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In addition to disclosing results determined in accordance with generally accepted accounting principles, or GAAP, this presentation includes certain non-GAAP financial measures that differ from measures calculated in accordance with GAAP, such as non-GAAP gross profit, non-GAAP operating income from continuing operations, non-GAAP cost of sales, non-GAAP research and development operating expenses, non-GAAP selling, general and administrative operating expenses, non-GAAP impairment of long-lived assets operating expenses, non-GAAP disposal, restructuring and other operating expenses, net and non-GAAP free cash flow. These non-GAAP measures are in addition to, and not a substitute for or superior to, financial measures prepared in accordance with GAAP and should be considered in conjunction with, Arm’s historical GAAP financial measures. These non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP, and may differ from similarly titled metrics or measures presented by other companies. A reconciliation of these measures to the most directly comparable GAAP measure is included at the end of these slides. Arm is unable to provide a reconciliation of certain non-GAAP guidance measures to the corresponding GAAP measures on a forward-looking basis because doing so would not be possible without unreasonable effort due to, among other things, the potential variability and limited visibility of the excluded items. For the same reasons, Arm is unable to address the probable significance of the unavailable information.

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Q2 FYE24
Results Summary
Q2 FYE24 – Highlights

- **$806m**
  Total revenue up 28% y/y

- **$388m**
  License and other revenue up 106% y/y

- **$418m**
  Royalty revenue down 5% y/y

- **$381m**
  Non-GAAP Operating Income up 92%
  47.3% Non-GAAP operating margin

- **$860m**
  Trailing 12 Months FCF up 4x y/y

- **7.1bn**
  Chips reported as shipped
  272.5bn Cumulative chip shipments
Q2 FYE24 – From Revenues to Profits to Cash

Note: Depreciation and amortisation for Q2 FYE24 totals $41m
1. Non-GAAP Operating Income and Free Cash Flow are non-GAAP metrics. Please see the end of this presentation for a reconciliation of each to the most directly comparable GAAP metric
**Q2 FYE24 – Revenue**

- **Total revenue:** $806m up 28% year over year – First time over $800m
- **License and other revenue:** $388m up 106% yoy driven by two new ATA agreements and companies licensing high-performance CPUs etc. to embedded AI into every end device
- **Royalty revenue:** $418m down 5% yoy with slower smartphone sales offset by market share gains and higher royalty rates

![Revenue Chart](chart.png)

- **FYE22**
  - Q4: $233m
  - Q1: $258m
  - Q2: $188m
  - Q3: $299m
  - FYE: $200m

- **FYE23**
  - Q4: $424m
  - Q1: $434m
  - Q2: $442m
  - Q3: $425m
  - FYE: $418m

- **FYE24**
  - Q4: $425m
  - Q1: $259m
  - Q2: $275m
  - FYE: $388m

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Annualized contract value increased during Q2 by multiple high-value, long-term ATA deals being signed.
Q2 FYE24 – Remaining Performance Obligations (RPO)

- Remaining performance obligations represent revenue that will be recognized in future periods.
- RPO increased strongly in Q2 due to multiple high-value, long-term deals being signed.
Semiconductor industry (WSTS) has been growing month on month since low point in February 2024; Arm has ~50% market share of chips with processors and so is impacted by the same overall industry trends.

Arm is also benefitting from market share gains in automotive and cloud, and Armv9 penetration in smartphones and data center.
**Q2 FYE24 – Non-GAAP Cost of Sales and Operating Expenses**

- Q2 FYE24 benefitted from $40m credit due to litigation resolution and Q2 FYE23 had $47m one off cost relating to cash-settled stock-based compensation.
- Underlying growth in costs was 19% reflecting the increase in headcount of 17%
Q2 FYE24 – Non-GAAP gross and operating profit

- Gross profit margins remaining over 95%
- Q2 operating margin boosted by strong revenue growth, and costs offset by a one-off of $40m
Q2 FYE24 – Chips reported as shipped

- Chip shipments relate to April-June quarter
- Down 6% year on year mainly due to smartphone and IoT, offset by automotive, cloud servers and other consumer electronics (laptops, DTVs, etc.)
- Up 3% sequentially reflecting industry recovery also seen by peers

Chips shipped are reported one quarter in arrears
Q2 is down 6% year on year and up 3% sequentially, reflecting recovery seen by peers
Q2 FYE24 – Non-Financial Metrics

Arm Total Access up 2 to 22
- Both new customers are long-term Arm partners
- Target markets for these two ATA licensees include consumer electronics, including smartphones, and other market such as automotive
- ATA licensees typically long-term Arm partners, 17 of the 22 are customers for +10 years, Median time as customer - 19 years

Arm Flexible Access net up 1 to 212
- +40 renewals, +18 new agreements signed with companies developing wide range of AI-related applications: AI accelerators, automotive, sensors, wearables, etc.
## Guidance

- Arm has good visibility of its licensing pipeline although timing, deal size, etc. can change
- Analysts forecast that the semiconductor industry will continue to recover although trajectory is unclear

<table>
<thead>
<tr>
<th></th>
<th>Q3 FYE 24</th>
<th>FYE 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($m)</td>
<td>$720m - $800m</td>
<td>$2,960m - $3,080m</td>
</tr>
<tr>
<td>Non-GAAP Operating Expense ($m)</td>
<td>~$460m</td>
<td>~$1,765m</td>
</tr>
<tr>
<td>Non-GAAP fully diluted earnings per share ($)</td>
<td>$0.21-$0.28</td>
<td>$1.00 - $1.10</td>
</tr>
</tbody>
</table>

Our FYE24 non-GAAP operating expense guidance includes a one-time increase in social security taxes of approximately $45m in the fourth quarter, related to the vesting of certain equity awards following our IPO.
Q2 FYE24
Background on Arm
Arm is Building the Future of Computing

Arm is the world’s most pervasive CPU architecture

Everything today is a computer – CPUs needed everywhere

Strong growth, highly profitable and cash generative company

250+ Billion
Arm-based chips shipped since inception

30.6 Billion
Arm-based chips reported as shipped in FYE23

15M+
Software Developers on Arm
The Foundation of the Semiconductor Industry

- Arm CPU – The Brain of Everything
- Chip Designers
- Foundries
- Products

EDA

Software
What Have We Done Since 2016?

Then¹

General Purpose CPU

Mobile

Other

Now¹

MARKET SPECIFIC STRATEGY

AI Enabled

<table>
<thead>
<tr>
<th>Total Compute (Mobile)</th>
<th>Neoverse (Cloud)</th>
<th>Automotive Enhanced</th>
<th>IoT Solutions</th>
</tr>
</thead>
</table>

Arm Platform Approach

1 Reflects revenue as of FYE 2016 and FYE 2023 for Then and Now accordingly.
CPU and subsystems for every target end-market

Increasing performance  Power efficiency  Software ecosystem

Mobile – Total Compute Subsystem

Infrastructure - Neoverse Compute Subsystem

Up to 40% Price/Performance

Automotive Enhanced Subsystem

IoT Solutions Subsystem

Smart Speakers  Smart Cameras  Drones  Autonomous vehicles

Consumer IoT  Industrial IoT

Industrial PC  Edge server  Industrial display  Network Hub  Smart display

Customer Application Code  Ecosystem Middleware  Libraries, reference stacks, tools  Operating System/Firmware

Cortex-A CPU  Cortex-M CPU  Mali GPU  Ethos-U NPU

Safety Island / Certification

Support

Armv9 Architecture

Toolbox

Armv9 Hardware

Armv9 Software

Arm Physical IP

Armv9 Architecture

Toolbox

Armv9 Hardware

Armv9 Software

Arm Physical IP

Armv9 Architecture

Toolbox

Armv9 Hardware

Armv9 Software

Arm Physical IP

Armv9 Architecture

Toolbox

Armv9 Hardware

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Armv9 Hardware

Armv9 Software

Arm Physical IP

Armv9 Architecture

Toolbox

Armv9 Hardware

Armv9 Software

Arm Physical IP

Armv9 Architecture

Toolbox

Armv9 Hardware

Armv9 Software

Arm Physical IP
Mobile – Arm’s main growth driver

- Mobile Application Processors
  - Arm share >99%; Compute growing as % of SoC solution
  - Arm value increasing with every smartphone generation

- Increased content per device driving royalty revenue
  - Cortex-X: Optimized cores for mobile computing
  - Transition to Armv9: Higher performance, AI acceleration & new security model already adopted by OSes
  - Total Compute Solution: Verified, validated compute subsystem for next-generation smartphone application processors

- Optimized for leading foundry nodes
- Optimized for leading software operating systems and middleware

- Increasing performance
- Power efficiency
- Software ecosystem

Premium
(>$600 ASP)

Mid

Entry
(<$150 ASP)

Focus on maximum performance and longest battery life

Balance of efficiency and performance

Balance of performance and cost

- Apps CPU
- X-series
- CA-700
- CA-500
- Arm Immortalis

- CA-700
- CA-500
- Arm Mali G-700

- CA-700
- CA-500
- Arm Mali G-600
Cloud Compute – Arm’s fastest growing market

- Cloud Compute includes server CPU and DPU
  - Arm market share was 10% in FYE23 and growing rapidly
  - Arm server chips are “first citizens” for software developers

- Neoverse CSS is lowering the barrier to CSPs developing customer silicon
  - Fully Integrated and Verified, ready for physical design
  - Basis for Ecosystem optimization (Foundry, 3rd Party IP, SW)
  - Accelerates Time To Market
  - Reduces Execution Risk & Investment
  - Already adopted by multiple Hyperscalers

Increasing performance
Power efficiency
Software ecosystem

13 Months From Kick-off to Silicon
80 Person Years Saved
Automotive – Arm is the Future of Automotive

Automotive includes IVI, ADAS and PBC
- IVI (89% share): Richer in-vehicle experiences, more displays
- ADAS (42%): Rapidly growing AI and compute demands
- PBC (15%): more sensors, more sophisticated powertrain and controls

Automotive Enhanced (AE) IP is...
- Auto market growing across multiple sub-segments
- Strong market share increase expected in all sub-segments
- Average Royalty Per Chip growing in all areas
- Driven by higher value products, more products

IVI, Dashboard & Cockpit
Arm is enabling the next generation in-car experiences
- Largest software ecosystem
- Scalable solutions from basic to super luxury
- Complete solution: CPU, GPU, ISP ++
- Software portability and supplier choice

ADAS
Arm is unleashing driver assistance and autonomy
- Largest software ecosystem
- Scalable solutions from L2 to autonomous
- Safety, security
- High-performance, efficiency

Powertrain, Body and Chassis
Arm is enabling electric vehicles and advanced control
- Largest software ecosystem
- Scalable solutions from sensor to domain ECU
- Safety, security, real-time
- Software reuse and supplier choice

89% Market share
42% Market share
15% Market share

✓ Increasing performance
✓ Power efficiency
✓ Software ecosystem
IoT/Embedded – Increased complexity requires more Arm IP

- IoT/Embedded is a hugely diverse market
  - Overall 65% market share (including 8/16 MCUs)
  - From embedded computers and smart cameras to sensors and motor controllers

- Embedded computers becoming more advanced
  - Doorbells now have video; lightbulbs with Bluetooth connectivity; AI and ML capability added to everything
  - Requires more advanced processors and developer tools for larger and more complex software stack

Increasing performance  ✔  Power efficiency  ✔  Software ecosystem  ✔
AI on Arm is Everywhere

- Mobile
- Cloud Compute
- Automotive
- IoT & Embedded

- Pixel
- NVIDIA
- AMPERE
- Cruise
- Nest

AI for all applications
Generative AI
Optimized for AI
Autonomous Driving
Smart Home
Optimized for AI
Mobile - Strong Tie Between CPU & Software
Cloud and Automotive Follows the Same Trend

Arm is supported in all major Linux Cloud Distributions

^Kovers 99% of production deployed distributions

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Unparalleled Software Ecosystem

15M
Developers on Arm, for Arm

1.5Bn
Ecosystem hours

10M+
Developer hours
1st decade of Armv8

30M+
Developer hours
1st decade of Armv9

android

ios

Green Hills Software

Linux

Microsoft

NVIDIA CUDA

Red Hat

TensorFlow

vmware

WNDRVR

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Arm is the Ubiquitous Choice

<table>
<thead>
<tr>
<th>Ability to license</th>
<th>X86</th>
<th>RISC-V</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

| Energy efficiency  | ✔   | ✔      |

| Compute performance| ✔   | ✔      |

| Software ecosystem | ✔   | ✔      |

| Standardization    | ✔   | ✔      |

| End-market solutions| ✔   | ✔      |

<table>
<thead>
<tr>
<th>All</th>
<th>All</th>
<th>All</th>
</tr>
</thead>
</table>

PC / Server: ✔
Low-end embedded: ✔
Why Arm Continues to Grow

More Complexity Per Chip

More Chips

More Arm

8
FYE 2016

192
FYE 2023

1.7x More
Increase in number of Arm-based chips shipped

Number of cores per "high end" Arm-based chip

Mobile
Auto
Cloud & Networking
IoT
Consumer Electronics

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# Royalty: Gaining Share in a Massive and Growing Market

## Market Value (2020 to 2022)

<table>
<thead>
<tr>
<th>Client</th>
<th>Market Value</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mobile Applications</strong></td>
<td>$22bn</td>
<td>$30bn</td>
</tr>
<tr>
<td><strong>Other Mobile</strong></td>
<td>$14bn</td>
<td>$18bn</td>
</tr>
<tr>
<td><strong>Consumer Electronics</strong></td>
<td>$46bn</td>
<td>$47bn</td>
</tr>
<tr>
<td><strong>Cloud Compute</strong></td>
<td>$14bn</td>
<td>$18bn</td>
</tr>
<tr>
<td><strong>Networking Equipment</strong></td>
<td>$16bn</td>
<td>$17bn</td>
</tr>
<tr>
<td><strong>Other Infrastructure</strong></td>
<td>$11bn</td>
<td>$13bn</td>
</tr>
<tr>
<td><strong>Automotive</strong></td>
<td>$11bn</td>
<td>$19bn</td>
</tr>
<tr>
<td><strong>IoT &amp; Embedded</strong></td>
<td>$31bn</td>
<td>$42bn</td>
</tr>
<tr>
<td><strong>Total Opportunity</strong></td>
<td>$168bn</td>
<td>$203bn</td>
</tr>
</tbody>
</table>

**Based on chip value**

<table>
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<tr>
<th>Calendar Years</th>
<th>Market Share</th>
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<tbody>
<tr>
<td>2020 to 2022</td>
<td>&gt;99%</td>
</tr>
<tr>
<td>2021 to 2022</td>
<td>&gt;99%</td>
</tr>
<tr>
<td>2022 to 2023</td>
<td>&gt;99%</td>
</tr>
<tr>
<td>2023 to 2024</td>
<td>&gt;99%</td>
</tr>
</tbody>
</table>
Royalty Revenue: Arm is Gaining Share

Other includes legacy and niche architectures such as:
* Proprietary architectures (68000, 80x51, AVR, Coldfire, PIC, PowerPC, RH850, etc.)
* Licensable and open-source architectures (Arc, Andes, Leon, MIPS, OpenPower, OpenRISC, RISC-V, Sparc, Tensilica, etc.)
Royalty Revenue Provides a Platform for Long-Term Growth

Royalty revenue can continue for many years or decades

- Still collecting royalties on products developed in the early 1990’s
- Long term visibility, near term predictability

Royalty revenue from Arm products launched during Fiscal Year Ending:
- 1990-2008
- 2009-2013
- 2014-2018
- 2019-2023

Based on data derived from royalty reports provided by Arm’s customers.
Royalty-led Subscription Business Model

Arm Total Access

Long term subscription-based access to an extensive portfolio of more than 300 CPUs, GPUs and other IP including Arm’s latest products

Arm Flexible Access

Low / no-cost subscription-based access to ~100 of Arm’s most popular CPUs, GPUs and other IP

Customers are free to experiment with products contained in the package
License Revenue Growing Over Time

- Arm signs a small number of high-value deals and many lower-value deals
- A significant portion (approx. 40-60%) of the deal value may be recognized on signature
- License revenue can be lumpy quarter to quarter
- ACV is the value of a contract divided by the duration of the contract in years
- ACV removes the variability from license revenue and also aligns more closely to cash paid to Arm

![Graph showing License Revenue Growing Over Time]

- **License revenue ($)**
  - Q4 FYE22: $233m
  - Q1 FYE23: $258m
  - Q2 FYE23: $188m
  - Q3 FYE23: $299m
  - Q4 FYE23: $259m
  - Q1 FYE24: $275m
  - Q2 FYE24: $388m

- **Annualized Contract Value ($)**
  - Q4 FYE22: $1,030m
  - Q1 FYE23: $1,052m
  - Q2 FYE23: $1,080m
  - Q3 FYE23: $1,009m
  - Q4 FYE23: $1,030m
  - Q1 FYE24: $1,048m
  - Q2 FYE24: $1,108m
  - FYE22: $1,030m
  - FYE23: $1,052m
  - FYE24: $1,080m

- **License and other revenue**
- **Annualized Contract Value (ACV)**
Arm’s Financial Opportunity

Strong revenue growth opportunity

Balancing investing for long term growth with best-in-class margins

Robust cash generation

Revenues: 28% growth

Non-GAAP operating income and margin

Non-GAAP FCF and cash conversion from revenue
Environmental, Social and Governance
Using the power of technology to build a better world for everyone

Decarbonising compute

- Arm’s high performance, energy-efficient technology has the potential to help reduce emissions from billions of devices from sensors to servers
- Arm is committed to achieving net-zero carbon emissions by 2030

Closing the digital divide

- Extending the benefits of technology to people and areas not currently prioritized
- Arm Flexible Access is enabling 100’s of companies to gain access to Arm technology at lower costs
- Arm Education helps to close the skills gap by supporting more than 10,000 computer engineering courses at over 2,500 universities since 2013

Intending to lead in corporate responsibility

- Demonstrated through our values and responsible business practices
- Continuously developing our sustainability strategies
Reconciliations: GAAP to Non-GAAP and Adjustments

### GAAP to Non-GAAP Reconciliation (Unaudited) (4)

#### Reconciliation of GAAP gross profit to Non-GAAP gross profit:

<table>
<thead>
<tr>
<th></th>
<th>FY</th>
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<tbody>
<tr>
<td></td>
<td>FYE22</td>
<td>FYE23</td>
<td>FYE22</td>
<td>FYE23</td>
<td>FYE24</td>
<td>FYE22</td>
<td>FYE23</td>
<td>FYE24</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$ 620</td>
<td>$ 667</td>
<td>$ 605</td>
<td>$ 695</td>
<td>$ 606</td>
<td>$ 644</td>
<td>$ 760</td>
<td>$ 1,882</td>
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<tr>
<td>Adjusted for:</td>
<td></td>
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<td>Share-based compensation expense (equity settled) (1)</td>
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<td>-</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>19</td>
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<tr>
<td>Non-GAAP gross profit</td>
<td>$ 620</td>
<td>$ 669</td>
<td>$ 606</td>
<td>$ 697</td>
<td>$ 608</td>
<td>$ 651</td>
<td>$ 780</td>
<td>$ 1,894</td>
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#### Reconciliation of GAAP operating income to Non-GAAP operating income:

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<td>FYE22</td>
<td>FYE23</td>
<td>FYE24</td>
<td>FYE22</td>
<td>FYE23</td>
<td>FYE24</td>
</tr>
<tr>
<td>Operating income</td>
<td>$ (84)</td>
<td>$ 294</td>
<td>$ 183</td>
<td>$ 244</td>
<td>$ (50)</td>
<td>$ 111</td>
<td>$ (156)</td>
<td>$ 239</td>
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<tr>
<td>Adjusted for:</td>
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<tr>
<td>Acquisition-related intangible asset amortization</td>
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<td>Cost of sales</td>
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<td>6</td>
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<tr>
<td>Selling, general and administrative</td>
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<td>13</td>
<td>12</td>
<td>9</td>
<td>14</td>
<td>27</td>
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<tr>
<td>Other operating income (expenses), net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Research and development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Costs associated with disposal activities</td>
<td>1</td>
<td>(1)</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Costs associated with disposal activities</td>
<td>-</td>
<td>(1)</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Impairment of long-lived assets</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Restructuring and related costs</td>
<td>26</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26</td>
</tr>
<tr>
<td>Non-GAAP operating income</td>
<td>$ (31)</td>
<td>$ 297</td>
<td>$ 198</td>
<td>$ 289</td>
<td>$ (1)</td>
<td>$ 272</td>
<td>$ 381</td>
<td>$ 304</td>
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</table>
Reconciliations: GAAP to Non-GAAP and Adjustments... cont’d

<table>
<thead>
<tr>
<th>GAAP to Non-GAAP Reconciliation (Unaudited) (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation of GAAP net income from continuing operations to Non-GAAP net income from continuing operations:</td>
</tr>
<tr>
<td>Net income from continuing operations</td>
</tr>
<tr>
<td>Adjusted for operating items:</td>
</tr>
<tr>
<td>Acquisition-related intangible asset amortization</td>
</tr>
<tr>
<td>Share-based compensation expense (equity settled) (1)(2)(3)</td>
</tr>
<tr>
<td>Restructuring and related costs</td>
</tr>
<tr>
<td>Public company readiness costs</td>
</tr>
<tr>
<td>Other operating income (expenses), net</td>
</tr>
<tr>
<td>Costs associated with disposal activities</td>
</tr>
<tr>
<td>Impairment of long-lived assets</td>
</tr>
<tr>
<td>Adjusted for non-operating items:</td>
</tr>
<tr>
<td>(Income) loss from equity method investments, net</td>
</tr>
<tr>
<td>Gain on disposal of business</td>
</tr>
<tr>
<td>Pre-tax total non-GAAP adjustments</td>
</tr>
<tr>
<td>Income tax effect on non-GAAP adjustments</td>
</tr>
<tr>
<td>Non-GAAP net income from continuing operations</td>
</tr>
<tr>
<td>Earnings per share continuing operations attributable to ordinary shareholders</td>
</tr>
<tr>
<td>Basic</td>
</tr>
<tr>
<td>Diluted</td>
</tr>
<tr>
<td>Weighted average ordinary shares outstanding (millions)</td>
</tr>
<tr>
<td>Basic</td>
</tr>
<tr>
<td>Diluted</td>
</tr>
<tr>
<td>Reconciliation of GAAP cost of sales to Non-GAAP cost of sales:</td>
</tr>
<tr>
<td>Adjusted for:</td>
</tr>
<tr>
<td>Acquisition-related intangible asset amortization</td>
</tr>
<tr>
<td>Share-based compensation expense (equity settled) (1)</td>
</tr>
</tbody>
</table>
Reconciliations: GAAP to Non-GAAP and Adjustments... cont’d

<table>
<thead>
<tr>
<th></th>
<th>FYE22</th>
<th>FYE23</th>
<th>FYE24</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYE21 FYE22 FYE23</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GAAP to Non-GAAP Reconciliation (Unaudited) (4)</th>
</tr>
</thead>
</table>

Reconciliation of GAAP research and development operating expenses to Non-GAAP research and development operating expenses:

<table>
<thead>
<tr>
<th></th>
<th>FYE22</th>
<th>FYE23</th>
<th>FYE24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development expenses</td>
<td>$ (341)</td>
<td>$ (218)</td>
<td>$ (248)</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share-based compensation expense (equity settled) (1)(2)(3)</td>
<td>5</td>
<td>1</td>
<td>(2)</td>
</tr>
<tr>
<td>Other operating income (expenses), net</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-GAAP research and development operating expenses</strong></td>
<td>$ (336)</td>
<td>$ (217)</td>
<td>$ (250)</td>
</tr>
</tbody>
</table>

Reconciliation of GAAP selling, general and administrative operating expenses to Non-GAAP selling, general and administrative operating expenses:

<table>
<thead>
<tr>
<th></th>
<th>FYE22</th>
<th>FYE23</th>
<th>FYE24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling, general and administrative operating expenses</td>
<td>$ (321)</td>
<td>$ (153)</td>
<td>$ (172)</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition-related intangible asset amortization</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share-based compensation expense (equity settled) (1)(2)(3)</td>
<td>(1)</td>
<td>(8)</td>
<td>1</td>
</tr>
<tr>
<td>Public company readiness costs</td>
<td>6</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Other operating income (expenses), net</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Costs associated with disposal activities</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-GAAP selling, general and administrative operating expenses</strong></td>
<td>$ (315)</td>
<td>$ (153)</td>
<td>$ (158)</td>
</tr>
</tbody>
</table>

Reconciliation of GAAP impairment of long-lived assets operating expenses to Non-GAAP impairment of long-lived assets operating expenses:

<table>
<thead>
<tr>
<th></th>
<th>FYE22</th>
<th>FYE23</th>
<th>FYE24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment of long-lived assets operating expenses</td>
<td>$ (16)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of long-lived assets</td>
<td>16</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-GAAP impairment of long-lived assets operating expenses</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>
Reconciliations: GAAP to Non-GAAP and Adjustments... cont’d

GAAP to Non-GAAP Reconciliation (Unaudited) (4)

<table>
<thead>
<tr>
<th></th>
<th>FY22 31-Mar</th>
<th>FY23 30-Jun</th>
<th>FY23 30-Sep</th>
<th>FY23 31-Dec</th>
<th>FY23 31-Mar</th>
<th>FY24 30-Jun</th>
<th>FY24 30-Sep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-GAAP disposal, restructuring and other operating expenses, net:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal, restructuring and other operating expenses, net</td>
<td>$(26)</td>
<td>$(2)</td>
<td>$(2)</td>
<td>$(2)</td>
<td>$(1)</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs associated with disposal activities</td>
<td>-</td>
<td>(1)</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring and related costs</td>
<td>26</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP disposal, restructuring and other operating expenses, net</td>
<td>$-</td>
<td>$(2)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

(1) For non-GAAP purposes, we adjust for those awards that are liability-classified but equity settled after the initial public offering. Liability-classified awards are remeasured at the end of each reporting period through the date of settlement to ensure that the expense recognized for each award is equivalent to the amount to be paid in cash or equity settled after the initial public offering.

(2) A summary of share-based compensation cost recognized on the Condensed Consolidated Income Statements is as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY21 31-Mar</th>
<th>FY22 31-Mar</th>
<th>FY23 31-Mar</th>
<th>FY24 31-Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Research and development</td>
<td>4</td>
<td>6</td>
<td>32</td>
<td>65</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>(5)</td>
<td>6</td>
<td>12</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>(1)</td>
<td>13</td>
<td>46</td>
<td>103</td>
</tr>
</tbody>
</table>

(3) A summary of share-based compensation liability-classified cost recognized on the Condensed Consolidated Income Statements is as follows:

<table>
<thead>
<tr>
<th></th>
<th>FY21 31-Mar</th>
<th>FY22 31-Mar</th>
<th>FY23 31-Mar</th>
<th>FY24 31-Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Research and development</td>
<td>1</td>
<td>5</td>
<td>34</td>
<td>49</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>(4)</td>
<td>14</td>
<td>11</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>(4)</td>
<td>20</td>
<td>47</td>
<td>73</td>
</tr>
</tbody>
</table>

(4) Should be read in conjunction with the shareholder letter for the second quarter of the financial year ending 2024, which is available on the Investor Relations section of Arm’s website. For more information and definitions of the Non-GAAP measures see the “Key Financial and Operating Metrics” section in the shareholder letter. In addition to disclosing results determined in accordance with generally accepted accounting principles, or GAAP, certain of the results and financial information of Arm included in the Historical Quarters Datasheet may also disclose certain non-GAAP financial measures. Non-GAAP financial measures are presented for supplemental information purposes only, should not be considered a substitute for financial information presented in accordance with GAAP, and may not align with similar financial measures presented by our competitors, which may limit the ability of investors to assess our performance relative to certain peer companies. Investors are encouraged to review the reconciliation of non-GAAP financial measures contained within the Historical Quarters Matrix with their most directly comparable GAAP financial results. We believe these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our results of operations, as well as provide a useful measure for period-to-period comparisons of our business performance. See Arm’s shareholder letters, which are available on the Investor Relations section of the Arm website, for further discussion of Arm’s non-GAAP financial measures, as well as for reconciliations of certain non-GAAP financial measures to the most comparable GAAP measures.