

FY 2025 Results Presentation

28 May 2026



Disclaimer

This presentation has been prepared by IQE plc solely for information purposes and should not be considered to be an offer or solicitation to buy, sell or subscribe for any securities, financial instruments or any rights attaching to such securities or financial instruments.

This presentation may contain forward-looking statements. Forward-looking statements can be identified as anything other than statements of historical fact contained in this presentation and by their nature are subject to uncertainty and risks. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for IQE plc.

These expectations, estimates and projections are generally identifiable by statements containing words such as “believes,” “estimates,” “targets,” “plans,” “outlook,” “on track,” “may,” “will,” “could,” “should” or similar expressions.

IQE plc faces risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from any forward-looking information disclosed in this presentation and which could affect our ability to achieve any or all of our stated targets or anticipated transactions.

Important factors that could cause such differences include, but are not limited to:

- business risks relating to macroeconomic and geopolitical matters;
- unanticipated costs, such as those associated with compliance activities;
- market acceptance of new products and services;
- changes in governmental regulations and currency exchange rates; and
- general market conditions.

Although IQE plc believes that the expectations, estimates and projections constituting any forward-looking statement in this presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

As forward-looking statements are statements regarding our intent, belief or current expectations, they are not guarantees of future performance. Actual performance and results may differ materially from those described in this presentation. Readers are cautioned not to place undue reliance on these forward-looking statements.

The information contained in this presentation is provided as at the date of presentation and is subject to change without notice. Whilst the presentation has been prepared in good faith, no representation or warranty, express or implied, is given by IQE plc or its representatives as to the accuracy or completeness of the information or opinions in the presentation. IQE plc and its representatives shall have no liability whatsoever, whether under contract, tort, trust or otherwise, to you or any other person resulting from the use of, or reliance on, any information in this presentation. Any dispute, action or other proceeding relating to this presentation shall be adjudicated within the exclusive jurisdiction of the courts of England. All material in this presentation shall be governed by the laws of England and Wales.

Welcome

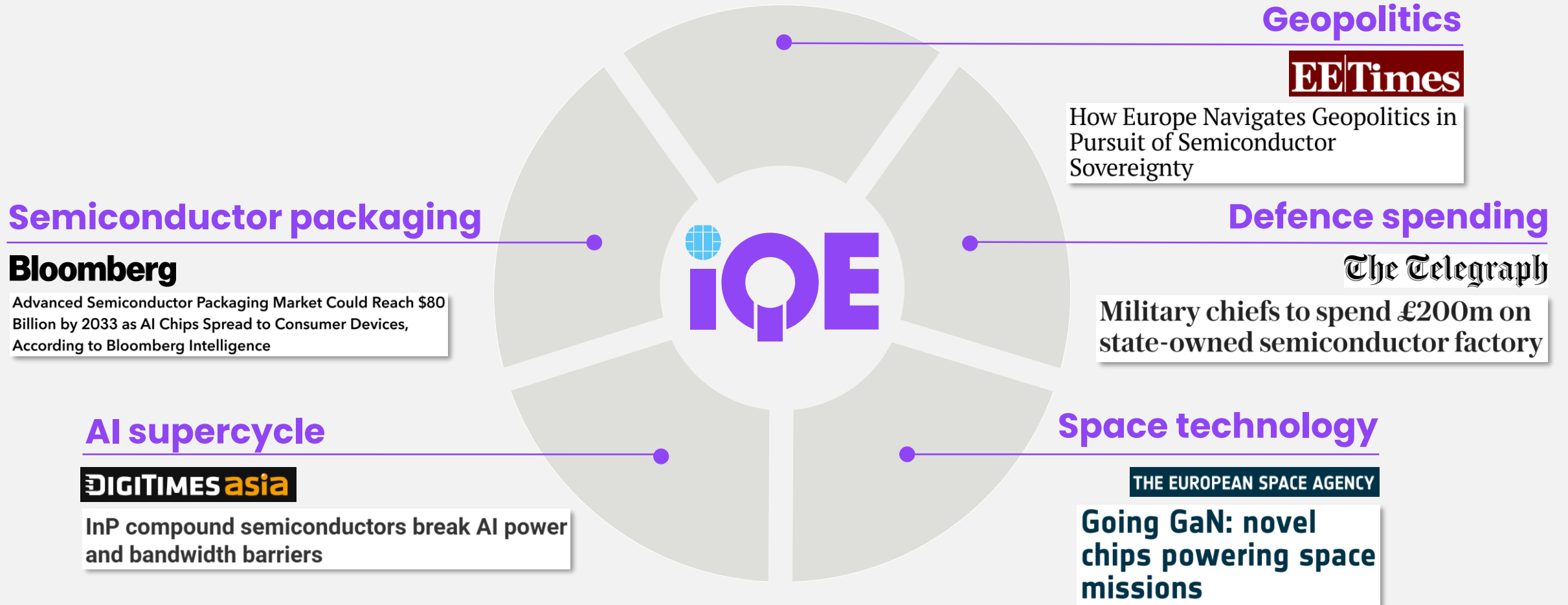


Jutta Meier

Chief Executive Officer

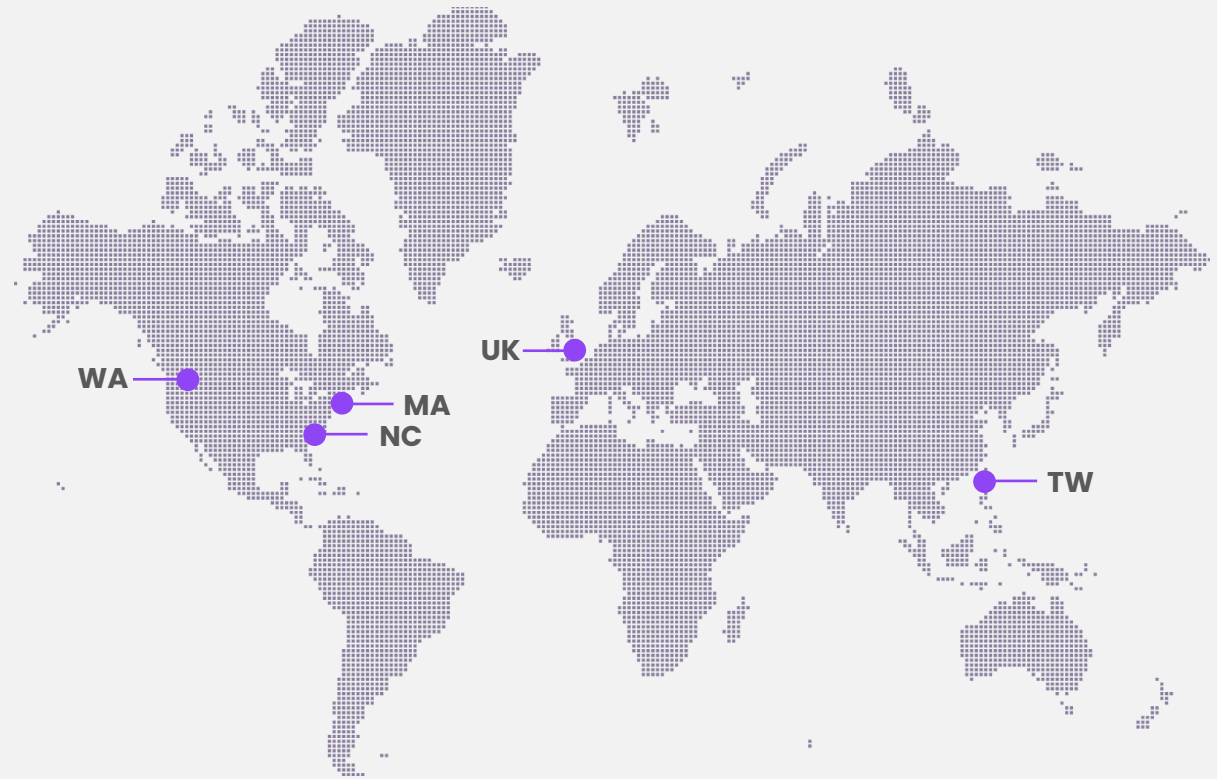


At the heart of multiple global megatrends



IQE – The world’s leading epitaxial wafer supplier

- The only pure play epitaxy foundry with a unique global footprint
- 35+ years of unrivalled expertise across the broadest product portfolio in the industry
- Enabling the world’s most advanced supply chains in the highest-growth sectors
- Expansion capacity and scalability to meet future demand across current site footprint



Uniquely positioned in the global value chain



Our key markets



AI and Data centres

- Optical links for data centres
- Efficient data centre power
- Edge AI integration



Communications Infrastructure

- Wireless and optical communication networks
 - 5G, WiFi 6 and beyond
 - Satellite communications



Consumer Electronics

- Mobile handset connectivity
 - 3D Sensing
- MicroLED displays
- Augmented and virtual reality



Aerospace and Defence

- Infrared sensing and imaging
 - Satellite communications
 - Radar



Automotive and Industrial

- Automotive power management
- LIDAR for ADAS and driverless vehicles
 - MicroLED infotainment displays
- Industrial automation and robotics

Our materials platforms

InP, GaN, GaAs

InP, GaN, GaAs

GaAs, GaN

GaN, GaSb, InP

GaN, GaAs

Supporting customers from innovation to mass production

IQE at the core of Artificial Intelligence

IQE's complete suite of materials underpin the AI ecosystem

Compound semiconductors are critical to AI architecture

Enabling the collection, transfer and computation of masses of data on an unprecedented scale

Enabling high-speed efficient data communications and overcoming power limitations

Ultra-fast data communications

InP photonics



Optical communication networks for data centre infrastructure



Wireless communication from Edge AI devices

Energy efficiency

GaAs and GaN electronics



GaN power for energy conversion



Optical infrastructure replacing wired data centre hardware

Advanced sensing

GaAs and InP photonics



AI-enabled smart connected devices and advanced environmental sensing



Advanced ADAS and LIDAR systems for AI-enabled autonomous driving

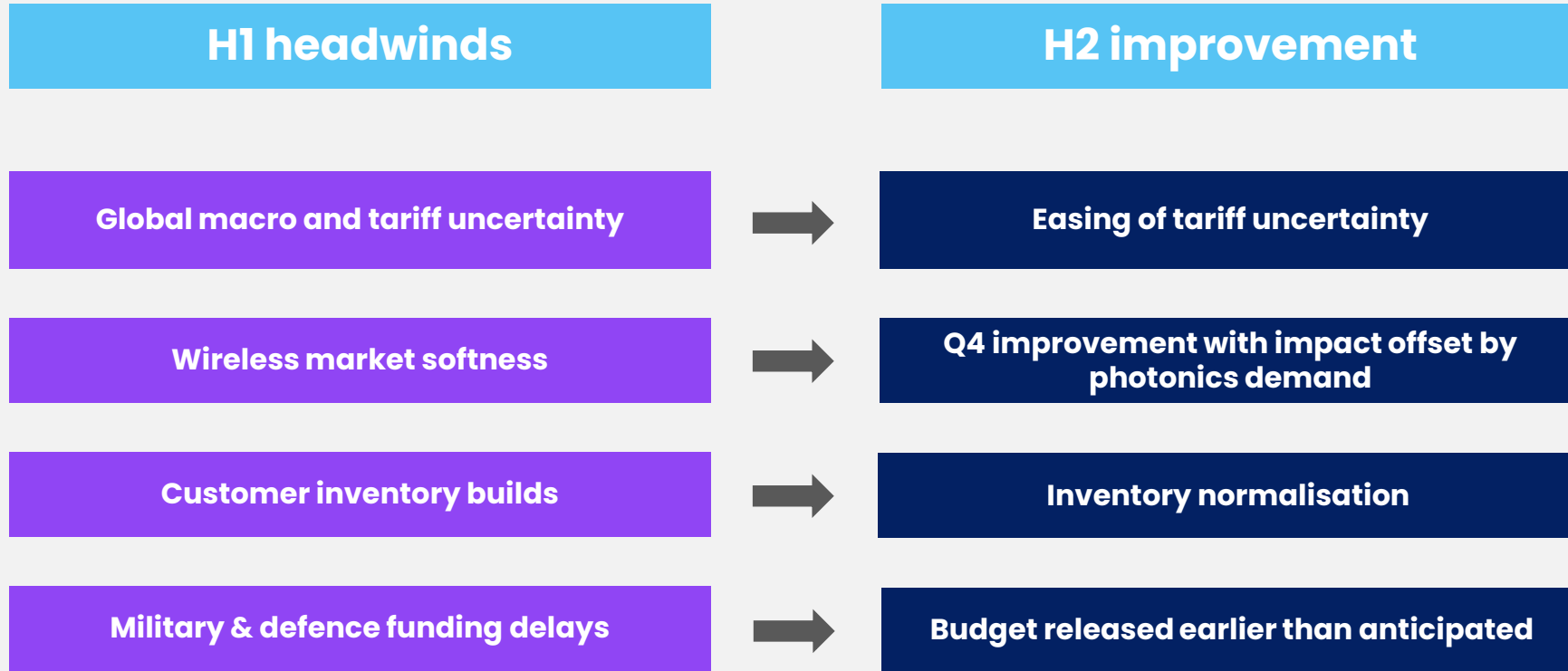
Business review

FY 2025

Results Presentation



FY 2025 | Strong second half acceleration



H2 improvement underpinned by increased demand for products related to AI-compute and data centre deployments

FY 2025 revenue: £97.3m

Total Photonics

Revenue

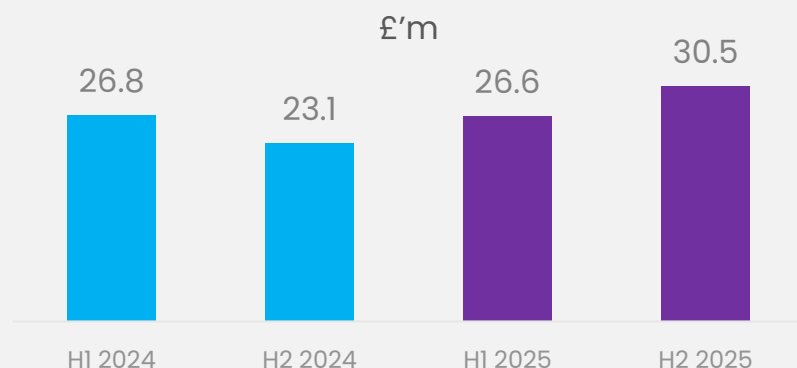
£57.1m

Up

15%

year-on-year

- Continued growth in AI and data centre-related markets
- Funding releases for certain US military and defence programmes in H2



Total Wireless

Revenue

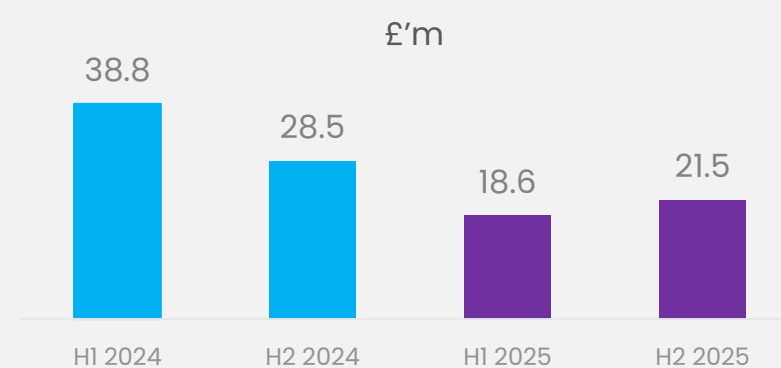
£40.1m

Down

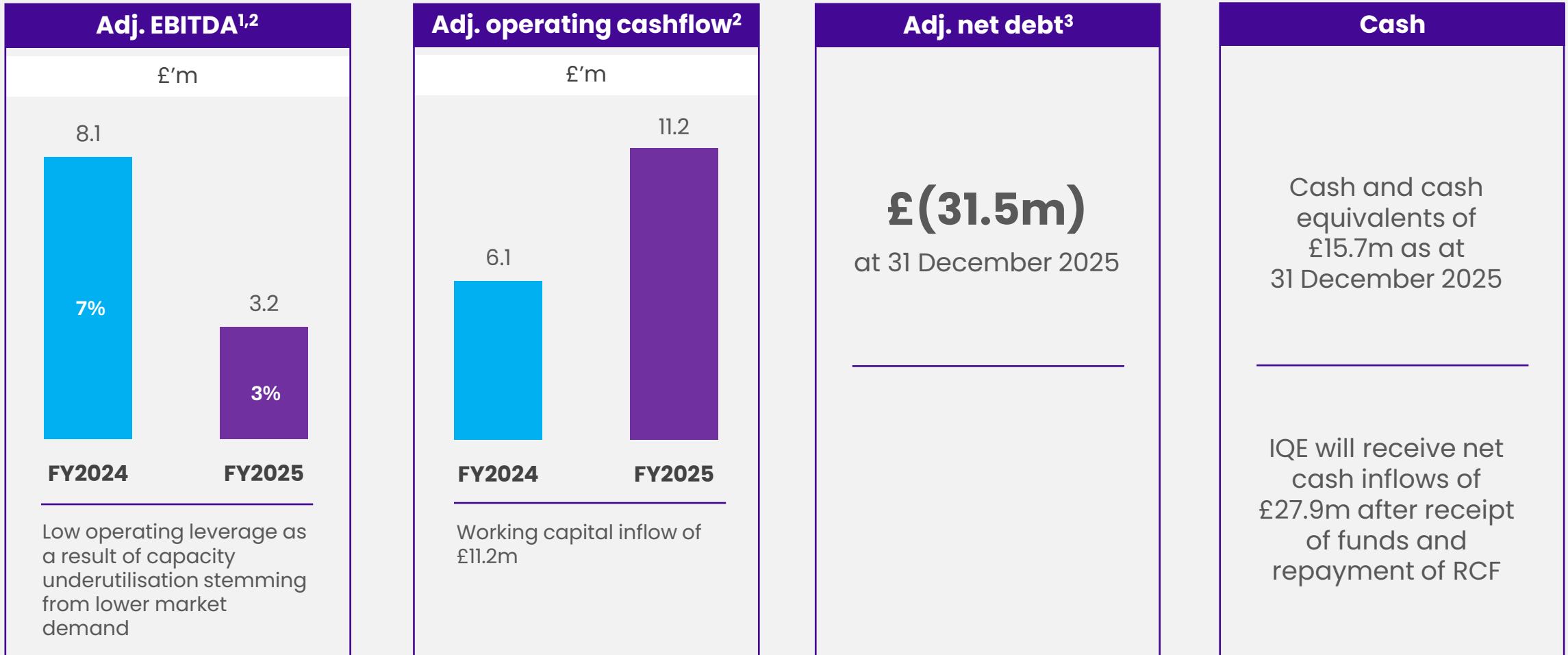
40%

year-on-year

- Uncertain macroeconomic conditions in H1
- Softness in mobile handset demand
- Some end customer requirements met from existing inventory



FY 2025 financial highlights



1. Adjusted EBITDA is a non-IFRS measure and may be calculated differently and therefore not directly comparable to other companies.

2. Adjustments include restructuring costs, photonics CGU impairment and share-based payment charges.

3. Adjusted net debt is calculated as cash less borrowings but excluding lease liabilities and fair value gains/losses on derivative instruments.

2025 | Strategic progress



CONNECT

- Accelerated demand across customer base due to rapid growth in AI-driven hyperscale data centres, alongside growth in mobile handsets, infrastructure and defence



POWER

- Establishment of long-term strategic foundations and strengthening global supply chains in next-generation GaN power to meet rising demand across data centres, space and aerospace



SENSE

- Strengthened position in advanced sensing platforms, with strong commercial and strategic momentum across mobile, automotive safety, infrared imaging and defence applications



DISPLAY

- Progressed technological capabilities and customer engagement in next-generation microLED display ecosystems targeting future consumer devices

Operational updates

- Continued focus on fiscal discipline and tight controls over discretionary spending.

- Ongoing portfolio optimisation to ensure existing asset base is fully focused on value creation across core customers and technologies.

- Operational excellence driving yield improvements and manufacturing efficiencies.

- Global site optimisation programme continuing with exit from Silicon site in South Wales completed in H2 2025, following cessation of manufacturing operations in Q1 2025.

Conclusion of Strategic Review

- A strategic investment from MACOM and other existing shareholders, raising £81 million
- Long term agreements also signed with MACOM, providing security, visibility and stability for IQE
- Net proceeds to repay RCF, support working capital and ongoing strategic investment, significantly strengthening the Group's overall financial position
- IQE maintains industry-leading global footprint and technology portfolio
- Following completion of fundraise and the repayment of RCF, IQE will receive net cash receipts of £27.9m

Strategic Review transforms Group's capital structure

Current trading and outlook

- Q1 2026 trading in line with management expectations, with strong demand across all core segments
- Accelerated demand for InP solutions supporting data centre and AI infrastructure, expected to be a material growth driver in 2026 and beyond
- Ongoing strength in aerospace and defence, as well as continuing demand improvement for VCSEL and wireless products supporting consumer smartphones.
- FY 2026 revenue expected to exceed 20% growth year-on-year, resulting in high single-digit to low double-digit Adjusted EBITDA position
- Strong order book visibility into H2 2026

Looking ahead

**A transformed
IQE, uncertainty
behind it with
strong platform
to invest**

**Strategically
positioned at
the centre of
the highest-
growth global
sectors**

**Delivering on
fundamentals,
providing
world-class
technology and
customer
experience**

Appendix

Summary financials

£'million	FY 2025	FY 2024
Revenue	97.3	118.0
Sales, general & administrative costs	(27.8)	(30.0)
Adjusted EBITDA ¹	3.2	8.1
Adjusted LBIT	(21.0)	(18.4)
Reported LBIT	(30.1)	(33.0)
Reported loss before tax	(37.0)	(36.9)
Reported loss after tax	(36.7)	(38.2)
Adjusted net cashflow from operations	11.2	6.1
Reported net cashflow from operations	8.1	1.3
Capital expenditure ²	(5.1)	(11.4)
Adjusted net debt ³	(31.5)	(18.8)
Reported net debt	(76.0)	(69.3)
Cash and cash equivalents	15.7	4.7
Reported Diluted EPS	(3.77p)	(3.96p)
Adjusted Diluted EPS	(2.82p)	(2.46p)

¹ Adjustments include restructuring costs, photonics CGU impairment and share-based payment charges.

² Capex stated is Property, Plant and Equipment cash capex

³ Adjusted net debt is calculated as cash less borrowings but excluding lease liabilities and fair value gains/losses on derivative instruments

Adjusted income statement items

£'million	2025			2024
	Cash	Non-cash	Total	Total
Share based payments	-	3.6	3.6	3.2
CEO recruitment/ severance	-	-	-	0.7
Photonics CGU impairment	-	8.0	8.0	-
Wireless CGU impairment	-	-	-	3.1
Restructuring	2.6	(5.1)	(2.5)	7.6
Total	2.6	6.4	9.1	14.6

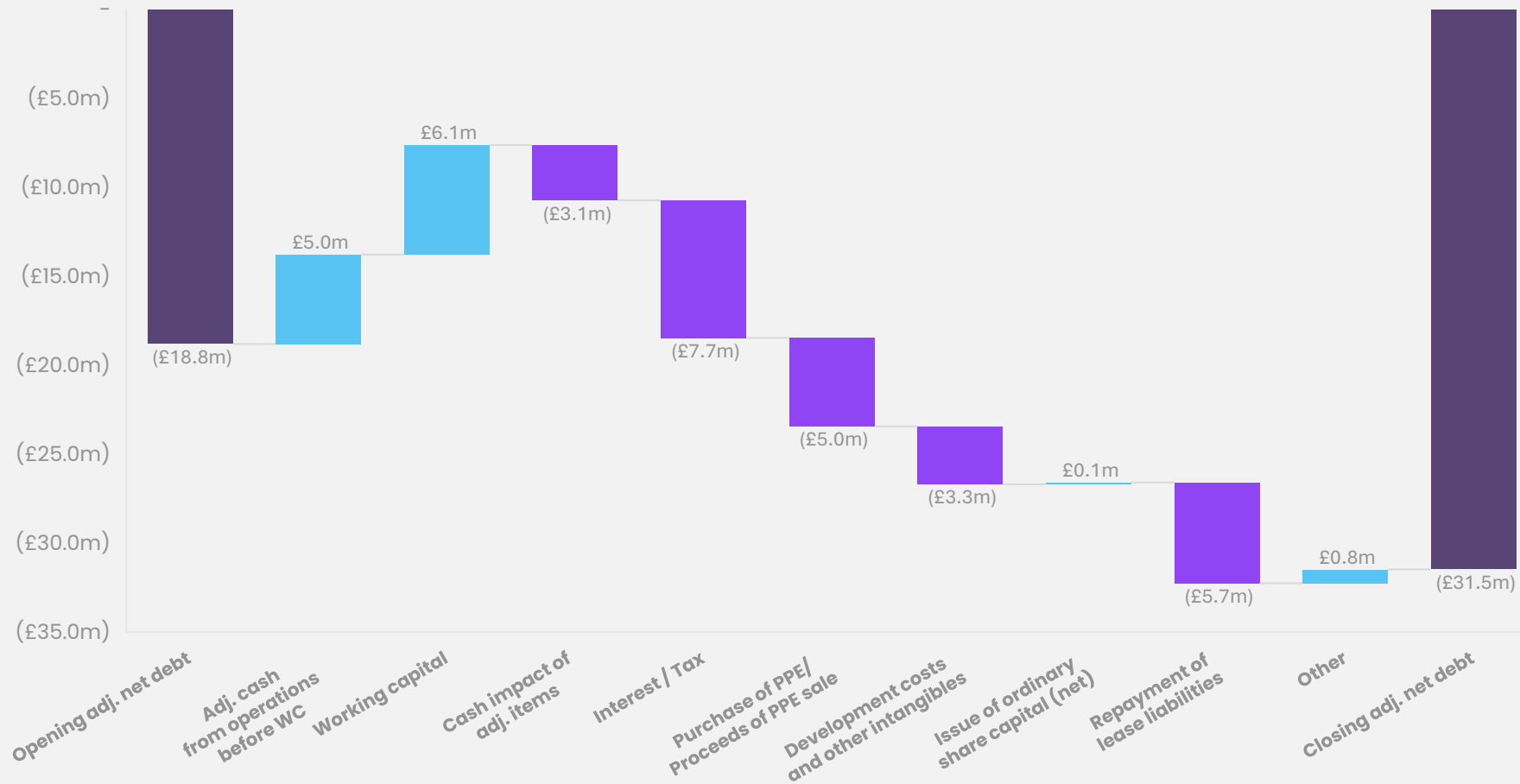
Balance sheet

As at 31 December 2025

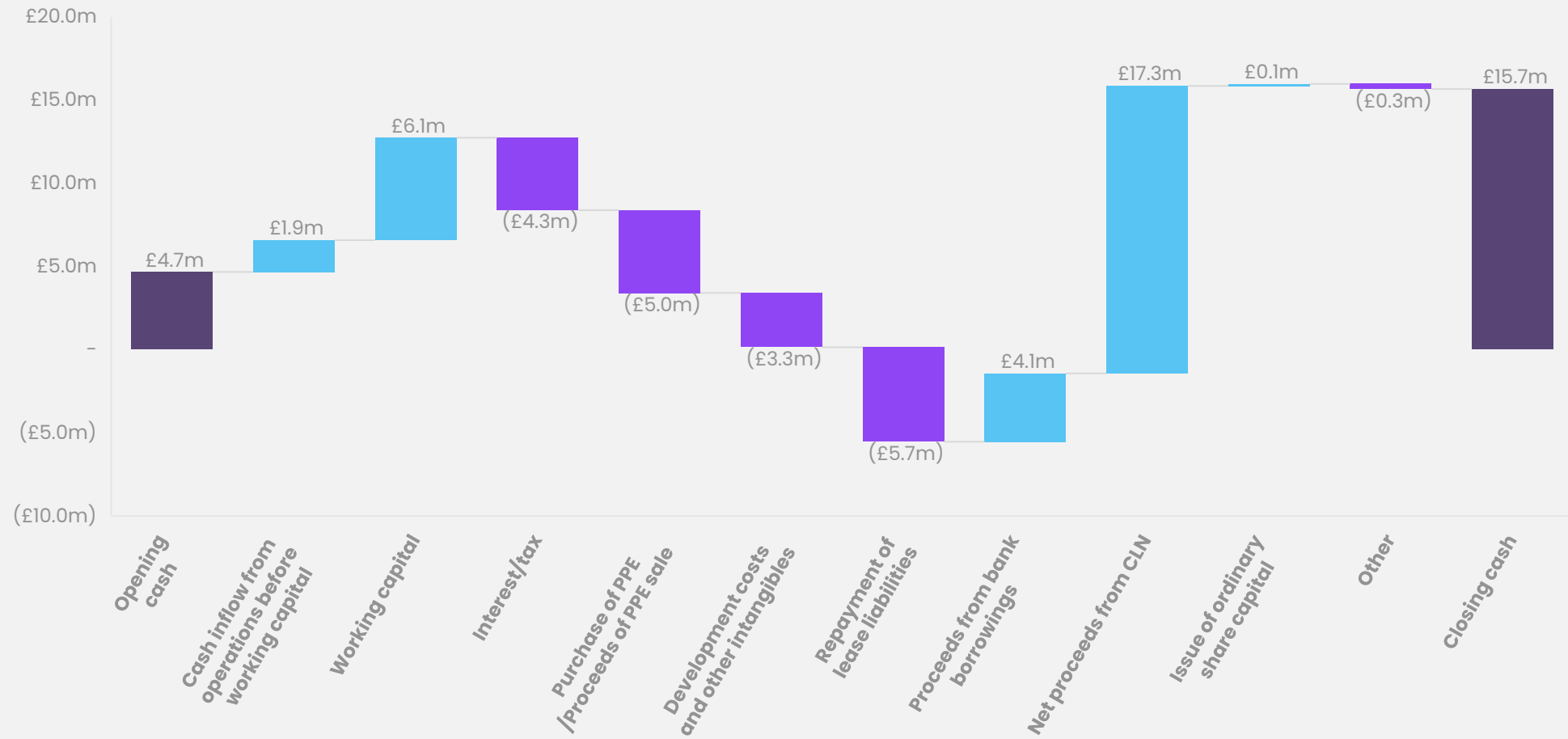
£'million	FY 2025	FY 2024
Intangible assets	17.2	29.0
Property, plant & equipment	95.3	113.7
Right of use assets	38.1	42.2
Deferred tax asset	0.3	0.0
Total current assets	62.4	62.2
Current liabilities*	(30.0)	(35.6)
Bank borrowings due within 1 year	(26.8)	0.0
Convertible loan notes due within 1 year	(20.3)	0.0
Lease liabilities due within 1 year	(4.7)	(5.7)
Total non-current liabilities*	(1.9)	(3.3)
Bank borrowings due after 1 year	0.0	(23.5)
Lease liabilities due after 1 year	(39.9)	(44.9)
Net Assets	89.7	134.1

* Excludes bank borrowings and lease liabilities highlighted separately

Net debt bridge



Cashflow bridge



IQE