

SkyWater Technology

(Nasdaq: SKYT)

Investor Presentation

Jefferies Semiconductor, IT Hardware

& Communications Technology Summit

Four Seasons Hotel Chicago

August 30, 2023

SkyWater Technology Forward-Looking Statements

This presentation and the accompanying oral presentation, including answers to questions, contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements that are based on the Company’s current expectations or forecasts of future events, rather than past, events and outcomes, and such statements are not guarantees of future performance. Forward-looking statements include all statements other than statements of historical fact contained in this presentation, including information or predictions concerning the Company’s future business, results of operations, financial performance, plans and objectives, competitive position, market trends, and potential growth and market opportunities. In some cases, you can identify forward-looking statements by words such as “intends,” “estimates,” “predicts,” “potential,” “continues,” “anticipates,” “plans,” “expects,” “believes,” “should,” “could,” “may,” “will,” “targets,” “projects,” “seeks” or the negative of these terms or other comparable terminology.

Forward-looking statements are subject to risks, uncertainties and assumptions, which may cause the Company’s actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Key factors that could cause the Company’s actual results to be different than expected or anticipated include, but are not limited to: our goals and strategies; our future business development, financial condition and results of operations; our ability to continue operating our sole semiconductor foundry at full capacity; our ability to appropriately respond to changing technologies on a timely and cost-effective basis; our customer relationships and our ability to retain and expand our customer relationships; our ability to accurately predict our future revenues for the purpose of appropriately budgeting and adjusting our expenses; our expectations regarding dependence on our largest customers; our ability to diversify our customer base and develop relationships in new markets; the performance and reliability of our third-party suppliers and manufacturers; our ability to procure tools, materials, and chemicals amid industry-wide supply chain shortages; our ability to control costs, including our operating and capital expenses; the size and growth potential of the markets for our solutions, and our ability to serve and expand our presence in those markets; the level of demand in our customers’ end markets; our ability to attract, train and retain key qualified personnel in a competitive labor market; adverse litigation judgments, settlements or other litigation-related costs; changes in trade policies, including the imposition of tariffs; our ability to raise additional capital or financing; our ability to accurately forecast demand; changes in local, regional, national and international economic or political conditions, including those resulting from rising inflation and interest rates, a recession, or intensified international hostilities; the level and timing of U.S. government program funding; our ability to maintain compliance with certain U.S. government contracting requirements; regulatory developments in the United States and foreign countries; our ability to protect our intellectual property rights; our ability to meet our long-term growth targets; and other factors discussed in Item 1A. “Risk Factors” for our Annual Report on Form 10-K for the year ended January 1, 2023 filed with the SEC on March 15, 2023 and in other documents that the Company files with the SEC, which are available at http://www.sec.gov. The Company assumes no obligation to update any forward-looking statements, which speak only as of the date of this presentation.

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Investment Highlights

01 High-Margin ATS Combined with Wafers Services Creates a Scalable Business Model

02 Uniquely Positioned to Serve Megatrends:
Artificial Intelligence, Electrification, Medical Implants, Rapid Disease Screening, 5G/6G Communications, Commercialization of Space

03 Seasoned Management Team with Decades of Industry Experience

04 Large, High-Growth Target Markets with Expected Long-Term Secular Tailwinds

05 Multiple Levers to Drive Continued Growth:
Disruptive Technologies, Customer Driven Technology Development, Sticky Technology Partnerships, Differentiated High Margin Volume Manufacturing

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We streamline the **concept to production journey.**

Technology as a Service

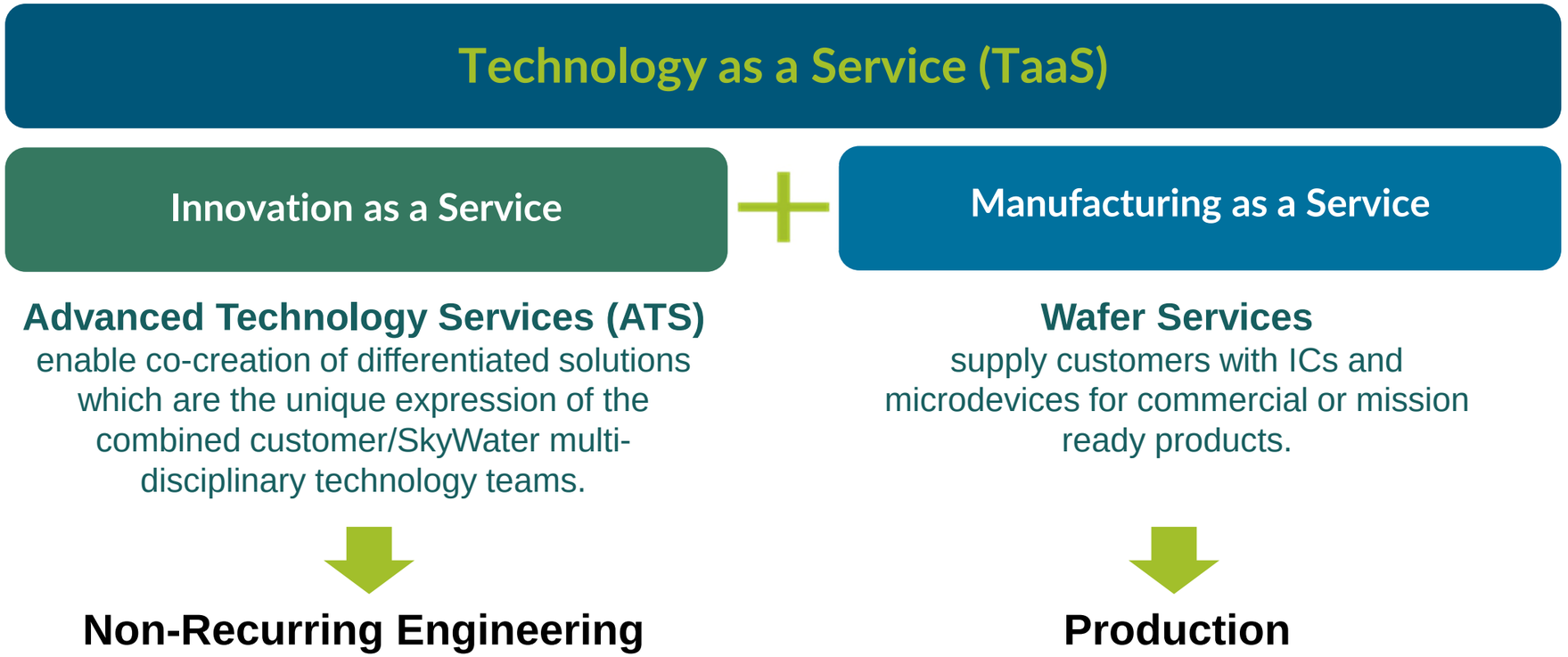
Innovation as a Service + **Manufacturing as a Service**



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SkyWater's Unique Model Accelerates Disruption



OUR TaaS MODEL

Co-creates disruptive technologies

Builds long relationships through collaborative development and manufacturing

Leverages world-class manufacturing capabilities

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SkyWater is Defining a New Category

Conventional Foundry

- Minimal customization
- Digital processors, CPUs, GPUs
- High volumes
- 300 mm substrates

Specialty Foundry

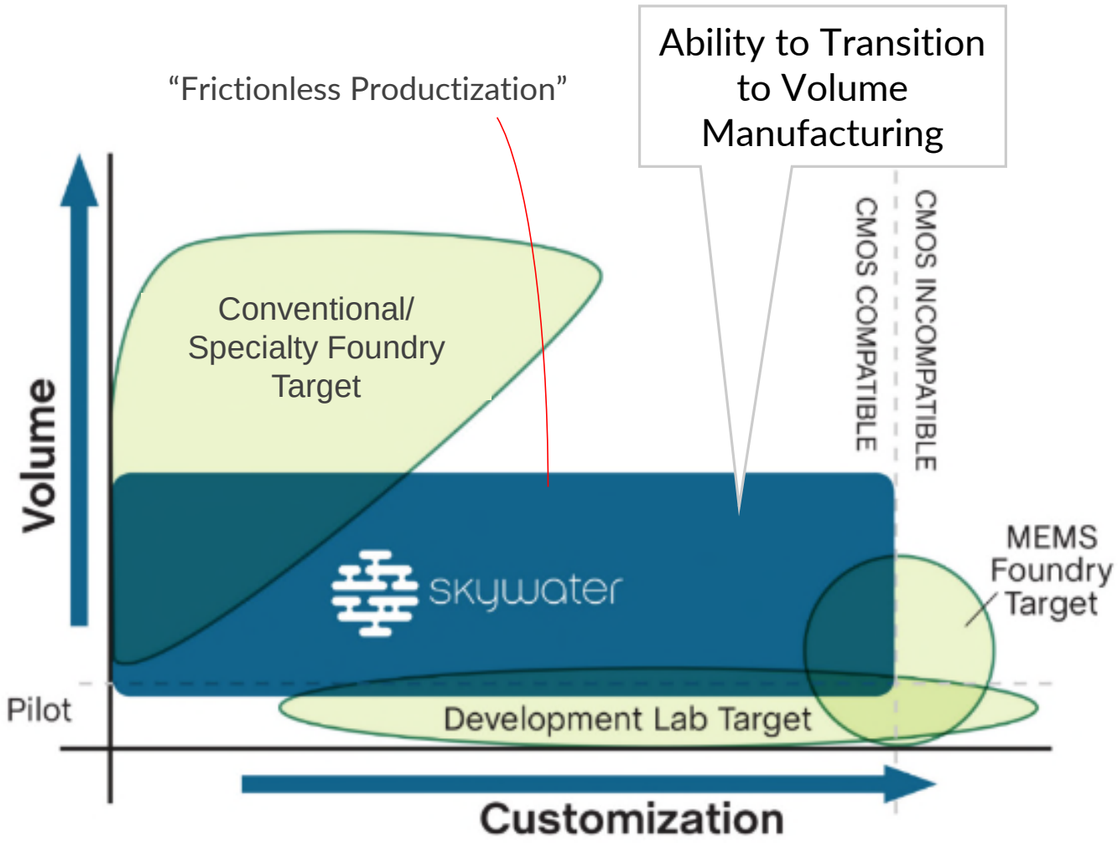
- Moderate customization
- Specialty technologies
- Medium volumes
- 200 mm and 300 mm substrates

Technology Foundry

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Advanced Technology Services + Wafer Services

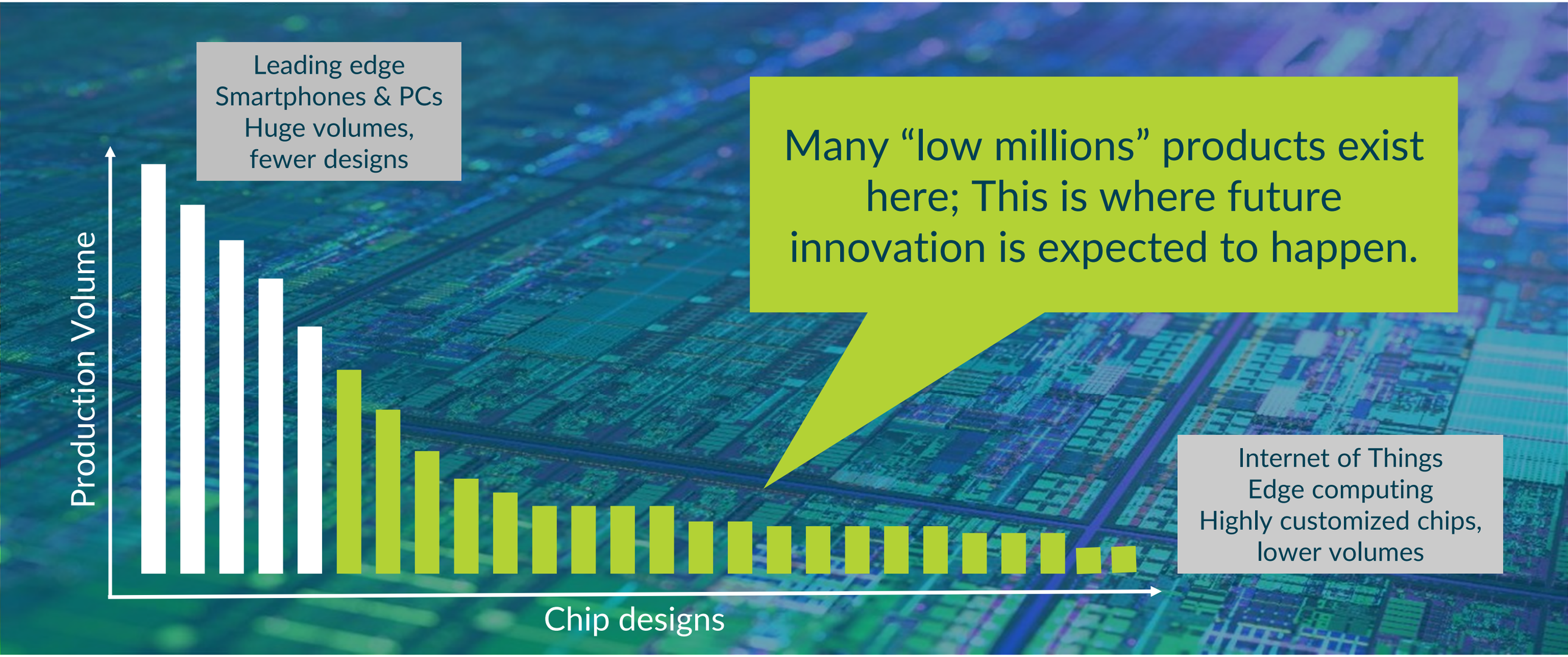
- ✓ High customization
- ✓ Next-generation technologies
- ✓ Variable volumes
- ✓ 200 mm substrates



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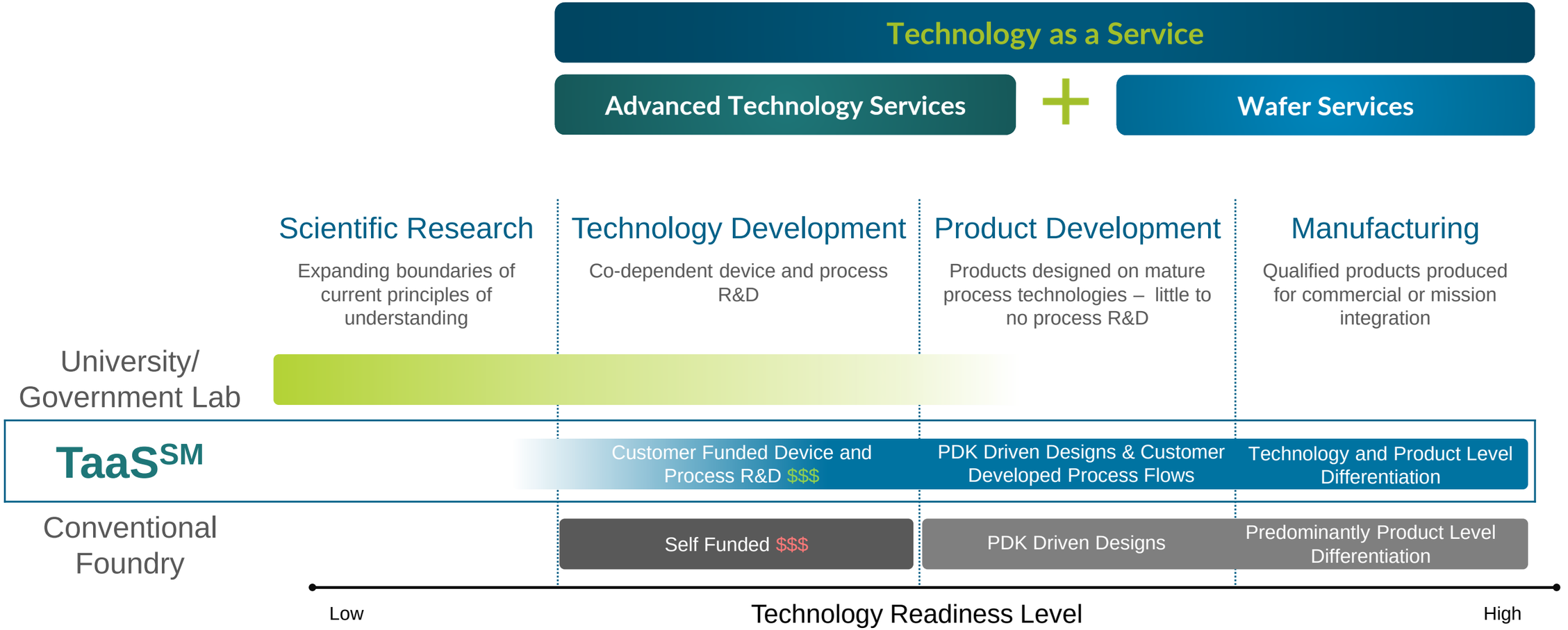
Enabling the “Innovation Tail”



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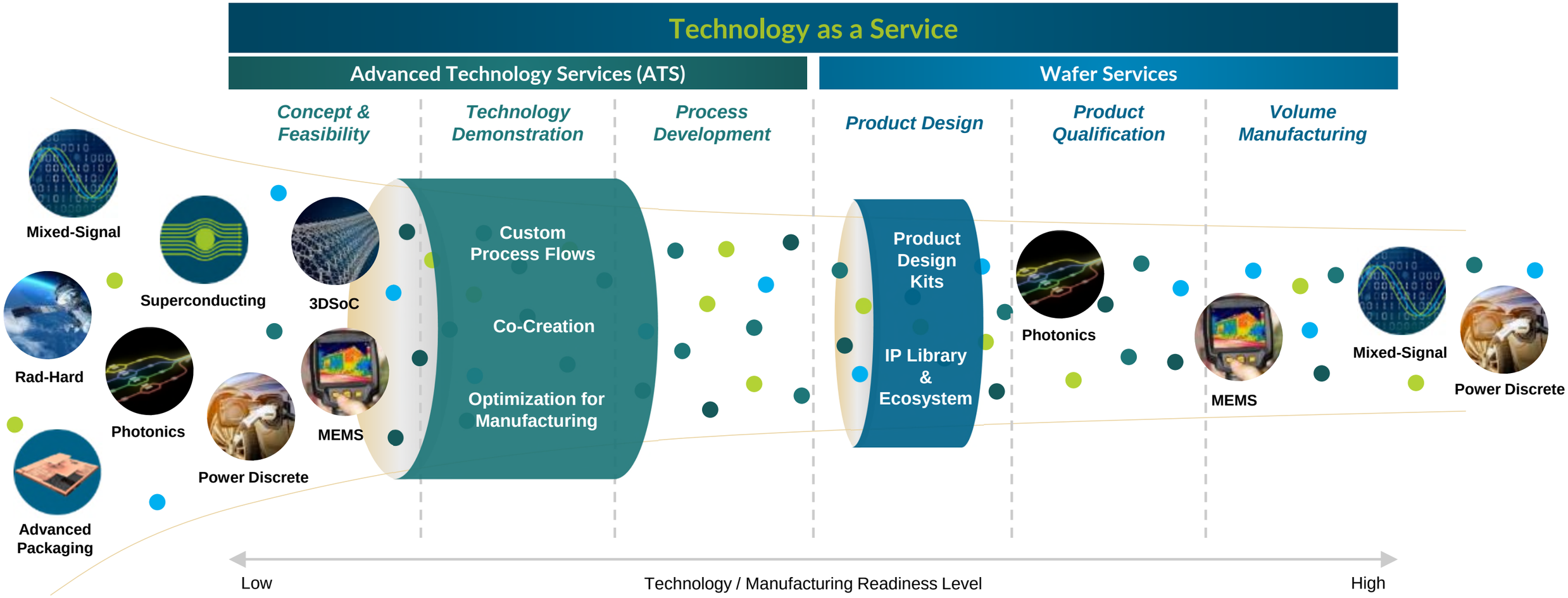
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TaaS Accelerates Concepts to Market



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Model Enables Early Foundry Engagement



✓ **Efficient R&D** ✓ **Accelerated Time-to-Market** ✓ **Volume Manufacturing**

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We are a U.S. based pure-play foundry

Extending a legacy of manufacturing excellence to meet the industry's needs in a **post-Moore's Law reality**



Cypress | SkyWater

2005 — 65 nm qualified

2008 — Technology foundry opens to non-Cypress customers

2017 — SkyWater received DMEA Cat 1A Trusted Accreditation

2018 — SkyWater and MIT selected for DARPA 3DSoC program

2019 — $170 M rad-hard technology and building expansion announced

2020 — 3-year anniversary of SkyWater completion of Cypress ToP contract

2021 — Florida Advanced Packaging Facility integrated into operation

2021 — $112M IPO closed April, 2021, Nasdaq SKYT

2022 — Announced new fab at Purdue University

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Bloomington, MN

OPERATION
- ~650 employees
- 200 mm equipment
- 91,000 ft² Cleanroom (Class 10 + SMIF)
- 10,000 30 ML CMOS wafers/month or 50,000 MOSFET wafers/month
- 65 nm+ feature geometries

CERTIFICATIONS
- ISO9001 Quality Management System Certified
- ISO9100/IATF16949 Automotive Certified
- ISO13485 Medical Certified
- AS9100 Aviation, Space & Defense Certified
- ISO14001 Environmental Certified
- DMEA Cat 1A Trusted since 2010
- ITAR and Secure Processing Supported



Kissimmee, FL

OPERATION
- ~50 employees
- 200 mm equipment
- 35,400 ft^2 Cleanroom (class 1,000 & class 10,000)
- Site added to operation Feb 2021
- Facility will enable custom heterogeneous integration solutions
- Unique Public-Private Partnership (PPP)
  - Site/fab owned by Osceola County
  - SkyWater operates facility
  - Ecosystem partner with BRIDG (nonprofit)

CERTIFICATIONS
- ISO9001 Quality Management System Certified
- DMEA Cat 1A Trusted – pending, planned 2023



West Lafayette, IN

FUTURE OPERATION
- ~750 employees
- 200mm/300mm Capability
- Embedded R&D Capability
- Intelligent Automation and Decision Making
- Trusted Certification
- Advanced Wafer Fabrication and Packaging
- Industry Partnership Network (Customers and Suppliers)

SITE PLANS
- Groundbreaking will be determined by CHIPS funding
- 30-36 months to begin production
- 650,000 ft^2 Facility; 100,000 ft^2 Cleanroom
- Approximately 750 employees
  - (5000 indirect)
- Technology platform decisions will rely heavily on customers requirements

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CHIPS & Science Act of 2022 – How SkyWater Plans to Execute

Legislation Criteria	Minnesota Department of Employment and Economic Development	Florida Enterprise Florida & Florida Department of Economic Opportunity	Indiana Indiana Economic Development Corporation
Workforce Development	University of Minnesota Normandale Community College Hennepin Technical Community College	University of Florida Valencia College & Osceola Technical College NeoCity Academy High School	Purdue University Ivy Tech Community College Greater Lafayette High Schools
Synergistic Innovation	SkyWater Advanced Technology Services (R&D inside a production scale fab)		
Secure Manufacturing	SkyWater Wafer Services (pure-play foundry blending defense and commercial business) Directly addresses the preference for entities willing to serve USG and commercial		

We have been actively engaged for more than 2 years in our target states and with relevant partners and government entities. Recently released DoD/DoC guidelines (ME Commons/CHIPS) are driving the next stage of execution.

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SkyWater's Indiana Fab

Indiana offers a robust business culture, manufacturing expertise and a strong microelectronics ecosystem

- Purdue Semiconductor Degrees Program
- Birck Nanotechnology Center
- Secure Defense Research



Thomas Sonderman offers remarks in the Neil Armstrong Hall of Engineering after announcing plans for a SkyWater facility in Indiana, July 20, 2022



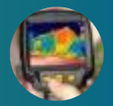


Initial concepts for the future site. Meetings are ongoing with stakeholders to align on design and magnitude of facility.

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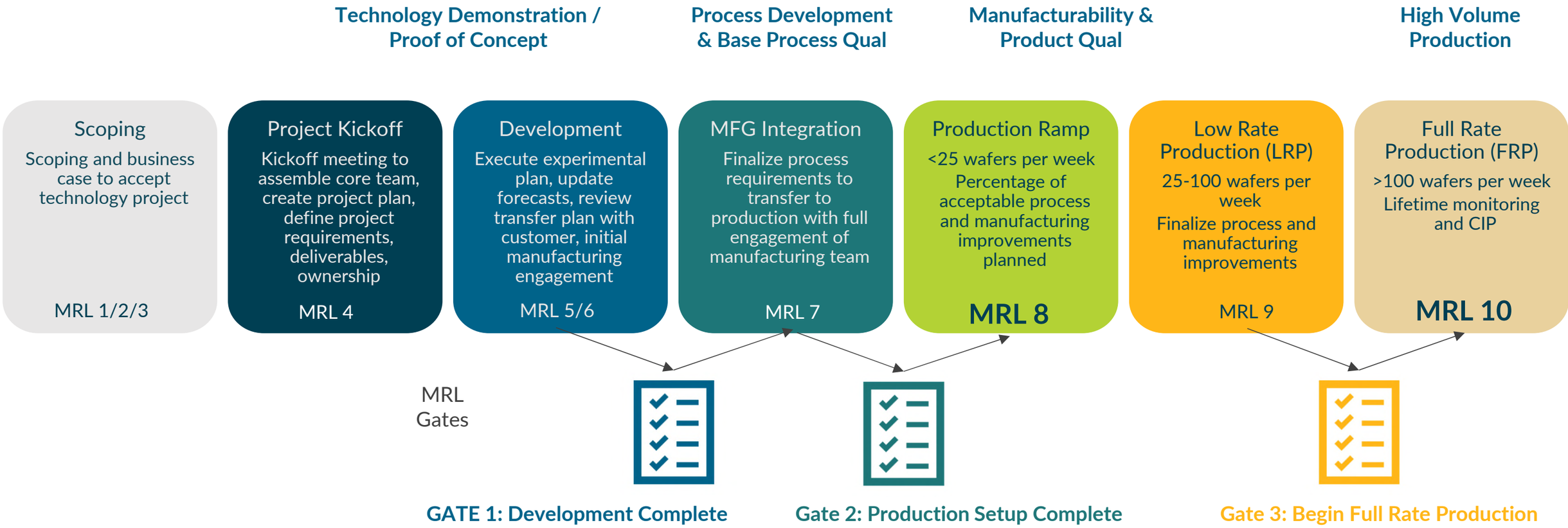
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Partnership Pathways: Prototype to Production

	Research		Commercialization
	Advanced Technology Services	**Qualification**	**Wafer Services**
Primary Activity	**R&d:** Proof of Concept Tech Demonstration Process Development	**r&D:** Maturing & Qualifying Capabilities, Process Flows, and Products for Scale	**~~r&~~d:** Volume Production
Technology Readiness & Manufacturing Readiness	TRL / MRL: 3~6	TRL / MRL: 6~8	TRL / MRL: 8~9
Operating & Business Model	• NRE • Tooling	• MPW • NRE • Tooling • Early Access Program • Flow Transfer	• 1x Setup • Per Wafer
Example Start Points	 3DSoC  90nm Rad-Hard	 MEMS  Photonics	 Mixed-Signal  Power Discrete

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MRLs and Development Phases



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Diverse Vertical Markets Served by Differentiated Platforms



Aerospace & Defense



Industrial and IoT



Bio-Health



Automotive & Transportation



Advanced Computing



Consumer

TaaS model supports disruptive trends across markets
TaaS feeds recurring revenue through differentiated engagements
Advanced Technology Services form “sticky” customer relationships

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Diverse Markets and Technologies Enable Rapid Growth

Platform	Aerospace & Defense	Advanced Computing	Automotive & Transportation	Bio-Health	Consumer	Industrial / IoT
Mixed Signal	●		●	●	●	●
Rad-Hard	●			●		
Discrete Power	●		●		●	●
Advanced Packaging	●	●	●	●	●	●
Superconducting	●	●				
3DSoCs	●	●	●	●	●	●
Silicon Photonics	●	●	●	●		
MEMS	●		●	●		●

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Technology Categories



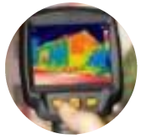
Mixed-Signal CMOS

Flexible Solutions for Commercial & Defense



Rad-Hard

Leading Strategic Rad-Hard Solutions



MEMS

Microfluidics

Microbolometers



Power Discrete

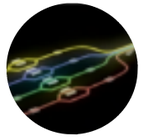
MOSFET Differentiated Flows

Support for IGBTs, TVSs



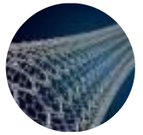
Superconducting

Foundry service provider for quantum and supercomputing applications



Photonics

Capabilities for passive photonic device integration



Carbon Nanotubes

CNT enabled 3DSoC for AI and edge computing



Advanced Packaging & Interposers

Capabilities for passive and active solutions for high performance applications

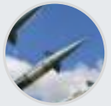
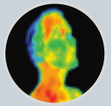
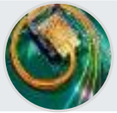
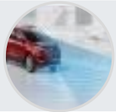
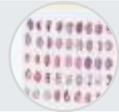
Connected Devices, Sensors and Sensor Integration

Advanced Computing & Artificial Intelligence

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Enabling the Next Wave…*SkyWater Chips in Action*

Technology Platform	Real World Application			
Mixed-Signal CMOS	 Smart Sensors & Wearables	 Edge Processing	 Power Management	 Battery Management
Rad-Hard	 Strategic Defense Systems	 Commercial & Deep Space	 Implantable Medical Devices	 Nuclear Power Generation
MEMS	 Thermal Imaging	 Bio-Diagnostics	 Genetic Sequencing	 Inertial Navigation
Power Discrete	 Power Management	 DC/DC Voltage Conversion	 AC/DC Power Conversion	 Battery Management
Superconducting	 Supercomputing	 Quantum Computing	 Quantum Sensing	 Green Datacenters
Photonics	 Datacenter Transceivers	 Optical Interconnects	 Automotive LiDAR	 Bio Diagnostic Arrays
Carbon Nanotubes	 Neuromorphic Computing	 Edge AI	 Extreme Low-Power IoT	 Strategic Defense Systems
Heterogeneous Integration	 Advanced Computing	 High Density Memories	 Imaging	 Communications

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Select Partners & Customers



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Synergistic Innovation
Open-Source Drives Exponential Growth in New Designs

efabless.com — Make it Happen

skywater — Foundry

Google — Sponsorship

Part 1 - Release Open Source PDK

Google + skywater

open source initiative Approved License

APACHE

Part 2 - Fund EDA Tooling Integration

24h

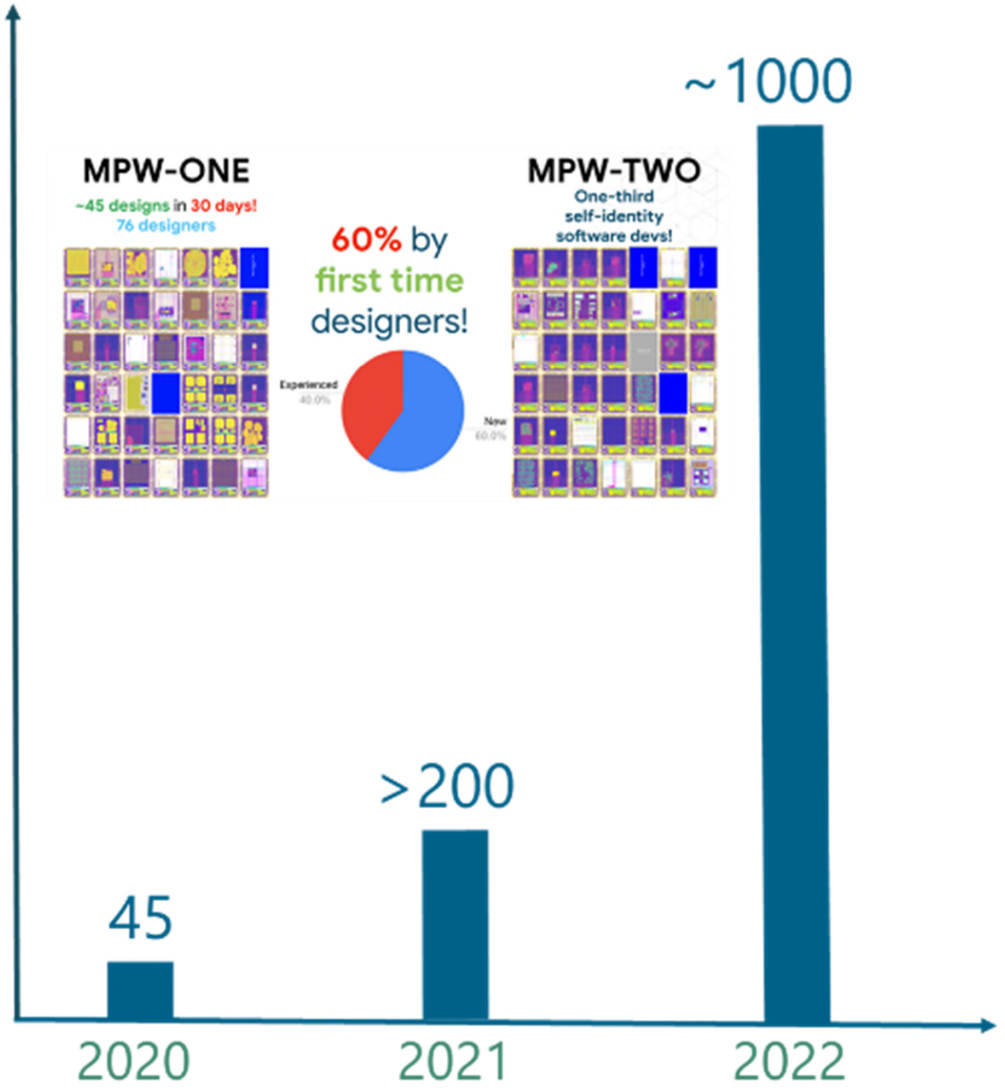
"We want to enable no-human, 24-hour design and catalyze open source EDA."

Part 3 - Run Silicon Realization Program

Open MPW Shuttle Program

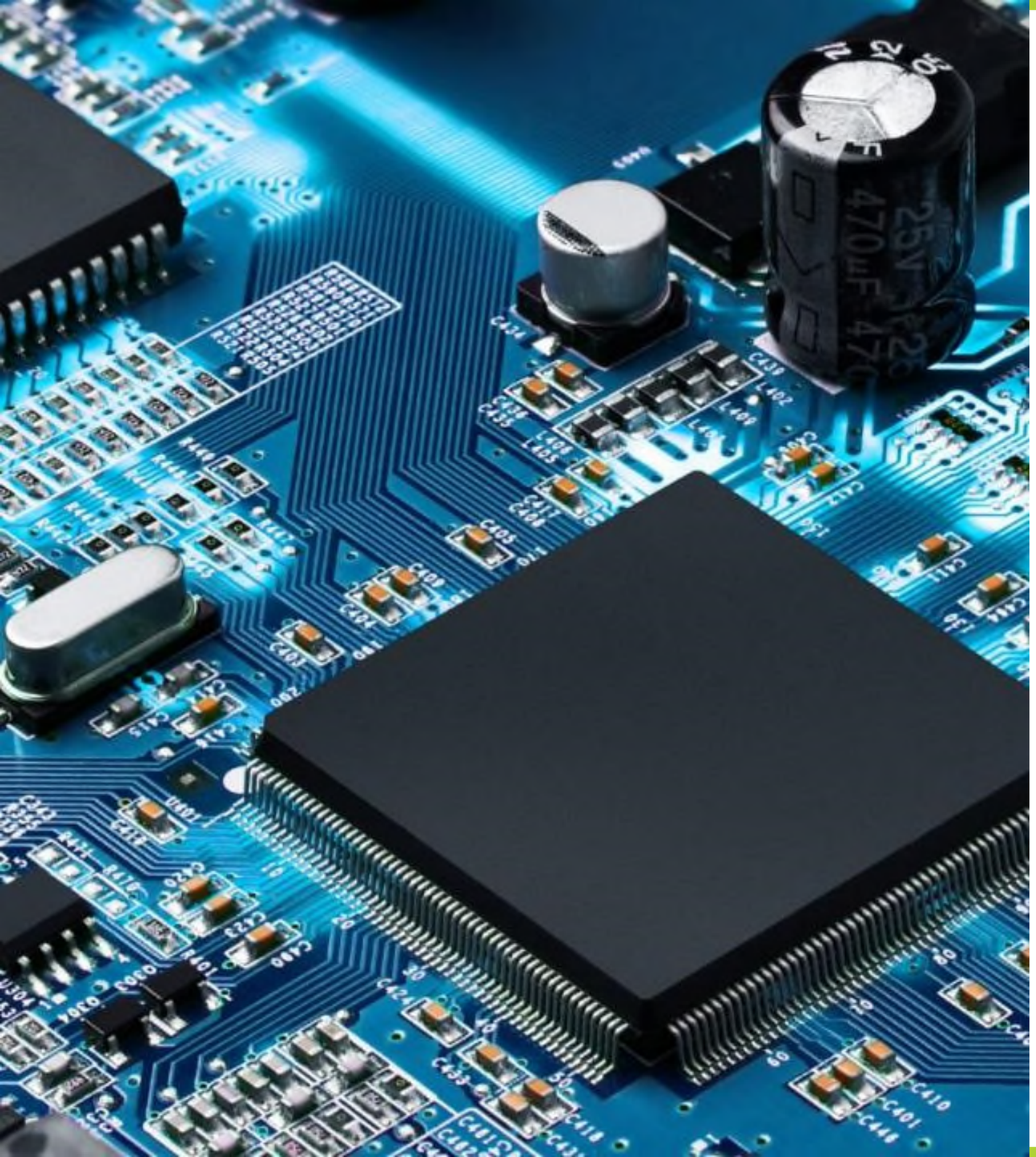
efabless

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Financial Summary

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Q2 2023 Business Highlights

- ***Record revenues exceeded expectations*** due to continued strong customer demand, the expansion of multiple key ATS programs year to date, and a $3.6 million pull-in of revenues that resulted from the restructuring of one ATS contract.
- ***Gross margin expansion continues to reflect strong flow-through*** performance on the year-on-year revenue growth.
- ***Fourth consecutive quarter of positive Adjusted EBITDA***, and third consecutive quarter of ***positive free cash flow generated by the P&L*** (excluding investments in working capital), demonstrating consistently positive cash flow generation above $65 million in quarterly revenues.
- ***Continued progress on the productization and qualification of SkyWater's 90nm RadHard platform***, in preparation for the planned production ramp in 2025.
- ***Growing engagement with multiple commercial ATS customers***, particularly in the bio-health and advanced computing end markets, each of which could contribute multiple-$M of revenue for SkyWater in 2023.
- ***Continued progress proceeding through the application process for CHIPS Act funding***, as we believe we are well-positioned to be a major beneficiary in the years to come, both at our existing sites in Minnesota and Florida, as well as our innovative and transformative partnership with Purdue University and the State of Indiana.

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Q2 2023 Financial Progress

- **Fourth Straight Quarter of Strong Execution**
  - Four quarters of sequential Revenue growth
    - Trailing-12-month Revenues of $253M grew 50% over prior 12-month period
  - Four quarters of strong Gross Margin and positive Adjusted EBITDA
    - Trailing-12-month Adjusted EBITDA of $29M or 11% of Total Revenues
- **Record Revenues of $69.8M**
  - ATS Revenue of $53.0M, up 78% compared to $29.8M in Q2'22
    - Exceeded expectations, primarily due to $3.6M pull-in of ATS Revenue due to restructured commercial customer contract
    - Tool sales were $0.9M, compared to $0.3 in Q2'22
  - Wafer Services Revenue of $16.8M, compared to $17.6M in Q2'22
- **Continued YoY Gross Margin Expansion**
  - GAAP gross margin was 23.9%, compared to 4.4% in Q2'22
    - Includes $0.3M of equity-based compensation and $0.7M of management transition expenses
  - Non-GAAP gross margin was 24.7%, compared to 5.6% in Q2'22
    - Increased revenue volume, favorable revenue mix, increased fab efficiency, cost reduction program
    - $3.6M revenue pull-in benefited Gross Margin by 400bps
- **Access to Capital**
  - $100 million Revolver with $35 million available
  - Additional funding options as a public company include Universal Shelf filed August 2022
  - Debt refinance completed at year-end 2022; an additional $9M in ATM proceeds during Q2 2023

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Q2 2023 Financial Summary

In USD millions	Q2 23	Q2 22	Y/Y	Q1 23	Q/Q
ATS Revenue	$53.0	$29.8	78%	$48.3	10%
Wafer Services Revenue	$16.8	$17.6	(4)%	$17.8	(6)%
Total Revenue	$69.8	$47.4	47%	$66.1	6%
Non-GAAP Gross Profit	$17.0	$2.6	548%	$16.9	1%
Non-GAAP Gross Margin	24.7%	5.6%	1,910 bps	25.8%	(110) bps
Non-GAAP Operating Income (Loss)	$(1.4)	$(8.9)	(84)%	$0.7	(297)%
Adjusted EBITDA	$6.5	$(1.6)	nm	$8.1	(20)%
Adjusted EBITDA margin	9.3%	(3.4)%	1,270 bps	12.3%	(300) bps
Free Cash Flow [1]	$3.2	$(3.7)	nm	$2.6	26%

nm - not meaningful

Revenue

- Strong progress toward our long-term annual growth targets
- Total revenue +47% YoY and +6% QoQ
  - ATS growth of 78% YoY reflects $3.6M pull-in of revenue due to restructured contract, as well as increased momentum and expanded scope of multiple strategic programs
  - Wafer Services revenue decreased (4)% YoY

Gross Margin

- Non-GAAP Gross Margin improved to 24.7%, from 5.6% last year
- Performance indicative of strong >50% flow-through
  - Exceeded expectations in Q2'23 due to $3.6M revenue pull-in with no associated costs (400bps benefit)
  - GM expectations at mid-$60s revenue run rate of high-teens low-20s

Adjusted EBITDA

- $6.5M or 9.3% of revenue; Strong YoY improvement due primarily to GM expansion
  - QoQ decline reflects $3.8M of consulting fees and $1.4M of incremental bad debt accrual (not expected to repeat)
  - These additional costs were partially offset by revenue pull-in, with a combined net negative impact on Adjusted EBITDA margin of 200bps

FCF Positive at Mid-$60s Quarterly Revenue Run Rate

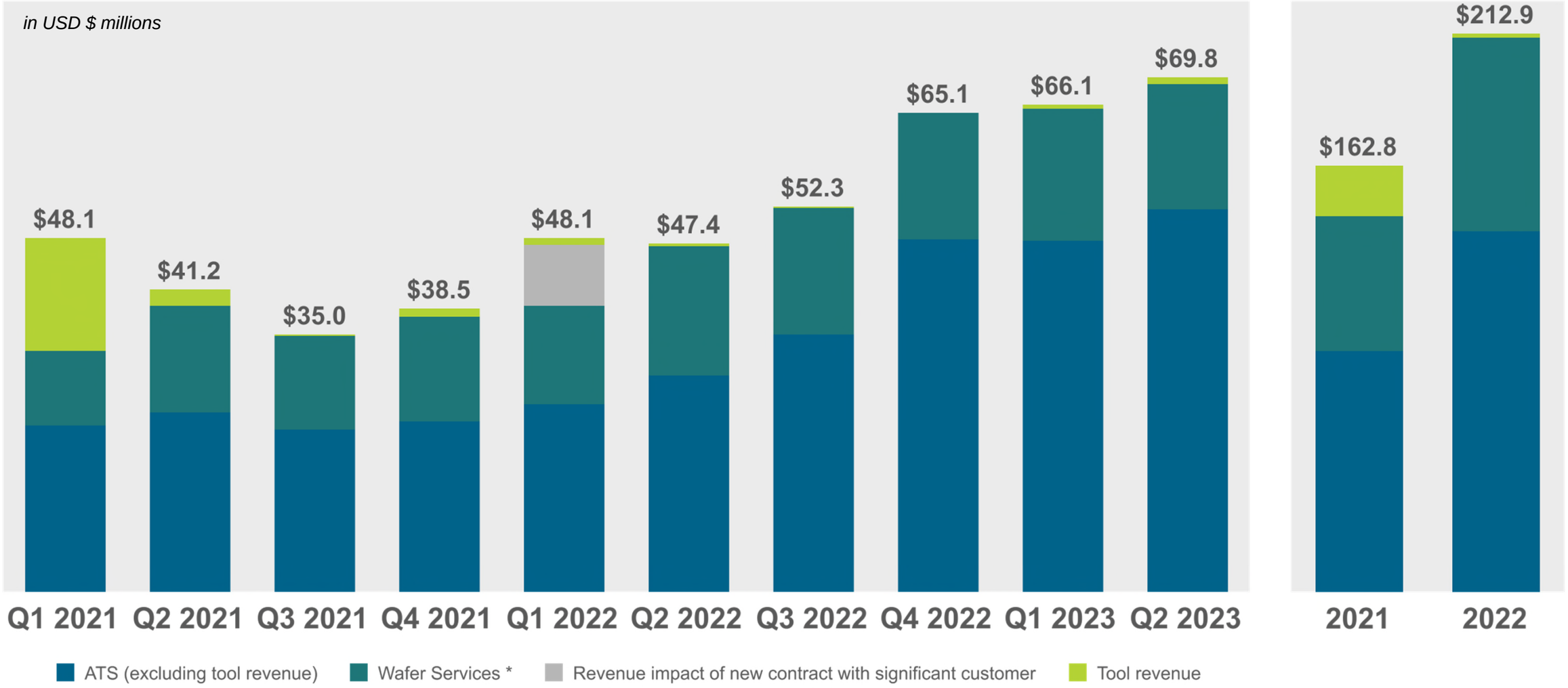
- Currently generating positive free cash flow from the P&L, excluding changes in working capital

[1] *Excludes changes in working capital. Calculated FCF equivalent equal to Adjusted EBITDA less Interest Expense ($2.95M, $1.04M, and $2.47M for Q2'23, Q2'22, and Q1'23, respectively) and CapEx ($0.27M, $1.05M, and $3.06M for Q2'23, Q2'22, and Q1'23, respectively). Q2'23 FCF equivalent also reflects $3.8 million of cash third-party consulting fees. Currently reporting nominal cash income tax expense.*

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Four Quarters of Sequential Growth = TTM Revenues of $253M

50% Growth Over Prior 12-Month Period



* Q1 2022 wafer services amount excludes impact of new contract with significant customer

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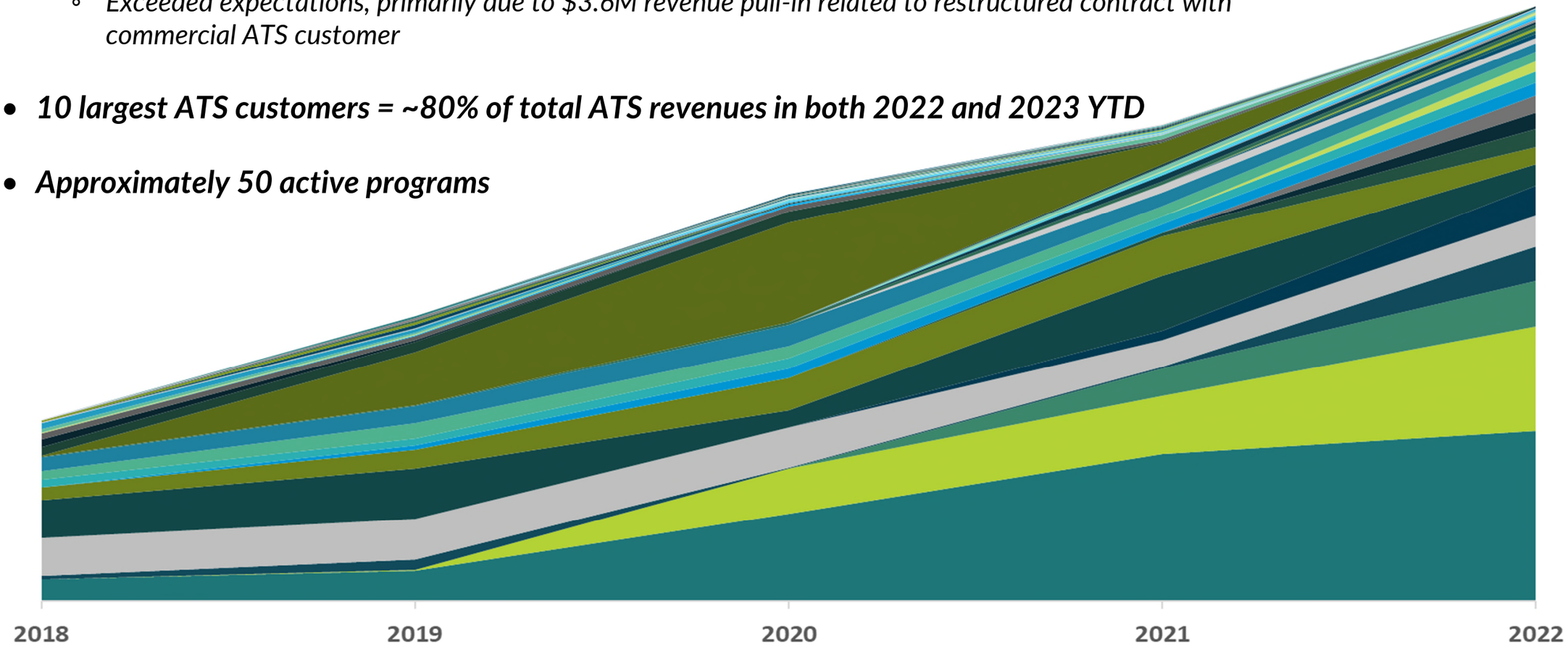
ATS Revenue by Customer

(each color band is a distinct customer)

- ***ATS revenue totaled a record $53.0M in Q2 2023***
  - *78% growth from Q2 2022*
  - *Exceeded expectations, primarily due to $3.6M revenue pull-in related to restructured contract with commercial ATS customer*

- ***10 largest ATS customers = ~80% of total ATS revenues in both 2022 and 2023 YTD***

- ***Approximately 50 active programs***

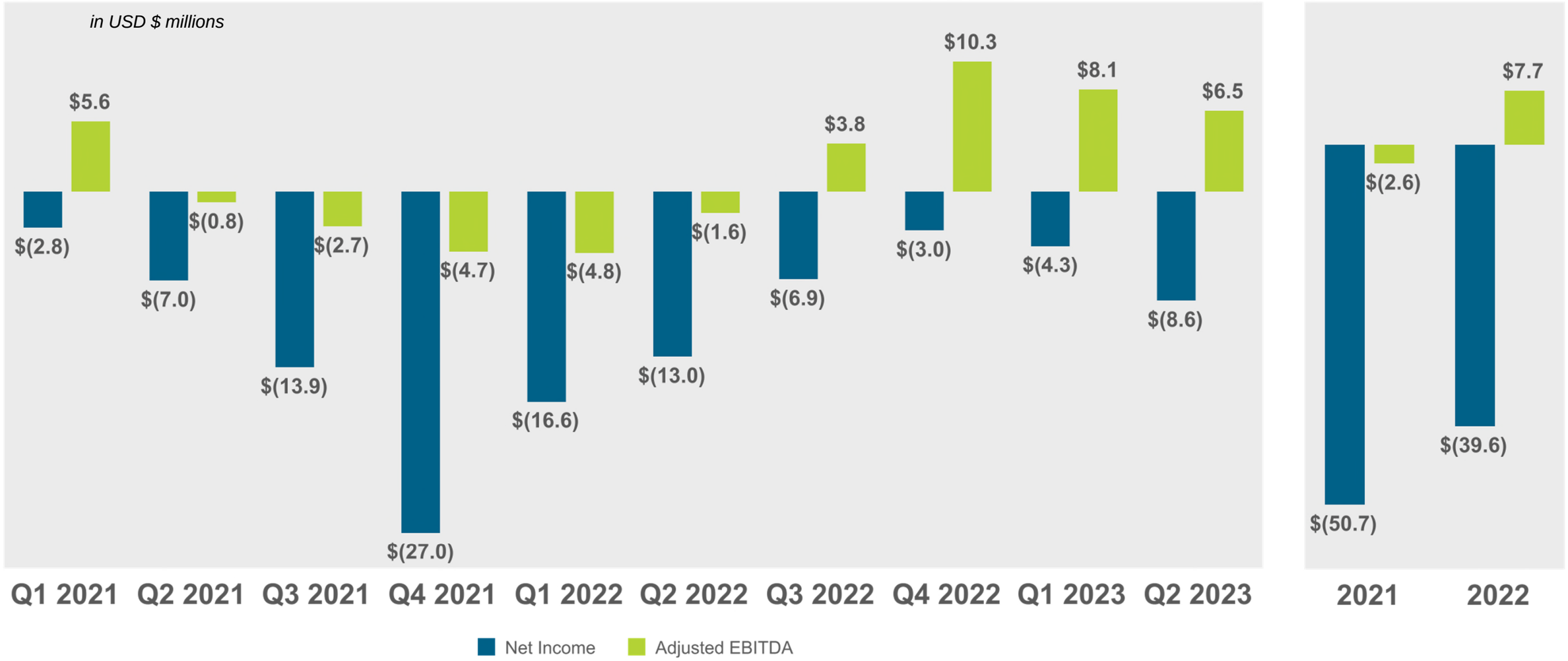


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Improving Profitability and Cash Flow Metrics

TTM Adjusted EBITDA of $29M, 11% of Total Revenues



* Q4 2022 Net Income and Adjusted EBITDA included $4.7M revenue event with no associated costs. Q2 2023 Net Income and Adjusted EBITDA included $3.6M revenue event with no associated costs.

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2023 Business Outlook

- We believe our ***ATS growth this year will be relatively decoupled from macro weakness in the semiconductor industry***.
  - Our ***DoD and U.S. Government programs*** are established, funding is secured, and the scope and scale of these programs ***has only increased*** year to date.
  - On RadHard – which is a key driver of growth this year – we continue to make ***progress on the productization and qualification of SkyWater's 90nm RadHard platform*** to prepare for the planned production ramp in 2025.
  - Our TaaS business model continues to attract innovators with long-tail applications addressing large TAM opportunities. In the commercial space, ***customer R&D investments continue*** through this period of overall industry tightening.
    - In bio-health, we have several customers that could each contribute $M's to our revenue growth in 2023, in the areas of rapid diagnostics, genetic sequencing, and health wearable devices.
    - We are seeing increased interest and funding for advanced computing technologies, such as those incorporating superconducting films, silicon photonics, and quantum bits (or qbits), which are the building blocks for the future of Artificial Intelligence or AI-enabled systems. Some of these advanced computing programs could ***exceed*** multiple $M's in revenue for us this year.
- ***We also expect to achieve continued efficiency gains as a result of more automation and modernization.***
  - This includes the installation of a variety of new capabilities and tools we are bringing online that will improve our capabilities, productivity, and yields going forward
  - We have also enlisted the support from third party resources to help drive efficiency gains and help craft our operational execution to further optimize our TaaS business model.
  - By selectively applying industry best practices, we expect to build the operational foundation that will drive future revenue growth and margin expansion.
- All of this provides us with increased clarity and confidence that our ***long-term annual revenue growth objective of 25% is achievable in 2023.***

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Multiple Drivers of Future Revenue and Margin Growth



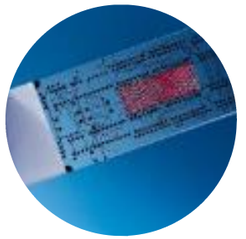
Extreme Environment Microelectronics

Execute on 90 nm FDSOI technology commercialization for rad-hard and high temperature applications



Advanced Packaging

Execute existing programs; fill pipeline with ATS opportunities; drive customers into Wafer Service production projects



Point of Care Diagnostics & Genetic Sequencing

Increase penetration with TaaS model in high-value markets that require custom integration services



High Performance Power Management & IoT

Enable leading-edge power management and custom connectivity solutions across markets

EXTEND A&D CORE MARKETS

into high-growth, high-margin commercial markets through strategic customer partnerships

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Investment Highlights

01 High-Margin ATS Combined with Wafers Services Creates a Scalable Business Model

02 Uniquely Positioned to Serve Megatrends:
Artificial Intelligence, Electrification, Medical Implants, Rapid Disease Screening, 5G/6G Communications, Commercialization of Space

03 Seasoned Management Team with Decades of Industry Experience

04 Large, High-Growth Target Markets with Expected Long-Term Secular Tailwinds

05 Multiple Levers to Drive Continued Growth:
Disruptive Technologies, Customer Driven Technology Development, Sticky Technology Partnerships, Differentiated High Margin Volume Manufacturing

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GAAP to Non-GAAP Reconciliation

We provide supplemental non-GAAP financial information that our management utilizes to evaluate our ongoing financial performance and provide additional insight to investors as supplemental information to our U.S. GAAP results. We provide non-GAAP gross profit, non-GAAP gross margin, non-GAAP net loss to shareholders, and non-GAAP net loss per share. We provide these non-GAAP financial measures because we believe this non-GAAP presentation provides a baseline for analyzing trends in our business and to exclude certain items that may not be indicative of our core operating results. The non-GAAP financial measures disclosed in this earnings press release should not be viewed as an alternative to, or more meaningful than, the reported results prepared in accordance with GAAP. In addition, because our non-GAAP measures are not determined in accordance with U.S. GAAP, these measures are susceptible to differing calculations, and not all comparable or peer companies may calculate their non-GAAP measures in the same manner. As a result, the non-GAAP financial measures presented in this earnings press release may not be directly comparable to similarly titled measures presented by other companies.

We also provide adjusted earnings before interest, income taxes, depreciation and amortization (EBITDA) and adjusted EBITDA margin as supplemental non-GAAP measurements. We define adjusted EBITDA as net income (loss) before interest expense, income tax provision (benefit), depreciation and amortization, equity-based compensation and certain other items that we do not view as indicative of our ongoing performance, including SkyWater Florida start-up costs, management transition expense, and net income attributable to non-controlling interests. We believe adjusted EBITDA is a useful performance measure because it allows for an effective evaluation of our operating performance when compared to our peers, without regard to our financing methods or capital structure. We exclude the items from net income or loss in arriving at adjusted EBITDA because the amounts of these items can vary substantially within our industry depending upon accounting methods, book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income determined in accordance with GAAP. Certain items excluded from adjusted EBITDA are significant components in understanding and assessing financial performance, including, but not limited to, the cost of capital, income taxes, and the historic cost bases of long-lived assets, none of which are reflected in adjusted EBITDA. Our presentation of adjusted EBITDA should not be construed as an indication that our results will be unaffected by the items excluded from adjusted EBITDA. In future fiscal periods, we may exclude such items and may incur income and expenses similar to these excluded items. Accordingly, the exclusion of these items and other similar items in our non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent or unusual, unless otherwise expressly indicated.

The following tables present a reconciliation of the most directly comparable financial measures, calculated and presented in accordance with U.S. GAAP, to our non-GAAP financial measures.

GAAP to Non-GAAP Reconciliation

	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1 2023	Q2 2023
Total revenue	**$ 48,101**	**$ 41,189**	**$ 35,025**	**$ 38,533**	**$162,848**	**$ 48,121**	**$ 47,407**	**$52,326**	**$65,087**	**$212,941**	**$66,094**	**$69,811**
Tool revenue	(15,405)	(2,346)	(281)	(1,128)	**(19,160)**	(984)	(313)	(219)	(30)	**(1,546)**	(536)	(936)
Revenue net of tool sales	**$ 32,696**	**$ 38,843**	**$ 34,744**	**$ 37,405**	**$143,688**	**$ 47,137**	**$ 47,094**	**$ 52,107**	**$ 65,057**	**$211,395**	**$ 65,558**	**$ 68,875**
GAAP cost of revenue	**$ 38,935**	**$ 39,377**	**$ 36,852**	**$ 55,156**	**$170,320**	**$ 49,061**	**$ 45,327**	**$ 44,049**	**$ 48,536**	**$186,973**	**$ 49,626**	**$ 53,144**
Cost of tool revenue	(9,873)	(1,223)	(281)	(701)	**(12,078)**	(984)	(200)	(152)	(46)	**(1,382)**	(484)	(290)
Equity-based compensation	(118)	(827)	(967)	(1,130)	**(3,042)**	(1,125)	(546)	(456)	(452)	**(2,579)**	(513)	(291)
Management transition expense	—	—	—	—	**—**	—	—	—	—	**—**	—	(705)
SkyWater Florida start-up costs	—	(318)	(374)	(187)	**(879)**	(341)	(113)	(114)	(14)	**(582)**	—	—
Inventory write-down	—	—	—	(13,442)	**(13,442)**	—	—	—	—	**—**	—	—
Non-GAAP cost of revenue	**$ 28,944**	**$ 37,009**	**$ 35,230**	**$ 39,696**	**$140,879**	**$ 46,611**	**$ 44,468**	**$ 43,327**	**$ 48,024**	**$182,430**	**$ 48,629**	**$ 51,858**
GAAP gross profit (loss)	**$ 9,166**	**$ 1,812**	**$ (1,827)**	**$(16,623)**	**$ (7,472)**	**$ (940)**	**$ 2,080**	**$ 8,277**	**$ 16,551**	**$ 25,968**	**$ 16,468**	**$ 16,667**
GAAP gross margin	***19.1 %***	***4.4 %***	***(5.2)%***	***(43.1)%***	***(4.6)%***	***(2.0)%***	***4.4 %***	***15.8 %***	***25.4 %***	***12.2 %***	***24.9 %***	***23.9 %***
Tool revenue	(15,405)	(2,346)	(281)	(1,128)	**(19,160)**	(984)	(313)	(219)	(30)	**(1,546)**	(536)	(936)
Cost of tool revenue	9,873	1,223	281	701	**12,078**	984	200	152	46	**1,382**	484	290
Equity-based compensation	118	827	967	1,130	**3,042**	1,125	546	456	452	**2,579**	513	291
Management transition expense	—	—	—	—	**—**	—	—	—	—	**—**	—	705
SkyWater Florida start-up costs	—	318	374	187	**879**	341	113	114	14	**582**	—	—
Inventory write-down	—	—	—	13,442	**13,442**	—	—	—	—	**—**	—	—
Non-GAAP gross profit (loss)	**$ 3,752**	**$ 1,834**	**$ (486)**	**$ (2,291)**	**$ 2,809**	**$ 526**	**$ 2,626**	**$ 8,780**	**$ 17,033**	**$ 28,965**	**$ 16,929**	**$ 17,017**
Non-GAAP gross margin	***11.5 %***	***4.7 %***	***(1.4)%***	***(6.1)%***	***2.0 %***	***1.1 %***	***5.6 %***	***16.8 %***	***26.2 %***	***13.7 %***	***25.8 %***	***24.7 %***
GAAP research and development	**$ 1,927**	**$ 3,339**	**$ 2,253**	**$ 1,228**	**$ 8,747**	**$ 2,282**	**$ 2,361**	**$ 2,580**	**$ 2,208**	**$ 9,431**	**$ 2,668**	**$ 2,396**
Equity-based compensation	(9)	(1,487)	(341)	$ 655	**(1,182)**	(225)	(128)	(115)	(126)	**(594)**	(162)	(217)
Non-GAAP research and development	**$ 1,918**	**$ 1,852**	**$ 1,912**	**$ 1,883**	**$ 7,565**	**$ 2,057**	**$ 2,233**	**$ 2,465**	**$ 2,082**	**$ 8,837**	**$ 2,506**	**$ 2,179**
GAAP selling, general and administrative expenses	**$ 8,603**	**$ 15,415**	**$ 9,626**	**$ 9,951**	**$ 43,595**	**$ 11,690**	**$ 10,795**	**$ 10,778**	**$ 13,040**	**$ 46,303**	**$ 14,895**	**$ 17,820**
Equity-based compensation	(108)	(4,454)	(2,086)	$ (1,655)	**(8,303)**	(1,866)	(1,444)	(1,128)	(995)	**(5,433)**	(1,178)	(1,459)
Management transition expense	—	(435)	—		**(435)**	—	—	—	—	**—**	—	(130)
SkyWater Florida start-up costs	—	(186)	(60)	$ (22)	**(268)**	(61)	(45)	—	2	**(104)**	—	—
Management fees	(276)	(56)	—	—	**(332)**	—	—	—	—	**—**	—	—
Non-GAAP selling, general and administrative expenses	**$ 8,219**	**$ 10,284**	**$ 7,480**	**$ 8,274**	**$ 34,257**	**$ 9,763**	**$ 9,306**	**$ 9,650**	**$ 12,047**	**$ 40,766**	**$ 13,717**	**$ 16,231**

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GAAP to Non-GAAP Reconciliation

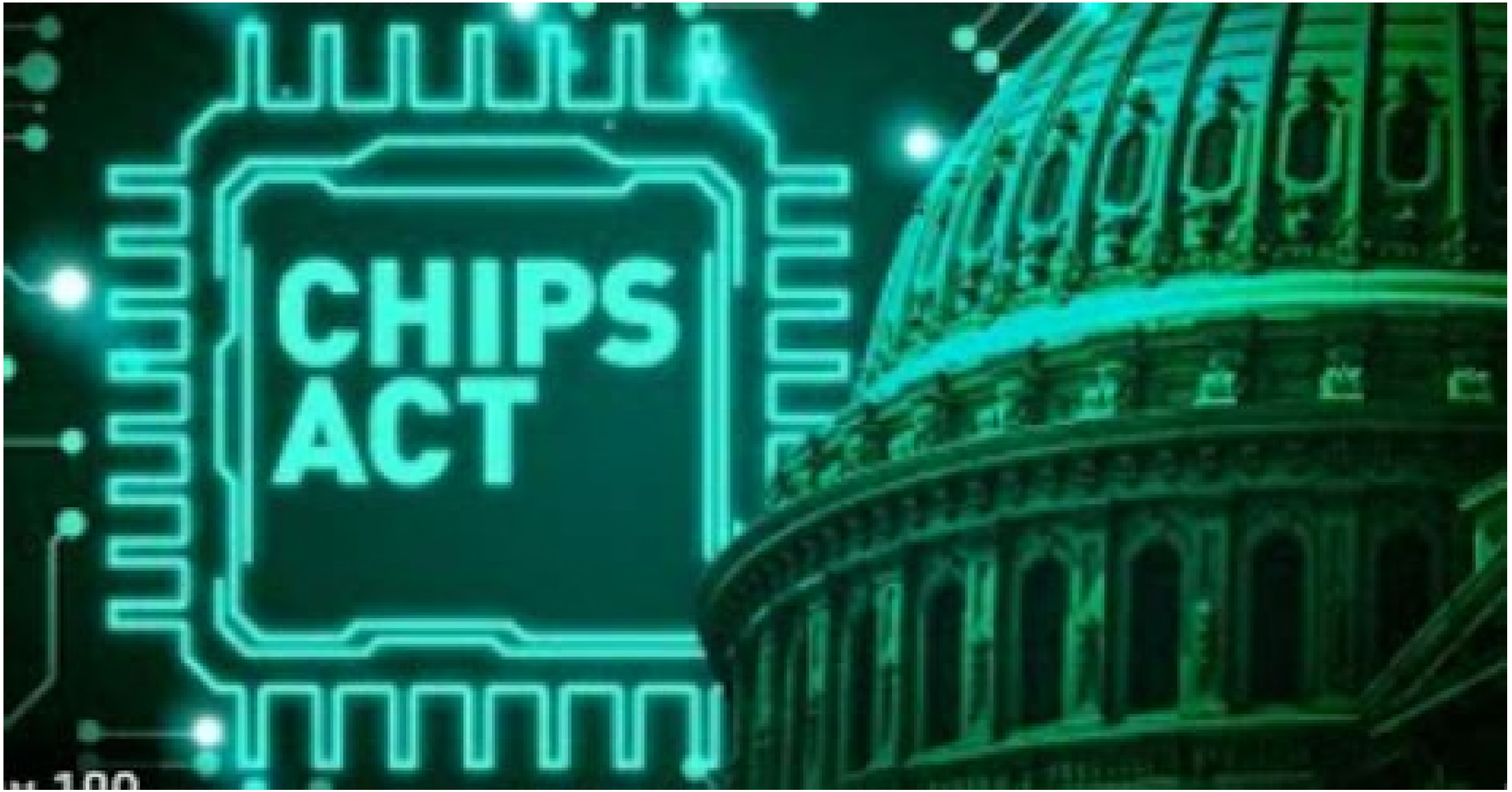
	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1 2023	Q2 2023
GAAP net loss to shareholders	**$ (2,811)**	**$ (6,979)**	**$ (13,870)**	**$ (27,036)**	**$ (50,696)**	**$ (16,606)**	**$ (13,005)**	**$ (6,939)**	**$ (3,041)**	**$ (39,593)**	**$ (4,273)**	**$ (8,590)**
Tool revenue	(15,405)	(2,346)	(281)	(1,128)	**(19,159)**	(984)	(313)	(219)	(30)	**(1,546)**	(536)	(936)
Cost of tool revenue	9,873	1,223	281	701	**12,078**	984	200	152	46	**1,382**	484	290
Equity-based compensation	235	6,768	3,394	2,130	**12,527**	3,216	2,118	1,699	1,573	**8,606**	1,853	1,967
Management transition expense	—	435	—	—	**435**	—	—	—	—	**—**	—	835
SkyWater Florida start-up costs	—	504	434	209	**1,147**	402	158	114	12	**686**	—	—
Fair value changes in contingent consideration	56	(942)	(1,670)	(154)	**(2,710)**	—	—	—	—	**—**	—	—
Corporate conversion and initial public offering related costs	—	1,521	208	205	**1,934**	—	—	—	—	**—**	—	—
Inventory write-down	—	—	—	13,442	**13,442**	—	—	—	—	**—**	—	—
Management fees	276	56	—	—	**332**	—	—	—	—	**—**	—	—
Paycheck Protection Program loan forgiveness	—	(6,453)	—	—	**(6,453)**	—	—	—	—	**—**	—	—
Non-GAAP net loss to shareholders	**$ (7,776)**	**$ (6,213)**	**$ (11,504)**	**$ (11,631)**	**$ (37,123)**	**$ (12,988)**	**$ (10,842)**	**$ (5,193)**	**$ (1,440)**	**$ (30,465)**	**$ (2,472)**	**$ (6,434)**
Equity-based compensation allocation in the consolidated statements of operations:												
Cost of revenue	$ 118	$ 827	$ 967	$ 1,130	**$ 3,042**	$ 1,125	$ 546	$ 456	$ 452	**$ 2,578**	$ 513	$ 291
Research and development	9	1,487	341	(655)	**1,182**	225	128	115	126	**596**	162	217
Selling, general and administrative expenses	108	4,454	2,086	1,655	**8,303**	1,866	1,444	1,128	995	**5,432**	1,178	1,459
	$ 235	**$ 6,768**	**$ 3,394**	**$ 2,130**	**$ 12,527**	**$ 3,216**	**$ 2,118**	**$ 1,699**	**$ 1,573**	**$ 8,606**	**$ 1,853**	**$ 1,967**
SkyWater Florida start-up costs allocation in the consolidated statements of operations:												
Cost of revenue	$ —	$ 318	$ 374	$ 187	**$ 879**	$ 341	$ 113	$ 114	$ 14	**$ 582**	$ —	$ —
Selling, general and administrative expenses	—	186	60	$ 22	**268**	61	45	—	(2)	**104**	—	—
	$ —	**$ 504**	**$ 434**	**$ 209**	**$ 1,147**	**$ 402**	**$ 158**	**$ 114**	**$ 12**	**$ 686**	**$ —**	**$ —**
Management transition expense allocation in the consolidated statements of operations:												
Cost of revenue	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 705
Selling, general and administrative expenses	—	435	—	—	435	—	—	—	—	—	—	130
	$ —	**$ 435**	**$ —**	**$ —**	**$ 435**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 835**

GAAP to Non-GAAP Reconciliation

	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1 2023	Q2 2023
Net loss to shareholders	**$ (2,811)**	**$ (6,979)**	**$ (13,870)**	**$ (27,036)**	**$ (50,696)**	**$ (16,606)**	**$ (13,005)**	**$ (6,939)**	**$ (3,041)**	**$ (39,593)**	**$ (4,273)**	**$ (8,590)**
Interest expense	1,058	912	733	839	**3,542**	1,029	1,040	1,331	2,895	**6,295**	**2,471**	2,950
Income tax expense (benefit)	(425)	(4,237)	194	(2,322)	**(6,790)**	(194)	63	87	852	**809**	**—**	25
Depreciation and amortization	6,482	6,854	6,964	7,068	**27,368**	6,458	7,198	7,083	7,451	**28,192**	**7,352**	7,207
EBITDA	**4,304**	**(3,450)**	**(5,979)**	**$ (21,451)**	**$ (26,576)**	**(9,313)**	**(4,704)**	**1,562**	**8,157**	**(4,297)**	**5,550**	**1,592**
Equity-based compensation	235	6,768	3,394	2,130	**12,527**	3,216	2,118	1,699	1,573	**8,606**	**1,853**	1,967
Net income attributable to noncontrolling interests	758	757	907	871	**3,293**	859	826	440	597	**2,722**	**707**	2,066
Management transition expense	—	435	—	—	**435**	—	—	—	—	**—**	**—**	835
SkyWater Florida start-up costs	—	504	434	209	**1,147**	402	158	114	12	**686**	**—**	—
Fair value changes in contingent consideration	56	(942)	(1,670)	(154)	**(2,710)**	—	—	—	—	**—**	**—**	—
Corporate conversion and initial public offering related costs	—	1,521	208	205	**1,934**	—	—	—	—	**—**	**—**	—
Inventory write-down	—	—	—	13,442	**13,442**	—	—	—	—	**—**	**—**	—
Paycheck Protection Program loan forgiveness	—	(6,453)	—	—	**(6,453)**	—	—	—	—	**—**	**—**	—
Management fees	276	56	—	—	**332**	—	—	—	—	**—**	**—**	—
Adjusted EBITDA	**$ 5,629**	**$ (804)**	**$ (2,706)**	**$ (4,748)**	**$ (2,629)**	**$ (4,836)**	**$ (1,602)**	**$ 3,815**	**$ 10,339**	**$ 7,717**	**$ 8,110**	**$ 6,460**

GAAP to Non-GAAP Reconciliation

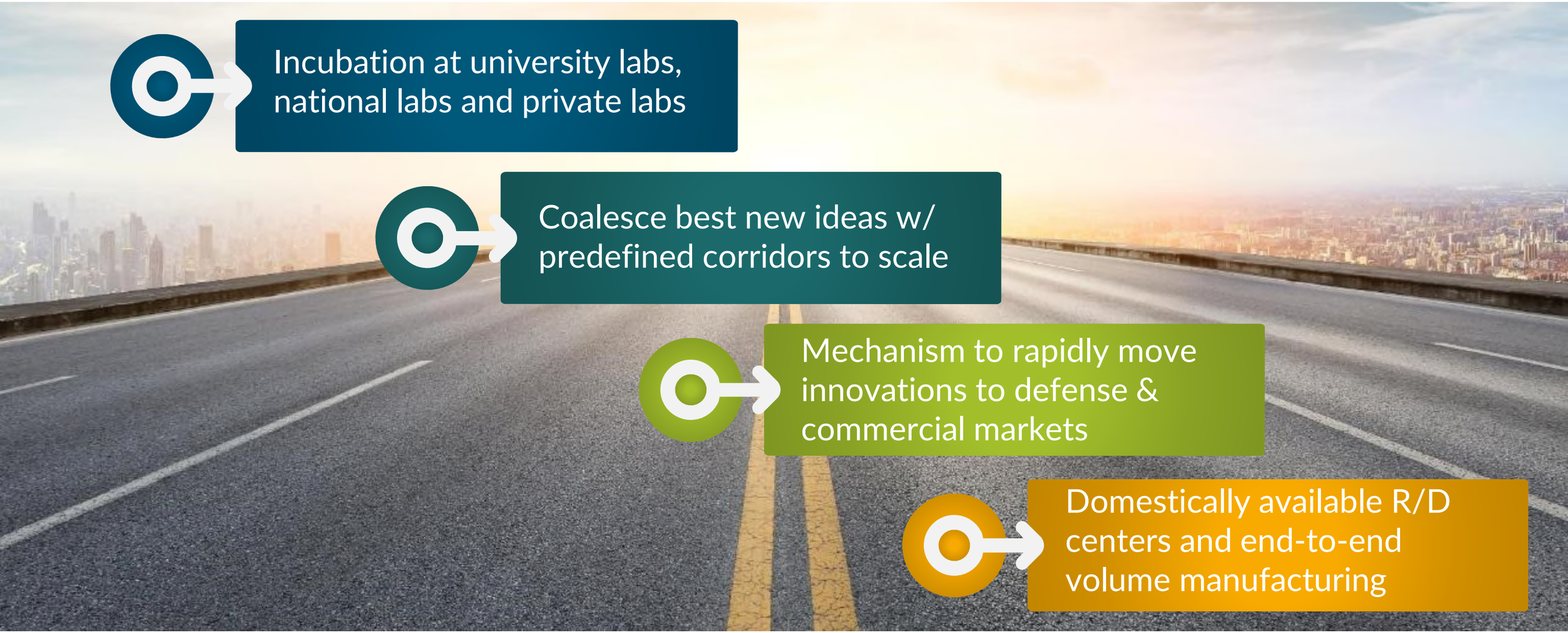
	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022	Q1 2023	Q2 2023
GAAP EPS												
Numerator:												
Net loss attributable to SkyWater Technology, Inc.	**$ (2,811)**	**$ (6,979)**	**$ (13,870)**	**$ (27,036)**	**$ (50,696)**	**$ (16,606)**	**$ (13,005)**	**$ (6,939)**	**$ (3,041)**	**$ (39,593)**	**$ (4,273)**	**$ (8,590)**
Undistributed preferred return to Class B preferred unitholders	(359)	(39)	—	—	**(398)**	—	—	—	—	**—**	—	—
Net loss attributable to common shareholders	$ (3,170)	$ (7,018)	$ (13,870)	$ (27,036)	**$ (51,094)**	$ (16,606)	$ (13,005)	$ (6,939)	$ (3,041)	**$ (39,593)**	$ (4,273)	$ (4,273)
Denominator:												
Weighted-average common shares outstanding, basic and diluted	3,060	34,708	39,060	39,325	**29,038**	39,862	40,203	40,669	42,613	**40,835**	43,817	44,743
Net loss per common share, basic and diluted	$ (1.04)	$ (0.20)	$ (0.36)	$ (0.69)	**$ (1.76)**	$ (0.42)	$ (0.32)	$ (0.17)	$ (0.07)	**$ (0.97)**	$ (0.10)	$ (0.19)
Non-GAAP EPS												
Numerator:												
Net loss attributable to SkyWater Technology, Inc.	$ (7,776)	$ (6,213)	$ (11,504)	$ (11,631)	**$ (37,123)**	$ (12,988)	$ (10,842)	$ (5,193)	$ (1,440)	**$ (30,465)**	$ (2,472)	$ (6,434)
Undistributed preferred return to Class B preferred unitholders	(359)	(39)	—	—	**(398)**	—	—	—	—	**—**	—	—
Net loss attributable to common shareholders	$ (8,135)	$ (6,252)	$ (11,504)	$ (11,631)	**$ (37,521)**	$ (12,988)	$ (10,842)	$ (5,193)	$ (1,440)	**$ (30,465)**	$ (2,472)	$ (2,472)
Denominator:												
Weighted-average common shares outstanding, basic and diluted	3,060	34,708	39,060	39,325	**29,038**	39,862	40,203	40,669	42,613	**40,835**	43,817	44,743
Net loss per common share, basic and diluted	$ (2.66)	$ (0.18)	$ (0.29)	$ (0.30)	**$ (1.29)**	$ (0.33)	$ (0.27)	$ (0.13)	$ (0.03)	**$ (0.75)**	$ (0.06)	$ (0.14)



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National Semiconductor Technology Centers to Drive Synergistic Innovation with Path to Secure Manufacturing



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CHIPS & Science Act of 2022 – Potential SkyWater Targets

CHIPS Funding Source	Amount	SkyWater Target Vision Budgets are notional totals
Grant program for building and expanding semiconductor manufacturing	$39B	• IN: $1.8B for new 300mm frontend fab construction & tools • FL: Fab expansion/tools for AP (Deca, GaN, Interposer) • MN: Sort floor conversion, tools to double output • MN: 200mm fab expansion
NIST R&D Program: $5B Advanced Packaging Manufacturing Program (APMP) + $6B National Semiconductor Technology Center	$11B	• IN: NSTC Hub site as part of ASIC network • MN: NSTC Hub site as part of ASIC • FL: APMP Hub in partnership with BRIDG
DoD funding for Commons (R&D network) and other DoD priorities	$2B	• IN (Westgate): create a secure packaging site • MN/FL/IN: spokes in the Commons network • MN: microbolometer high volume manufacturing (Army night vision)
Investment Tax Credit for equipment delivered after 1Jan23 thru 2026	25% $24B	All sites would benefit to the extent the ITC applies and is refundable
Semiconductor Research and Workforce Development	$200B	• IN: partner with Purdue/Birck, provide services • MN: get UMN to create semi degree program, partner with Nanocenter • FL: get UCF to create semi degree program, also Valencia College

Industry cost share guidance will come from Dept of Commerce rulemaking process - not defined yet
Mitigate SW $$ industry partner network – solicit funding and purchase commits to drive tool/tech selections

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Potential Technology Evolution by Site

SkyWater Site	Technology Platforms Today	Technology Platforms Future
Minnesota	90nm, 130nm CMOS MEMS, Superconducting, SiPho	Innovation Hub 45nm, 90nm, 130nm CMOS MEMS, Superconducting, SiPho GaN and SiC
Florida	200mm Hybrid Integration	Innovation Hub 300mm Hybrid Integration Panel-level Hybrid Integration
Indiana	N/A	Innovation Hub 300 mm wafers, scaled to 20nm technology FDSOI CMOS down to 20nm CMOS, BCD and Power Technology SiPho/MEMS

With additional investment, SkyWater sites could specialize and evolve to become Innovation Hubs that include onsite, cleanroom presence from fab tool vendors to accelerate technology transfer

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