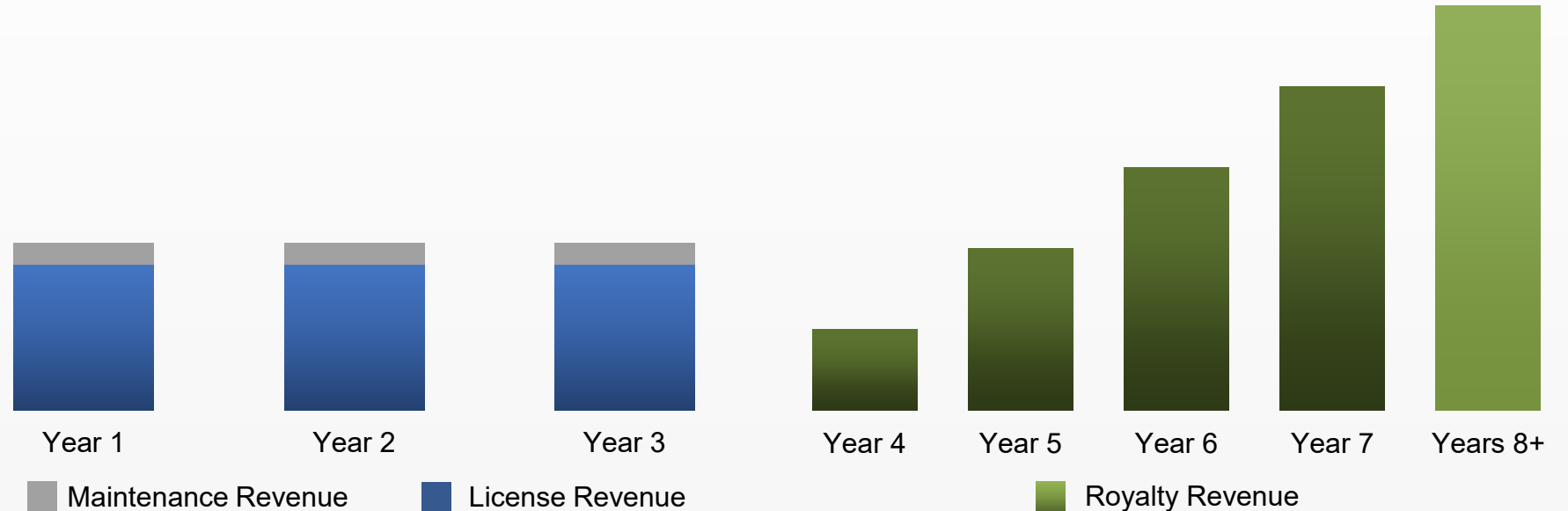
Nick Hawkins, CFO





# Scalable IP business model

3 revenue streams



Support and  
Maintenance Fee

License  
Fee

Repeatable, Long-term  
Product Royalties

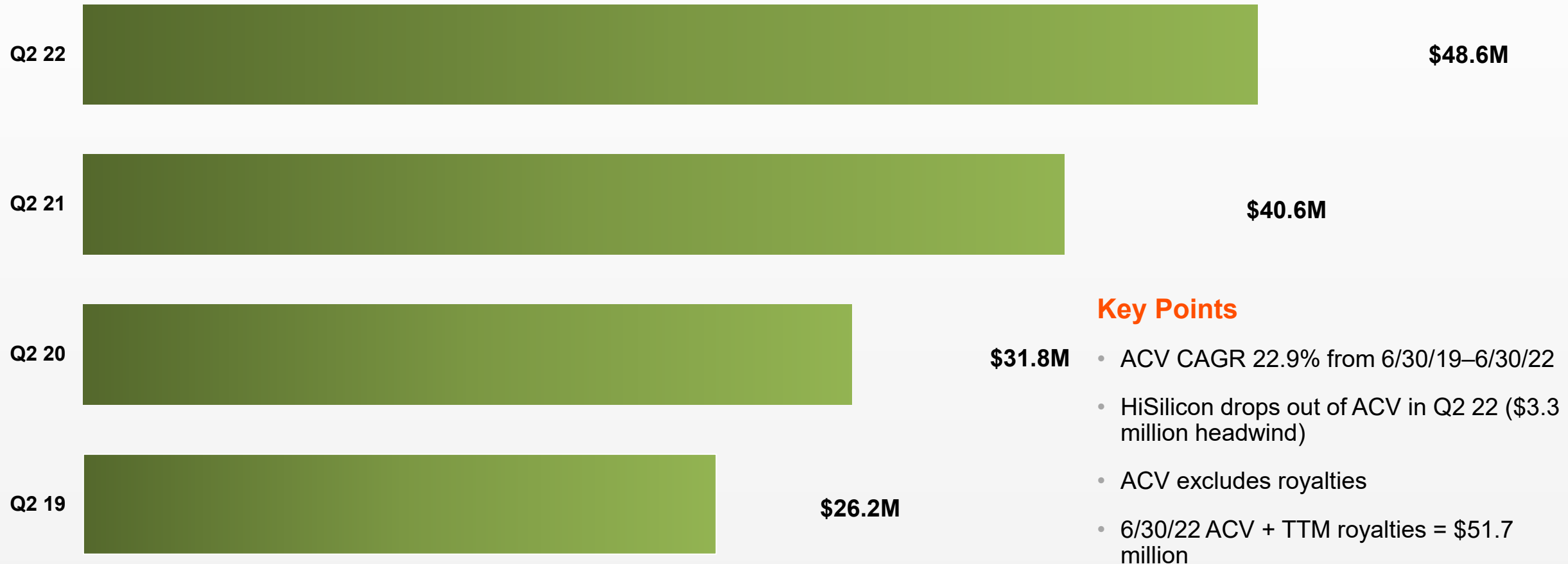
Customer Acquisition  
(2–9 months)

Customer SoC Design  
(1–3 years)

Customer Mass Production  
(2–10 years)



# Customer growth drives increased Annual Contract Value (ACV)<sup>1,2</sup>



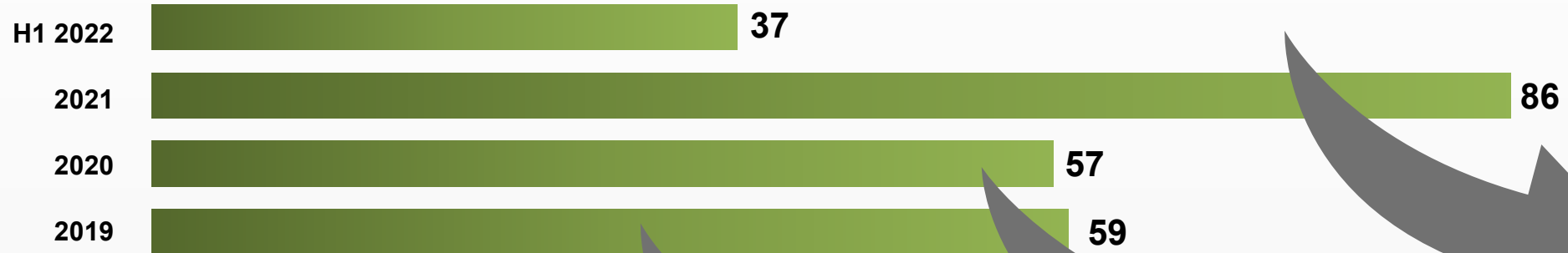
<sup>1</sup>Proforma to include Magillem history (acquired 11/30/20)

<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>



**Low Point**  
2021

Auto

Royalty  
\$

Other

<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



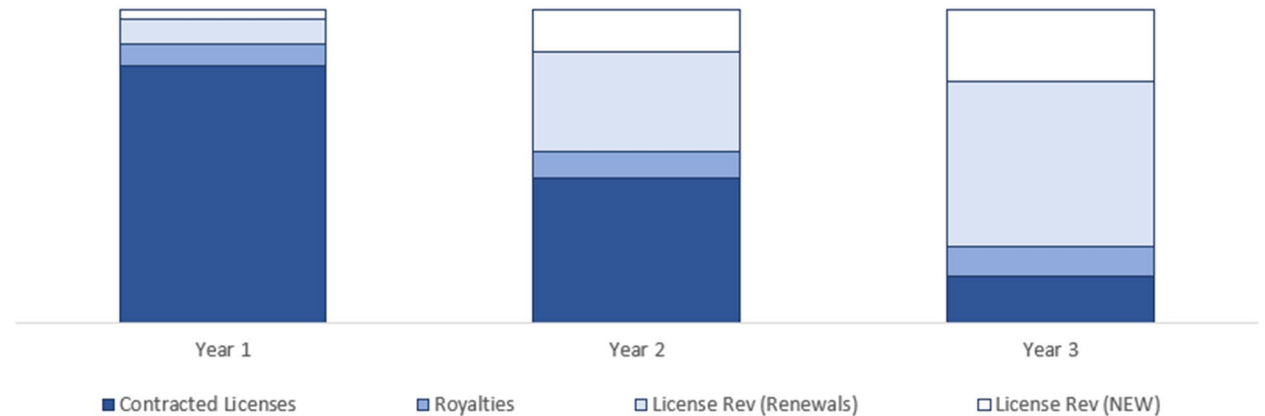
- GAAP revenue drivers:

1. RPO: \$56.0M at 6/30/22 - amortizes over 3+ years
2. Royalties: contracted except sales out volume
3. License renewals: ~97% renewal rate p.a.<sup>(1)</sup>
4. New business

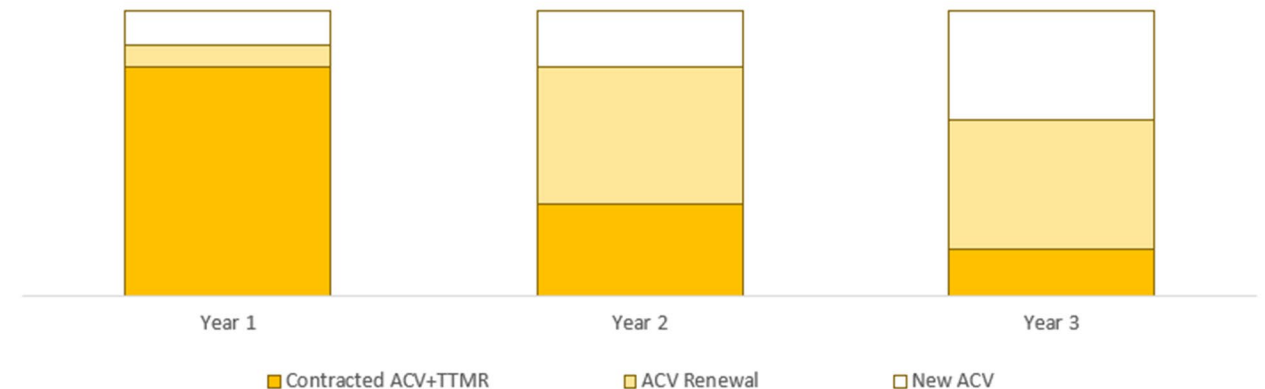
- ACV drivers

1. Existing ACV waterfall extends over 3+ years
2. Renewal ACV: ~97% 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 96.7% 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 – Q2 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>H1 2021</b>	<b>H1 2022</b>	<b>Q3 2022 Guidance</b>	<b>FY 2022 Guidance</b>
ACV	37.7	47.4	40.6	48.6		
TTM <sup>2</sup> Royalties and Other	4.4	2.6	3.3	3.0		
ACV + TTM <sup>2</sup> Royalties	42.1	50.0	43.9	51.7	51.0 – 53.0	48.0 – 52.0
Revenue	31.8	37.9	17.5	26.6	10.5 – 12.5	49.5 – 52.5
<b>Non-GAAP Information</b>						
Non-GAAP Loss From Operations <sup>1</sup>	(1.8)	(15.5)	(8.8)	(6.1)	(56.2%) – (41.2%)	(39.3%) – (24.3%)
Free Cash Flow	1.5	(1.6)	(1.9)	(1.4)	(56.2%) – (41.2%)	(25.1%) – (10.1%)

<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 growth

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**\$56M** Contracted future revenue (RPO)

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**23%** CAGR in ACV  
6/30/19 – 6/30/22

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**90–95%** Gross Margin<sup>1</sup>

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**Significant operating leverage**

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**Debt free**

<sup>1</sup>2020-Q2 2022



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<sup>1</sup> Management estimates

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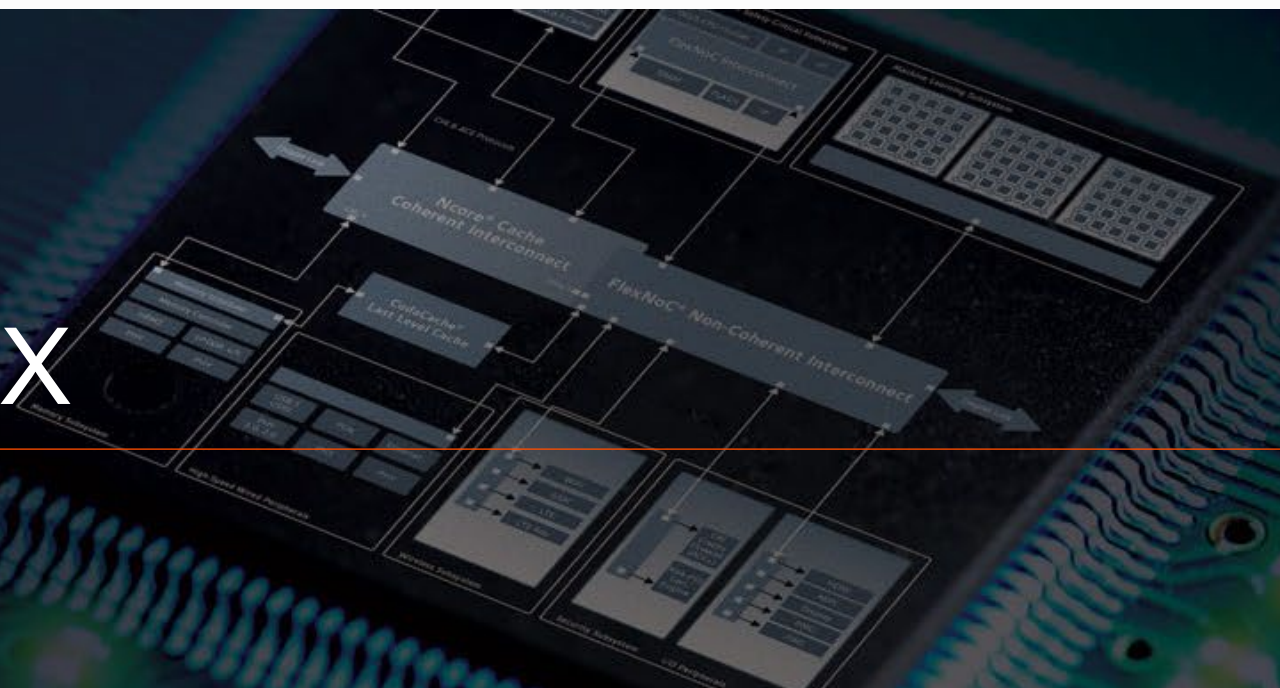
THANK YOU





# APPENDIX

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# Appendix - GAAP to non-GAAP reconciliation

## Income (loss) from operations

<i>In \$ thousands</i>	Twelve Months Ending:		Six Months Ending	
	December 31, 2020	December 31, 2021	June 30, 2021	June 30, 2022
Income (loss) from Operations	(\$3,777)	(\$21,765)	(\$9,968)	(\$12,042)
Add:				
Stock-based Compensation	458	5,510	711	5,693
Acquisition costs	1,429	238	238	0
Amortization of acquired intangible assets	41	478	238	239
Non-GAAP income (loss) from operations	(\$1,849)	(\$15,539)	(\$8,781)	(\$6,110)