



Achronix®

Data Acceleration

Investor Presentation

January | 2021



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Today's Presenters

Achronix Executives



Robert Blake

*Chief Executive Officer
Joined 2011*



Mark Voll

*Chief Financial Officer
Joined 2020*



John Lofton Holt

*Chairman
Founded company in 2004*

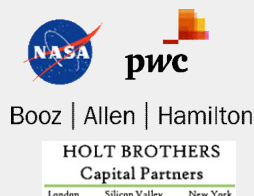


Behrooz Abdi

CEO & Chairman

ACE Executive

Previous experience



Transaction and Offering Summary

Offering Summary

Issuer:	<ul style="list-style-type: none"> ACE Convergence Acquisition Corp.
Exchange / Ticker:	<ul style="list-style-type: none"> Nasdaq: ACEV
Offering Type:	<ul style="list-style-type: none"> Private placement
Shares Offered:	<ul style="list-style-type: none"> 15mm shares of common stock of post-transaction company
Offering Price:	<ul style="list-style-type: none"> \$10.00 per share
Offering Size:	<ul style="list-style-type: none"> \$150mm
Anchor investor	<ul style="list-style-type: none"> \$50mm from a vehicle managed by ACE Equity Partners LLC
Use of Proceeds:	<ul style="list-style-type: none"> Growth capital and \$50mm of cash to Target's shareholders
Lock-up Agreement¹:	<ul style="list-style-type: none"> 1 year
Registration Rights:	<ul style="list-style-type: none"> 15 business days post-closing of merger
Placement Agents:	<ul style="list-style-type: none"> J.P. Morgan, Barclays
Expected Closing Date:	<ul style="list-style-type: none"> Q1 2021

Transaction Details

Overview

- ACE Convergence Acquisition Corp. (Nasdaq: ACEV), a publicly-listed special purpose acquisition company, proposes to enter into a business combination with Achronix Semiconductor Corporation through a reverse subsidiary merger

Capital Structure

- \$230mm cash held in trust assuming no redemptions
- \$150mm PIPE is being raised in connection with the proposed transaction

Sponsor Commitments

- Anchor investor (a vehicle managed by ACE Equity Partners LLC) to purchase up to \$50mm of the PIPE
- Sponsor also committing an additional \$50mm to backstop any redemptions
- Sponsor commitment of \$200mm minimum cash in trust (incl. PIPE proceeds raised)
- Earn-out of up to 5mm shares (3.5mm Seller earn-out and 1.5mm Sponsor earn-out)
- Sponsor, Executive Officers, Directors and >1% Achronix holders subject to a 1 year lock-up¹

Valuation

- Pre-money equity value of \$1,700mm and Pro-forma equity value of \$2,073mm

Ownership²

- ~80% of existing Target shareholders; ~11% ACE public shareholders; ~7% PIPE investors; ~2% ACE Sponsor

Anticipated Timing

- Targeting transaction announcement in January 2021 and closing after SEC review process and receipt of approval by stockholders of ACE and Achronix

Source: Achronix management current estimates

¹ Sponsors will be subject to 1 year lock-up, subject to earlier release if the reported last sale price equals or exceeds \$12.00 per share for any 20 trading days within any 30-trading day period commencing at least 150 days after closing. Company directors, executive officers, and all company holders of more than 1% of new Achronix common stock will also be subject to 1 year lock-up, unless the last sale price equals or exceeds \$12.00 per share for any 20 trading days within any 30-trading day period commencing 150 days after closing; ² Excludes warrants and earnouts. Assumes no redemptions.

ACE Overview

ACE at a Glance

Mandate

Identify and acquire emerging leader in IT infrastructure and SoC markets

~\$230mm held in trust

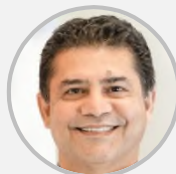
Sponsor commitment of \$50mm in anchor PIPE demand and \$200mm minimum cash condition

Backed by ~\$1bn cross-border Tech PE Manager, ACE Equity Partners

ACE Differentiation

- Team of operators with 160+ years of combined experience in the semiconductor and software industries
- Significant track record of scaling public and private companies
- Deep and extensive relationships in the semiconductor and software ecosystems

Led By Operators With Deep Domain Expertise



Behrooz Abdi

CEO & Chairman

35 years of semis experience

- Experienced Chairman & CEO with a history of monetizing public and private companies



Dr. Sunny Siu

President & Director

24 years of semis experience

- Deep domain expertise and successful entrepreneur



Denis Tse

Secretary & Director

- Cross-border technology investor

ACE Equity Partners



Key Board Members

Omid Tahernia

(ex Corp VP of Xilinx Proc. Solutions)



Ken Klein

(ex Chairman & CEO, WindRiver)



Ryan Benton

(Ex CEO and CFO, EXAR)



Raquel Chmielewski

(Dir. of Inv., Council on Foreign Rel.)



Management Team Track Record



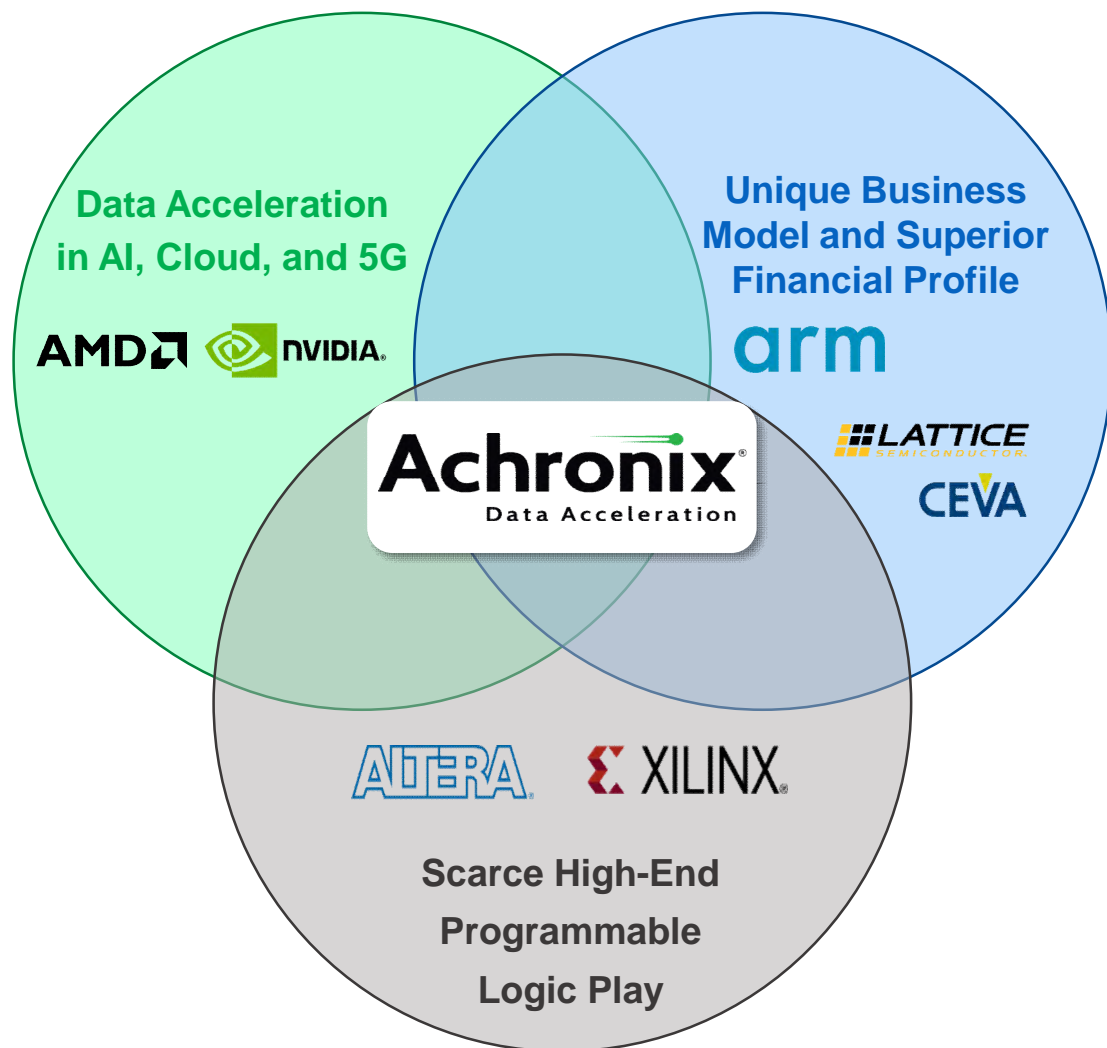
- Original transaction value of \$227mm in 2009 turned into over 80% of attributable value in NetLogic's \$3.7bn acquisition by Broadcom in 2011¹
- Built and ran business unit that propelled 67% growth at NetLogic during its integration period



- Transaction value of \$1.3bn (May 18, 2017)
- Organic growth, diversification, and acquisitions transformed InvenSense into a sensor system leader

¹ Broadcom Form 8-K filed 9/13/2011.

Achronix – a High Growth Investment Opportunity



Investment Highlights

- ✓ Pure-play data acceleration solution, operating in high growth FPGA end-markets – AI, Cloud, 5G, and ADAS
- ✓ Disruptive technology optimized for high-bandwidth workloads
- ✓ Unique and synergistic combination of product and IP business model
- ✓ Compelling financial model with rapid revenue growth, software-like margins
- ✓ A seasoned team with a long history of innovation and focused execution
- ✓ Scarcity value as the only independent high-performance FPGA company¹

Financial profile

~30%
Estimated revenue
CAGR 20E-23E

\$158mm
Revenue
2021E

76%
Gross margin
2021E

32%
EBIT margin²
2021E

Note: FPGA stands for Field-Programmable Gate Array

¹ Based on all FPGA companies with revenue above \$50mm and gross margin above 65%.

² EBIT Margin is a non-GAAP measure. For a reconciliation of each of our non-GAAP measures to the most comparable GAAP measure, see Appendix.



1

Company Overview

Introduction to Achronix

At a Glance

- Founded in 2004
- The only independent high-end FPGA provider¹
- Differentiated IP licensing business
- Key products include high-end FPGAs, embedded FPGAs
- Key markets: 5G, Automotive and AI/ML, SmartNIC and Storage applications in Data Center

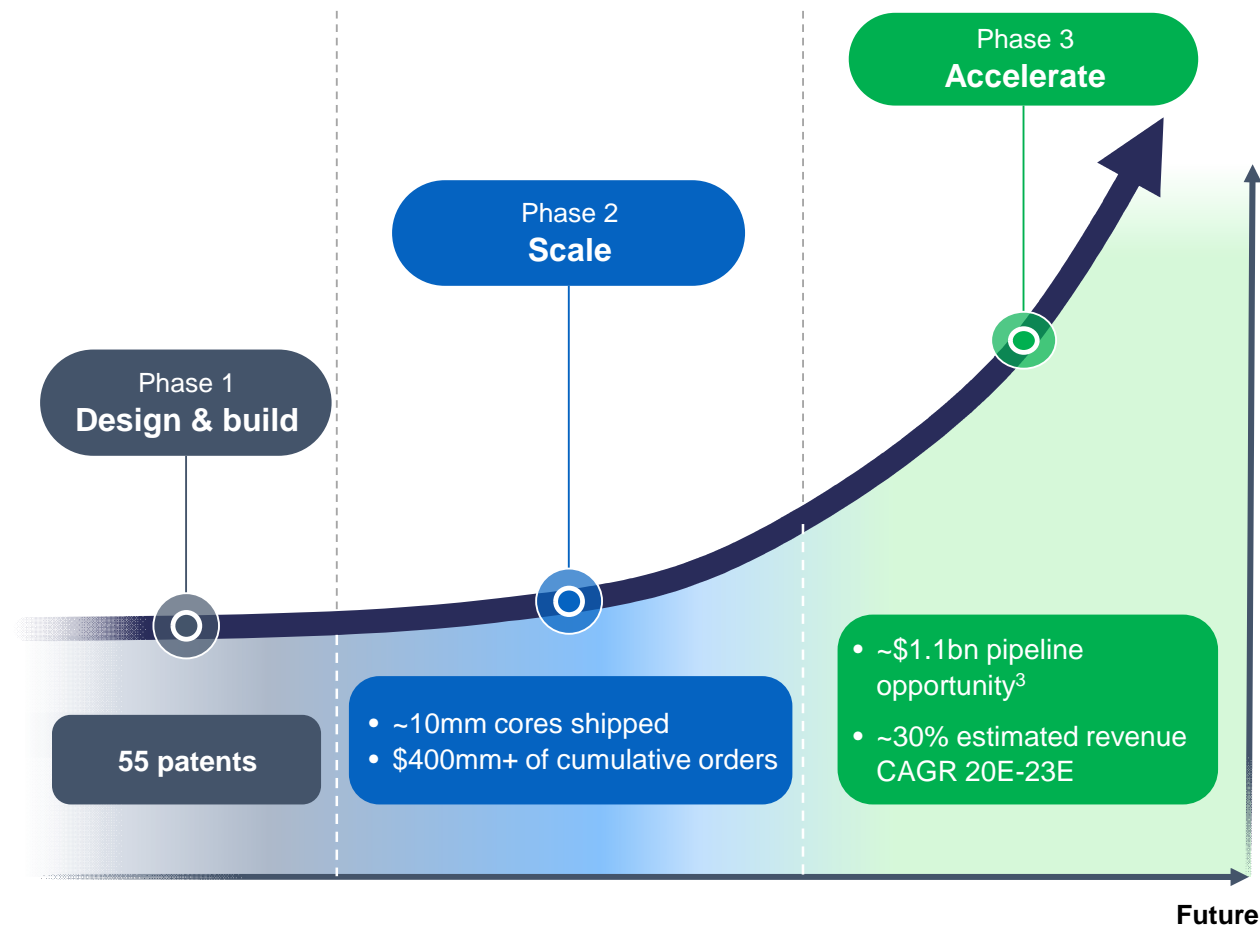
Key Financial Metrics

\$158mm
Revenue
2021E

76%
Gross margin
2021E

32%
EBIT margin²
2021E

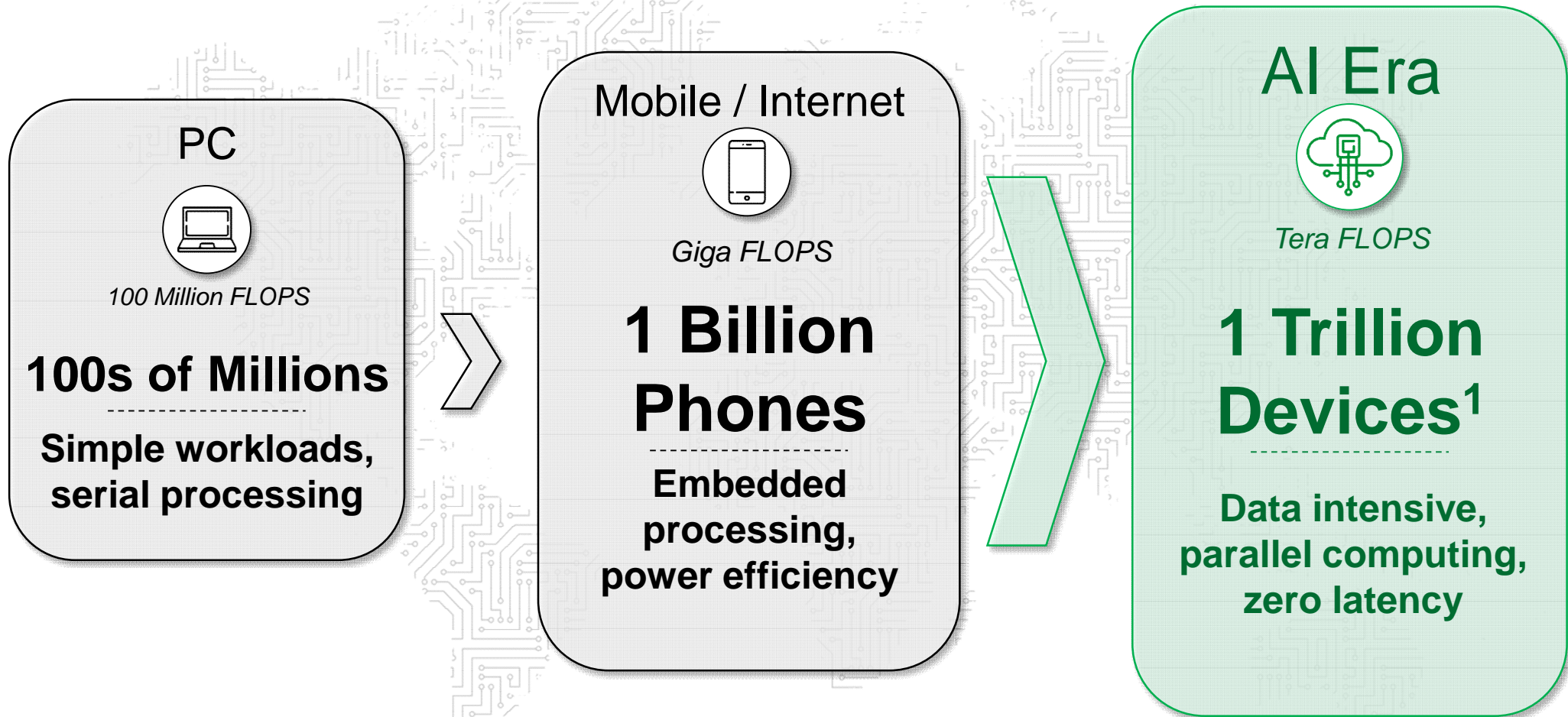
Key Partnerships



¹ Based on all FPGA companies with revenue above \$50mm and gross margin above 65%.

² EBIT Margin is a non-GAAP measure. For a reconciliation of each of our non-GAAP measures to the most comparable GAAP measure, see Appendix; ³ As of November 2020.

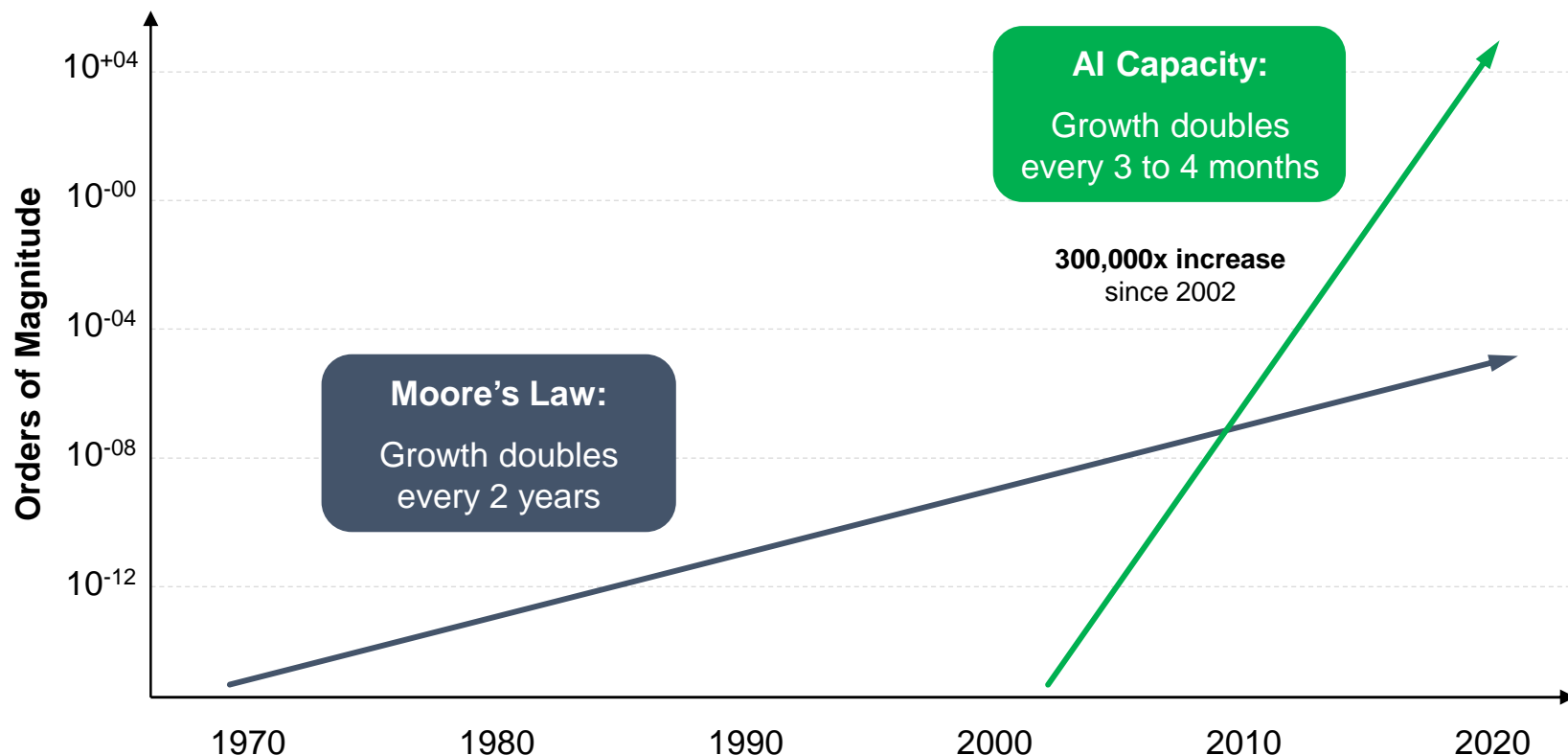
Big Data and AI Expected to Fundamentally Redefine Compute Needs



Source: IDC, Worldwide Traditional PC Forecast Update, 2020–2024 2Q20; IDC, Worldwide Mobile Phone Forecast Update, 2020–2024 September 2020;

¹ By 2035, an update on Arm's AI journey toward a trillion connected device – Arm, September 2019.

Traditional Solutions Can No Longer Scale with Compute Demands

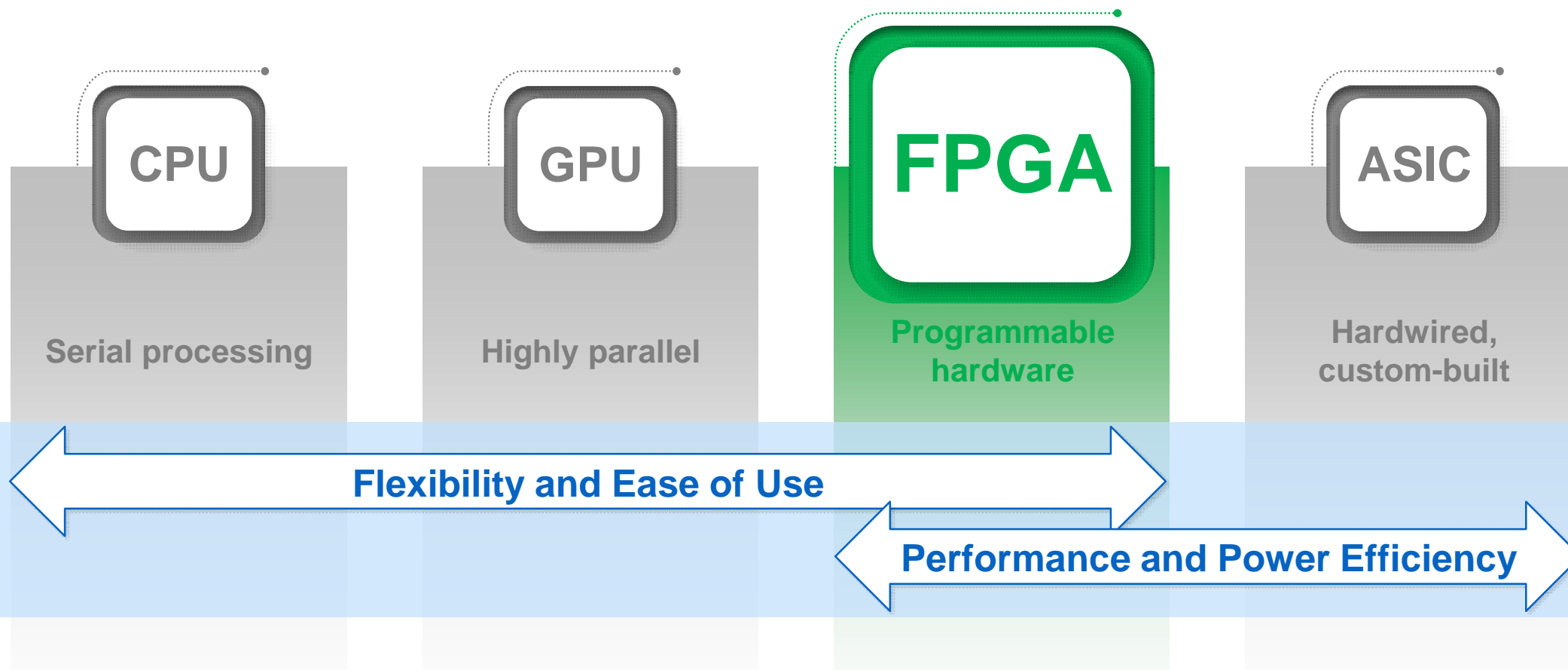


Limitations of Traditional Approaches:

- ✗ Performance
- ✗ Power efficiency
- ✗ Cost and flexibility

Data Acceleration and AI Workloads Require Specialized Flexible Solutions

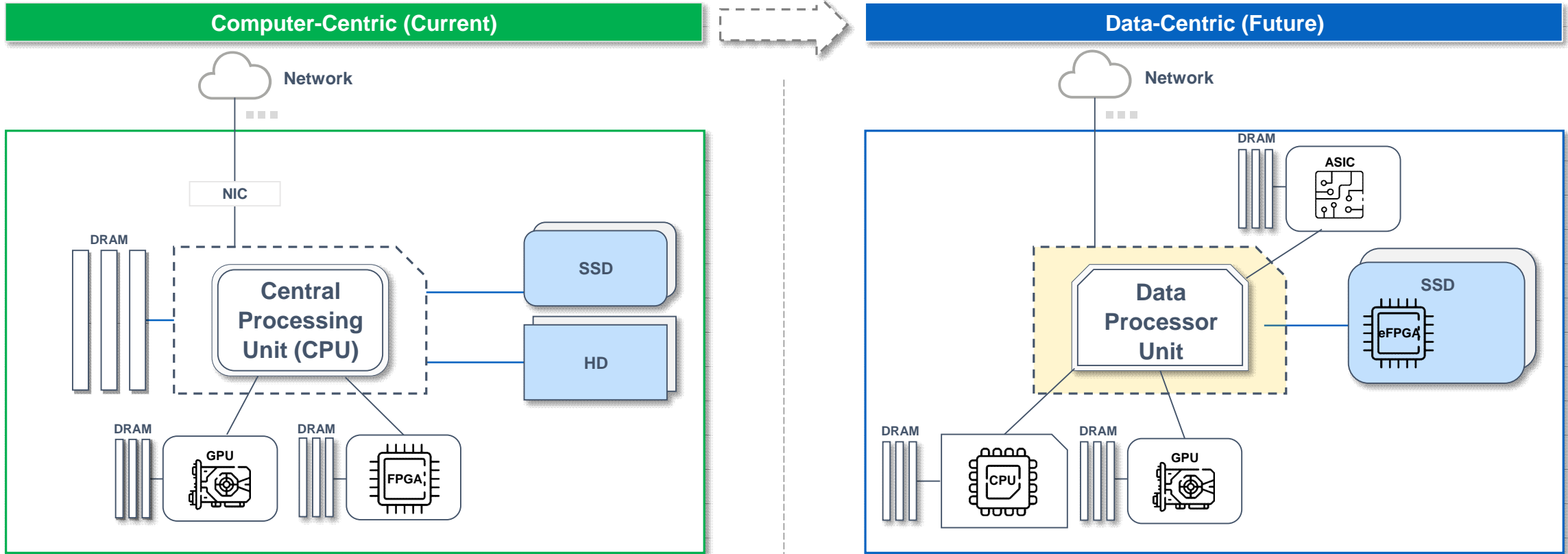
Compute Acceleration Choices in the Age of AI and Big Data



FPGA Combines the Programmability of CPU & GPU and Performance of ASIC

AI Adoption Expected to Drive Shift to Heterogeneous Compute System

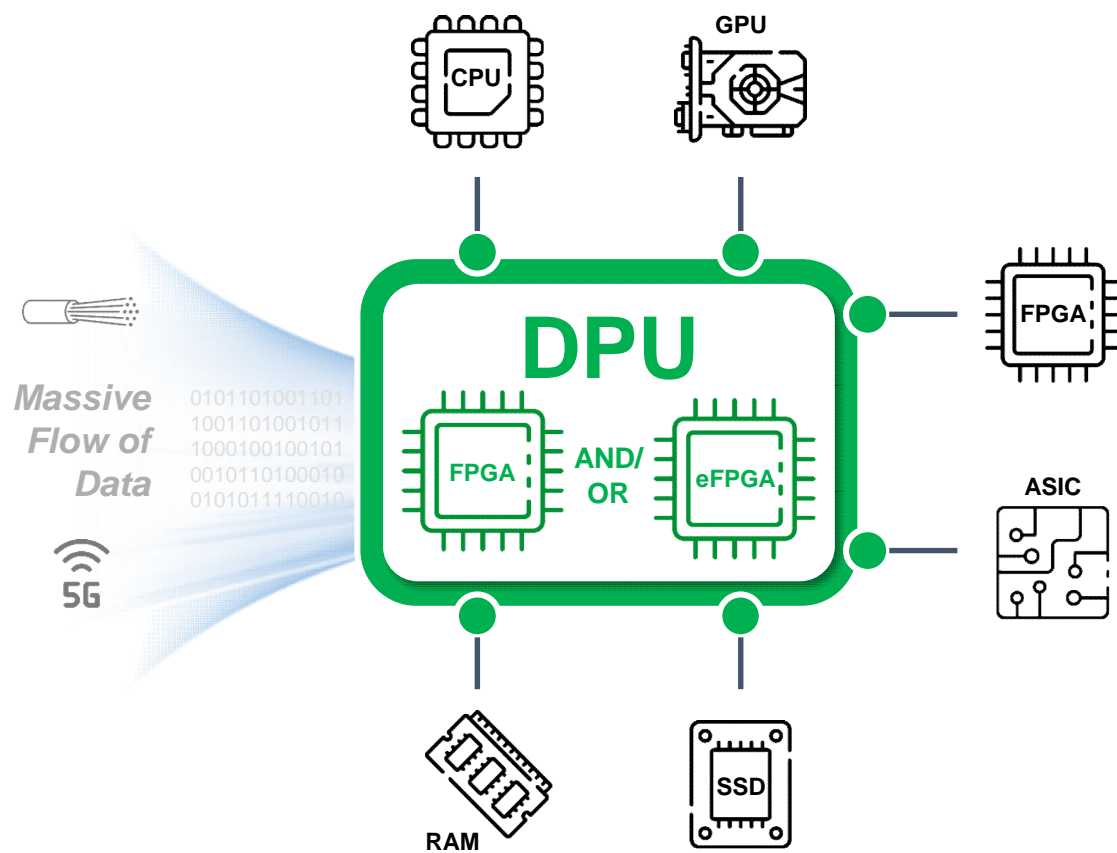
Expected majority of servers in 5 years



“CPU is Complexity Offload Engine for FPGA”¹

¹ Microsoft, H2RC 2016.

Programmable Logic, the Orchestration Layer for All Heterogeneous Compute Systems

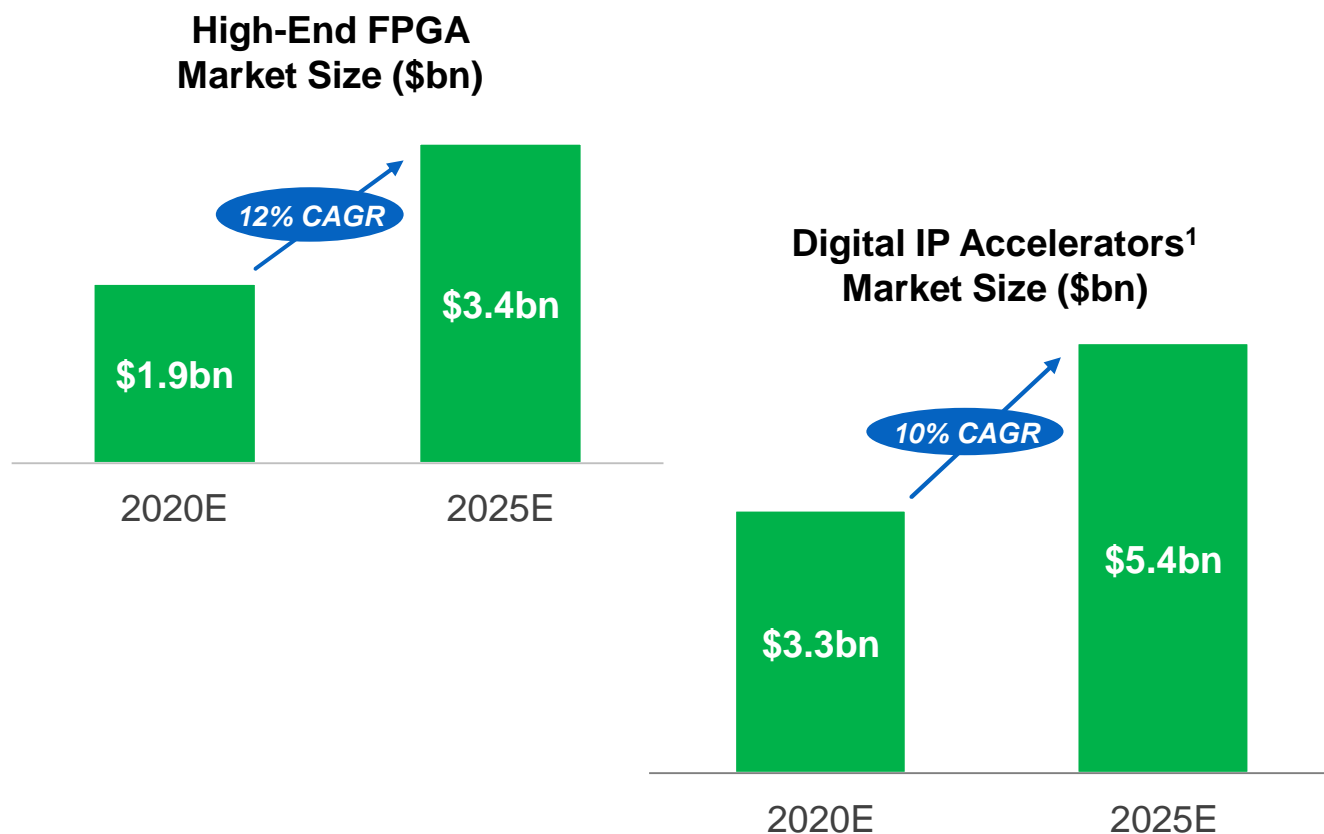


Advantages of FPGA

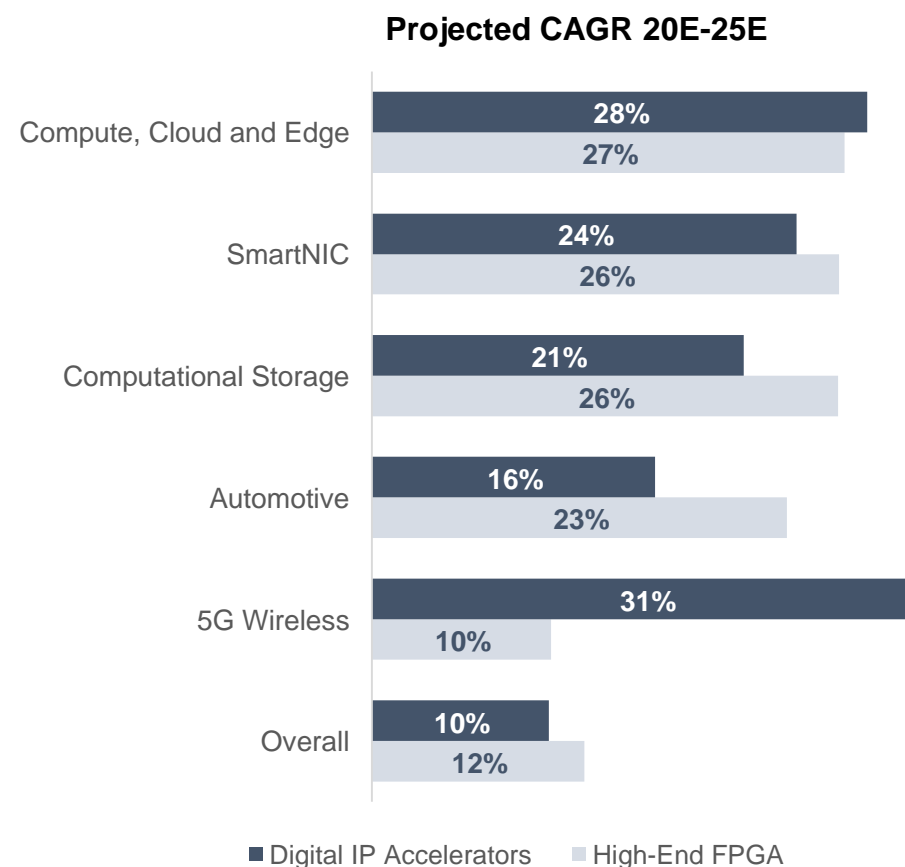
- ✓ Flexibility / Dynamic Allocation
- ✓ Purpose-Built for Data Acceleration
- ✓ Optimized for High-Bandwidth / AI Workloads

~\$10B Opportunity With Multiple Potential High-Growth Markets

Opportunity Product Segments



Select High-Growth Focused End Markets



Source: Achronix estimates, Semico Research

¹ Digital IP includes CPU, GPU (less graphics), DSP, Security, Audio, eFPGA.

Achronix Data Acceleration Solutions

Speedster family - chip business

Speedcore family- IP business

High-End FPGAs



Speedster7t

- ✓ Most advanced high-performance FPGA¹
- ✓ Optimized for data acceleration
- ✓ Advanced efficient data transports

Embedded FPGA (eFPGA)



Speedcore eFPGA

- ✓ Custom FPGA to embed in SoC / ASIC
- ✓ Only high-end embedded FPGA solution¹
- ✓ Over 10mm cores shipped

Accelerator Cards



Supported by **BittWare** a **molex** company / **DELL** Hewlett Packard Enterprise

VectorPath Accelerator Cards

- ✓ High-performance PCIe data accelerator
- ✓ Standalone with full software suite
- ✓ Accelerate data center designs

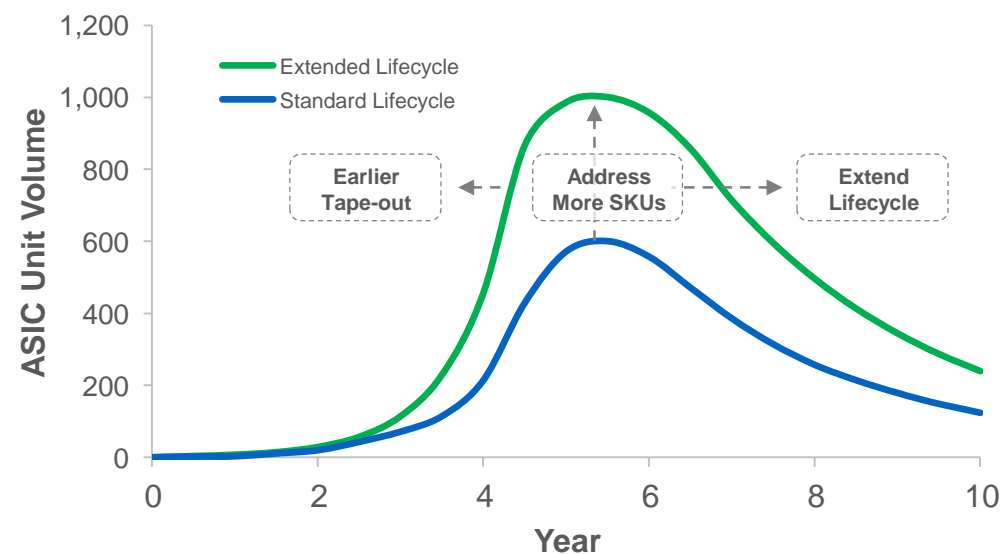
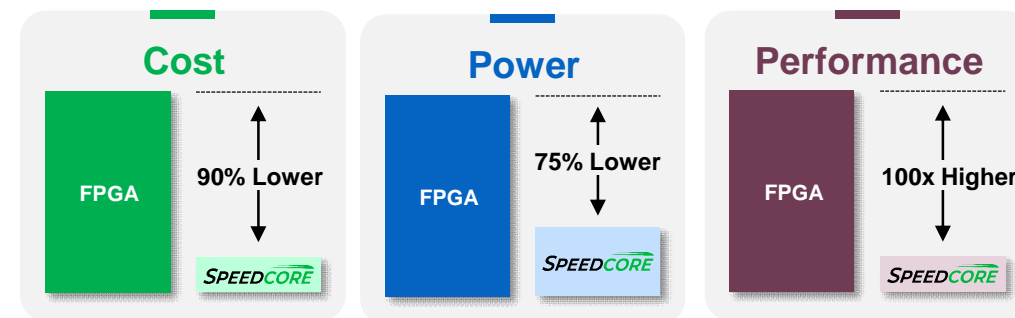
All Products Supported by Achronix ACE Design Tools

Synthesis – Verification – Timing – Programming – Debug

¹ Based on process node and all FPGA companies with revenue above \$50mm and gross margin above 65%.

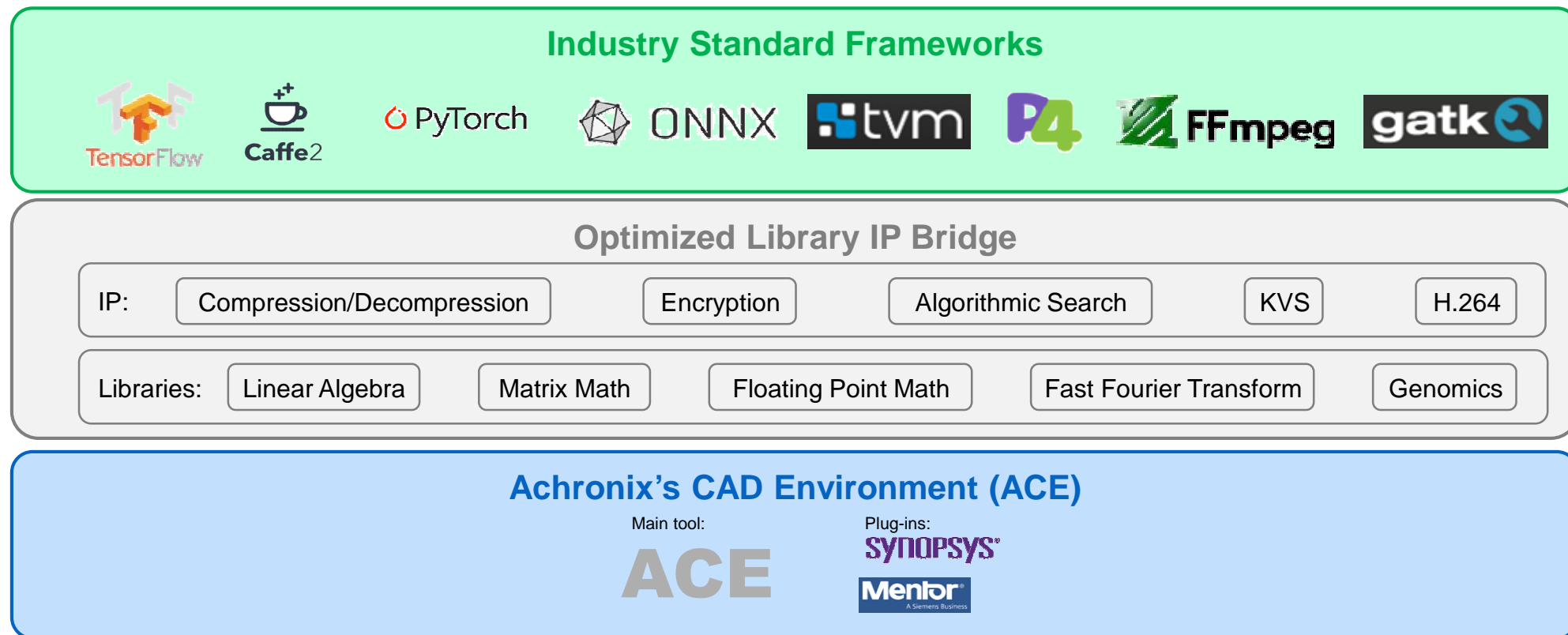
Speedcore: Enabling Technology for New Applications

- Only high-end embedded FPGA solution¹
- Custom FPGA to embed in SoC/ASICs for high volume deployment
- Proven IP with over 10 million cores shipped
- Benefits: ASIC Performance with FPGA Flexibility
 - ✓ Enable ASIC-like performance
 - ✓ Keep flexibility only where it is required
 - ✓ Create multiple product variants
 - ✓ Extend product lifecycle: enables next-gen
 - ✓ Change ASIC / SoC economics



Achronix's Software Ecosystem Enables Ease of Use

Achronix[®] | Partners

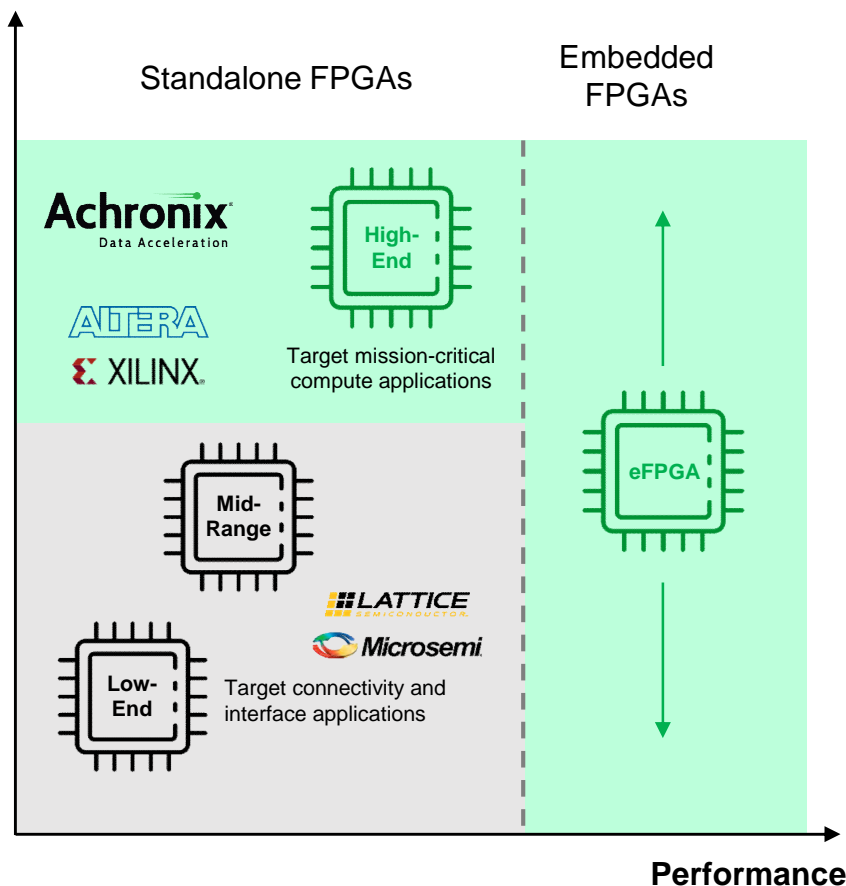


Full-stack Combining High-Quality Software with In-house Tools

Differentiated Competitive Position – Why Achronix Wins

FPGA and eFPGA Functionality

Logic Density



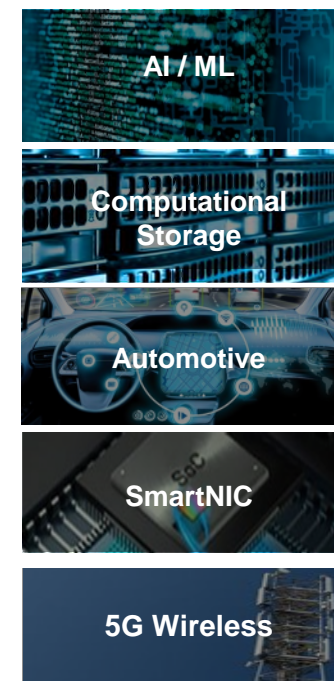
Achronix®

Data Acceleration

Why We Win

- ✓ Only company with dual strategy (FPGA + eFPGA)¹
- ✓ Superior product
- ✓ Sticky design environment
- ✓ Only independent FPGA focused on high-end markets¹
- ✓ Sitting \$1bn+ pipeline and contracted revenue²

Targeted Applications



¹ Based on all FPGA companies with revenue above \$50mm and gross margin above 65%; ² As of November 2020.

Key Potential High-Growth Compute Applications for Achronix's Solutions

	AI / ML	SmartNIC	Computational Storage	ADAS	5G Wireless
Use Case	Machine Learning / Edge Compute	400GE Smart NIC	Process Data Closer to Storage	ADAS Sensor Fusion	High bandwidth, low latency wireless infrastructure
Solution	<i>SPEEDSTER^{7t}</i> High performance ML Inference; Interoperate with ML ASIC	<i>SPEEDCORE</i> <i>SPEEDSTER^{7t}</i> High speed low latency crypto, compression and transcoding	<i>SPEEDSTER^{7t}</i> Hardware acceleration for machine learning, crypto and compression	<i>SPEEDCORE</i> ASIC with eFPGA for optimized data sensor collection	<i>SPEEDCORE</i> ASIC with eFPGA for optimized Radio and Baseband processing
Results	Highly effective FPGA processing performance. Flexible interfacing	Enhanced connectivity and line rate packet processing offload	Best-in-class performance / watt with optimized MLP architecture	ASIC cost structure and power, with FPGA programmability	ASIC cost and power cost with FPGA programmability for new wireless standards

Uniquely Positioned for Rapidly Growing Markets



**Aligned to Growth Markets
and Industry Leaders**

Comparison of High-End FPGA Vendor Strategies



- Broad product portfolio
- Focused on FPGA as CPU coprocessor and specialized silicon
- Reduced focused on general purpose FPGA portfolio
- Latest products are evolutionary, incremental improvements
 - Product delays
 - No optimizations for ML applications
- No low-cost FPGA platform



- Follow 'one-size-fits-all' strategy
 - Heterogeneous multicore architecture
- Very efficient for targeted applications (e.g. video or speech)
- Less suitable for general purpose data acceleration applications
- Highly complex software tool flow (legacy)

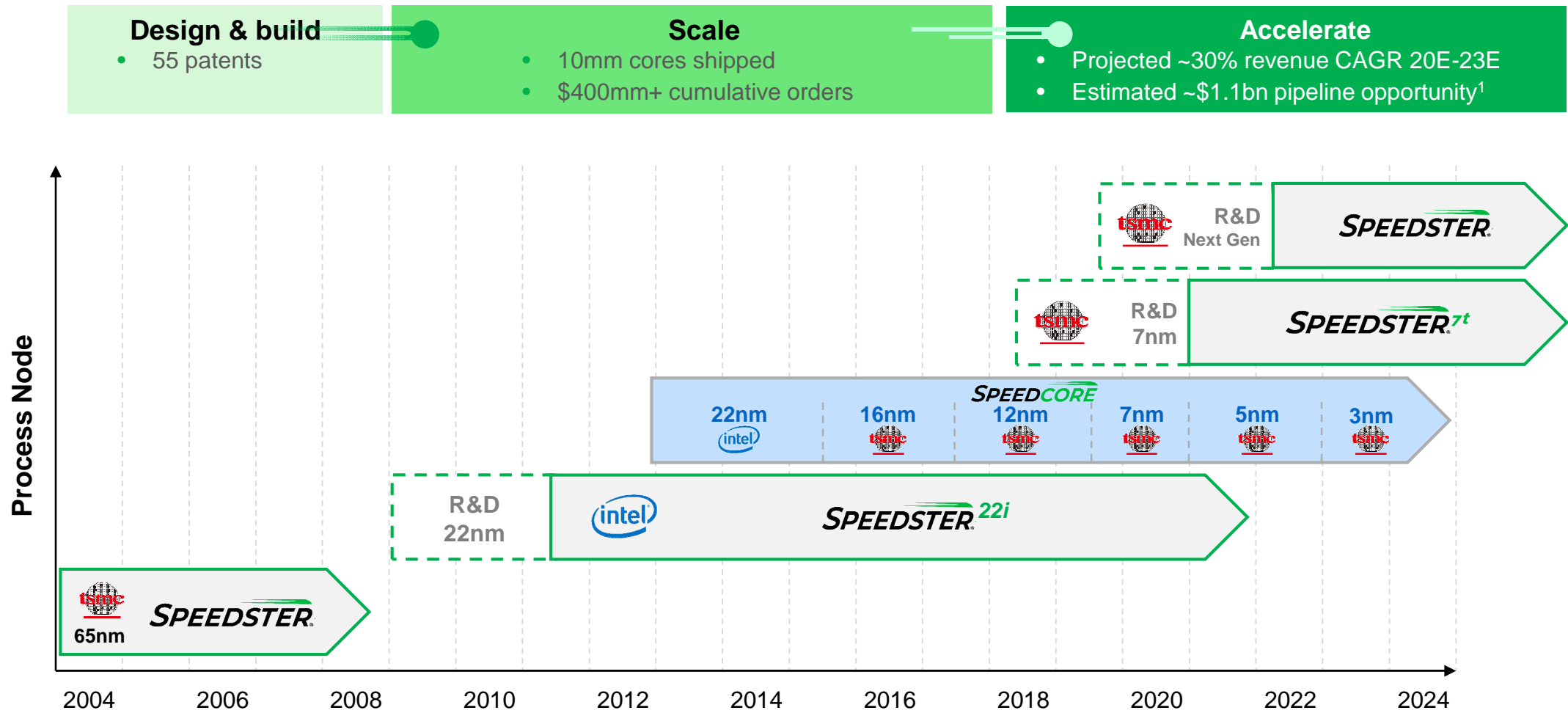


- ✓ Purpose-built for data acceleration applications vs. custom hardware
 - Optimized Machine Learning processor
 - Highly efficient data movement
 - Industry-leading high speed interfaces
- ✓ Homogenous design architecture which enables easier design flow and backward compatibility
- ✓ Only provider of high-end embedded FPGA¹
 - Offers a low cost migration path
 - Enables new applications
- ✓ Enabling under-served markets: Industrial, T&M

Only Company to Offer High-End FPGA and Migration to Embedded FPGA solutions¹

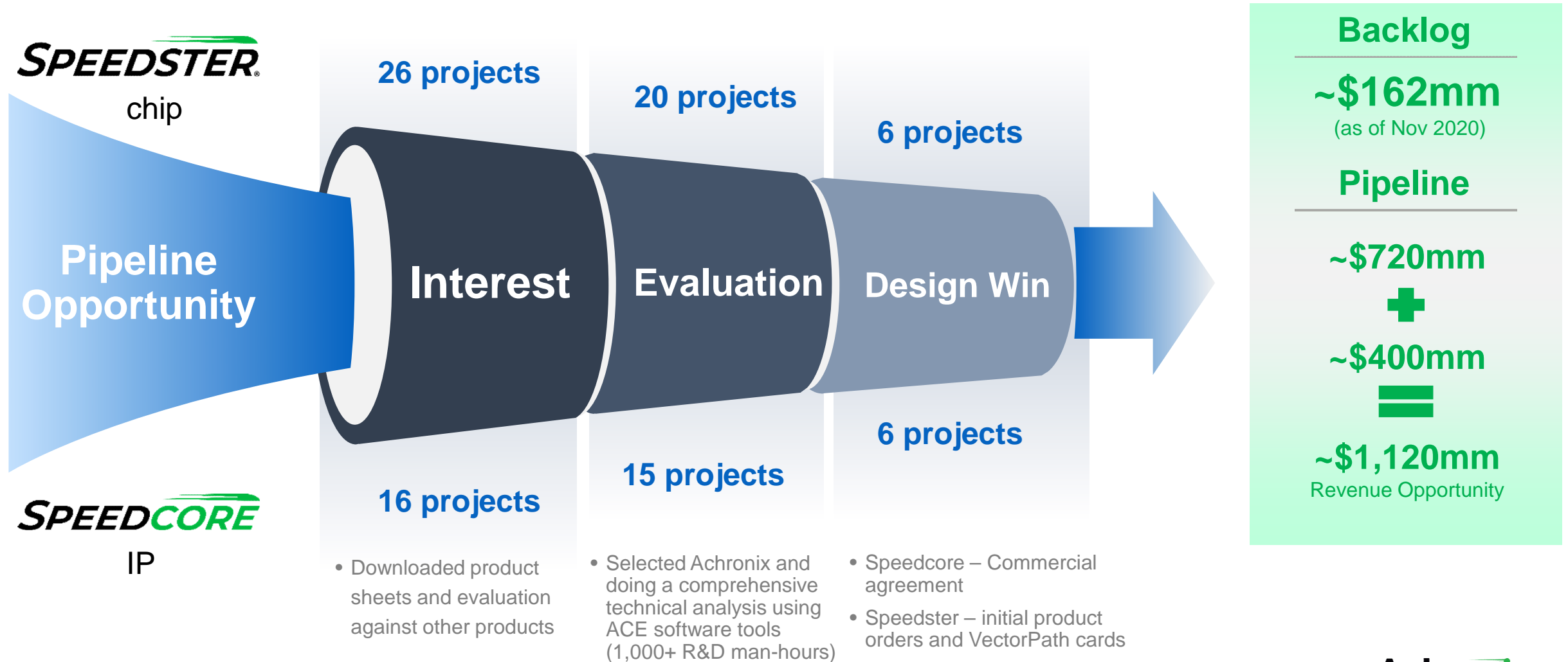
¹ Based on all FPGA companies with revenue above \$50mm and gross margin above 65%.

Long History of FPGA Technology Innovation and 1st Silicon Success



¹ As of November 1, 2020.

Strong and Diverse Design Wins Pipeline across Speedster and Speedcore



Management Team: Industry Veterans and Key Technology Leaders



26 years in semiconductors
17 years in FPGA

Robert Blake: CEO

Achronix: 9 years Altera: 17 years



30 years in semiconductors with
22 years in FPGA

Steve Mensor: VP of Sales & Marketing

Achronix: 8 years Altera: 22 years



27 years in semiconductors
Renowned in FPGA architecture

Kamal Chaudhary: Sr. VP Software Engineering

Achronix: 13 years Xilinx: 14 years



25 years in semiconductors

Mark Voll: CFO

Techpoint: 1 year Aquantia: 3 years



24 years in semiconductors

Chris Pelosi: VP Hardware Engineering

Achronix: 12 years Nvidia: 4 years



24 years in semiconductors

Raymond Nijssen: VP of System Engineering

Achronix: 14 years Synopsys, Tabula: 10 years



17 years in semiconductors
17 years in FPGA

Mike Fitton: VP of Strategic Planning

Achronix: 3 years Altera: 14 years



24 years in semiconductors

Randy Jurrat: VP of Operations

Achronix: 12 years ChipX: 12 years

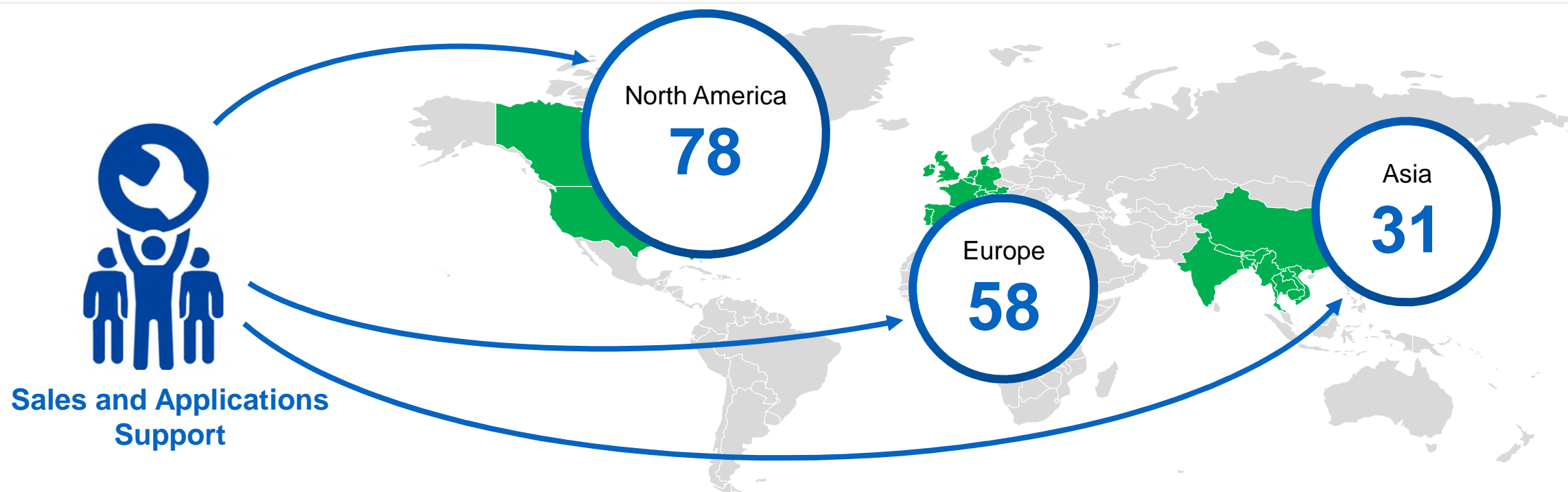


24 years in semiconductors

Virantha N. Ekanayake: CTO & Co-Founder

Achronix: 15 years PhD and Achronix Founder

Achronix Worldwide Indirect Sales Channels



Key IP & Design partners



SYNOPSYS®



BittWare
a molex company



Rambus



Packet Architects
Connecting the cloud

NAPABLAZE

Atomic
Rules



Zeuxion

Growth Strategy



Expand Sales footprint to capture new opportunities



Continue to expand technology footprint



Continue to invest in product innovation

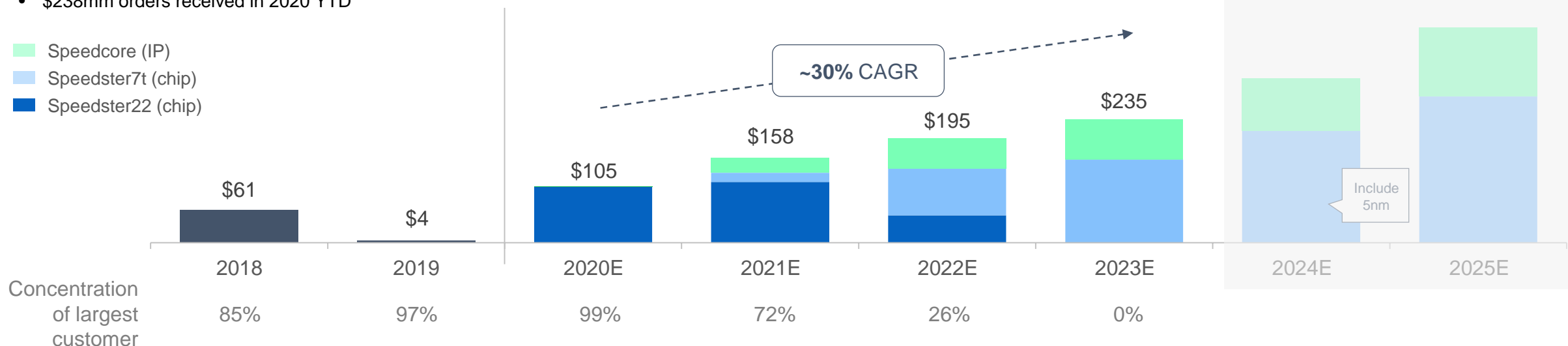
Multiple Avenues to Deliver Long-Term Value for Stakeholders

Revenue Historical and Projections

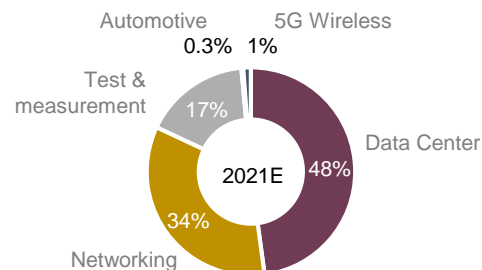
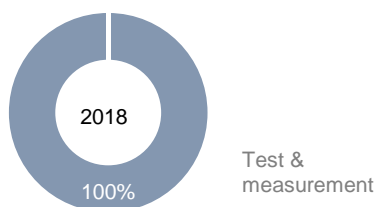
Historical Revenue (\$mm)

- Inventory digestion from our #1 customer led to fall off in 2019
- Changed to non-cancellable and non-returnable orders in 2019
- \$238mm orders received in 2020 YTD

Speedcore (IP)
Speedster7t (chip)
Speedster22 (chip)



End Markets



Summary and Projected Financials

(\$mm)	2018A	2019A	2020E	2021E	2022E
Revenue	\$ 61.2	\$ 4.2	\$ 104.9	\$ 157.6	\$ 195.0
% growth		<i>n.m.</i>	<i>n.m.</i>	50%	23%
Gross profit (GAAP)	44.6	1.7	83.3	119.8	143.4
% margin	73%	40%	79%	76%	74%
R&D (GAAP)	25.6	23.8	34.4	51.8	53.1
SG&A (GAAP)	9.8	11.2	12.5	22.9	33.8
Operating Income (GAAP)	\$ 9.2	\$ (33.3)	\$ 36.4	\$ 45.1	\$ 56.5
SBC	0.5	0.7	0.6	5.0	7.0
EBIT (Non-GAAP) ¹	\$ 9.7	\$ (32.6)	\$ 37.0	\$ 50.1	\$ 63.5
% margin	16%	<i>n.m.</i>	35%	32%	33%
Net Income (Non-GAAP) ²	\$ 9.5	\$ (32.9)	\$ 34.0	\$ 50.3	\$ 58.6
% margin ³	16%	<i>n.m.</i>	32%	32%	30%

Source: Management estimates

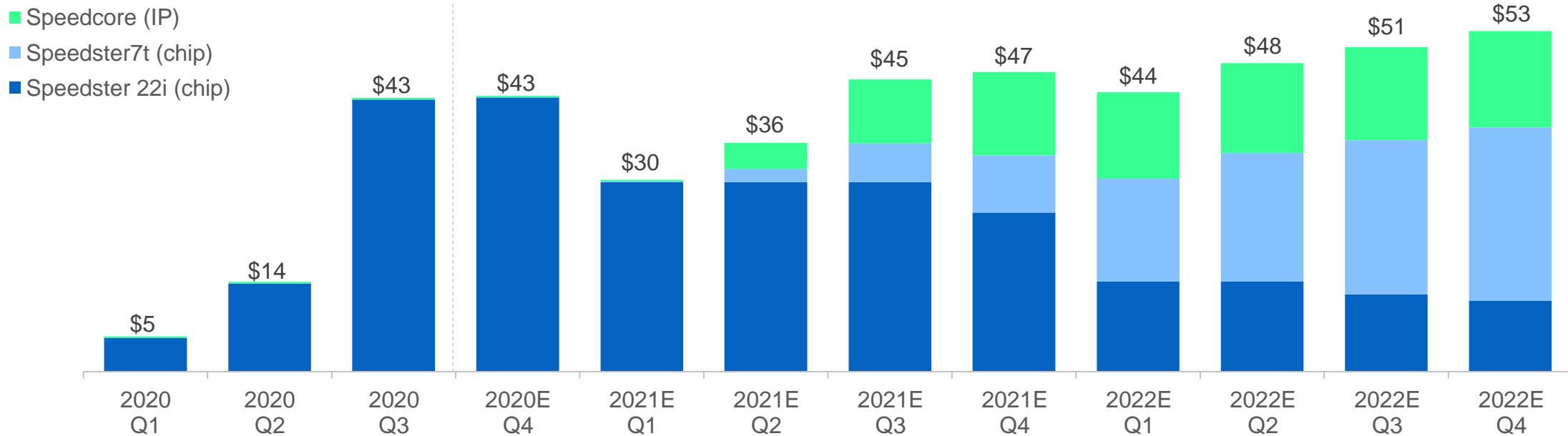
Note: n.m. refers to margins less than 0% and growth rates less than (50%) or greater than 100%;

¹ EBIT margin is a non-GAAP measure. For a reconciliation of each of our non-GAAP measures to the most comparable GAAP measure, see Appendix;

² Net Income is a non-GAAP measure. For a reconciliation of each of our non-GAAP measures to the most comparable GAAP measure, see Appendix;

³ Net Income Margin is a non-GAAP measure. For a reconciliation of each of our non-GAAP measures to the most comparable GAAP measure, see Appendix.

Quarterly Revenue Mix Projections 2020E to 2022E (\$mm)



Current Product Pipeline Estimates¹ (\$mm)

\$238mm

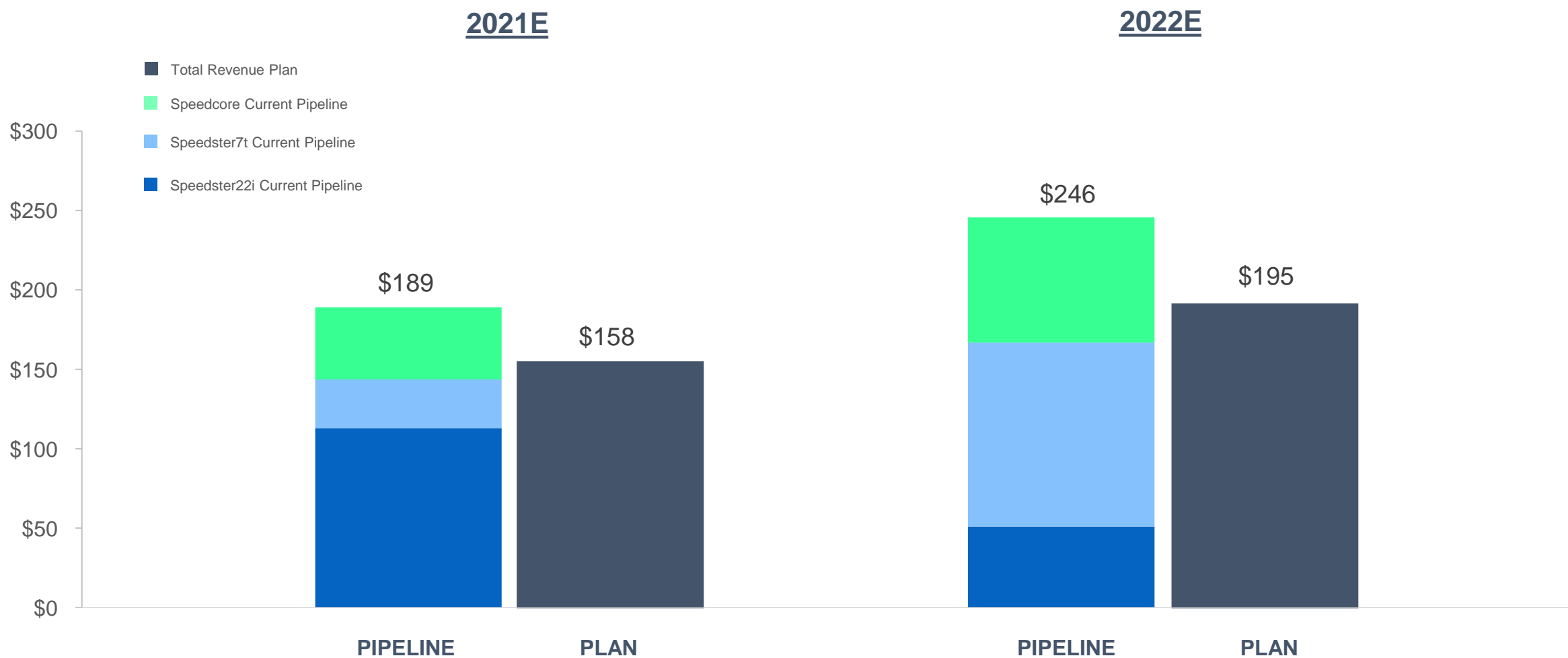
Orders Received in 2020 YTD¹

~\$162mm

Backlog¹ (Non-Cancellable, Non-Refundable)

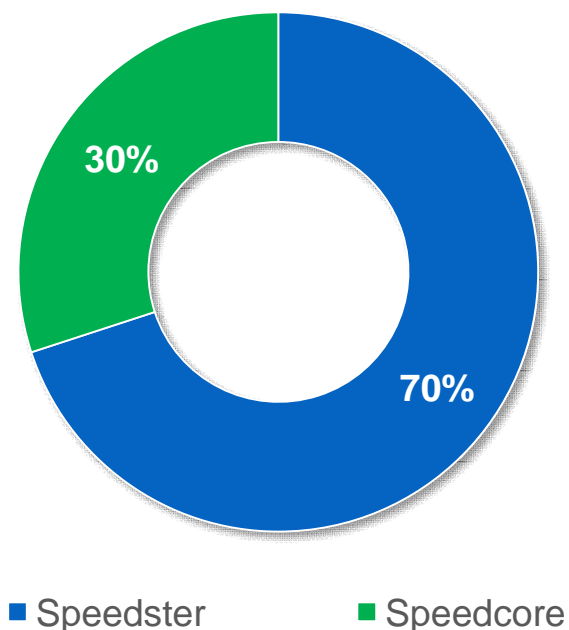
¹ As of November 1, 2020.

Current Pipeline Provides Revenue Visibility to 2022



Long-Term Operating Model

Long-Term Revenue Product Mix Goal



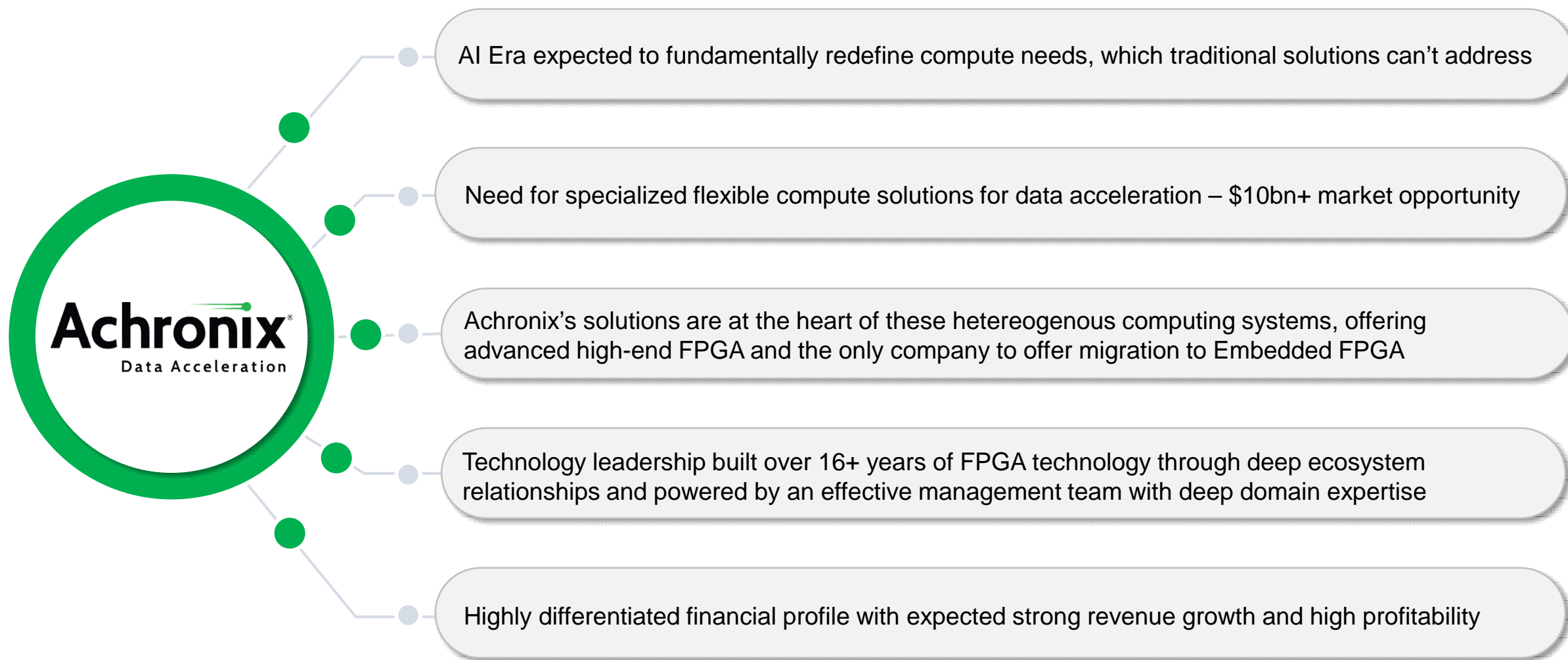
Long-Term Financial Goals

	Targets
YoY Revenue Growth	20 – 25%
Gross Margin	70 – 75%
OpEx as % of Revenue	~40%
EBIT Margin ¹	30 – 35%

Compelling Financial Profile with Expected Strong Revenue Growth and High Profitability

¹ EBIT Margin is a non-GAAP measure. For a reconciliation of each of our non-GAAP measures to the most comparable GAAP measure, see Appendix.

Executive Summary





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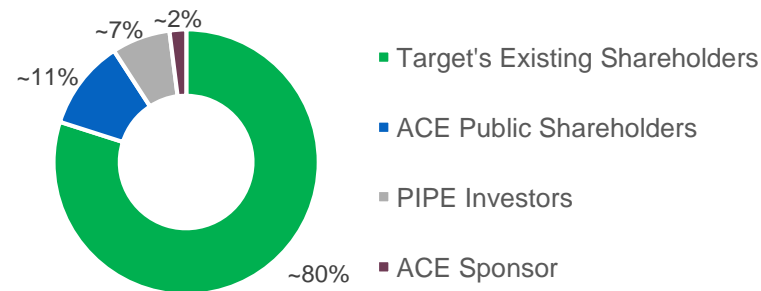
Transaction Overview And Valuation

Transaction Overview

Key Transaction Terms

- \$200mm minimum cash condition inclusive of PIPE proceeds
- Anchor investor (a vehicle managed by ACE Equity Partners LLC) to purchase up to \$50mm of the PIPE
- Sponsor also committing an additional \$50mm to backstop any redemptions
- Additional shares to be granted under an earn-out to current Achronix owners and ACE founders (3.5mm and 1.5mm, respectively), 50% of the respective amount if trading at or above \$12 for 20 out of 30 trading days and 50% of the respective amount if at or above \$18 for such period

Pro Forma Ownership at Close¹



Source: Achronix management case estimates

¹ Assumes Achronix shareholder equity roll-over equivalent to \$1,650mm of common shares, PIPE investors own \$150mm of common shares, ACE public shareholders own \$230mm of common shares, and ACE founders own \$42.5mm of common shares initially. Excludes the effect of warrants and earn-outs. Assumes no redemption by public shareholders in connection with the transaction.

Pro Forma Valuation (\$mm, except per share data)

Pro Forma Shares Outstanding ¹ (mm)	207.3
Share Price	\$10.00
Pro Forma Equity Value at Close	\$2,073
Less: Net Cash	(312)
Pro Forma Enterprise Value at Close	\$1,761

Illustrative Sources and Uses

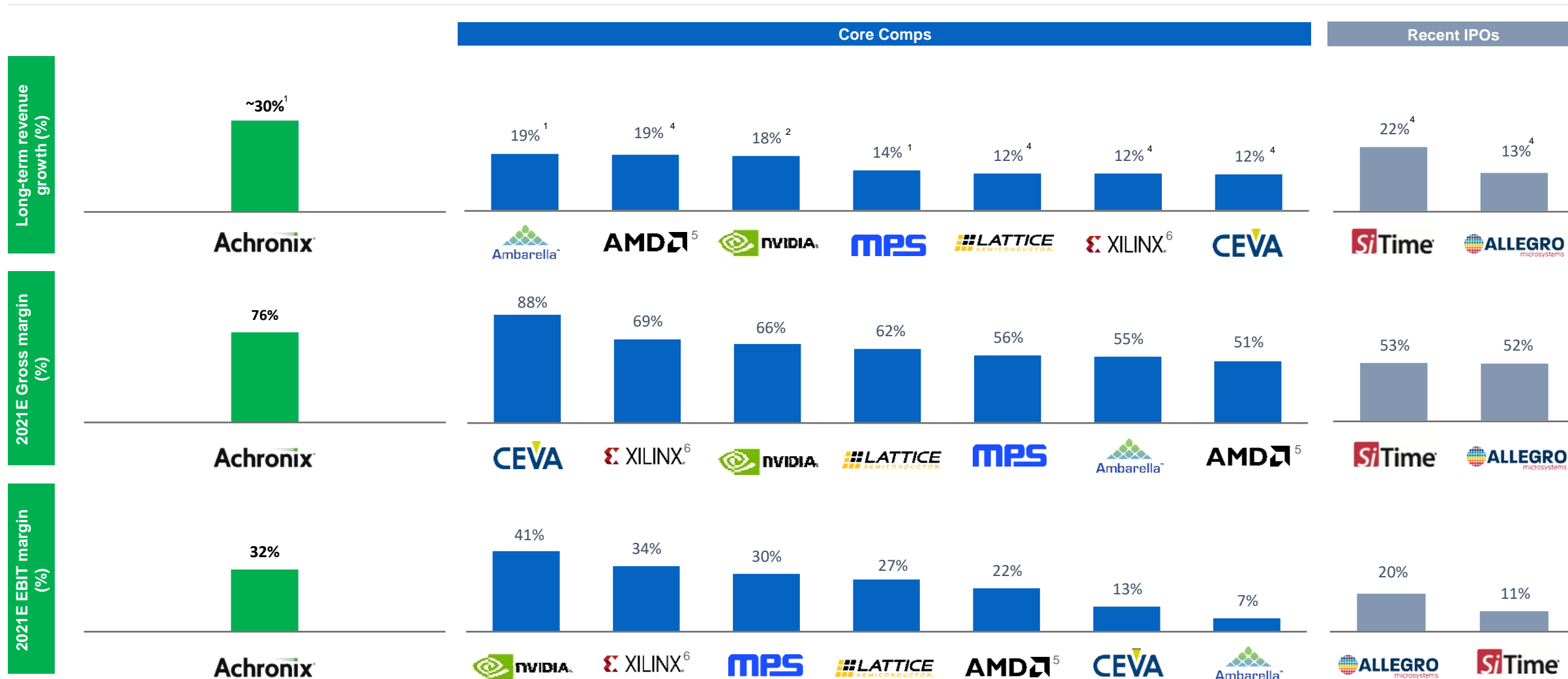
Sources (\$mm)

ACE IPO cash	\$230	60.5%
PIPE Proceeds	150	39.5%
Total Sources	\$380	100.0%

Uses (\$mm)

Growth Capital	\$289	76.1%
Cash to Achronix Shareholders	50	13.2%
Estimated Transaction Costs	41	10.8%
Total Uses	\$380	100.0%

Operational Benchmarking

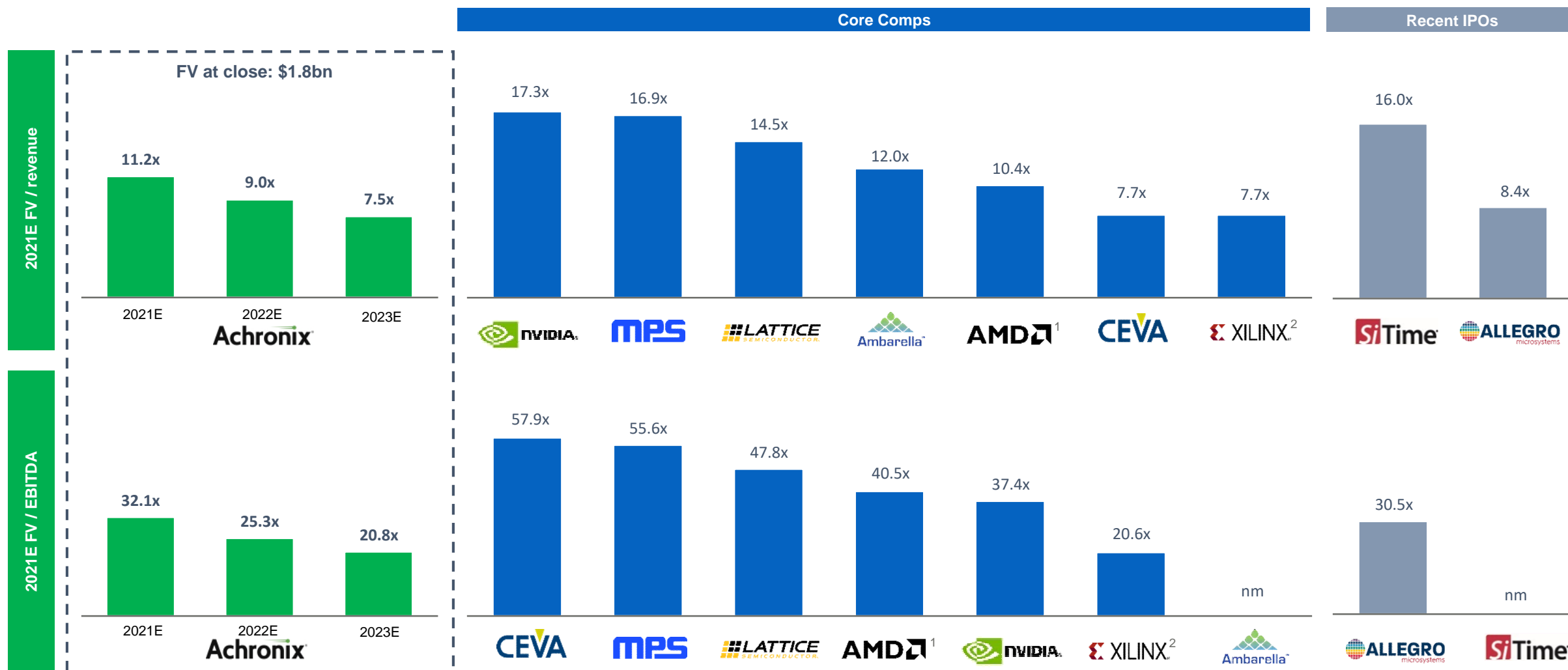


Source: Factset as of 12/17/2020

Note: Sorted by market cap;

¹ Represents FY20E- FY25E revenue CAGR; ² Represents FY20E- FY24E revenue CAGR; ³ Represents FY20E- FY23E revenue CAGR; ⁴ Represents FY20E- FY22E revenue CAGR; ⁵ Pro forma for the acquisition of Xilinx; ⁶ Unaffected stock price on 10/8/2020 for AMD's acquisition of Xilinx announced on 10/26/2020.

Valuation Benchmarking

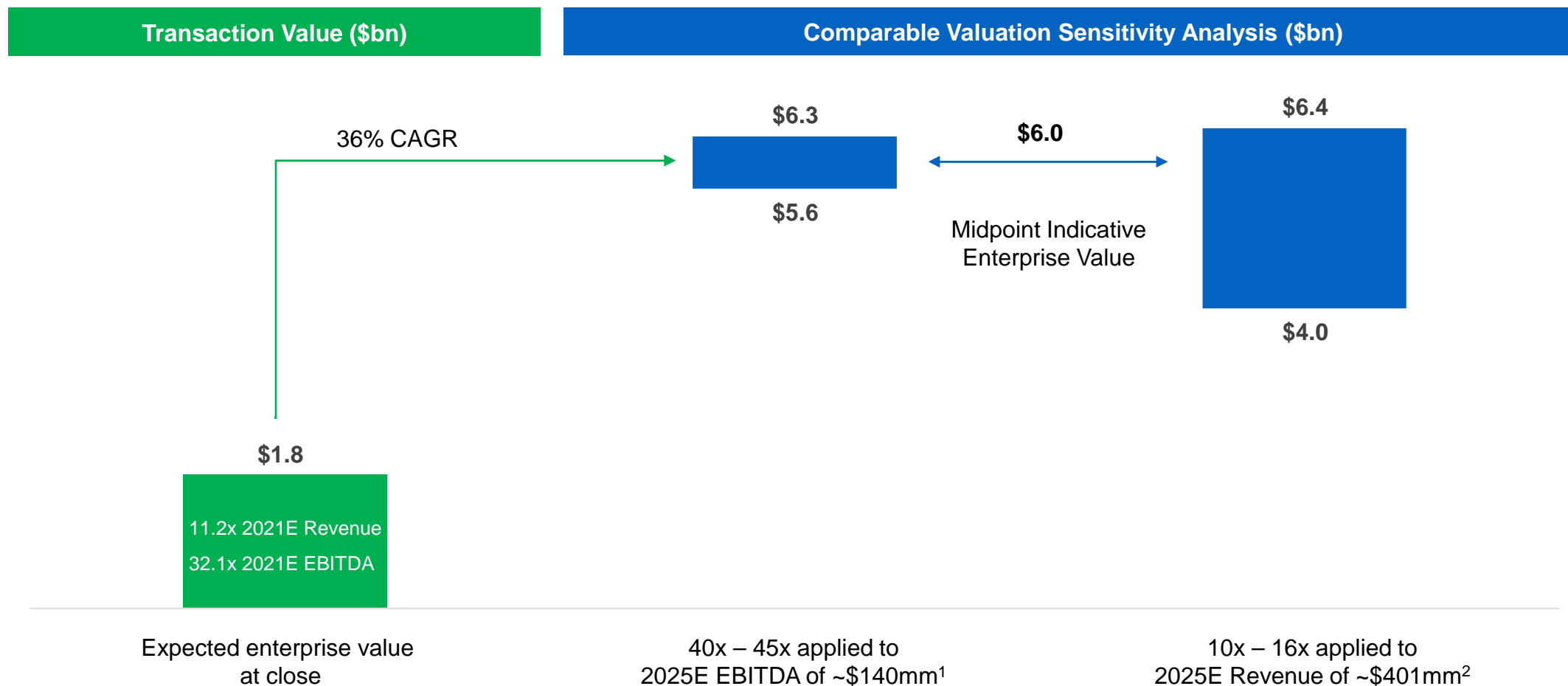


Source: Factset as of 12/17/2020

Note: "na" represents unavailable street estimates; "nm" represents multiples <0.0x or >75.0x;

¹ Pro forma for the acquisition of Xilinx; ² Unaffected stock price on 10/8/2020 for AMD's acquisition of Xilinx announced on 10/26/2020.

Attractive Initial Valuation



¹ 2025 EBITDA assumes \$401mm revenue and applies mid-point of long-term financial goals (32.5% EBIT margin);

² 2025 Revenue assumes ~30% CAGR 2020E – 2025E applied on 2020E revenue of \$105mm.



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APPENDIX

Annual Reconciliation of GAAP to Non-GAAP

(\$mm)	2018A	2019A	2020E	2021E	2022E
Operating Income (GAAP)	\$ 9.2	\$ (33.3)	\$ 36.4	\$ 45.1	\$ 56.5
SBC	0.5	0.7	0.6	5.0	7.0
EBIT (Non-GAAP)	9.7	(32.6)	37.0	50.1	63.5

(\$mm)	2018A	2019A	2020E	2021E	2022E
Operating Income Margin (GAAP)	15.0%	n.m.	34.7%	28.6%	29.0%
SBC	0.8%	n.m.	0.6%	3.2%	3.6%
EBIT Margin (Non-GAAP)	15.8%	n.m.	35.2%	31.8%	32.6%

Annual Reconciliation of GAAP to Non-GAAP

(\$mm)	2018A	2019A	2020E	2021E	2022E
Net Income (GAAP)	\$ 9.1	\$ (33.7)	\$ 33.4	\$ 45.3	\$ 52.1
SBC	0.5	0.7	0.6	5.0	7.0
Income Tax Impact of Non-GAAP Adjustments	(0.0)	0.0	(0.0)	(0.0)	(0.5)
Net Income (Non-GAAP)	9.5	(32.9)	34.0	50.3	58.6

(\$mm)	2018A	2019A	2020E	2021E	2022E
Net Margin (GAAP)	14.8%	n.m.	31.9%	28.7%	26.7%
SBC	0.8%	n.m.	0.6%	3.2%	3.6%
Income Tax Impact of Non-GAAP Adjustments	(0.0%)	n.m.	(0.0%)	(0.0%)	(0.3%)
Net Margin (Non-GAAP)	15.5%	n.m.	32.4%	31.9%	30.0%



Disclosure of Material Contracts

Risk Related to Our Customer Concentration

We receive substantially all of our revenue from Intel Corporation ("Intel"). For the nine months ended September 30, 2020, Intel accounted for approximately 99% of our revenue. All of our revenue from Intel is generated by separate purchase order contracts with Intel, and we do not have any long-term contractual commitments from Intel. As a result, we may be unable to sustain or increase our revenue from Intel. Further, we may not be able to offset the discontinuation of purchases by Intel with purchases by new or existing customers. We expect Intel will continue to account for a high percentage of our revenue for the foreseeable future and that our results of operations may fluctuate materially as a result of Intel's buying patterns. Thus, our business success depends on our ability to maintain strong relationships with Intel. The loss of Intel as a customer for any reason, or a change in our relationship with them, including a significant delay or reduction in their purchases, may cause a significant decrease in our revenue, which we may not be able to recapture, and our business could be harmed.

Summary of Key Terms

Achronix has never had a supply agreement or contract cover terms and conditions relating to purchases by the customer, Intel.

We operate with an annual quote for pricing based on order size, and then Intel issues a purchase order. When such purchase order is received, we request certain information from Intel. We then process as a normal device and order shipping to the backlog when the product is available for shipment.

We believe this system has operated effectively since its inception in 2017.