

Accelerating The Creation of Semiconductors

Corporate Overview

Charlie Janac
CEO

Nick Hawkins
CFO

August 2023

ARTERIS 

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This presentation and the accompanying oral presentation also contain 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.

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Investor Highlights

Market Leadership

- Leader in semiconductor System-on-Chip (SoC) System IP
- Over 50% increase in Active Customers since 2020
- 700+ SoC Design Starts
- Over 3 billion SoCs shipped

Differentiated Technology

- Networking technology inside semiconductors
- Strong SoC Integration technology, IP-XACT committee member
- 65 issued patents and 80 patent applications

Well-Positioned in High Growth Segments

- 70 – 80% market share of automotive ADAS SoC market¹
- Autonomous vehicle/ADAS TAM growing at 36% CAGR through 2030²
- Strong position in AI/ML system IP with over 180 design wins

Large Addressable Market

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

Scalable Business Model

- IP business model
- Address high-growth segments with growing royalty streams
- Targeting high operating margin
- ~\$65 million contracted future revenue (RPO)⁴

¹ Management estimates

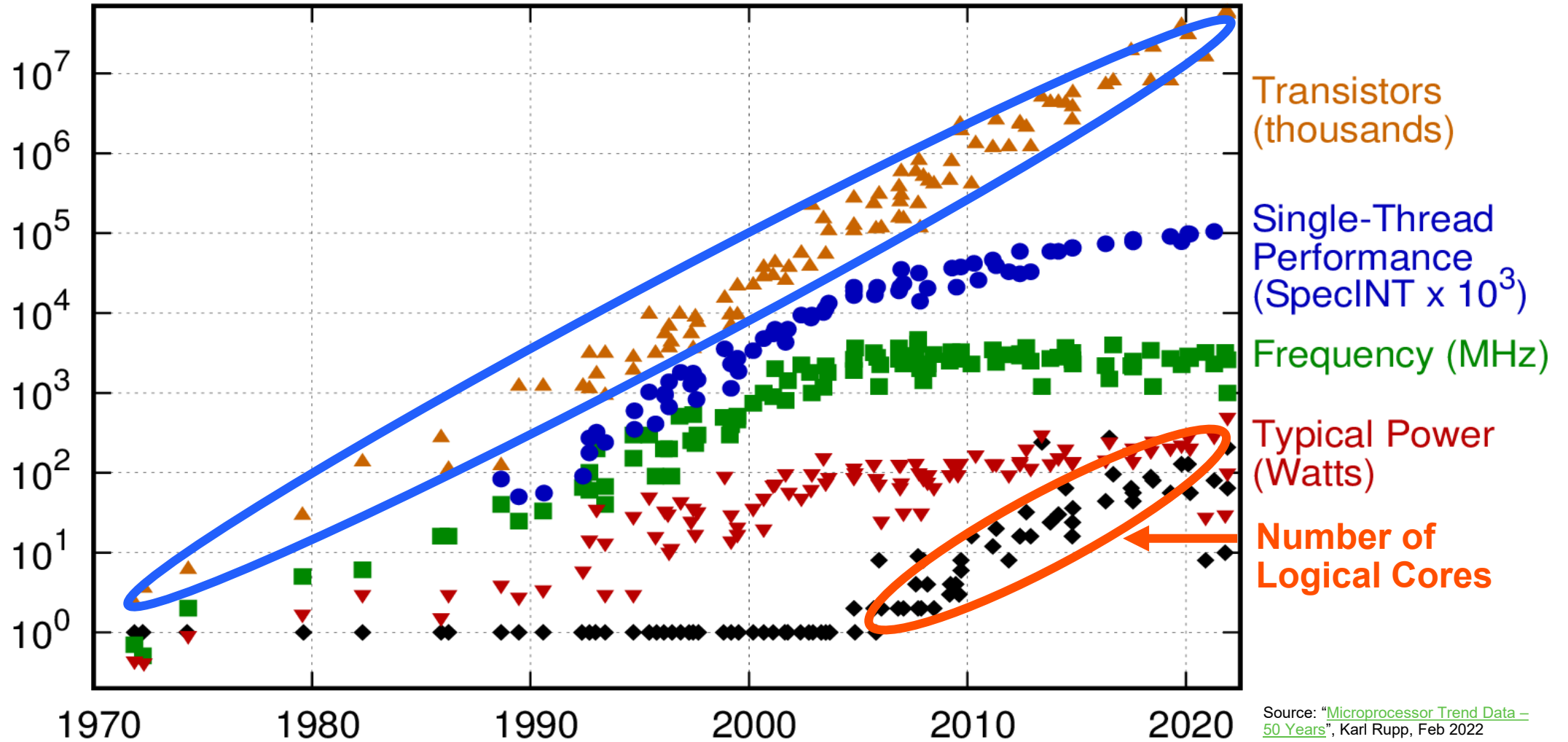
² Deutsche Bank Research

³ Gartner

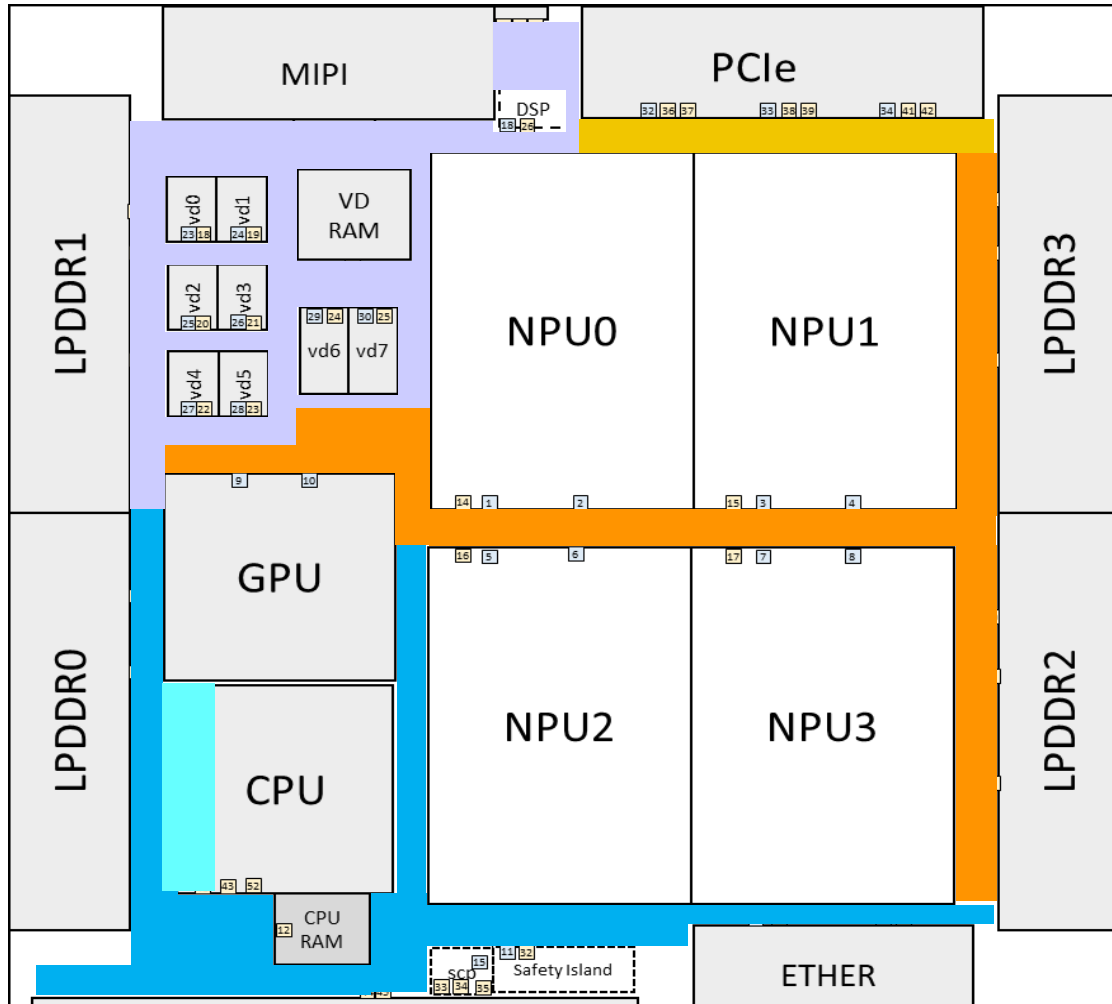
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50 Years of Technology Scaling

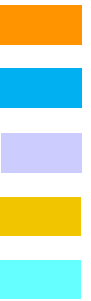
Growing number of logical cores is the driver for Moore's Law, supported by Arteris technology



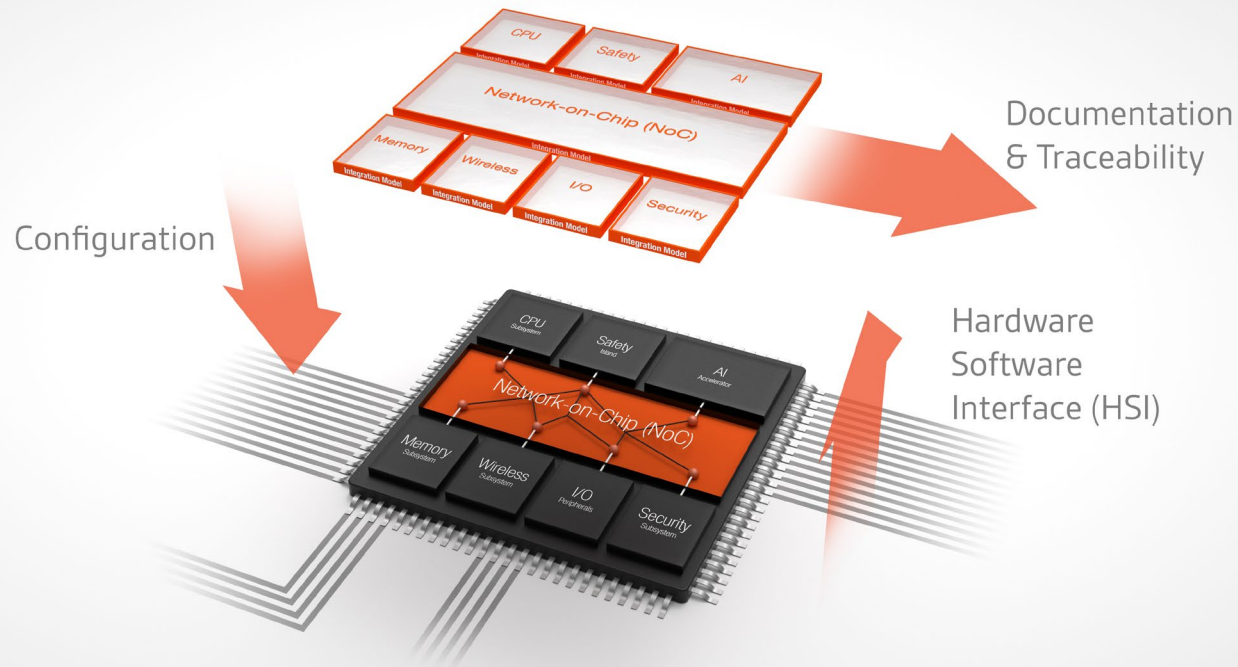
Today SoCs are made from IP Blocks → Commercial and Internal System IP is critical for rapid SoC assembly, data performance & low power consumption



- FlexNoC Non-coherent Interconnect
 - NPU Subsystem
 - CPU Subsystem
 - Video Subsystem
 - PCIe Subsystem
- Ncore Cache Coherent Interconnect
- Establishing high level connectivity between client IP blocks
- Configuring exit port registers to enable efficient IP block integration



Arteris Focus



NoC Interconnect IP

Protocol converters, switches, rate adaptors, etc.

NoC Interface IP

Additional interconnects & IP blocks connected to NoC IPs

SoC Integration Automation

SoC IP blocks connected & configured with Arteris IP software

Addressing Multi-Billion-Dollar Serviceable Market

Arteris SoC System IP

NoC Interconnect IP
NoC transports data within SoC

NoC Interface IP
Data transport and Control IPs attached to NoC interconnects

SoC Integration Automation
Package IP Blocks, integrate SoCs

Total Addressable Market - 2021¹

Total Addressable Market - 2026¹

~\$700M

~\$1.6B

~\$300M

~\$1.1B

~\$300M

~\$500M

\$1.3B SoC system IP market in 2021

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

1. Source: Arteris bottom-up analysis, Arm

Arteris – A Leading SoC System IP Company

Global customer base deploying Arteris interconnect IP and SoC Integration Software

- Silicon-proven IP used in **3 billion+ SoCs** shipped to date
- **200+ customers** and **700+ SoC** design starts to date
- **70-80% market share** of automotive ADAS SoC market¹
- Strong presence in Artificial Intelligence/Machine Learning (AI/ML) system IP
- Broad support - **any processors, IP, EDA, foundry**
- Innovative technology coupled with expert support results in a **98% annual customer retention rate**
- **Global reach** – offices in America, Europe, and Asia
- **65 patents** and 80 patent applications

¹ Management estimates

Diversified Customer Base

Subset of Publicly Disclosed Customers



Arteris Ecosystem: The 'Switzerland' of IP

Neutral, trusted partner for IP providers and semiconductor makers



Recent Customer Momentum



Tenstorrent (USA) selected Arteris for **AI high-performance computing and datacenter RISC-V chiplets** to enable computing for modular, efficient and performant next-generation AI at scale



Arteris IP licensed by **Axelera AI (Netherlands)** to **accelerate computer vision at the edge** enabling Axelera AI engineers to meet performance, ultra-low power, and time-to-market objectives in its Metis AI Platform



BOS Semiconductor (Korea) licensed Arteris for use in its **next-generation automotive SoCs**, ensuring that its autonomous driving, HPC, and gateway designs are optimized for power and performance.

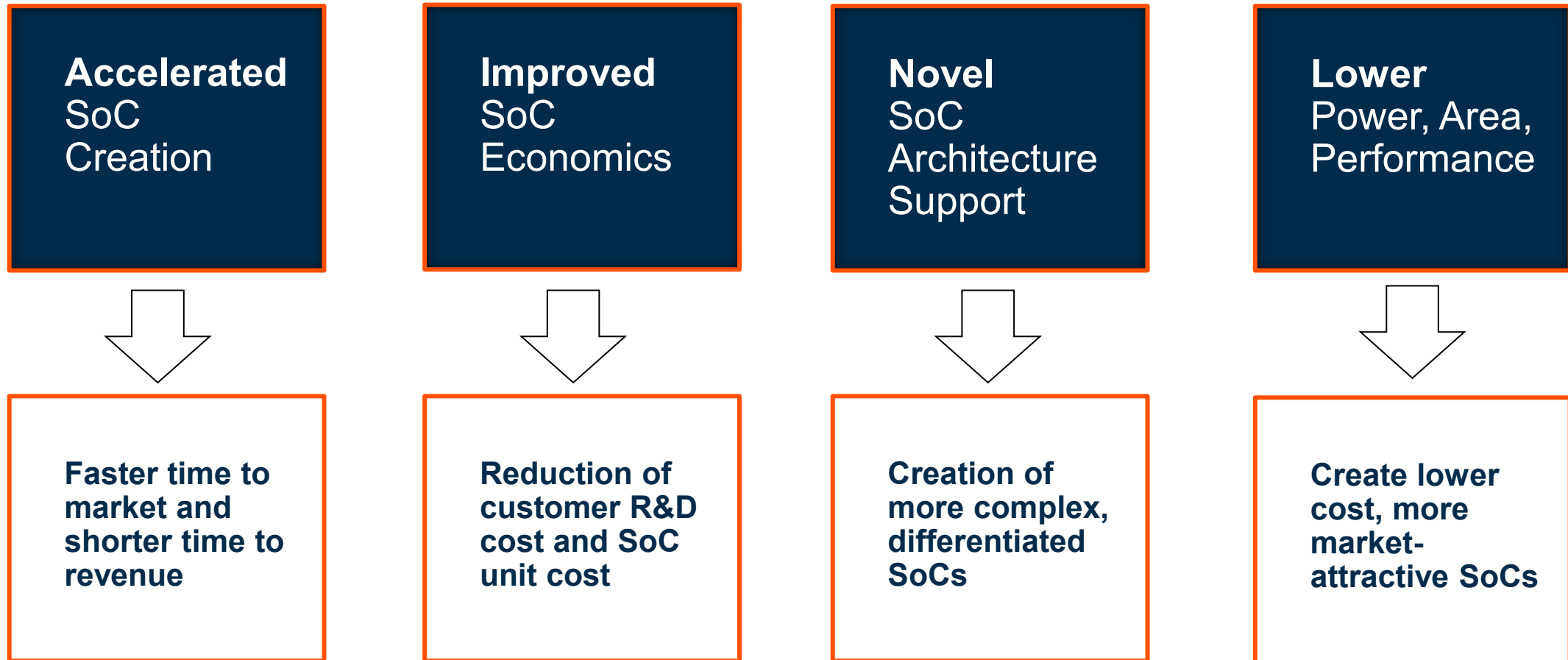
Barriers to Competition

Arteris has a deep moat around its business

Barrier to Entry	Arteris	New Competitor Entrant
Market Experience	Founded in 2003	2 to 5 years to establish
Product Development	Annual product releases	3 to 6 years to build
Royalty Engine	Generating royalties for over a decade	5 to 8 years to build
Total Time to Establishment		10 to 20 years
Investment	Established, leading product line supported by market leading expertise	Tens of millions of dollars
Ecosystem	Foundry, IP & EDA ecosystem established	Costly development
Engineering Resources	Global team	Deep expertise difficult to find
Intellectual Property	65 patents issued, 80 pending	Patent infringement risk

Arteris is a Catalyst for SoC Innovation

Enabling customers to create complex SoCs efficiently and reliably



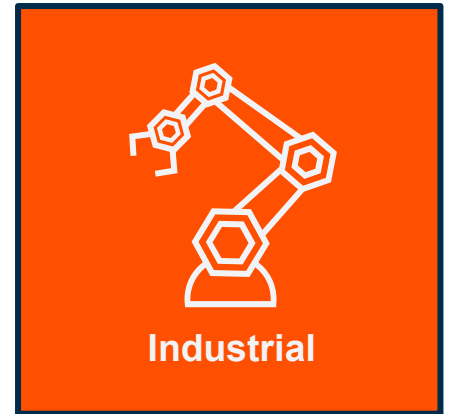
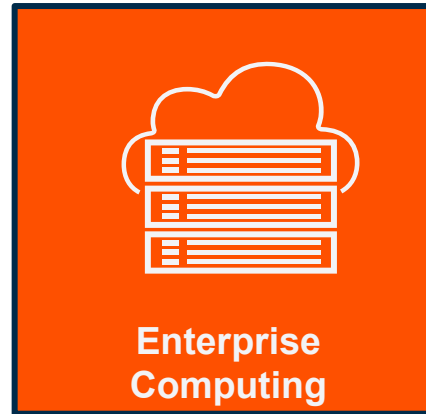
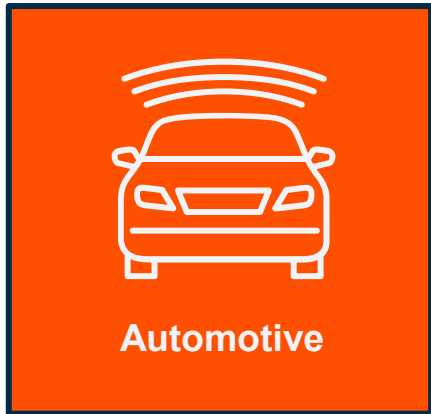


Market Segments

Addressing the most attractive segments

Accelerating Innovation in Key Verticals & Horizontals

Working with market-shaping leaders to address evolving IP and SoC challenges



Artificial Intelligence / Machine Learning



























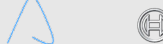
















Functional Safety and Reliability



Hardware / Software

Arteris Well-positioned for Automotive growth

Arteris' System IP enables novel automotive SoC architectures

SoCs per Function		Arteris IP Customers → 125+ SoC design wins						
ADAS / Machine Learning / Car Controller (1-4 systems per vehicle)	2	 Horizon Robotics	 mobileye	Major Automotive EV OEM	 HAILO	 BLACK SESAME TECHNOLOGIES	 Telechips	 life.augmented
		 RECOGN	 socionext	 NXP	Major Design Services Company	 indie	 bos	
		 BOSCH	Toshiba	 AutoChips	 SEM(DR)VE	Major ADAS System Maker	 Dream CHIP	
Vision Camera – Local Processing (4-16 systems per vehicle)	4	 mobileye	 BLACK SESAME TECHNOLOGIES	 tenstorrent	 nextchip	 TEXAS INSTRUMENTS	Toshiba	
Radar / Lidar	6	 arbe	 CALTECH	 NXP	 vayyar	 AEVA	 BOSCH	 UHNDER
Infotainment	1	 NXP	 TEXAS INSTRUMENTS	Major FPGA Company #1	 bos	Major FPGA Company #2	 Telechips	
Dashboard / HUD / DMS	2			 NXP	 sienqine	 RENESAS		
Chassis / Engine / Motor Control	5				 life.augmented	 indie		
V2X / V2I / WAN Modem / Gateway	3			 NXP	 Autotalks	 MORNINGCORE	 SEQUANS	 Silicon Mobility

Source: IHS Markit, McKinsey

23 average complex SoCs per electronically-enabled vehicle by 2026

Automotive

- 125+ SoC design wins, OEMs take on silicon
- ~\$117 billion automotive semiconductor market by 2030¹
- Partnered with **Arm** in Automotive
- Selected by 5 major **Auto OEMs** in 2023
- Unique **Safety** capabilities
- Example customers:
 - **BMW**
 - **NXP**
 - **Mobileye**

AUTOMOTIVE SoC 19% CAGR¹



ADAS
31% CAGR¹

Connectivity/ Telematics
11% CAGR²

Auto HPC
(High Performance Compute)
99% CAGR¹

Infotainment
8% CAGR²

1. CAGR 2022 – 2030; Source: Gartner
2. CAGR 2022 – 2026; Source: Omdia Informa

Enterprise Computing

- Workload optimization in **data centers** drives specialization
- Unique enablement of **AI/ML** designs — 115+ AI/ML enabling customers
- Tenstorrent AI data center **RISC-V** SoC
- Example customers:
 - **Achronix**
 - **Vastai**
 - **Tenstorrent**

**ENTERPRISE
COMPUTING
5% CAGR¹**



**Data Center Servers
9% CAGR¹**

**Data Center Networking
14% CAGR¹**

**Solid State Data Storage
12% CAGR¹**

1. CAGR 2022 – 2026; Source: Omdia Informa

Connected Edge

Communications. Consumer Electronics. Industrial.

- **IoT** across industries, **Edge** computing and **hyperconnected** future drives specialized chips
- Unique **Safety** and **Reliability** capabilities
- Flexibility for diverse architectures
- Of-the-shelf proven NoCs
- Example customers:
 - **Renesas**
 - **NXP**
 - **SiMa.ai**



CONSUMER ELECTRONICS
7% CAGR¹

VR
12% CAGR¹

Wearables
24% CAGR¹



COMMUNICATION
6% CAGR¹

Smartphones
6% CAGR¹

Automation
7% CAGR¹



INDUSTRIAL
5% CAGR¹

Smart Grid
(Power/Energy)
8% CAGR¹

Building & Home
Control
7% CAGR¹

1. CAGR 2022 – 2026; Source: Omdia Informa

Connecting Artificial Intelligence Everywhere

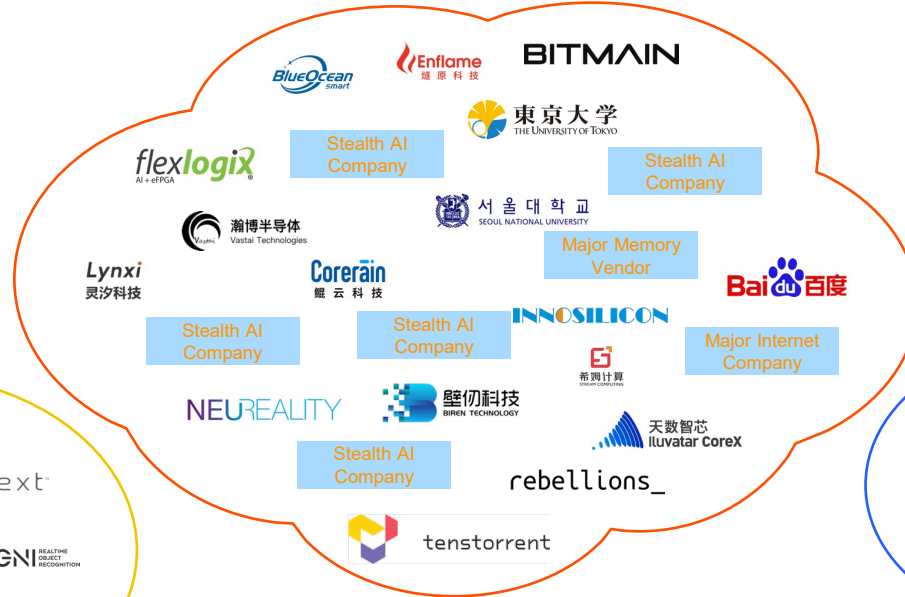
115+

AI / ML Customers

End Points



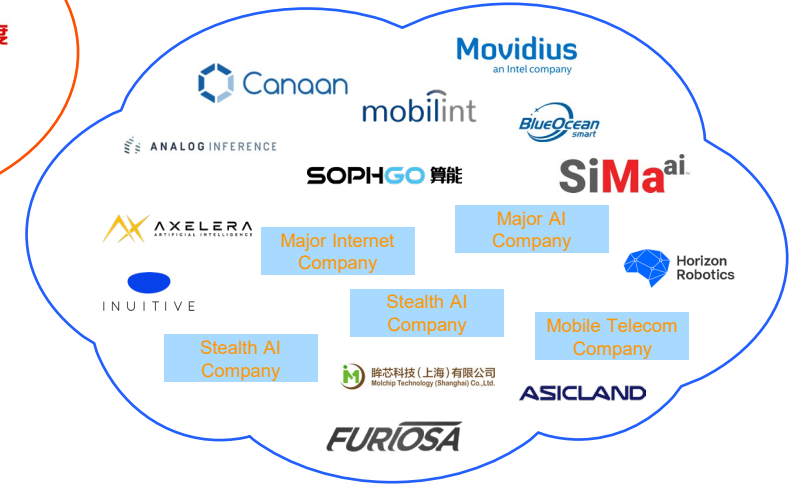
Datacenter



180+

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

Growth Strategies and Milestones

Organic product portfolio expansion

- **May. 2023** – FlexNoC 5 production delivered



Focus on high growth market segments

- Automotive – 5 Auto OEMs YTD
- RISC-V – Tenstorrent
- Generative AI – next killer app.



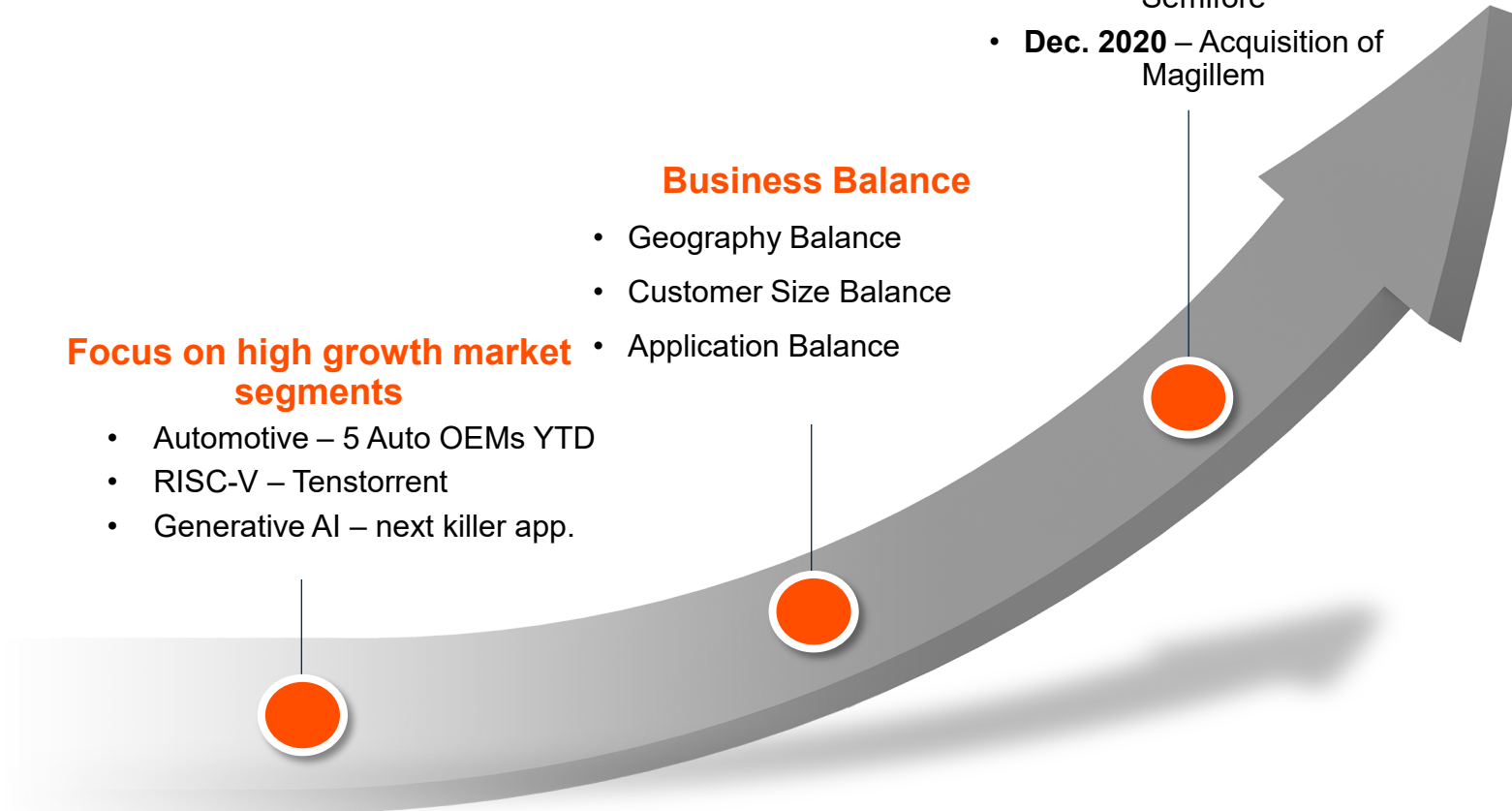
Business Balance

- Geography Balance
- Customer Size Balance
- Application Balance



Inorganic growth

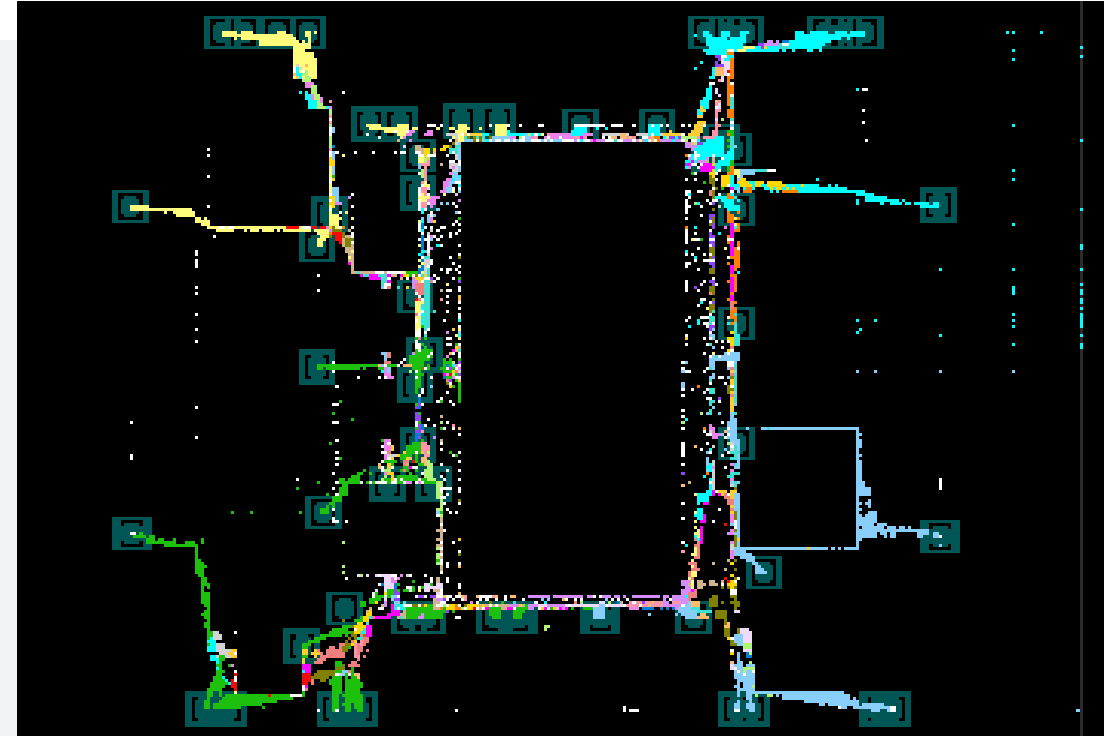
- **Dec. 2022** – Acquisition of Semifore
- **Dec. 2020** – Acquisition of Magillem



Latest Product Innovation: FlexNoC 5 Network-on-Chip IP

One of the Industry's First *Physically Aware* NoC IP Designed To Reduce Complexity + Optimize Design

1. Customers get to **physical convergence up to 5X faster**.
2. Engineering resources are optimized, **reducing manual iterations**, cutting months to days.
3. Power, performance, and area (PPA) goals are achieved **within schedule and budget constraints**.





Experienced Management

Seasoned Executive Team with Deep Domain Expertise

Charlie Janac



**Chairman
President & CEO**

cādence



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



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**

cādence



Michal has over 25 years of experience in a variety of marketing, customer success, and product 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 previously CFO of Corsair Gaming in the consumer electronics space

BSc from Exeter University & Fellow Chartered Accountant

Christel Mauffet-Smith



**Executive VP of
Global Sales**

cādence



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

Accelerating Delivery of Semiconductors for All Through Advanced System IP

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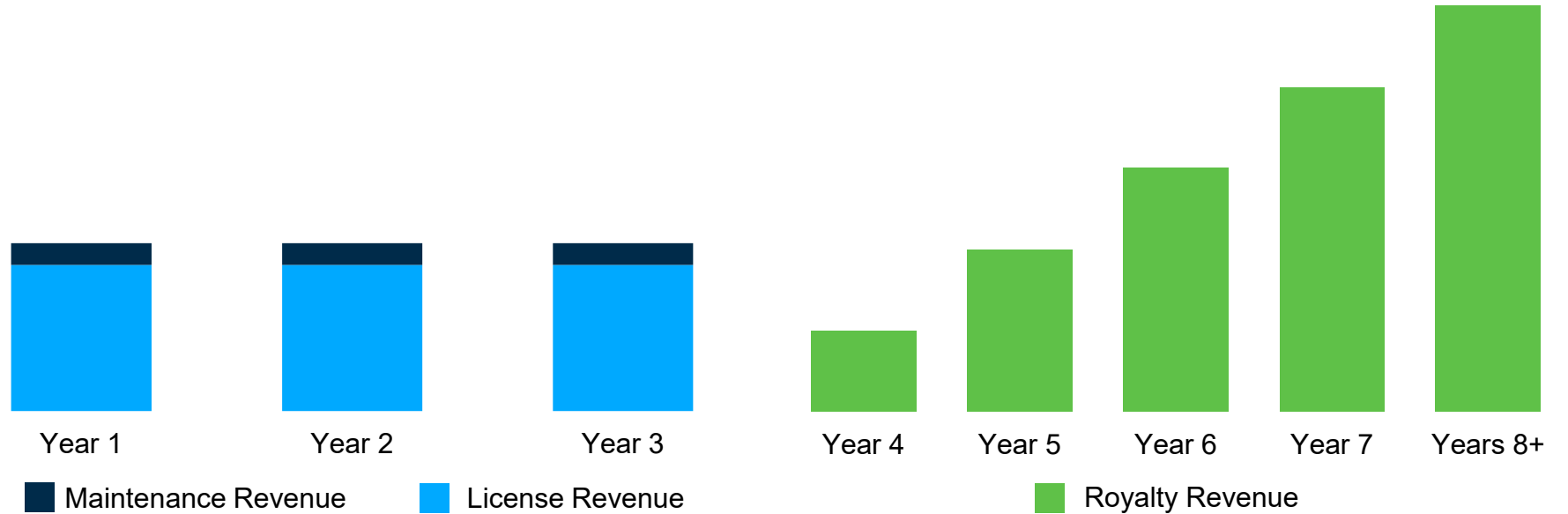


Financial Overview

Nick Hawkins

Scalable IP Business Model

Two revenue streams



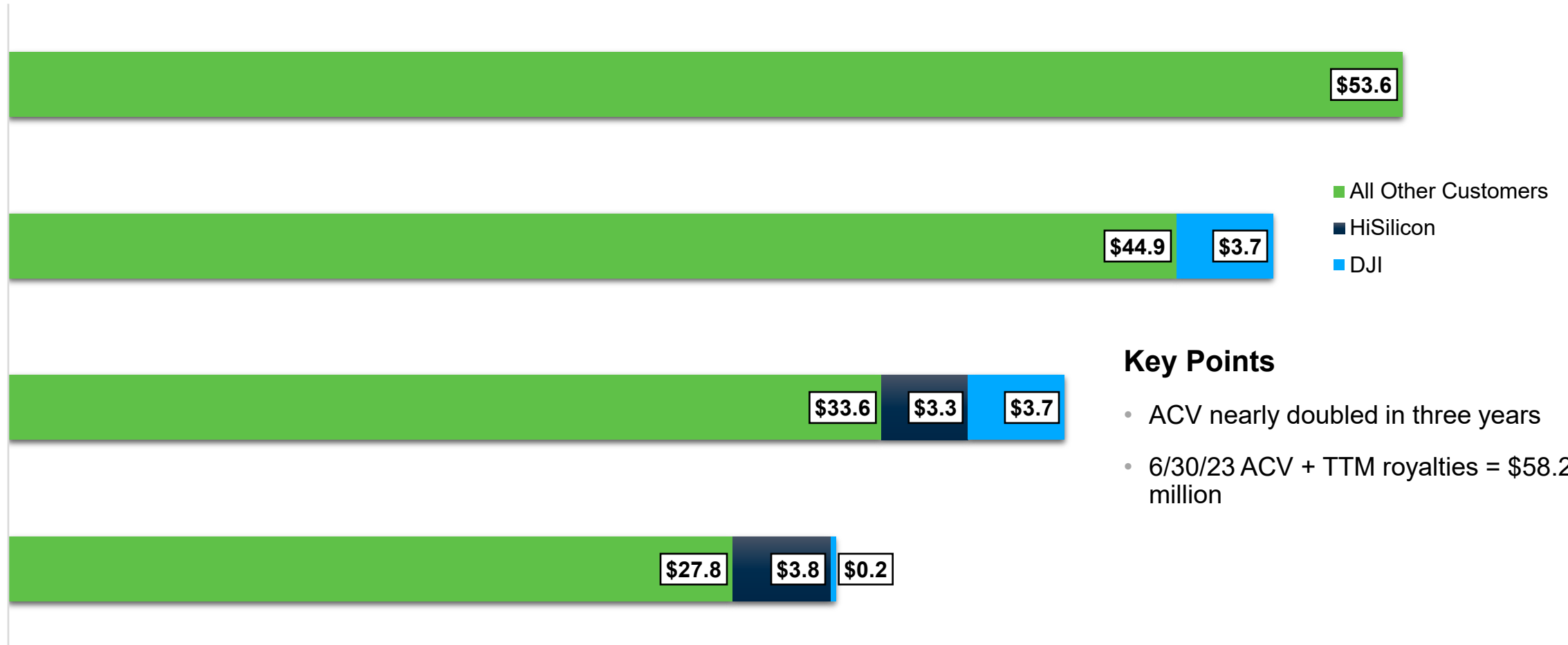
Support and Maintenance Fee

License Fee

Repeatable, Long-term Product Royalties



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



Key Points

- ACV nearly doubled in three years
- 6/30/23 ACV + TTM royalties = \$58.2 million

Growth in Confirmed Design Starts Drives Future Royalty Expansion

Confirmed Design Starts³



Auto

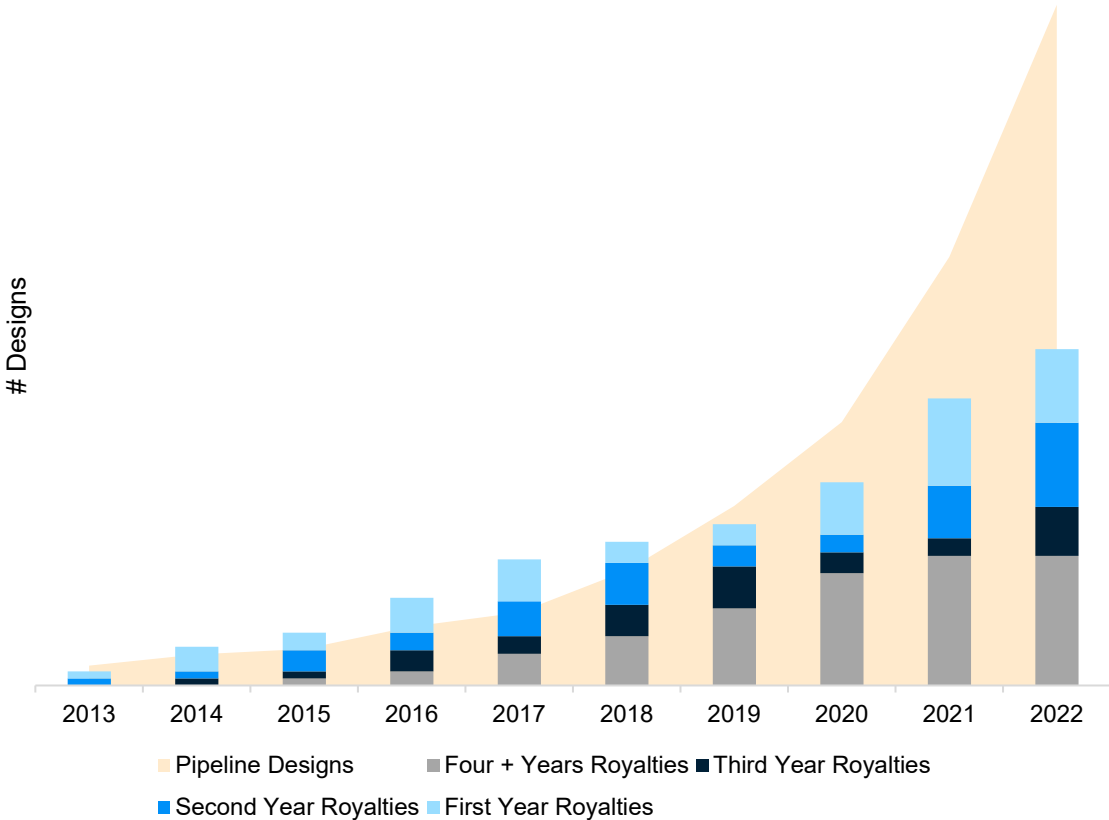
Royalty
\$

Other

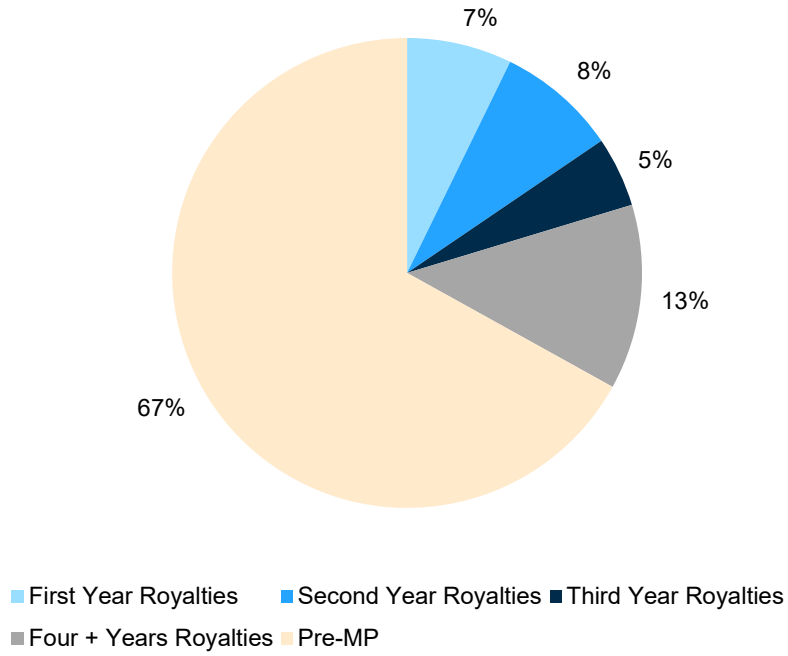
³ We define Confirmed Design Starts as when customers confirm their commencement of new semiconductor designs using our interconnect IP and notify us

A Growing Royalty Base

Royalty Pipeline



Royalty Design Maturity



High Visibility

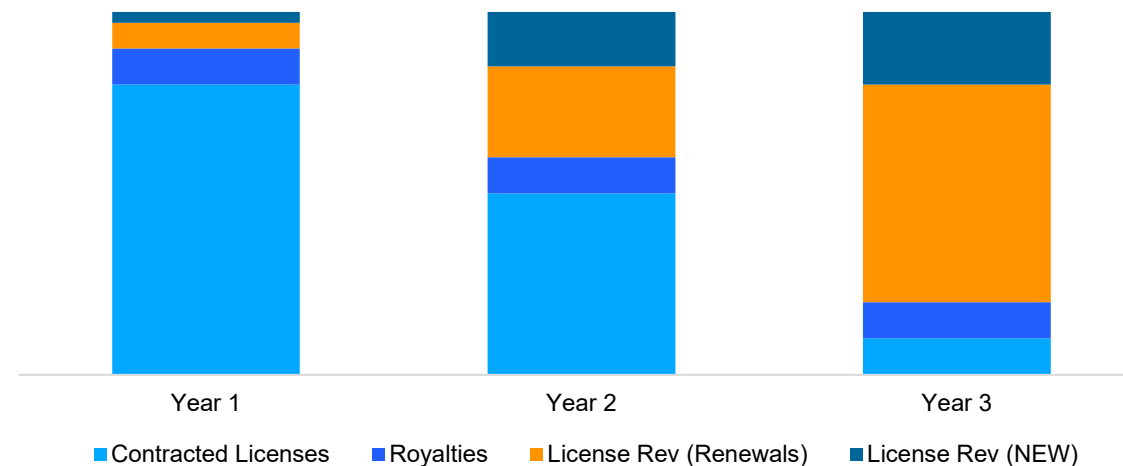
- GAAP revenue drivers:

1. RPO: \$65M at 6/30/23 - amortizes over 3+ years
2. Royalties: contracted except sales out volume
3. License renewals: 95+% renewal rate p.a.⁽¹⁾
4. New business

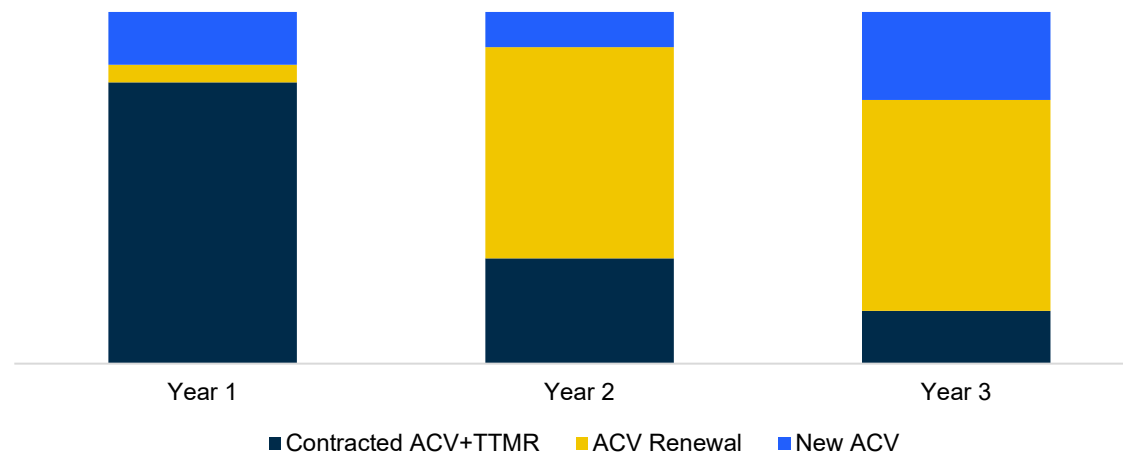
- ACV drivers

1. Existing ACV waterfall extends over 3+ years
2. Renewal ACV: 95+% 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 SoC Integration Automation, was 95+% from December 31, 2019 to December 31, 2022.

Operating Results / Guidance

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 (FY20 – FY22)
- OpEx investments
 - Next-generation product development
 - Expansion of sales & marketing to drive growth
 - Public company G&A

In \$ millions	FY 2021	FY 2022	3M Ended 6/30/2022	3M Ended 6/30/2023	Q3 2023 Guidance	FY 2023 Guidance
ACV	47.4	49.2	48.6	53.6		
TTM ² Royalties and Other	2.6	3.2	3.1	4.6		
ACV + TTM ² Royalties	50.0	52.4	51.7	58.2	57.0 – 61.0	60.4 – 65.4
Revenue	37.9	50.4	14.8	14.7	12.5 – 13.5	54.0 – 56.0
Non-GAAP Information						
Non-GAAP Loss From Operations ¹	(15.5)	(16.2)	(1.9)	(4.2)	42.0% – 62.0%	34.5% – 49.5%
Free Cash Flow	(1.6)	(7.8)	0.1	(2.2)	(35.6%) – (10.6%)	(20.5%) – (10.5%)

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 growth

\$65M Contracted future revenue (RPO)

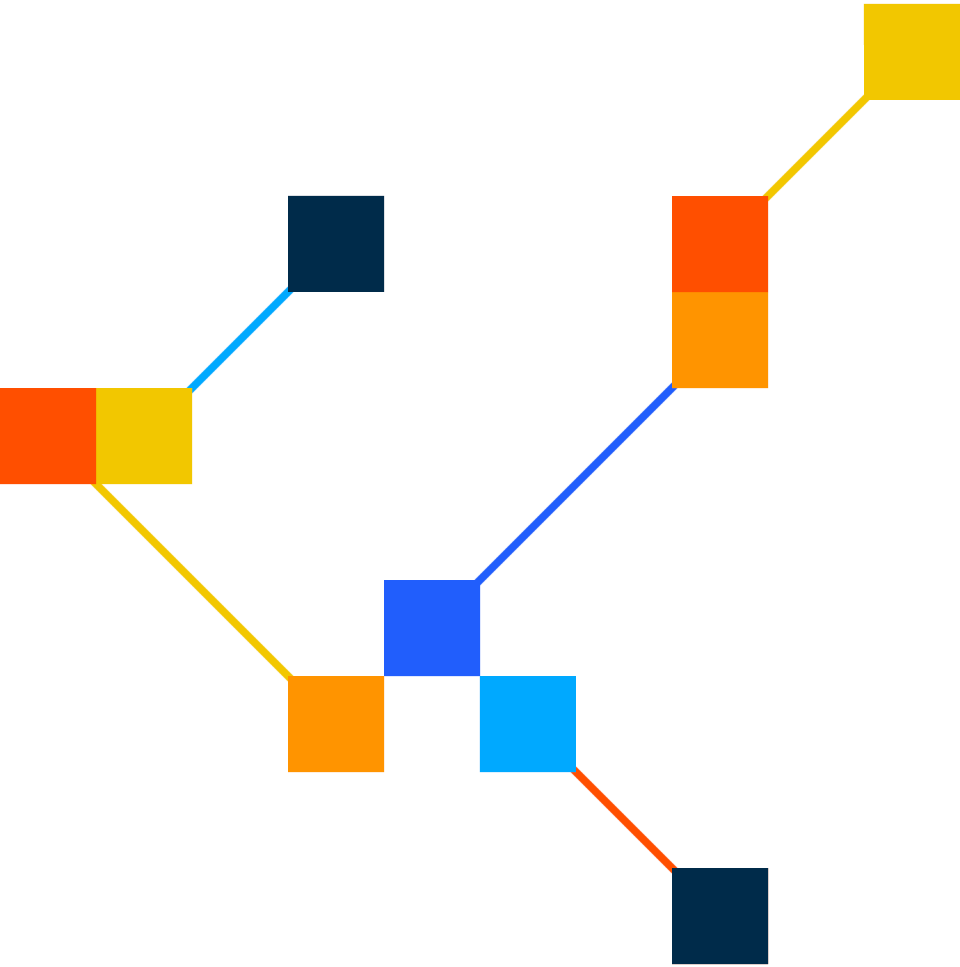
19% CAGR in ACV
6/30/20 – 6/30/23

90–95% Gross Margin¹

Significant operating leverage

Debt free

¹2020-2022



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Appendix - GAAP to Non-GAAP Reconciliation

Income (loss) from operations

In \$ thousands	Twelve Months Ending		Three Months Ending:	
	December 31, 2021	December 31, 2022	June 30, 2022	June 30, 2023
Income (loss) from Operations	(21,765)	(28,856)	(5,426)	(8,683)
Add:				
Stock-based Compensation	5,510	11,692	3,384	4,282
Acquisition costs	238	527		
Amortization of acquired intangible assets	478	478	120	191
Non-GAAP income (loss) from operations	(15,539)	(16,159)	(1,922)	(4,210)