

SkyWater Technology

(Nasdaq: SKYT)

25th Annual Needham Growth Conference

Investor Presentation

January 10, 2023

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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 impact of the COVID-19 pandemic on our business, results of operations and financial condition and our customers, suppliers and workforce; the impact of the COVID-19 pandemic on the global economy; 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; and other factors discussed in Item 1A. "Risk Factors" for our Annual Report on Form 10-K for the year ended January 2, 2022 filed with the SEC on March 10, 2022 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.

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

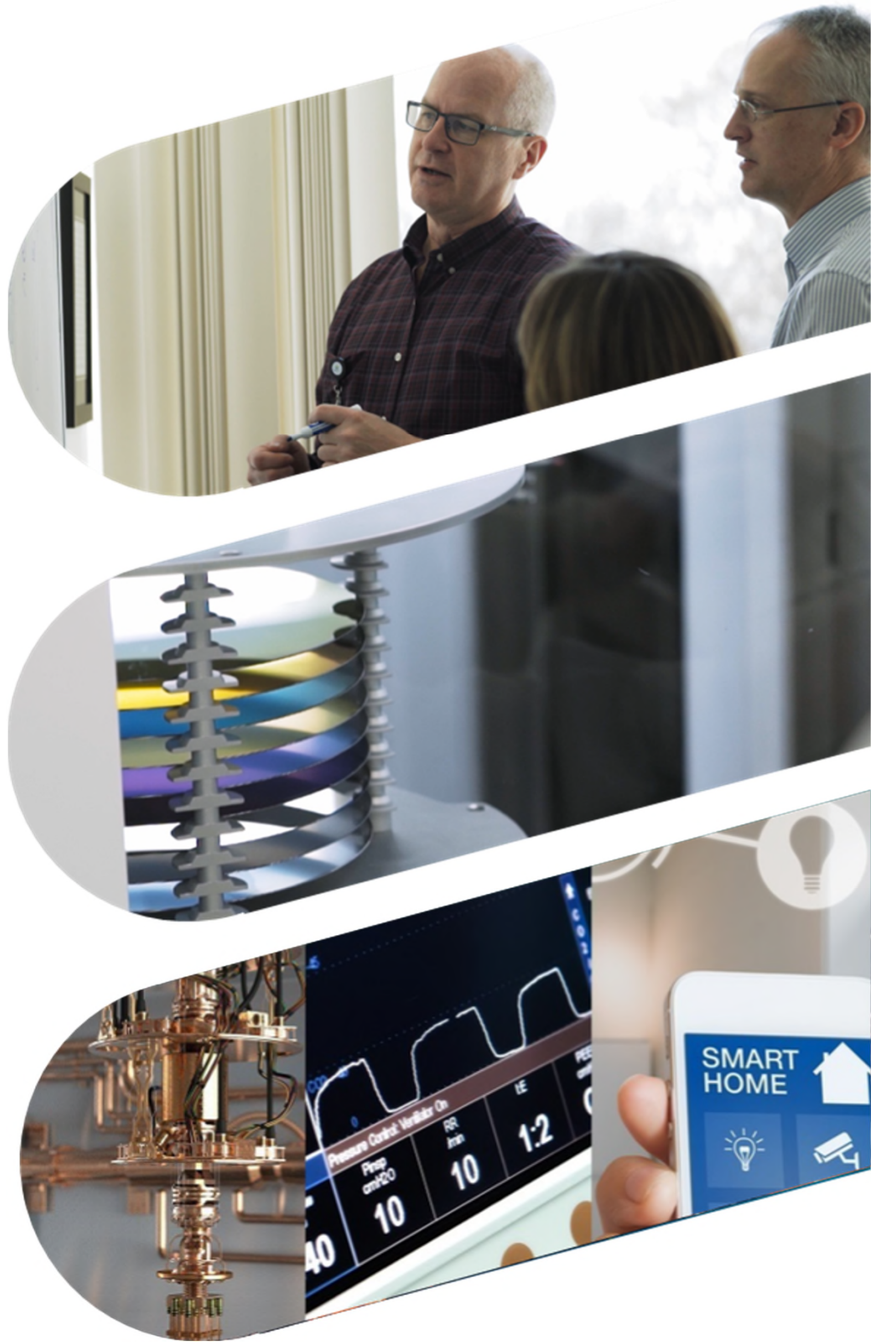
04 Large, High-Growth Target Markets with Expected Long-Term Secular Tailwinds

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

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

WHO WE ARE

Technology as a Service℠ (TaaS)℠

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

Advanced Technology Services (ATS)
enable co-creation of differentiated solutions which are the unique expression of the combined customer/SkyWater multi-disciplinary technology teams.

Wafer Services
supply customers with ICs and microdevices for commercial or mission ready products.

Non-Recurring Engineering ***Production***

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

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Technology Foundry

Advanced Technology Services + Wafer Services

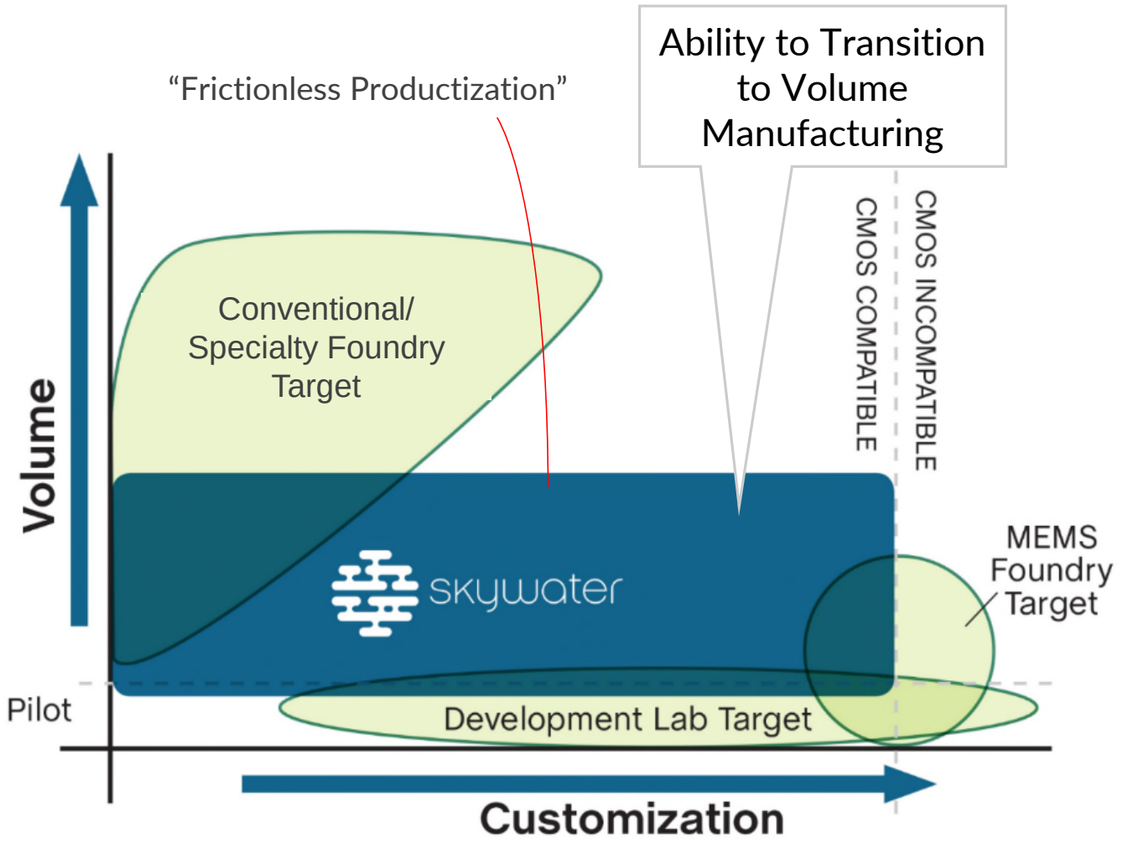
- ✓ High customization
- ✓ Next-generation technologies
- ✓ Variable volumes
- ✓ 200 mm substrates

Specialty Foundry

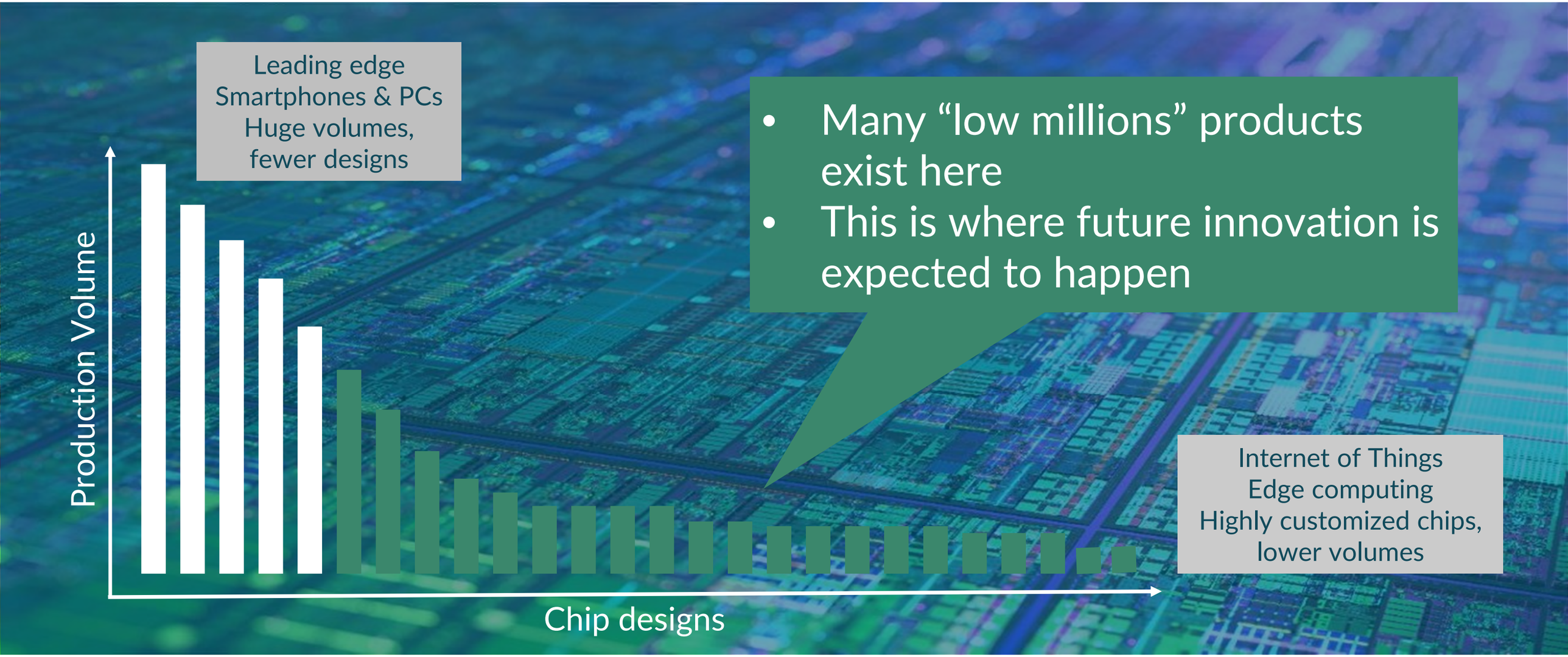
- Moderate customization
- Specialty technologies
- Medium volumes
- 200 mm and 300 mm substrates

Conventional Foundry

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

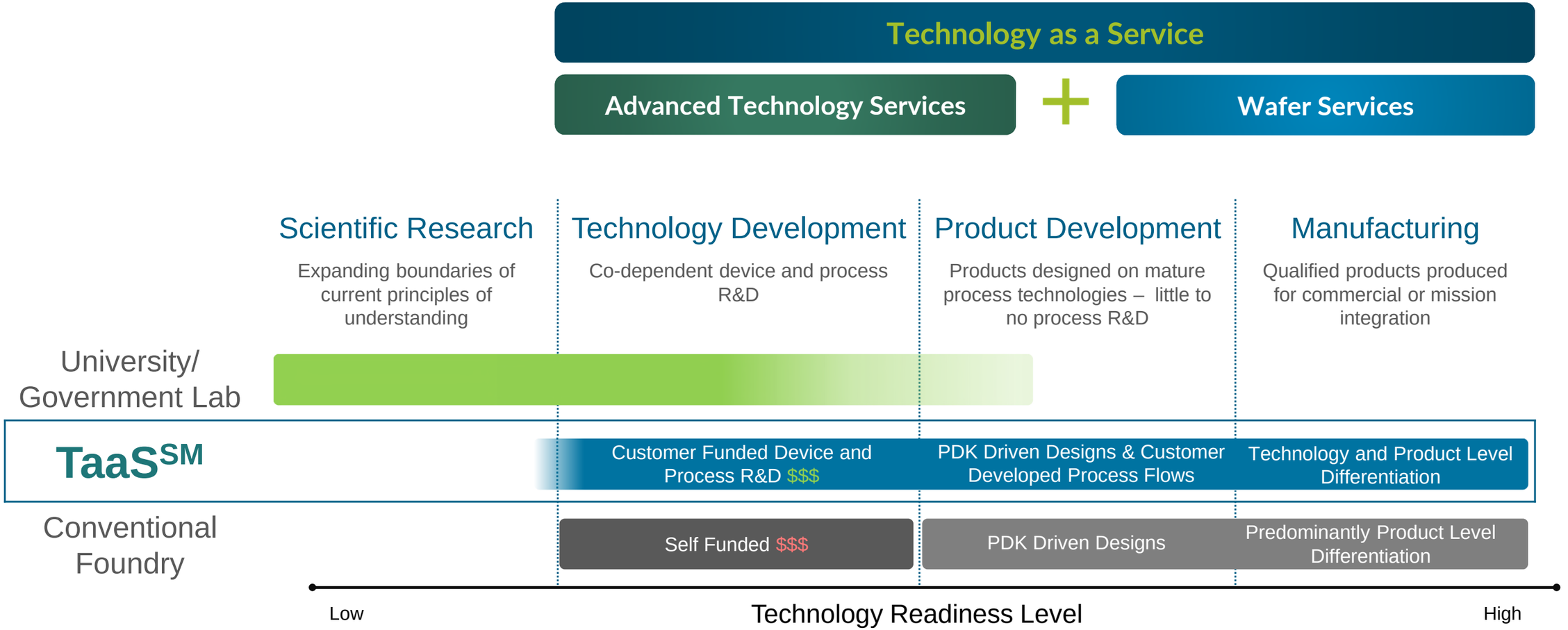


Enabling the “Long Tail”

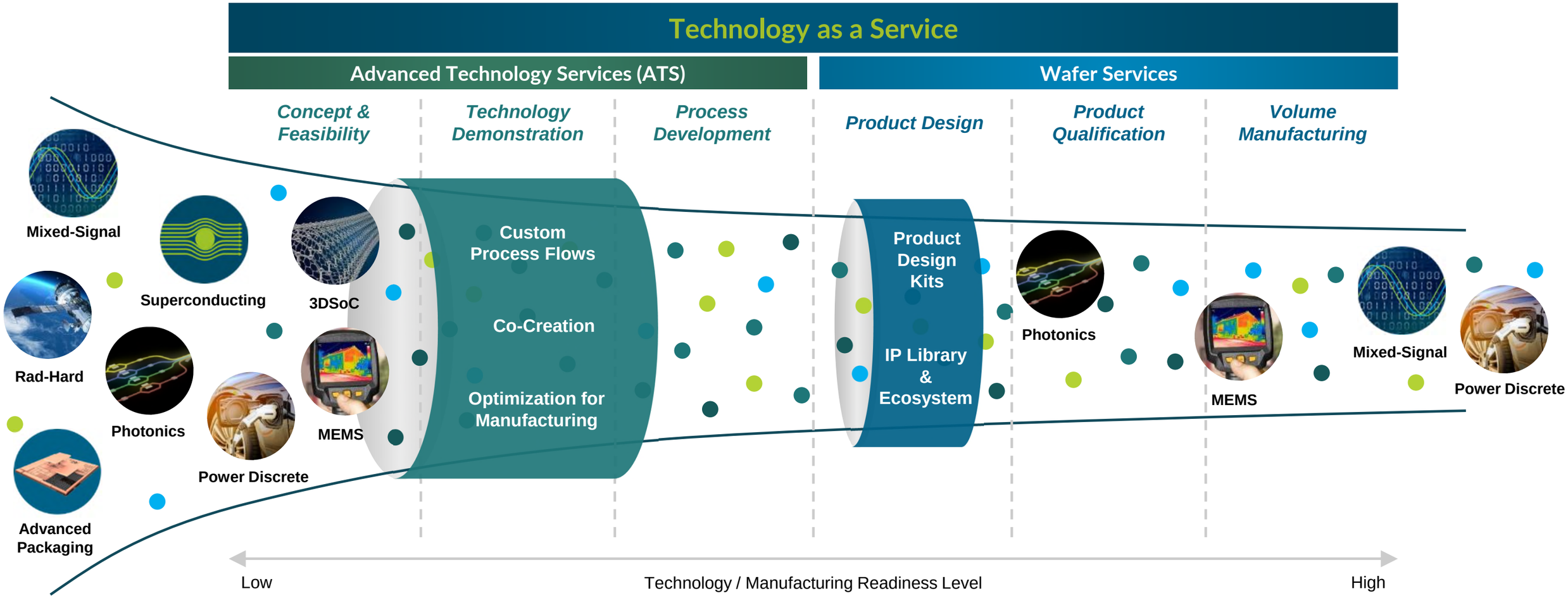


- Many “low millions” products exist here
- This is where future innovation is expected to happen

TaaS^{SM} Accelerates Concepts to Market



Model Enables Early Foundry Engagement



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

We are a leading **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

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Proprietary







Bloomington, MN

OPERATION

200 mm equipment
91,000 ft² Cleanroom - Class 10 + SMIF
10,000 30 ML CMOS wafers or 50,000 MOSFET wafers per month
90 nm+ feature geometries

ISO9001
IATF16949 Automotive Certified
ISO13485 Medical Certified
AS9100 Aviation, Space and Defense Certified
DMEA Cat 1A Trusted
ITAR and Secure Processing Supported

Kissimmee, FL

OPERATION

200 mm equipment
35,400 ft² Cleanroom (class 1,000 & class 10,000)
Site added to operation Feb 2021
Facility will enable custom heterogeneous integration solutions

ISO9001 Quality Management System Certified
DMEA Cat 1A Trusted – pending, planned 2022

West Lafayette, IN

OPERATION – Potential Location

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)

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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 Central Florida Valencia College & Osceola Technical College NeoCity Academy High School	Purdue University Ivy Tech Community College West Lafayette High School
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)		

We have been actively engaged for months in our target states and with all relevant entities. We are currently awaiting final guidelines from the Department of Commerce.

SkyWater's $1.8B Indiana Fab

Why Indiana?

- Indiana offers a robust business culture and manufacturing know how
- Purdue is creating strong microelectronics ecosystem
  - Semiconductor Degrees Program
  - Birck Nanotechnology Center
  - Secure Defense Research
- Purdue Research Foundation's Discovery Park is a developing ecosystem focused on manufacturing and high technology
  - Rolls Royce Engine Test Facility
  - Saab Manufacturing Site

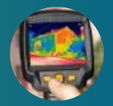


Thomas Sonderman offers remarks in the Neil Armstrong Hall of Engineering, July 20, 2022



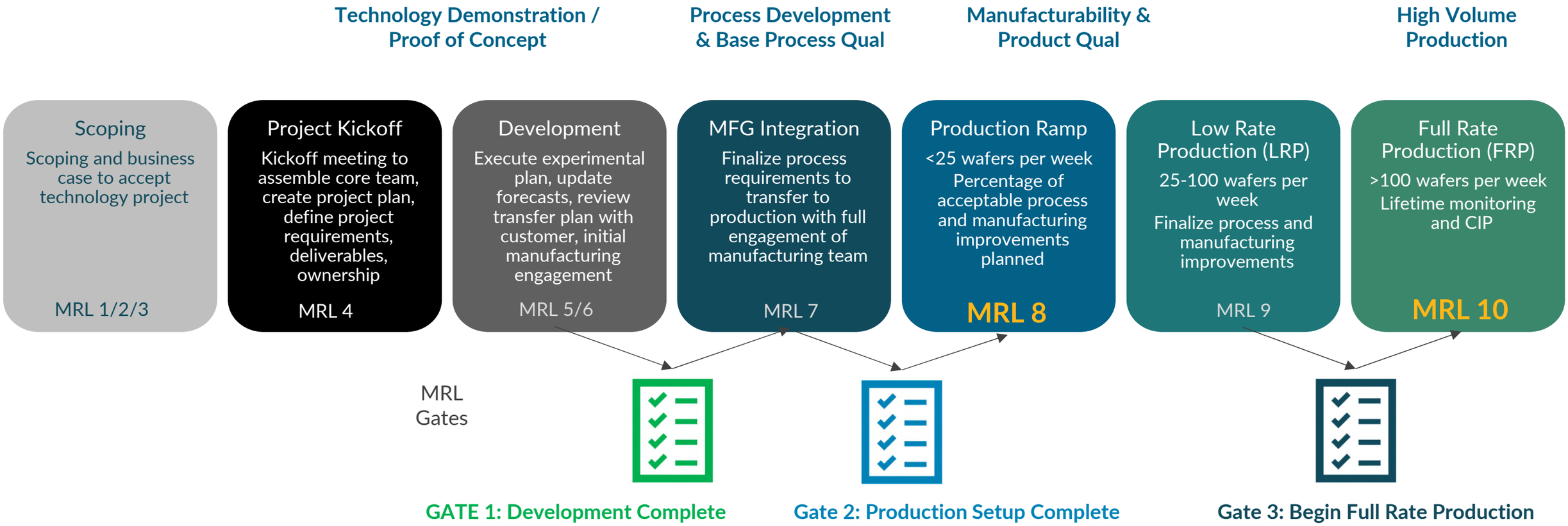
Pictured from left: Purdue University President Mitch Daniels, Indiana Secretary of Commerce Bradley Chambers, SkyWater President and CEO Thomas Sonderman, West Lafayette Mayor John Dennis, Indiana Gov. Eric Holcomb, Lafayette Mayor Tony Roswarski

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



Diverse Vertical Markets Served by Differentiated Platforms



Aerospace & Defense



Industrial and IoT



Bio-Health



Automotive & Transportation



Advanced Computing



Consumer

TaaS^{SM} model supports disruptive trends across markets
TaaS^{SM} 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	●		●	●		●

Technology Categories



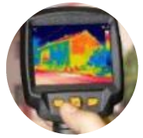
Mixed-Signal CMOS

Flexible Solutions for Commercial & Defense



Rad-Hard

Leading Strategic Rad-Hard Solutions



MEMS

Microfluidics

Microbolometers



Power Discrete

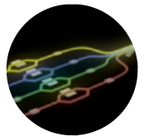
MOSFET Differentiated Flows

Support for IGBTs, TVSs



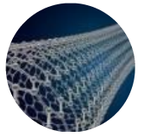
Superconducting

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



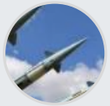
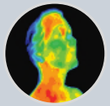
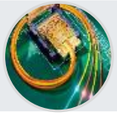
Advanced Packaging & Interposers

Capabilities for passive and active solutions for high performance applications

Connected Devices, Sensors and Sensor Integration

Advanced Computing & Artificial Intelligence

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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Proprietary

Select Partners & Customers

Strategic Technology Partners

























Customers















Proprietary

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

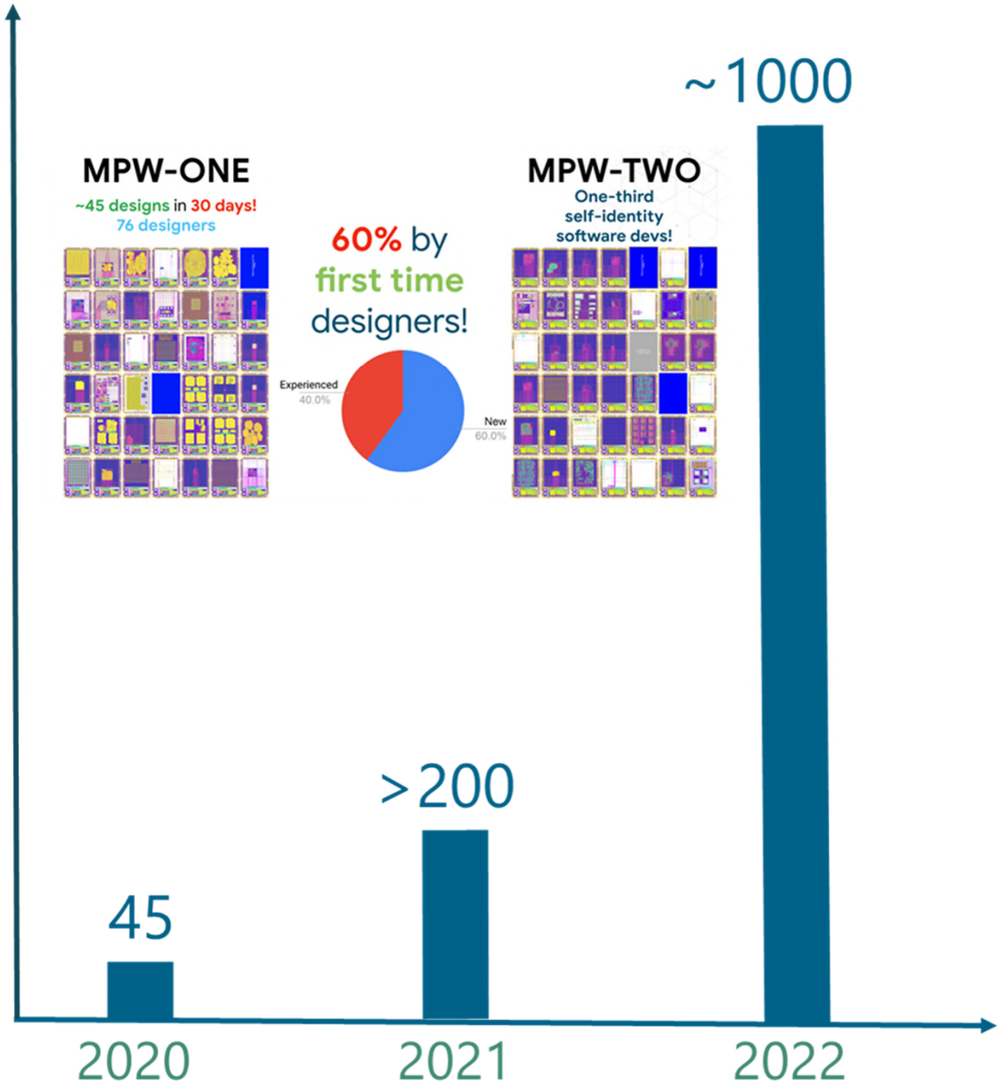
"We want to enable no-human, 24-hour design and catalyze open source EDA."

Part 3 - **Run** Silicon Realization Program

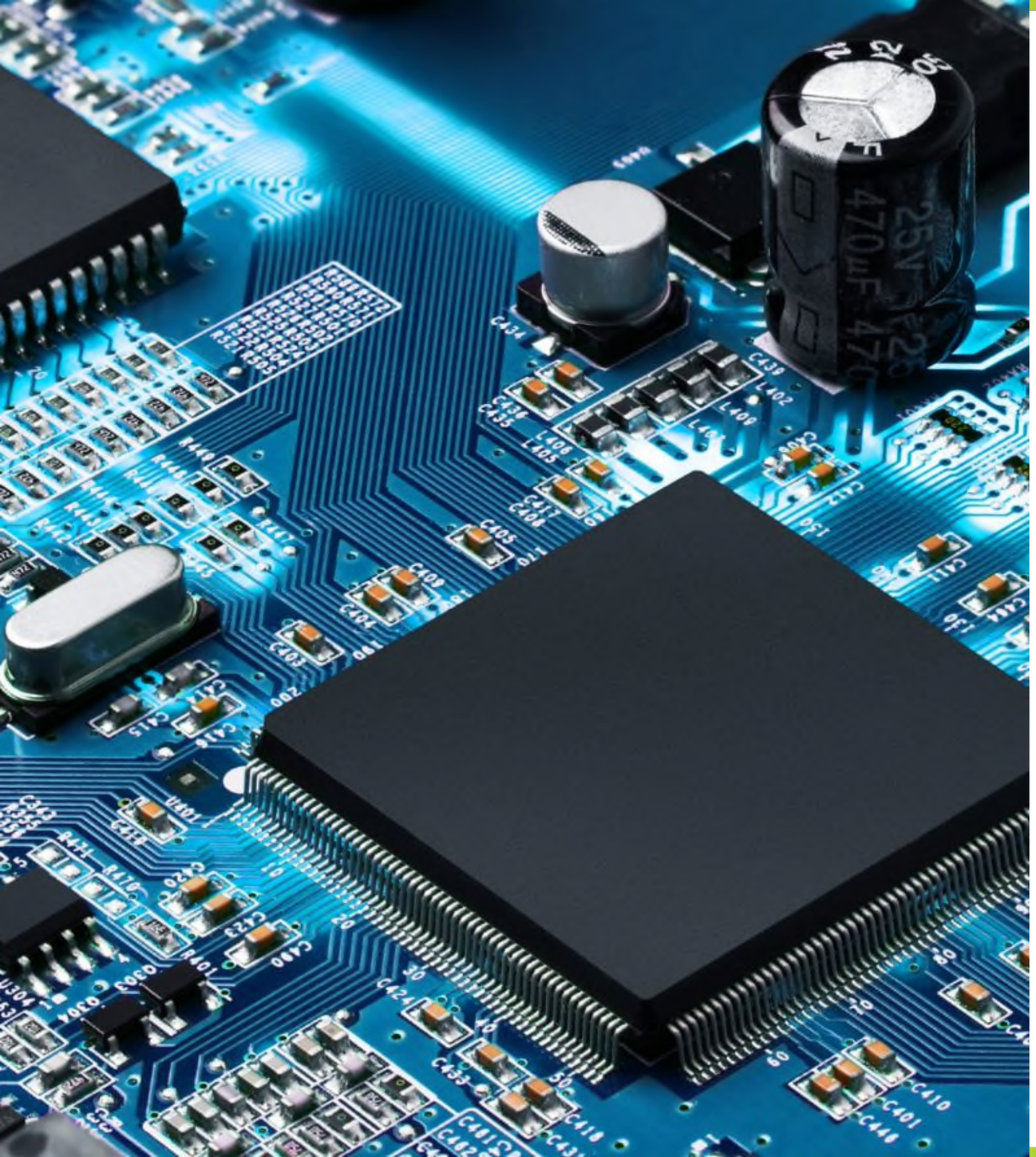
Open MPW Shuttle Program

efabless

Sponsored by Google



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Financial Summary

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Q3 2022 Financial Summary

In USD millions	Q3 22	Q3 21	Y/Y
ATS Revenue	$35.2	$22.4	57%
Wafer Services Revenue	$17.2	$12.7	36%
Total Revenue	$52.3	$35.0	49%
Non-GAAP Gross Profit	$8.8	$(0.5)	nm
Non-GAAP Gross Margin	16.8%	(1.4)%	1,820 bps
Adjusted EBITDA	$3.8	$(2.7)	nm
Adjusted EBITDA margin	7.3%	(7.7)%	1,500 bps

See appendix for reconciliation of non-GAAP measures to the most comparable GAAP measures

Revenue

- Total revenue +49% YoY
  - ATS growth of 57% reflects momentum in multiple programs
  - Wafer Services growth of 36% reflects improved pricing with large historical customer

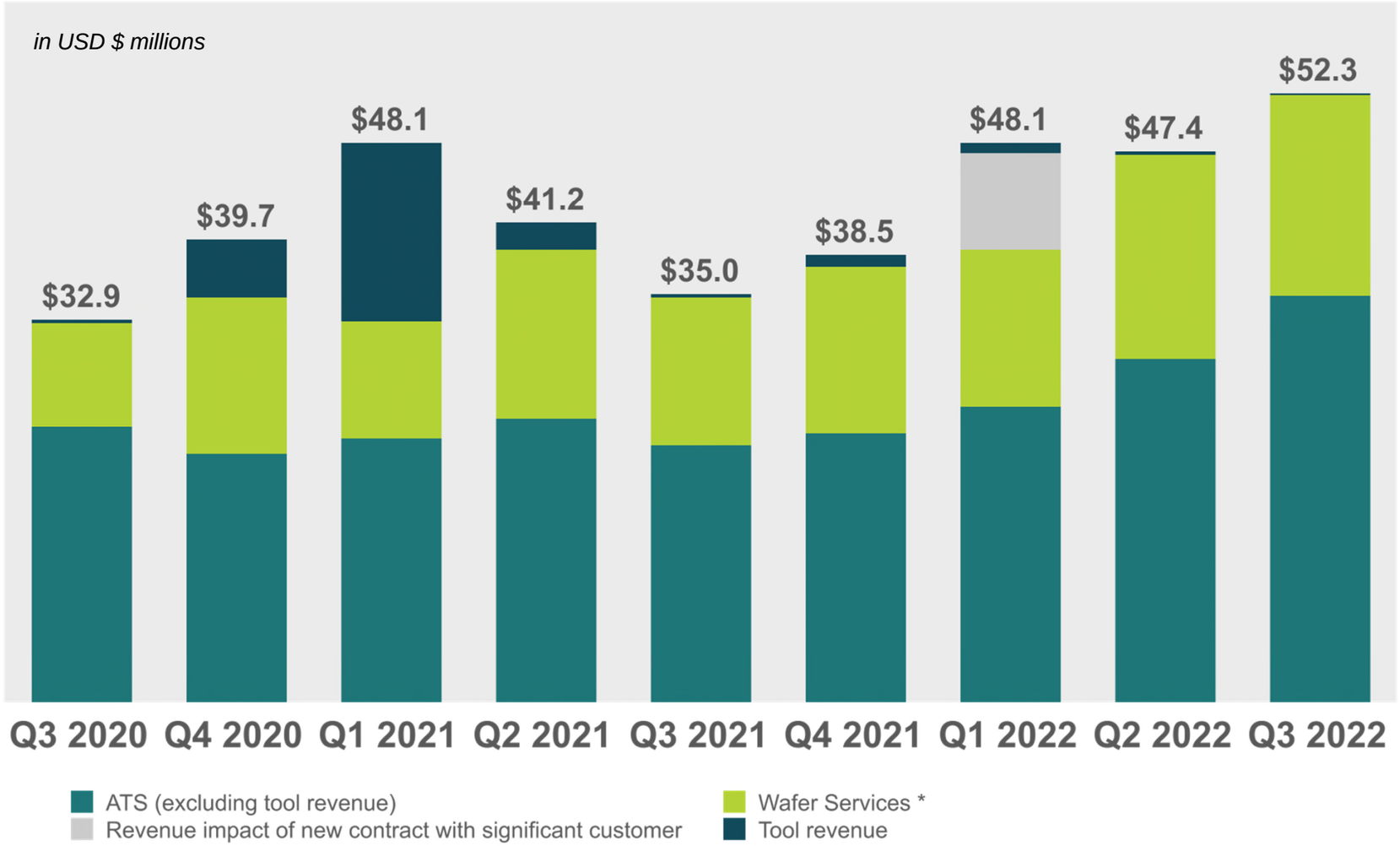
Gross Margin

- Non-GAAP Gross Margin improved 1820bps YoY to 16.8%
- Q3 Gross Margin benefited from $0.8M one-time cost reversal benefit (140bp impact)
- Improvement demonstrates flow-through exceeding 50%
- Includes investments in RadHard ($1.4M) and HI ($3.2M)
- Strong progress made in cost reduction plan; inflationary headwinds in materials and labor persist

Adjusted EBITDA

- Q3 turned positive at $3.8M – 7.3% of revenue
- Improved from ($2.7M) in Q3’21 due to significant revenue growth and improved gross margin
- R&D investments in multiple strategic growth areas
- SG&A investments in sales, business leadership and public company costs

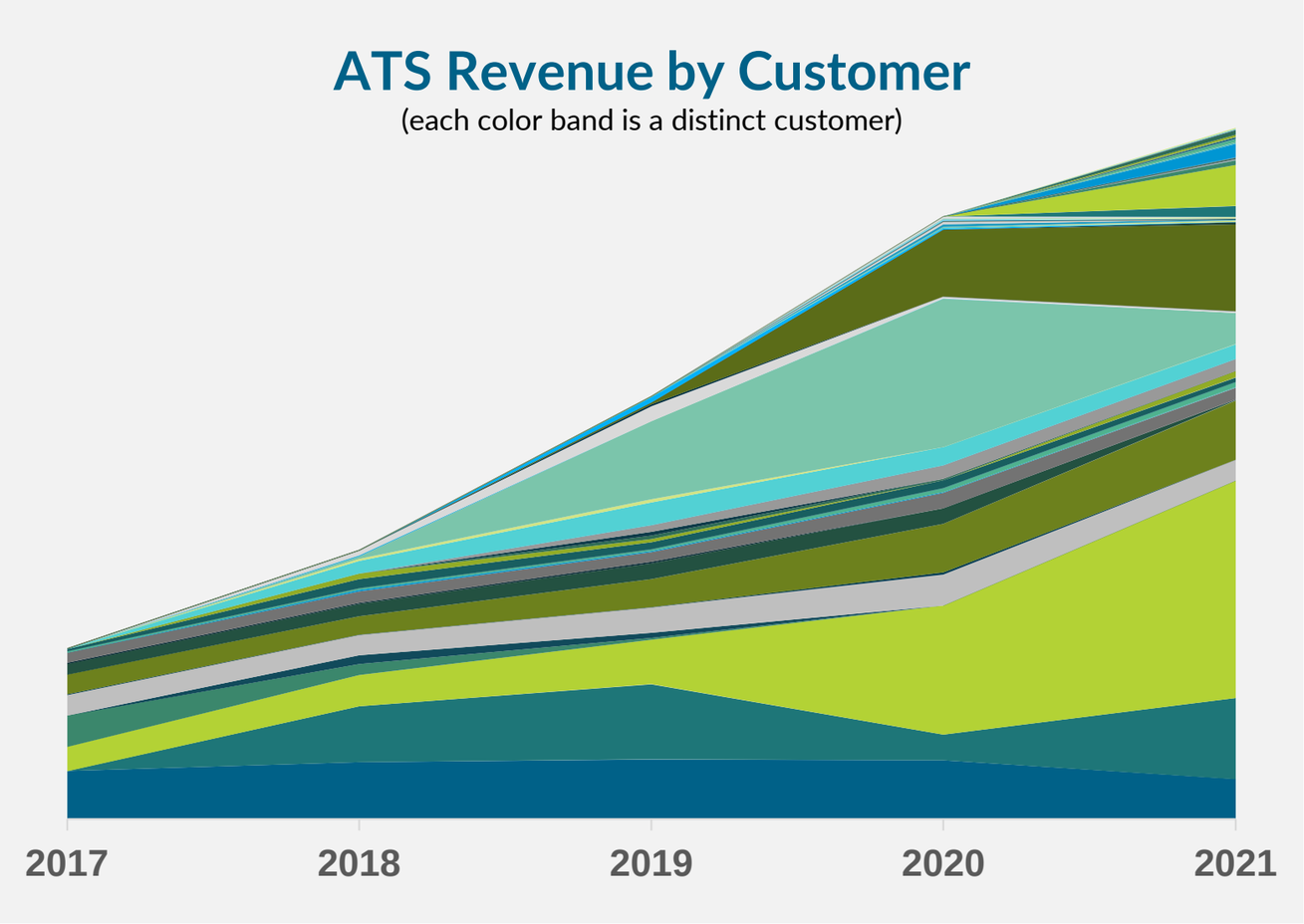
Revenues Increased in Both ATS & WS



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

Demonstrated ATS Growth

- 43% Revenue growth in 2020
- ATS revenues grew 19% in 2021
- The number of ATS customers continues to grow
- Most ATS customer programs have been multi-year development programs
- ATS Program spend tends to increase in year two or three of the program



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Recent Business Highlights

Improved pricing and revenue recognition terms with largest historical customer are evident in both ***YTD revenue growth and improved GM***

Strategic Investments in RadHard and HI Platforms are a near-term headwind to GM and are expected to be absorbed as we transition to revenue ramp

Executing well on cost reduction strategies to manage supply chain and inflationary costs; achieving improved fab efficiency; labor turnover at lowest level since IPO

We believe our growth is relatively decoupled from areas of macro weakness; 2/3 of our revenue comes from R&D budgets, which we believe are relatively insulated from recessionary cutbacks

Expanding our access to capital through recent $250M shelf registration ($16M in net equity proceeds during Q4) and new $100 million senior secured revolving credit facility that expands the Company's available borrowing capacity (announced January 2023)

Multiple Drivers of Future Revenue and Margin Growth



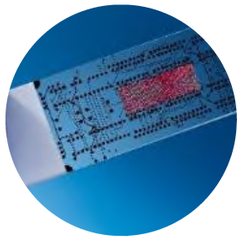
Extreme Environment Microelectronics

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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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 presentation 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 presentation may not be directly comparable to similarly titled measures presented by other companies.

We also provide Adjusted 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 fair value changes in contingent considerations, fair value changes in warrants and management fees, inventory write-down, corporate conversion and IPO related costs, Paycheck Protection Program loan forgiveness, SkyWater Florida start-up costs, net income attributable to non-controlling interests, and management transition expense. 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 listed above from net income or loss in arriving at Adjusted EBITDA because these amounts can vary substantially within our industry depending upon accounting methods and 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 U.S. GAAP. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable 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

	2020	Q1	Q2	Q3	Q4	2021	Q1 2022	Q2 2022	Q3 2022
					(In Thousands)				
Revenue	**$140,438**	**$ 48,101**	**$ 41,189**	**$ 35,025**	**$ 38,533**	**$162,848**	**$ 48,121**	**$ 47,407**	**$52,326**
Estimated impact of additional operating week	(2,491)	—	—	—	—	—	—	—	—
Tool revenue	(8,428)	(15,405)	(2,346)	(281)	(1,128)	(19,160)	(984)	(313)	(219)
Revenue net of tool sales	**$129,519**	**$ 32,696**	**$ 38,843**	**$ 34,744**	**$ 37,405**	**$143,688**	**$ 47,137**	**$ 47,094**	**$ 52,107**
GAAP cost of revenue	**$117,746**	**$ 38,935**	**$ 39,377**	**$ 36,852**	**$ 55,156**	**$170,320**	**$ 49,061**	**$ 45,327**	**$ 44,049**
Estimated impact of additional operating week	(2,311)	—	—	—	—	—	—	—	—
Inventory write-down	—	—	—	—	(13,442)	(13,442)	—	—	—
Equity-based compensation	(1,644)	(118)	(827)	(967)	(1,130)	(3,042)	(1,125)	(546)	(456)
SkyWater Florida start-up costs	—	—	(318)	(374)	(187)	(879)	(341)	(113)	(114)
Cost of tool revenue	(6,161)	(9,873)	(1,223)	(281)	(701)	(12,078)	(984)	(200)	(152)
Non-GAAP cost of revenue	**$107,630**	**$ 28,944**	**$ 37,009**	**$ 35,230**	**$ 39,696**	**$140,879**	**$ 46,611**	**$ 44,468**	**$ 43,327**
GAAP gross profit (loss)	**$ 22,692**	**$ 9,166**	**$ 1,812**	**$ (1,827)**	**$ (16,623)**	**$ (7,472)**	**$ (940)**	**$ 2,080**	**$ 8,277**
GAAP gross margin	***16.2 %***	***19.1 %***	***4.4 %***	***(5.2)%***	***(43.1)%***	***(4.6)%***	***(2.0)%***	***4.4 %***	***15.8 %***
Estimated impact of additional operating week	(180)	—	—	—	—	—	—	—	—
Inventory write-down	—	—	—	—	13,442	13,442	—	—	—
Equity-based compensation	1,644	118	827	967	1,130	3,042	1,125	546	456
SkyWater Florida start-up costs	—	—	318	374	187	879	341	113	114
Tool revenue	(8,428)	(15,405)	(2,346)	(281)	(1,128)	(19,160)	(984)	(313)	(219)
Cost of tool revenue	6,161	9,873	1,223	281	701	12,078	984	200	152
Non-GAAP gross profit (loss)	**$ 21,889**	**$ 3,752**	**$ 1,834**	**$ (486)**	**$ (2,291)**	**$ 2,809**	**$ 526**	**$ 2,626**	**$ 8,780**
Non-GAAP gross margin	***16.9 %***	***11.5 %***	***4.7 %***	***(1.4)%***	***(6.1)%***	***2.0 %***	***1.1 %***	***5.6 %***	***16.8 %***
GAAP research and development	**$ 4,208**	**$ 1,927**	**$ 3,339**	**$ 2,253**	**$ 1,228**	**$ 8,747**	**$ 2,282**	**$ 2,361**	**$ 2,580**
Equity-based compensation	(56)	(9)	(1,487)	(341)	$ 655	(1,182)	(225)	(128)	(115)
Non-GAAP research and development	**$ 4,152**	**$ 1,918**	**$ 1,852**	**$ 1,912**	**$ 1,883**	**$ 7,565**	**$ 2,057**	**$ 2,233**	**$ 2,465**
GAAP selling, general and administrative expenses	**$ 25,032**	**$ 8,603**	**$ 15,415**	**$ 9,626**	**$ 9,951**	**$ 43,595**	**$ 11,690**	**$ 10,795**	**$ 10,778**
SkyWater Florida start-up costs	—	—	(186)	(60)	$ (22)	(268)	(61)	(45)	—
Management transition expense	—	—	(435)	—	$ —	(435)	—	—	—
Equity-based compensation	(940)	(108)	(4,454)	(2,086)	$ (1,655)	(8,303)	(1,866)	(1,444)	(1,128)
Management fees	(879)	(276)	(56)	—	—	(332)	—	—	—
Non-GAAP selling, general and administrative expenses	**$ 23,213**	**$ 8,219**	**$ 10,284**	**$ 7,480**	**$ 8,274**	**$ 34,257**	**$ 9,763**	**$ 9,306**	**$ 9,650**

Proprietary

GAAP to Non-GAAP Reconciliation

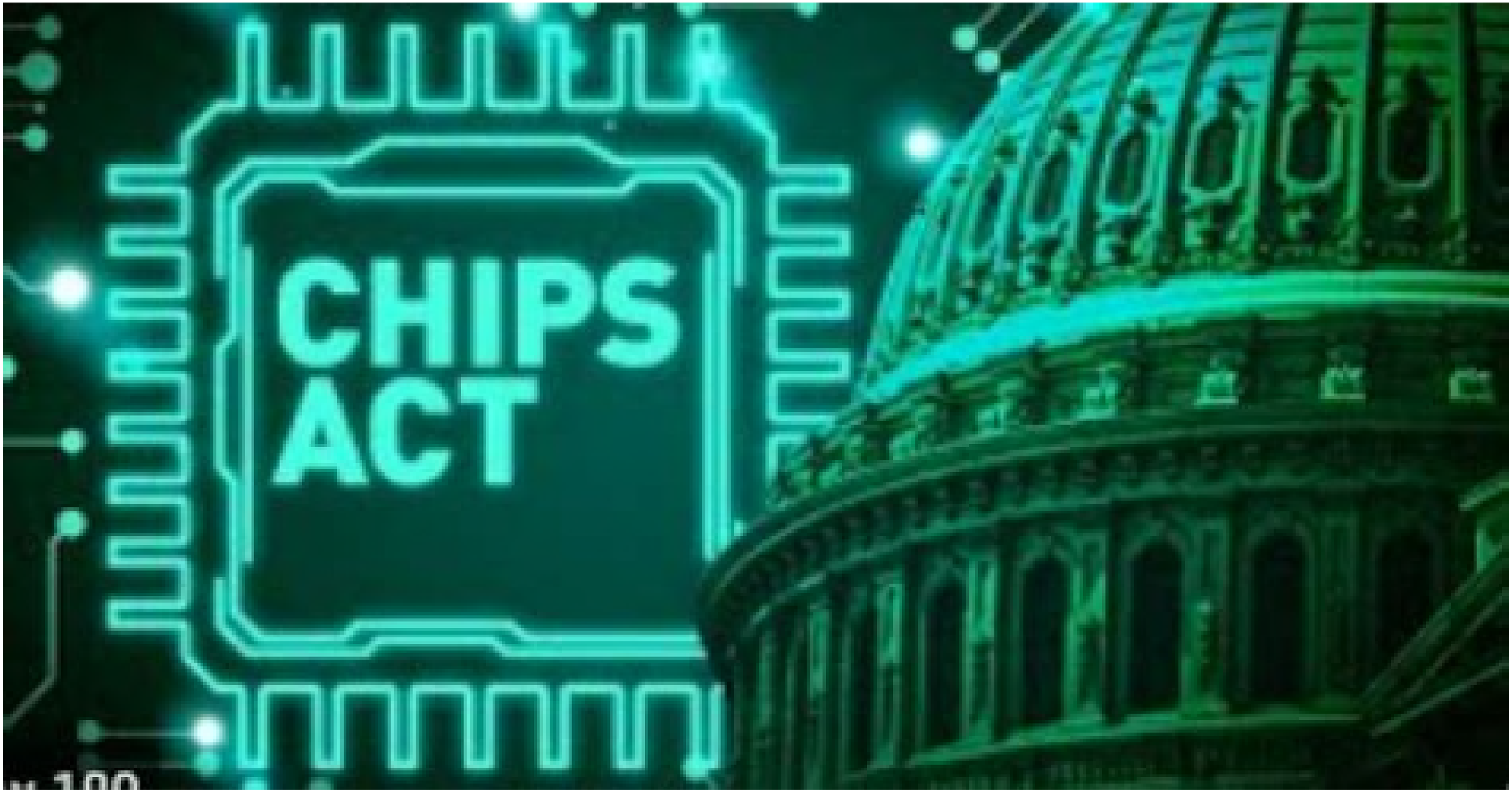
	2020	Q1	Q2	Q3	Q4	2021	Q1 2022	Q2 2022	Q3 2022
					(In Thousands)				
GAAP net loss to shareholders	**$ (20,617)**	**$ (2,811)**	**$ (6,979)**	**$ (13,870)**	**$ (27,036)**	**$ (50,696)**	**$ (16,606)**	**$ (13,005)**	**$ (6,939)**
Inventory write-down	**—**	—	—	—	13,442	**13,442**	—	—	—
Paycheck Protection Program loan forgiveness	**—**	—	(6,453)	—	—	**(6,453)**	—	—	—
Corporate conversion and initial public offering related costs	**—**	—	1,521	208	205	**1,934**	—	—	—
SkyWater Florida start-up costs	**—**	—	504	434	209	**1,147**	402	158	114
Management transition expense	**—**	—	435	—	—	**435**	—	—	—
Fair value changes in contingent consideration	**2,094**	56	(942)	(1,670)	(154)	**(2,710)**	—	—	—
Equity-based compensation	**2,640**	235	6,768	3,394	2,130	**12,527**	3,216	2,118	1,699
Fair value changes in warrants	**(780)**	—	—	—	—	**—**	—	—	—
Management fees	**879**	276	56	—	—	332	—	—	—
Non-GAAP net loss to shareholders	**$ (15,784)**	**$ (2,244)**	**$ (5,090)**	**$ (11,504)**	**$ (11,204)**	**$ (30,042)**	**$ (12,988)**	**$ (10,729)**	**$ (5,126)**
Equity-based compensation allocation in the consolidated statements of operations:									
Cost of revenue	$ 1,644	$ 118	$ 827	$ 967	$ 1,130	$ 3,042	$ 1,125	$ 546	$ 456
Research and development	55	9	1,487	341	(655)	1,182	225	128	115
Selling, general and administrative expenses	941	108	4,454	2,086	1,655	8,303	1,866	1,444	1,128
	$ 2,640	**$ 235**	**$ 6,768**	**$ 3,394**	**$ 2,130**	**$ 12,527**	**$ 3,216**	**$ 2,118**	**$ 1,699**
SkyWater Florida start-up costs allocation in the consolidated statements of operations:									
Cost of revenue	$ —	$ —	$ 318	$ 374	$ 187	$ 879	$ 341	$ 113	$ 114
Selling, general and administrative expenses	—	—	186	60	$ 22	268	61	45	—
	$ —	**$ —**	**$ 504**	**$ 434**	**$ 209**	**$ 1,147**	**$ 402**	**$ 158**	**$ 114**

GAAP to Non-GAAP Reconciliation

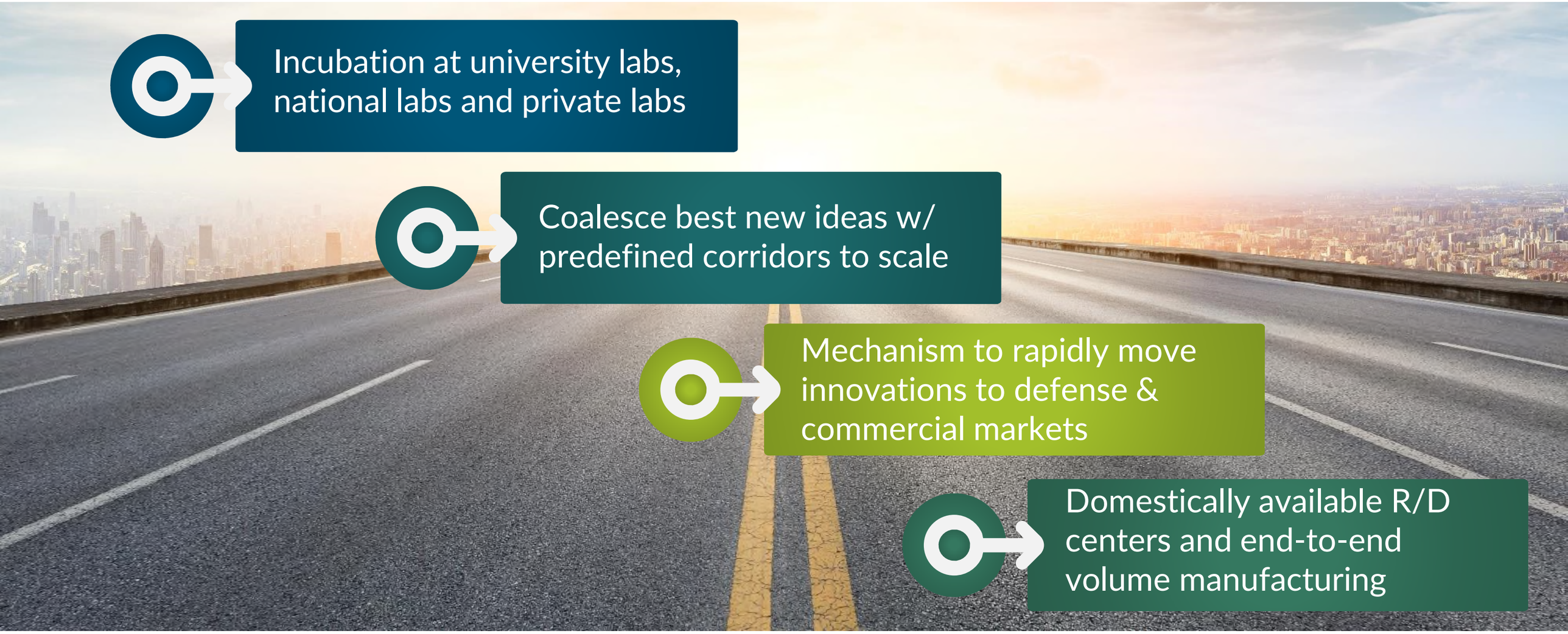
	2020	Q1	Q2	Q3	Q4	2021	Q1 2022	Q2 2022	Q3 2022
				(In Thousands)					
Net loss to shareholders	**$ (20,617)**	**$ (2,811)**	**$ (6,979)**	**$ (13,870)**	**$ (27,036)**	**$ (50,696)**	**$ (16,606)**	**$ (13,005)**	**$ (6,939)**
Interest expense	**5,499**	1,058	912	733	839	**3,542**	1,029	1,040	1,331
Income tax expense (benefit)	**4,919**	(425)	(4,237)	194	(2,322)	**(6,790)**	(194)	63	87
Depreciation and amortization	**18,866**	6,482	6,854	6,964	7,068	**27,368**	6,458	7,198	7,083
EBITDA	**8,667**	**4,304**	**(3,450)**	**(5,979)**	**$ (21,451)**	**$ (26,576)**	**(9,313)**	**(4,704)**	**1,562**
Inventory write-down	**—**	—	—	—	13,442	**13,442**	—	—	—
Paycheck Protection Program loan forgiveness	**—**	—	(6,453)	—	—	**(6,453)**	—	—	—
Corporate conversion and initial public offering related costs	**—**	—	1,521	208	205	**1,934**	—	—	—
SkyWater Florida start-up costs	**—**	—	504	434	209	**1,147**	402	158	114
Management transition expense	**—**	—	435	—	—	**435**	—	—	—
Fair value changes in contingent consideration	**2,094**	56	(942)	(1,670)	(154)	**(2,710)**	—	—	—
Equity-based compensation	**2,640**	235	6,768	3,394	2,130	**12,527**	3,216	2,118	1,699
Fair value changes in warrants	**(780)**	—	—	—	—	**—**	—	—	—
Management fees	**879**	276	56	—	—	**332**	—	—	—
Net income attributable to non-controlling interests	**903**	758	757	907	871	**3,293**	859	826	440
Adjusted EBITDA	**$ 14,403**	**$ 5,629**	**$ (804)**	**$ (2,706)**	**$ (4,748)**	**$ (2,629)**	**$ (4,836)**	**$ (1,602)**	**$ 3,815**

GAAP to Non-GAAP Reconciliation

	2020	Q1	Q2	Q3	Q4	2021	Q1 2022	Q2 2022	Q3 2022
					(In Thousands)				
GAAP EPS									
Net loss attributable to SkyWater Technology, Inc.	**$ (20,617)**	$ (2,811)	$ (6,979)	$ (13,870)	$ (27,036)	**$ (50,696)**	$ (16,606)	$ (13,005)	$ (6,939)
Undistributed preferred return to Class B preferred unitholders	**—**	(359)	(39)	—	—	**(398)**	—	—	—
Net loss attributable to common shareholders	$ (20,617)	$ (3,170)	$ (7,018)	$ (13,870)	$ (27,036)	$ (51,094)	$ (16,606)	$ (13,005)	$ (6,939)
Denominator:									
Weighted-average common shares outstanding, basic and diluted	**18,000**	3,060	34,708	39,060	39,325	**29,038**	39,862	40,203	40,669
Net loss per common share, basic and diluted	**$ (1.15)**	$ (1.04)	$ (0.20)	$ (0.36)	$ (0.69)	**$ (1.76)**	$ (0.42)	$ (0.32)	$ (0.17)
Non-GAAP EPS									
Numerator:									
Net loss attributable to SkyWater Technology, Inc.	**$ (15,784)**	$ (2,244)	$ (5,090)	$ (11,504)	$ (11,204)	**$ (30,042)**	$ (12,988)	$ (10,729)	$ (5,126)
Undistributed preferred return to Class B preferred unitholders	**—**	(359)	(39)	—	—	**(398)**	—	—	—
Net loss attributable to common shareholders	$ (15,784)	$ (2,603)	$ (5,129)	$ (11,504)	$ (11,204)	$ (30,440)	$ (12,988)	$ (10,729)	$ (5,126)
Denominator:									
Weighted-average common shares outstanding, basic and diluted	**18,000**	3,060	34,708	39,060	39,325	**29,038**	39,862	40,203	40,669
Net loss per common share, basic and diluted	$ (0.88)	$ (0.85)	$ (0.15)	$ (0.29)	$ (0.28)	**$ (1.05)**	$ (0.33)	$ (0.27)	$ (0.13)


CHIPS
ACT

National Semiconductor Technology Centers to Drive **Synergistic Innovation**



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

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