Forward-Looking Statements

This presentation may contain certain “forward-looking statements,” including statements regarding Arm’s and its management team’s expectations, hopes, beliefs, intentions or strategies regarding the future. Forward-looking statements are generally identifiable by statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intends,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained herein are based on Arm’s current expectations and beliefs concerning future developments and their potential effects. There can be no assurance that future developments will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond Arm’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. You should also carefully read the risk factors described in the section of Arm’s registration statement on Form F-1, filed with the SEC on September 13, 2023, entitled “Risk Factors” for a description of the material risks that could, among other things, cause Arm’s actual results to differ materially from those expressed or implied in our forward-looking statements. Except as required by law, Arm is not undertaking any obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, such as non-GAAP operating income and non-GAAP free cash flow, that differ from measures calculated in accordance with GAAP. 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 – 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

Data from Q2 FYE24

- Royalty Revenue: $806m
- License Revenue: $26m
- Non-GAAP Gross Profit: $780m
- Non-GAAP Operating Income: $399m
- Non-GAAP Operating Costs: $381m
- Non-GAAP Operating Margin: 47%
- Non-GAAP Revenue to Cash Conversion: 21%

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
Q2 FYE24 – Annualized Contract Value

- 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.
Q2 FYE24 – Royalty Revenue

- 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

- Products
- Foundries
- Chip Designers
- Arm CPU – The Brain of Everything
What Have We Done Since 2016?

Then¹

General Purpose CPU
- Mobile
- Other

Now¹

MARKET SPECIFIC STRATEGY
- Mobile
- Consumer Electronics
- IoT
- Cloud & Networking
- Auto

AI Enabled
- Total Compute (Mobile)
- Neoverse (Cloud)
- Automotive Enhanced
- IoT Solutions

Arm Platform Approach

1 Reflects revenue as of FYE 2016 and FYE 2023 for Then and Now accordingly.
Increasing performance

Power efficiency

Software ecosystem
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
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

臂式软件生态系统

- 15+ Years of investment
- 100+ ISVs Commercial Support
- 100s of OSS Native Build Projects
- 100K+ Docker Hub Images
- 10k+ Companies Deploying Workloads

工具

- Tools
- Software
- ARMv9 Architecture
- ARM Physical IP

13 Months From Kick-off to Silicon
80 Person Years Saved

✔ Increasing performance
✔ Power efficiency
✔ Software ecosystem
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

AI on Arm is Everywhere

Arm

Mobile

Cloud Compute

Automotive

IoT & Embedded

Pixel

NVIDIA

AMPERE

CRUISE

Nest

AI for all applications

Generative AI

Optimized for AI

Autonomous Driving

Smart Home
Cloud and Automotive Follows the Same Trend

Arm is supported in all major Linux Cloud Distributions

^Covers 99% of production deployed distributions
Unparalleled Software Ecosystem

15M
Developers on Arm, for Arm

+ 1.5Bn
Ecosystem hours

10M+
Developer hours
1\textsuperscript{st} decade of Armv8

+ 30M+
Developer hours
1\textsuperscript{st} decade of Armv9
### 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>
<tr>
<td>Energy efficiency</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Compute performance</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Software ecosystem</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Standardization</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>End-market solutions</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>All</td>
<td></td>
<td>PC / Server Low-end embedded</td>
</tr>
</tbody>
</table>
Why Arm Continues to Grow

More Complexity Per Chip

More Chips

More Arm

8
FYE 2016

192
FYE 2023

Number of cores per “high end” Arm-based chip

1.7x More

Increase in number of Arm-based chips shipped

Mobile

Auto

Cloud & Networking

IoT

Consumer Electronics
### Royalty: Gaining Share in a Massive and Growing Market

#### Market Value (2020 to 2022)

<table>
<thead>
<tr>
<th>Client Category</th>
<th>2020 Value</th>
<th>2022 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Applications</td>
<td>$22bn</td>
<td>$30bn</td>
</tr>
<tr>
<td>Other Mobile</td>
<td>$14bn</td>
<td>$18bn</td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>$46bn</td>
<td>$47bn</td>
</tr>
<tr>
<td>Cloud Compute</td>
<td>$14bn</td>
<td>$18bn</td>
</tr>
<tr>
<td>Networking Equipment</td>
<td>$16bn</td>
<td>$17bn</td>
</tr>
<tr>
<td>Other Infrastructure</td>
<td>$11bn</td>
<td>$13bn</td>
</tr>
<tr>
<td>Automotive</td>
<td>$11bn</td>
<td>$19bn</td>
</tr>
<tr>
<td>IoT &amp; Embedded</td>
<td>$31bn</td>
<td>$42bn</td>
</tr>
<tr>
<td>Total Opportunity</td>
<td>$168bn</td>
<td>$203bn</td>
</tr>
</tbody>
</table>

#### Market Share (2020 to 2022)

<table>
<thead>
<tr>
<th>Client Category</th>
<th>2020 Share</th>
<th>2022 Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Applications</td>
<td>&gt;99%</td>
<td>&gt;99%</td>
</tr>
<tr>
<td>Other Mobile</td>
<td>69%</td>
<td>64%</td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>25%</td>
<td>32%</td>
</tr>
<tr>
<td>Cloud Compute</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>Networking Equipment</td>
<td>19%</td>
<td>26%</td>
</tr>
<tr>
<td>Other Infrastructure</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>Automotive</td>
<td>33%</td>
<td>41%</td>
</tr>
<tr>
<td>IoT &amp; Embedded</td>
<td>58%</td>
<td>65%</td>
</tr>
<tr>
<td>Total Opportunity</td>
<td>42%</td>
<td>49%</td>
</tr>
</tbody>
</table>

*Based on chip value

Calendar Years
Royalty Revenue: Arm is Gaining Share

Market Share by Chip Value

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

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
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
Appendix
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

<table>
<thead>
<tr>
<th>(in USD millions, except per share amounts)</th>
<th>FYE 2022</th>
<th>FYE 2023</th>
<th>Q1 FYE 2024</th>
<th>Q2 FYE 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>2,703</td>
<td>2,679</td>
<td>675</td>
<td>806</td>
</tr>
<tr>
<td>Reconciliation of GAAP operating income to Non-GAAP operating income:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP operating income</td>
<td>633</td>
<td>671</td>
<td>111</td>
<td>(156)</td>
</tr>
<tr>
<td>Non-GAAP Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition-related intangible asset amortization</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Share-based compensation expense (equity settled) [1]</td>
<td>30</td>
<td>60</td>
<td>146</td>
<td>509</td>
</tr>
<tr>
<td>Public company readiness costs</td>
<td>11</td>
<td>42</td>
<td>14</td>
<td>27</td>
</tr>
<tr>
<td>Other operating income (expenses), net</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Costs associated with disposal activities</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Impairment of long-lived assets</td>
<td>21</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Restructuring and related costs</td>
<td>26</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Non-GAAP operating income</td>
<td>731</td>
<td>783</td>
<td>272</td>
<td>381</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>27%</td>
<td>29%</td>
<td>40%</td>
<td>47%</td>
</tr>
</tbody>
</table>

[1] Total share-based compensation expense, including both cash and equity settled awards, was $326 million and $26 million for the fiscal years ended March 31, 2023 and 2022, respectively. Total share-based compensation expense, including both cash and equity settled awards, was $158 million for the fiscal quarter ended June 30, 2023 and $118 million for the fiscal quarter ended September 30, 2022.

<table>
<thead>
<tr>
<th>(in USD millions, except per share amounts)</th>
<th>FYE 2022</th>
<th>FYE 2023</th>
<th>Q1 FYE 2024</th>
<th>Q2 FYE 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>458</td>
<td>739</td>
<td>(114)</td>
<td>227</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(34)</td>
<td>(64)</td>
<td>(26)</td>
<td>(34)</td>
</tr>
<tr>
<td>Purchases of intangible assets</td>
<td>(41)</td>
<td>(29)</td>
<td>0</td>
<td>(13)</td>
</tr>
<tr>
<td>Payment of intangible asset obligations</td>
<td>(37)</td>
<td>(40)</td>
<td>(10)</td>
<td>(11)</td>
</tr>
<tr>
<td>Non-GAAP free cash flow</td>
<td>346</td>
<td>606</td>
<td>(150)</td>
<td>169</td>
</tr>
</tbody>
</table>