



EnSilica plc

Financial Results – For the year ended 31 May 2023

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Presenting Team

Ian Lankshear
Chief Executive Officer

Co-founded EnSilica in 2001 as semiconductor design services business. Under his stewardship the company has enjoyed sustained growth based on market leading opportunities, innovation and export success.

Strong technical and commercial background covering semiconductors and adjacent markets. Having spent his early career in radar systems development for Siemens Plessey Systems, he moved into semiconductor development in 1996 working for Hitachi and subsequently Nokia.



Mark Hodgkins
Executive Chairman

Mark graduated from the University of Manchester and is a Chartered Accountant. He started working with EnSilica in May 2016.

Formerly with KPMG, Mark became a Partner with Grant Thornton and then Ernst & Young specialising in strategy for mid-sized companies. He advised on corporate transactions, worth in excess of £2.5 bn. Since leaving Ernst & Young in 2005, Mark has served as CEO of a number of engineering businesses with experience in leadership positions including publicly listed businesses.



EnSilica in summary

Established in 2001, EnSilica provided consultancy services around the design of high-end semiconductors (ASICs)
Clients included Nokia, Arm, Panasonic and Sony

In 2016, EnSilica began to migrate the model from consultancy to one of fabless ASIC Design & Supply
Cost of designing the ASIC is shared with the client
Upside for EnSilica from the long-term recurring revenue stream as the chips enter production

EnSilica today:

- Three chips in Supply stage

- Including an ASIC for high-end vehicle started production in June-22 – estimated \$40m revenues over 6 years

- Six chips in Design stage

- Including Industrial ASIC with launch expected end 2024 and anticipated revenues of \$30m over 7 years

Growing pipeline and order book of projects with potential cumulative LTV of £350m

- Near term cashflow strengthened with select consultancy work

- Examples include September 2023 \$2.4m high-end consultancy contract win

Year ended 31 May 2023 - Financial Highlights

REVENUES

£20.5m

+ 34%

Increase on FY22

PROFIT AFTER TAX

£1.79m

+ 1100%

Increase on FY22

OPERATING PROFIT

£0.83m

+ 18%

Increase on FY22

EPS

2.3p

+ 1020%

Increase on FY22

EBITDA

£1.56m

+ 50%

Increase on FY22

CASH

£3.1m

£5.7m FY22

Summary

- ❖ Exceeded IPO expectations
- ❖ Exceeded in Year upgrades
- ❖ Developed strong sales pipeline
- ❖ Regular contract wins throughout the year
- ❖ Significant progress on development of production supply revenue streams

Progress during 12 months ended May 2023

- ❖ June 2022 – Automotive ASIC entered commercial production. Initial supply revenue expectation of \$25m
- ❖ July 2022 – Won contract with a leading European industrial OEM for a factory automation ASIC
 - ❖ Contract worth >\$30m over 7 years, NRE fully funded by customer
- ❖ December 2022 – Secured two new contracts with existing customers worth \$3.6m
- ❖ February 2023 - €5m Satellite Broadband win
- ❖ March 2023 – Balance Sheet strengthened through £2m raise at 70p, 40% premium to May 22 50p IPO price
- ❖ April 2023 - \$2.4m consultancy contract win
- ❖ April 2023 – Communications ASIC –NRE increased by \$1.3m, expected royalties up to \$15m from \$5m
- ❖ May 2023 – Automotive ASIC launched in June 2022 now to be used in additional models
 - ❖ Supply revenue expectation increased to \$40m

Income Statement

£'000	FY23	FY22
REVENUES	20,476	15,293
GROSS PROFIT	8,170	5,047
GROSS PROFIT %	39.9%	32.9%
OPERATING PROFIT	825	6
INTEREST	(778)	(540)
TAX	1,745	683
PAT	1,792	149
EBITDA	1,555	1,036

Revenues +34% vs 2022

Gross Profit Margin improved by 690bps

Adj. EBITDA +58% vs 2022

Adj. EBITDA Margin increased to 8.0% from 6.8%

R&D Tax Credit: cash receipt exceeds £2m

Revenue Split

£'000	FY23	FY22
CHIP SUPPLY	2,856	1,970
NRE	8,220	6,250
FABLESS MODEL REVENUES	11,076	8,220
CONSULTANCY REVENUES	9,400	7,073
TOTAL REVENUES	20,476	15,293

Fabless model total revenues are our growth focus

Chip Supply revenues are now growing

Strong consultancy business provides stability and contribution

Balance Sheet

£'000	FY23	FY22
Intangible Assets	12,433	8,576
Cash	3,095	5,742
Debt	4,167	4,966
Net Current Assets	6,711	7,606
Net Assets	15,963	12,153
Net Debt/(Cash)	1,072	(776)

**Capitalisation of development costs
(intangible assets) £4.1m (2022 £2.2m)**

**Cash position of £3.1m (2022 £5.7m) reduced
due to investment in Intangibles and debt
repayment**

**Borrowings £4.2m, reduced by £0.8m from
£5.0m in line with repayment plan**

**Net debt position of £1.1m (2022 net cash of
£0.8m - immediately post IPO)**

Cash Flow

£'000	FY23	FY22
Profit for the year	1,792	149
Cash generated from operations	290	(1915)
Tax received	1,521	3,306
Net cash from operations	1,802	1,391
Investing activities	(4,521)	(2,492)
Cashflows from financing activities	72	5,399
Movement in cash	(2,647)	4,298

Tax received £1,720 (2022 £3,306)

Investing activities of £4.521m (2022 £2.492m) includes capitalised development costs of £4.1m (2022 £2.2m)

Debt reduction and interest on borrowings £0.8m leading to reduction in long term bank loans to £4.1m

Progress since May 2023 year end and Outlook

- ❖ **August 2023 - €2.5m Satellite Broadband lead customer secured**
 - ❖ Relates to proprietary Satellite Broadband chip, development of which was part funded by ESA
 - ❖ Contract includes order for first 50k devices
 - ❖ Further upside from this initial customer and from other third parties
- ❖ **September 2023 - \$2.4m high end consultancy contract win**
 - ❖ With existing customer for development of next generation advanced networking ASIC
 - ❖ Generates near term cashflows
- ❖ **September 2023 - \$7m e-mobility ASIC supply contract win**
 - ❖ NRE 100% funded by customer
 - ❖ Supply revenues commence mid-2025
- ❖ **OUTLOOK**
 - ❖ The Company has started FY 2024 well, supported by both existing contracts and new business momentum
 - ❖ The business has built a strong pipeline with a sizeable order book that continues to underpin management's confidence in the business
 - ❖ Looking ahead, the Board believes that the Company is well placed to continue to capitalise on the significant growth opportunity that exists within the semiconductor industry

- ❖ We have had a successful year with results ahead of our commitment at IPO
- ❖ Established and exciting position in each of our focus sub-sectors:
 - ❖ **Autos** - \$40m anticipated supply revenues plus \$7m contract win in e-mobility
 - ❖ **Industrials** - \$30m anticipated supply revenues
 - ❖ **Satellite Comms** – Combined \$18m expected supply revenues and own chipset
 - ❖ **Healthcare** - EnSilica owned chip being evaluated by several healthcare companies
- ❖ We continue to execute high-end consultancy, this strengthens near term cash flows
- ❖ Healthy pipeline of future work, EnSilica is positioned for continued growth and positive newsflow, the Board remains confident in current market forecasts



Thank you

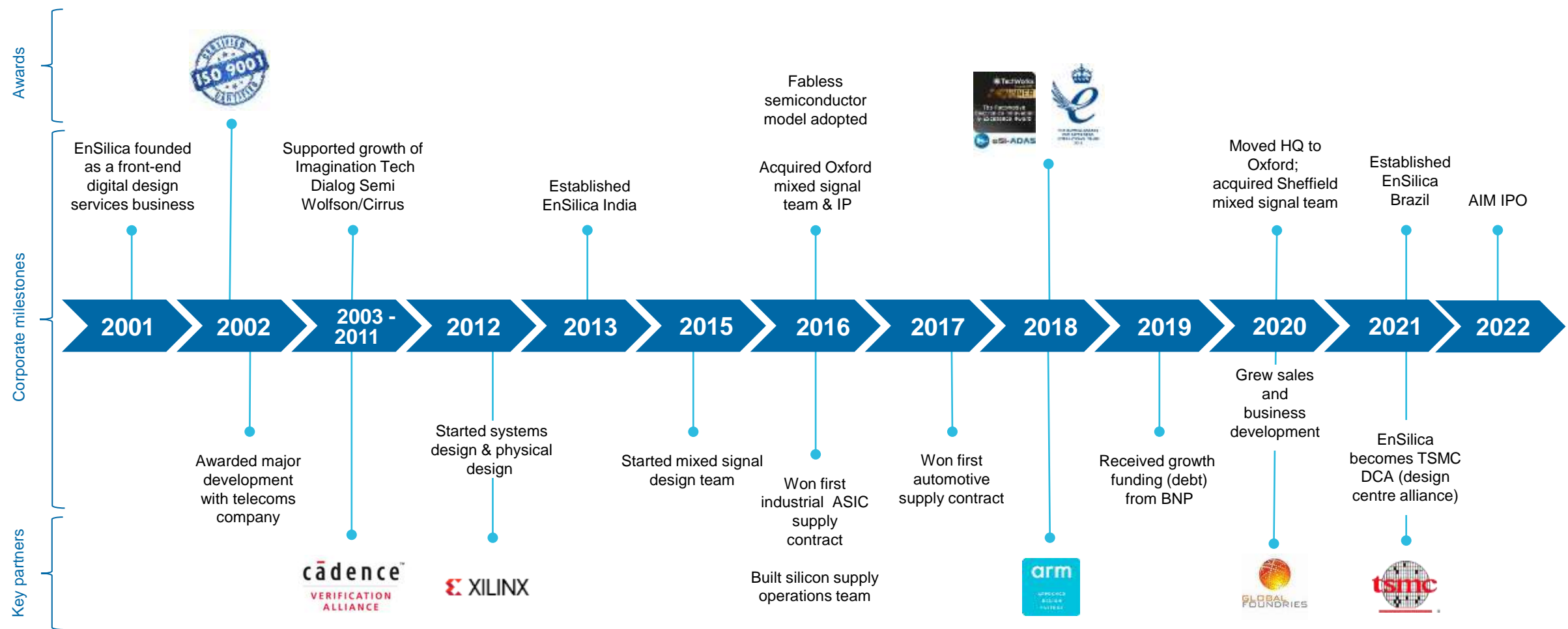




Appendices



A brief History of EnSilica



EnSilica where we are now



A CLEAR MISSION

- ✓ At EnSilica we are **shaping better futures through innovative semiconductor solutions**



STRONG EXISTING FOOTHOLD

- ✓ Our business supports a global client base
- ✓ We are delivering robust financial and operational growth
- ✓ Experienced management team with a strong track record of delivery and **c. 160 employees** across **4 countries**



HIGH GROWTH MARKETS

- ✓ We are focused on the high-growth opportunities in **AUTOMOTIVE, INDUSTRIAL, HEALTHCARE AND SATELLITE COMMS** sectors



POSITIONED TO CAPITALISE

- ✓ EnSilica has a **growing pipeline and order book** of projects with cumulative LTV of £350m
- ✓ We have proven business model to scale and to deliver returns
- ✓ Delivering on plan, strong FY 2023 and positive outlook for FY 2024

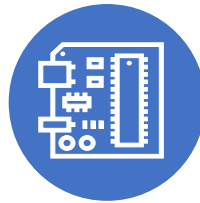
What is an ASIC?

An application-specific integrated circuit (“ASIC”) is a custom chip designed for a specific purpose. ASICs are used in a wide range of applications and have considerable benefits.



TYPICAL APPLICATIONS

- ✓ Automotive
- ✓ Connectivity for LEO satellite
- ✓ Industrial IoT and AI
- ✓ Smart healthcare
- ✓ Networking and 5G
- ✓ Consumer devices



DIFFERENTIATORS

- ✓ Novel functionality
- ✓ Lower-power consumption
- ✓ Smaller form-factor
- ✓ Lower-cost (in large volumes)
- ✓ Improved data security
- ✓ Supply chain resilience
- ✓ Intellectual property protection



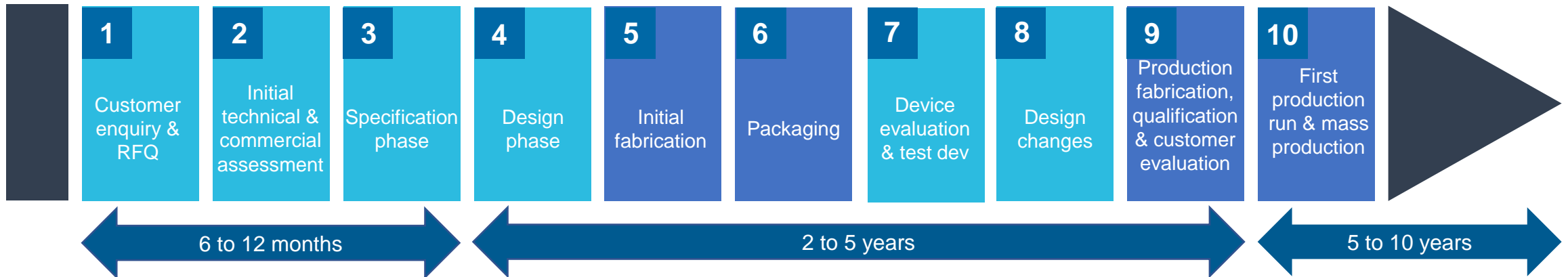
SOME OEMS USING ASICS

- | | |
|------------|-----------|
| ✓ Google | ✓ Square |
| ✓ Fortinet | ✓ Apple |
| ✓ Huawei | ✓ Siemens |
| ✓ Cisco | ✓ Tesla |

EnSilica – a proven delivery model

- ✓ EnSilica focuses on the end-to-end design and supply of chips through the **fabless semiconductor model**
- ✓ **Strong track record** of delivering custom chips to **established OEMs or well-funded start-ups**, reducing customer risk and time to market
- ✓ Strong relationships with supply chain partners for wafer fabrication, packaging, qualification and testing
- ✓ Fabless chipmaker model provides a **recurring ‘long-term’ revenue stream** which is **highly scalable**

The process:



■ Internal stage executed and managed by EnSilica ■ Outsource stage managed by EnSilica

ASICs market - strong momentum driven by global mega-trends

Customised ASIC chips are widely and increasingly used to differentiate market-leading products.

In 2021, the opportunity was about \$119Bn and projected to grow substantially.

We are targeting to capture 0.5% of these markets, aligning with our specialist expertise and IP.

AUTOMOTIVE



\$50bn

(2021)

CAGR 21-30 13% - \$150bn

INDUSTRIAL



\$60bn

(2021)

CAGR 21-30 9% - \$130bn

HEALTHCARE



\$7bn

(2023)

CAGR 23-28 11.4% - \$12.8bn

SAT COMMS



>\$2bn

(2020)

CAGR 21-28 6.9%

Significant progress in Autos market

Market driven growth set to continue...

- ✓ Number of chips per car increasing for EV and advanced safety features
- ✓ Next Generation Features
 - ✓ Advanced Driver Assistance Systems
 - ✓ Electrification
 - ✓ Infotainment
 - ✓ Digital instrumentation
 - ✓ Driver awareness
- ✓ EnSilica is an approved supplier to automotive and market leaders such as Continental and Visteon

\$40m contract with Tier 1 supplier

- ✓ 2018 – \$1.5m NRE commenced on design of ASIC for a Tier 1 supplier to a high-end vehicle manufacturer
- ✓ ASIC is a key differentiating feature in the chassis control
- ✓ 1st Supply revenues March 2021
- ✓ June 2022 – vehicle launch, up to 24 EnSilica ASICs per vehicle
- ✓ May 2023 – ASIC to be used in additional models
- ✓ \$40m revenue expectation over 6 years



Capitalising on Industrials market

Typical Industrial ASIC Applications

- ✓ Arm based system and bus controllers
- ✓ Pressure and flow sensors
- ✓ Gas sensors
- ✓ Chemical sensors
- ✓ Movement and occupancy sensors
- ✓ Motor and Solenoid controllers
- ✓ Torque sensor
- ✓ Inductive speed and position sensors
- ✓ Precision timers

\$30m contract with leading European OEM

- ✓ July 2022 – Awarded contract to Design & Supply an ASIC for industrial and factory automation products
- ✓ Based on projected volumes by the customer, worth in excess of \$30m over seven years
- ✓ NRE design component commenced 2022 and is fully funded by the customer
- ✓ Production and supply expected to start at end of calendar year 2024



Material traction in Satellite Communications market

Market growth set to continue...

- ✓ The Starlink LEO constellation has demonstrated the demand for satellite based broadband connectivity
 - ✓ Each current Starlink terminal has 660 chips.
 - ✓ Two types: i) RF/mmWave chips and ii) beamformer chips
- ✓ Opportunities with more than 10 other satellite constellations such as OneWeb, telesat, Kuiper(Amazon) and the EU's IRIS2
- ✓ Applications include consumer broadband, automotive and mass transportation
- ✓ Lowering the terminal cost and power is key for mass market adoption

\$15m contract win for ASIC within satellites

- ✓ 2021 NRE revenues commenced for design of ASIC for use in LEO satellites with US based communication service provider
- ✓ Royalty revenue per chip, expectation of \$15m over five years from 2024

And wins for use in land-based user terminals

- ✓ EnSilica has developed a RF/mmWave chip; €2.2m of funding in 2019 from ESA/UKSA. Considered best in class performance by peers.
- ✓ Also awarded a €5m contract to develop a new innovative Beamformer chip
- ✓ August 2023 - Lead customer secured committing €2.5m towards production including order for first 50k devices for use in land-based user terminals



Strong EnSilica IP and market traction across Healthcare sector

Key market opportunities

- Continuous glucose monitoring
- Blood pressure monitors
- Vital signs including BPM
- Smart watches, rings and fitness trackers
- Women's health (Femtech)

Semiconductor sensors interface can measure

- ECG, heart rate, respiration rate
- Body temperature
- Blood oxygen saturation (SpO2)
- Glucose levels, blood pressure and much more

Next generation of product needs:

- Reduce size
- Increase the battery life
- Reduce cost
- Provide multi-vendor sourcing
- Supply chain security
- Novel sensors interfaces

Our IP includes wireless interfaces such as blue-tooth low-energy and NFC radios and sensor interfaces

In 2021 we developed a prototype with the following sensor functions:

- ✓ ECG
- ✓ Optical signals including Heart rate, SpO2 and near infraRed spectroscopy and fluorescent Glucose Sensing
- ✓ Temperature
- ✓ Differential capacitance
- ✓ Works battery less from contactless reader (NFC)

The chip is already being evaluated by customers with the intention to use the reference design as a basis for an ASIC or develop an ASSP (sell to multiple customers)

The Marketing of this chip has resulted in customer enquiries from:

- ✓ Several CGM companies looking for ASICs
- ✓ A leading medical company looking for an ASIC to address supply chain issues



EnSilica - Contract win in e-mobility market

E-mobility includes electric vehicles, electric two wheelers, e-bikes and e-scooters

- ✓ Sector projected CAGR of >14% from 2023 to 2039
- ✓ Driven by electric mobility seen as a route to reducing green house gas emissions
- ✓ ASICs used to enable manufacturers to further improve features such as range, safety features and ride experience
- ✓ Similarities in technological demands across the e-mobility and automotive markets and hence EnSilica has an opportunity to capitalise on its proven automotive expertise

September 2023 \$7m contract win

- ✓ Majority of NRE to be completed in year to end May 2024 and will be fully funded by the customer
- ✓ Finished chip scheduled to enter production in mid 2025, based on volume commitments is anticipated to generate revenues of at least \$7m over the first five years of supply



The Board of Directors



Ian Lankshear
Chief Executive Officer

- Co-founded EnSilica in 2001 as semiconductor design services business
- Under his stewardship the company has enjoyed sustained growth based on market leading opportunities, innovation and export success
- Spent early career at Siemens Plessey Systems, moving into semiconductor development working for Hitachi and Nokia



Mark Hodgkins
Executive Chairman

- Started working with EnSilica in May 2016. He is a chartered accountant and was formerly a partner at both Grant Thornton and Ernst & Young, with particular focus on M&A.
- Significant experience in leadership positions of listed businesses
- Focused on Board performance and evaluation governance and investor relations.



Janet Collyer
Senior Independent and Non-executive Director

- Experienced senior international group director with proven strategic and ecosystems management experience in the key aspects of the semiconductor systems industry.
- Spent 30 years working at NASDAQ-listed, Cadence Design Systems.
- Currently has the following non-executive roles, director at the Aerospace Technology Institute, Chair at Machine Discovery Ltd and Chair at Quantum Dice Limited.



David Tilston
Non-executive Director

- Qualified chartered accountant, starting career at KPMG
- Held several executive roles in a number of UK PLCs.
- Formerly non-executive director of Sepura PLC a wireless equipment manufacturer.
- Currently non-executive director of AIM listed SDI Group PLC a designer and manufacturer of scientific products.



Noel Hurley
Non-executive Director

- Senior executive with over 10 years as a VP at Arm Ltd leading wide-ranging teams including the CPU group, Business Segments group and most recently Strategy and Incubation group.
- Previously Co-founder of XMOS Semiconductors and the COO of Toumaz PLC.
- Previously non-executive chair at Bodle Technologies and non-Executive Director of Blu Wireless



Wasim Ahmed
Non-executive Director

- Seasoned senior executive with a track record in the semiconductor industry, spanning strategy, M&A, marketing and business development
- Spent 15 years at Imagination Technologies, latterly as both Chief Strategy Officer and Chief of Staff, leading operations
- Previously held marketing management roles at Arc and Hitachi

Competitive landscape for mixed signal ASICs

CATEGORY	COMPETITORS	ENSILICA
Fabless (mixed signal ASIC) companies	<ul style="list-style-type: none">✓ Indie Semi✓ AnSem✓ ICSense✓ Swindon Silicon Systems✓ Triad Semiconductor	Our IP & technology focus provide us with a competitive edge. We only pursue the opportunities aligned to our skills
Catalogue part companies customising ICs for a big customer	<ul style="list-style-type: none">✓ Socionext✓ ST Microelectronics✓ Renesas Electronics Co	Larger players are often not agile enough for custom ASIC opportunities
Design service companies	<ul style="list-style-type: none">✓ Synapse Design✓ ASIC North✓ CoreHW✓ ICAIps	Due to acquisitions, mixed signal design service companies are limited. This leads to high valuation multiples for ones with the right IP/technology focus

Competitive landscape for digital / SoCs

CATEGORY	COMPETITORS	ENSILICA'S POSITIONING
Fabless / VCA companies	<ul style="list-style-type: none"> ✓ GUC (Taiwan) ✓ Alphawave Semi (USA) ✓ Sondrel (UK) ✓ Avnet ASIC (Israel) ✓ Alchip (Taiwan) ✓ IMEC (Belgium) 	<p>If there are specialist area such as Radar, safety related automotive or industrial, modems or beamforming then EnSilica has an edge</p> <p>Some of the companies need detailed specification or RTL done by the customer</p> <p>EnSilica does not specialize in nodes <7nm or very large chips such as cloud computing or ADAS main ECUs. We hence do not play in this area.</p>
Catalogue part companies customising ICs for a big customer	<ul style="list-style-type: none"> ✓ NXP ✓ Infineon ✓ ST Microelectronics ✓ OnSemi ✓ Renesas Electronics Co 	<p>Generally focused on high volume / high value opportunities</p> <p>These companies have extensive IP portfolio and preferred access to 3rd party IPs like Arm</p>
Design service companies	<ul style="list-style-type: none"> ✓ Wipro (India) ✓ HCL (India) ✓ L & T (India) ✓ HDL Design House (Serbia) 	<p>Numerous design services companies capable of doing digital only design, they can work with companies like Presto or RoodMicrotech for production but high risk for customers</p>