H1 2026
Results Presentation

7 September 2026

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Welcome

Jutta Meier

Chief Executive Officer

Delivering commercial and strategic progress

Conclusion of Strategic Review

£81m total investment from MACOM and existing shareholders

27 April 2026

MACOM Technology Solutions

Multi-year supply agreements

27 April 2026

Tower Semiconductor

Multi-year Indium Phosphide epiwafer supply agreement

15 June 2026

$14m AI and data centre order

Production order with strategic global technology customer

14 July 2026

Quintessent Inc.

Purchase agreement for the supply of Quantum Dot Laser epitaxy

3 September 2026

Strong order book and long-term agreements providing greater visibility

Strong demand across all core markets

Multiple routes into high-growth sectors

AI and data centres

InP, GaAs, GaN

- InP and GaAs optical interconnects
- Advancing energy efficient microLED data transfer with partners serving hyperscalers
- High-efficiency power supply units

Consumer electronics

GaAs, GaN

- Next-gen 3DS VCSEL for future premium consumer devices
- MicroLED for augmented reality and next-gen display applications
- Advancing wearable sensing applications with ecosystem partners

Aerospace and defence

GaN, GaAs, GaSb, InP, InSb

- GaN RF pipeline expansion across terrestrial, satellite including LEO and defence radar platforms
- Expanded global infrared customer base across new geographies

Communications infrastructure

InP, GaN, GaAs

- Mobile base station infrastructure serving high-frequency and power RF networks
- HBT technology into high-frequency consumer connectivity applications, including WiFi 7

Automotive and industrial

GaN, GaAs, GaSb

- Long-wavelength infrared and dual-band products for Tier 1 autonomous vehicle and defence customers
- US foundry partner expansion, securing supply for 100V & 650V nodes

Material systems glossary: InP – Indium Phosphide, GaN – Gallium Nitride, GaAs – Gallium Arsenide, GaSb – Gallium Antimonide, InSb – Indium Antimonide

Operational excellence

Strengthening oversight and continuous improvement

- Improving yields, output and operational efficiencies
- Matthew Geen appointed as Chief Operating Officer to drive further progress and strengthen operational oversight
- New customer engagement model driving supply agreements, future order visibility and optimised utilisation
- Converting tooling in H2 to expand Indium Phosphide capacity to meet significant demand in AI and data centre markets

Financial review

H1 2026

Results Presentation

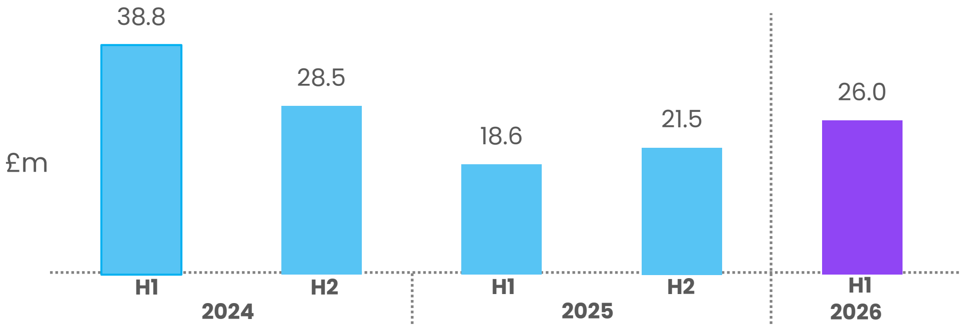
H1 2026 revenue: £64.6m

Total Wireless

Revenue **£26.0m**

Up **40%** year-on-year

- Market share gains and increased sales of wireless mobile connectivity solutions across newly qualified customer platforms

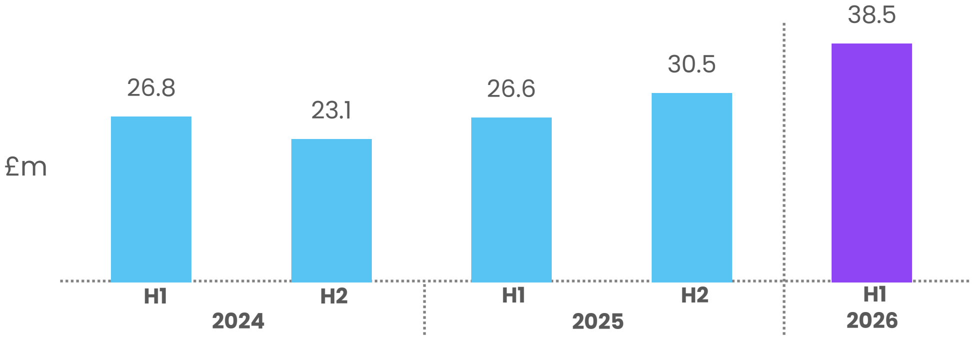


Total Photonics

Revenue **£38.5m**

Up **45%** year-on-year

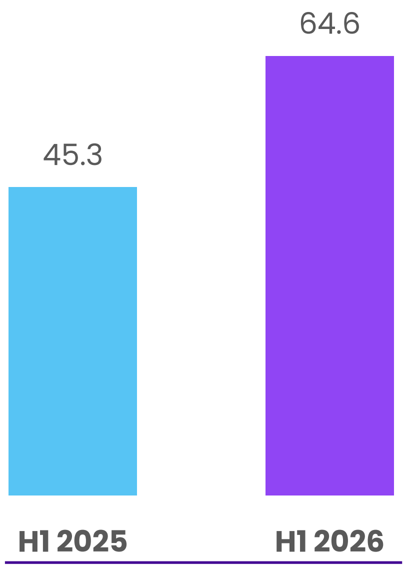
- Continued growth in AI and data centre-related markets
- Funding releases for certain US military and defence programmes



H1 2026 financial highlights

Revenue

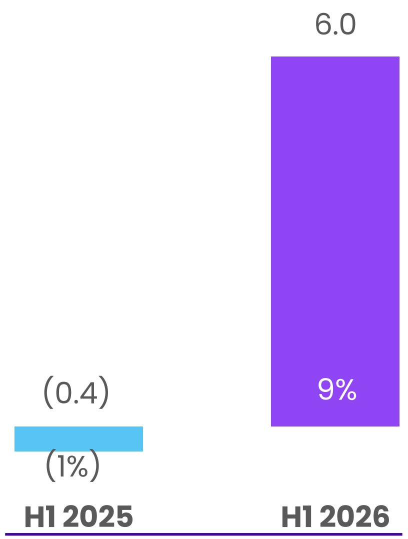
£'m



- Increased 43% year-on-year

Adj. EBITDA[1,2]

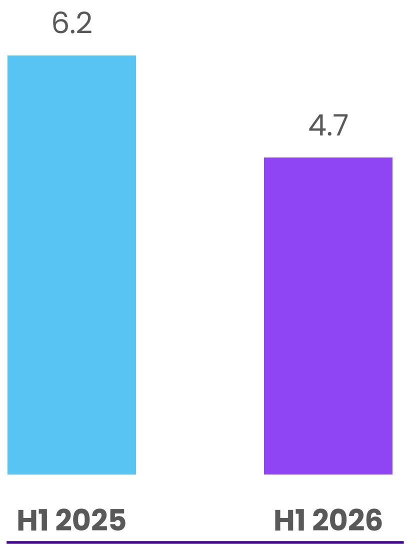
£'m



- Increased as a result of higher revenue base and improved gross margins

Adj. operating cashflow[2]

£'m



- Working capital outflow of £4.0m (H1 2025: £4.6m inflow)

Adj. net cash[3]

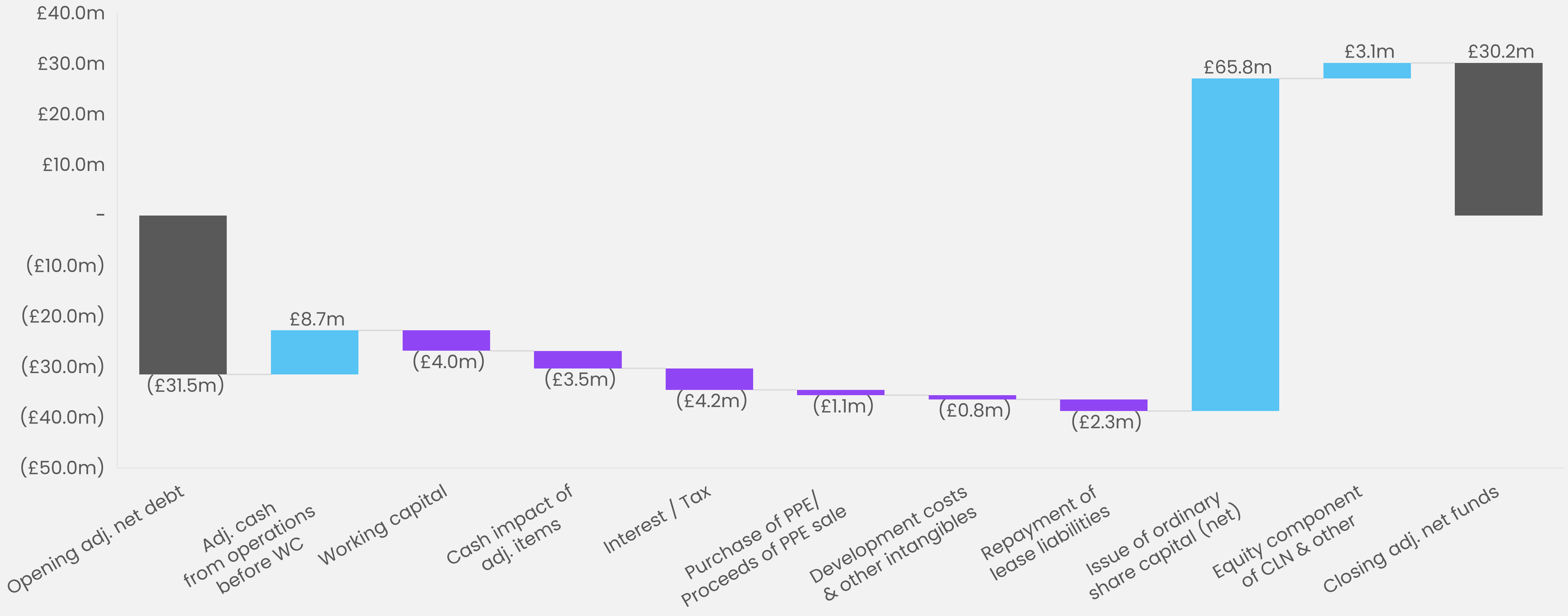
£30.2m

at 30 June 2026

Cash and cash equivalents of £41.6m as at 30 June 2026

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 and share-based payment charges.
3. Adjusted net cash is calculated as cash less borrowings but excluding lease liabilities.

Net cash bridge



Current trading and outlook

- Trading in H1 2026 exceeded management expectations, supported by strong demand across all of the Group's core segments.
- Following the July trading update and upgraded guidance, the Group has continued to see strong momentum in the second half, which is expected to support growth through the remainder of 2026 and beyond.
- IQE remains confident in achieving its FY 2026 guidance of revenue growth in excess of 30% year-on-year, resulting in low-teens £m adjusted EBITDA.
- The Group also sees potential for upside opportunities in optical communications for data centre and AI infrastructure, underpinned by recently signed supply agreements.

Move to Main Market

- Intention to apply for admission to trading on the Main Market of the London Stock Exchange
- Board believes this is the natural progression in IQE's development as a global semiconductor materials business
- Targeting admission in H1 2027

LONDON STOCK EXCHANGE
An LSEG Business

A focused strategy for a transformed IQE

Market expansion

- Strong demand across all core segments
- Multiple routes to growth
- Broad technology portfolio

Customer alignment

- Long term agreements with strategic customers
- Strong order book
- Improved demand visibility

Operational excellence

- Efficiency driving yield and production improvements
- Increased oversight

A fully funded balance sheet with increasing revenues and margins
Providing a clear path to sustainable growth

Appendix

Summary financials

£'million	H1 2026	H1 2025*
Revenue	64.6	45.3
Sales, general & administrative costs	(14.1)	(16.3)
Adjusted EBITDA[1]	6.0	(0.4)
Adjusted LBIT	(3.7)	(12.9)
Reported LBIT	(8.1)	(15.3)
Reported loss before tax	(12.6)	(18.3)
Reported loss after tax	(12.9)	(17.9)
Adjusted net cashflow from operations	4.7	6.2
Reported net cashflow from operations	1.2	3.6
Capital expenditure[2]	(1.1)	(1.0)
Adjusted net cash/(debt)[3,4]	30.2	(23.5)
Reported net debt	(12.3)	(69.8)
Cash and cash equivalents[4]	41.6	17.0
Reported Diluted EPS	(1.25)	(1.84)
Adjusted Diluted EPS	(0.82)	(1.60)

[1] Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and certain non-cash charges, non-operational items and significant infrequent items set out in slide 19.
[2] Capex stated is Property, Plant and Equipment cash capex.
[3] Adjusted net cash/(debt) is calculated as cash less borrowings but excluding lease liabilities.
[4] Cash and cash equivalents includes restricted cash of £3.7m.
*H1 2025 has been restated to reclassify the gain from foreign operations from other reserves to the income statement, consistent with the audited 31 December 2025 financial statements. The restatement reduced the loss by £8.2m, reduced the reserves transfer by £8.2m and reduced basic and diluted loss per share by 0.85p. There was no impact on net assets or cash.

Adjusted income statement items

	H1 2026			H1 2025
£'million	**Cash**	**Non-cash**	**Total**	**Total**
Share based payments	–	2.2	2.2	1.4
Photonics CGU impairment	–	–	–	7.6
Restructuring	2.2	–	2.2	(6.7)
Total	**2.2**	**2.2**	**4.4**	**2.3**

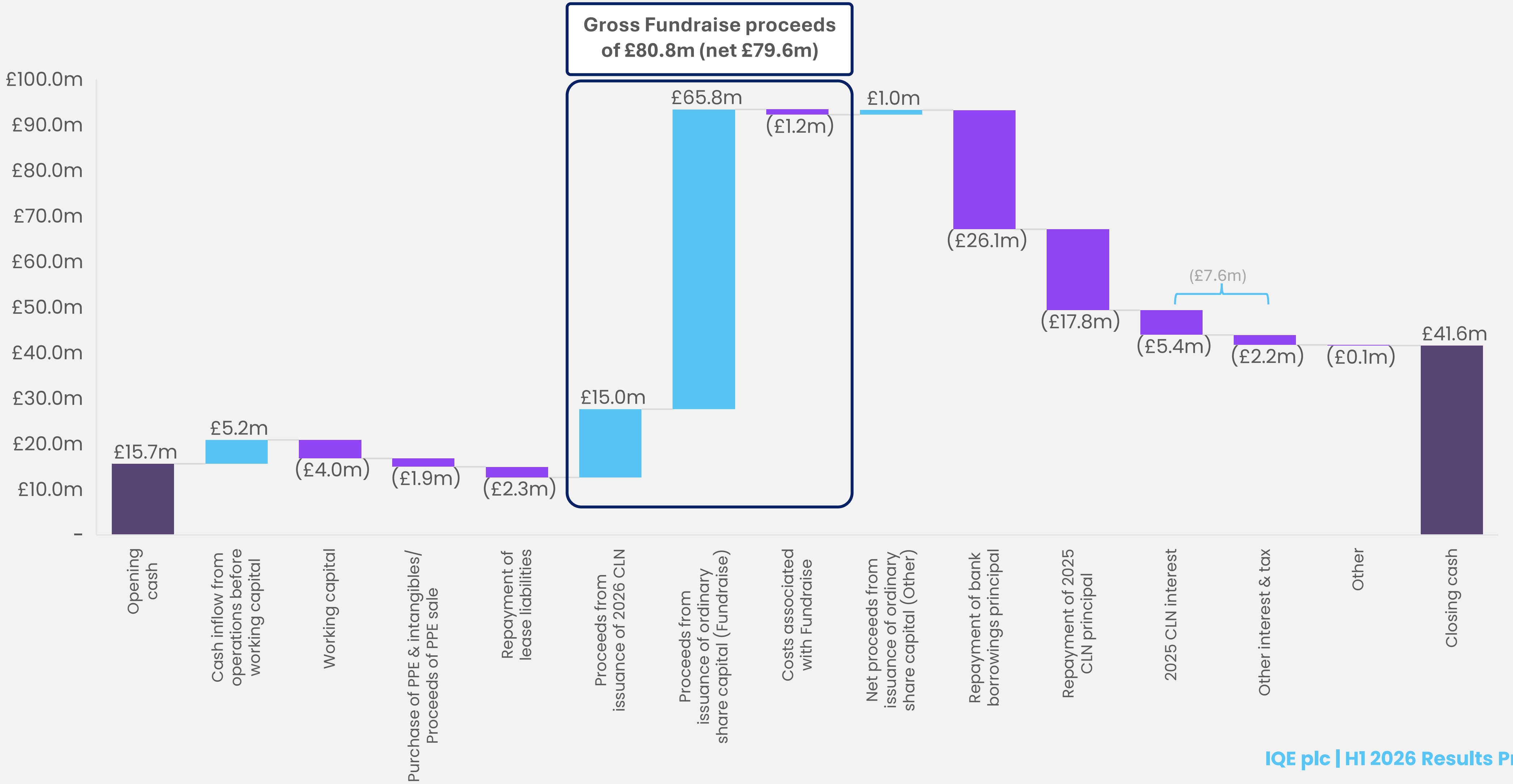
Balance sheet

As at 30 June 2026

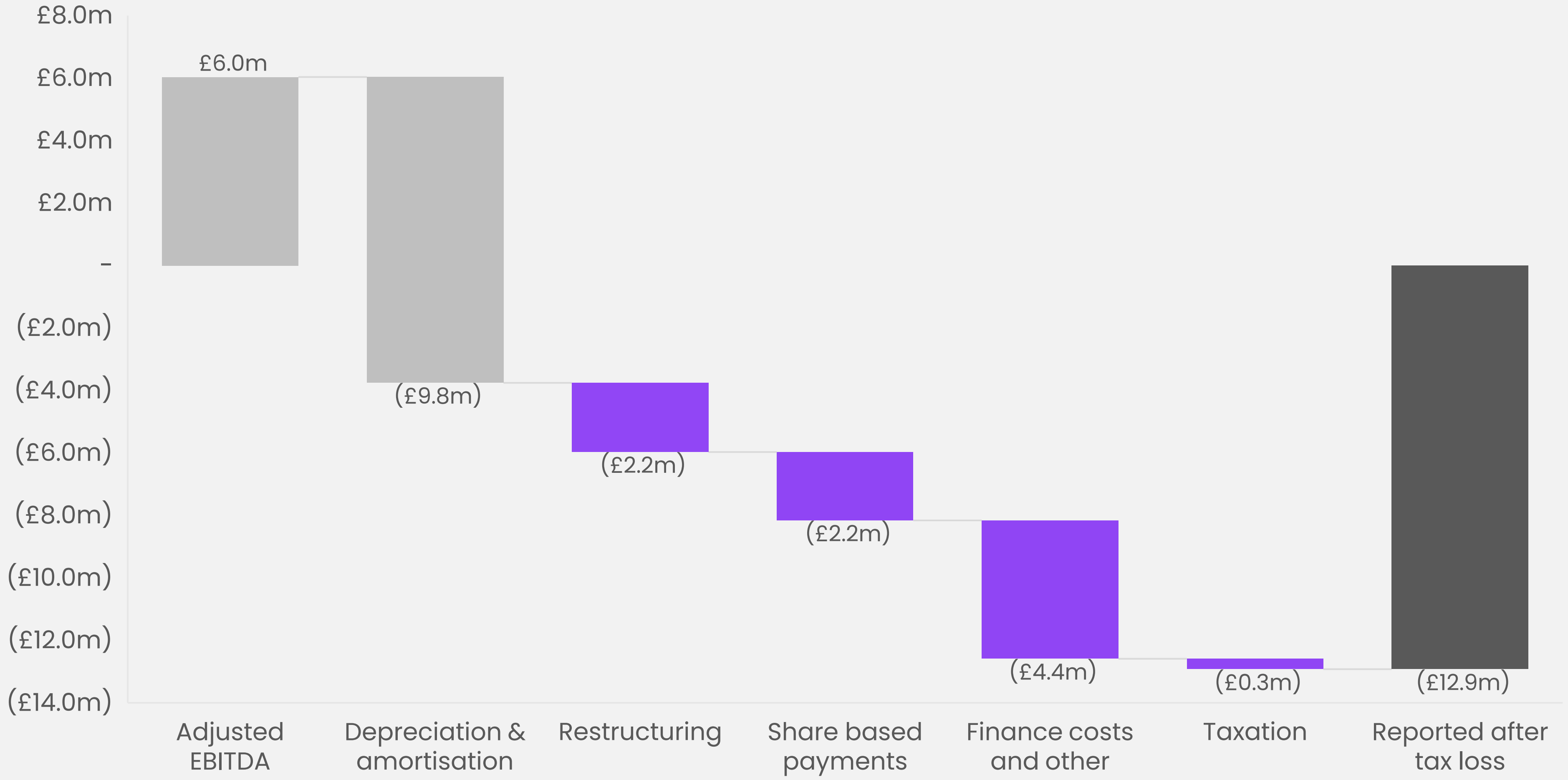
£'million	H1 2026	H1 2025
Intangible assets	16.8	19.8
Property, plant & equipment	89.5	103.4
Right of use assets	36.8	39.4
Total current assets	95.1	65.6
Current liabilities*	(34.2)	(33.2)
Bank borrowings due within 1 year	0.0	0.0
Convertible loan notes due within 1 year	0.0	(18.2)
Lease liabilities due within 1 year	(5.5)	(4.5)
Total non-current liabilities*	(1.8)	(2.1)
Bank borrowings due after 1 year	0.0	(22.3)
Convertible loan notes due after 1 year	(11.4)	0.0
Lease liabilities due after 1 year	(37.1)	(41.8)
Net Assets	**148.3**	**106.1**

* Excludes bank borrowings, convertible loan notes and lease liabilities highlighted separately

Cashflow bridge



Adjusted EBITDA bridge



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