Disclaimer (1/3)

This presentation, together with its enclosures and appendices (collectively, the "Investor Presentation"), has been produced by Nordic Semiconductor ASA (the "Company" or the "Issuer", and together with its subsidiaries, the "Group"), solely for use in connection with the contemplated offering of senior unsecured bonds ("Bonds") by the Issuer, expected to be initiated on 13 June 2022 (the "Transaction"). This Investor Presentation and its contents are strictly confidential and may not be reproduced, or redistributed in whole or in part, to any other person. The joint managers for the Transaction are Danske Bank, Norwegian branch and DNB Markets, a part of DNB Bank ASA (collectively, the "Managers"). This Investor Presentation is for information purposes only and does not in itself constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. By attending a meeting where this Investor Presentation is made, or by reading the Investor Presentation slides, you agree to be bound by the following terms, conditions and limitations in relation to the existence of this Investor Presentation and all information (including, without limitation, any projects, targets, estimates or forecasts) or opinions contained herein or in connection with it. Any failure to comply with the restrictions set out herein may constitute a violation of applicable securities laws and/or may result in civil, administrative or criminal liabilities. Unless indicated otherwise, the source of information included in this Investor Presentation is the Company.

To the best of the knowledge of the Company and its board of directors, the information contained in this Investor Presentation is in all material respects in accordance with the facts as of the date hereof, and contains no material omissions likely to affect its import. This Investor Presentation contains information obtained from third-parties. As far as the Company is aware and able to ascertain from the information published by such third-parties, such information has been accurately reproduced and no facts have been omitted that would render the reproduced information to be inaccurate or misleading. Only the Company and the Managers are entitled to provide information in respect of matters described in this Investor Presentation. Information obtained from other sources is not relevant to the content of this Investor Presentation and should not be relied upon.

The Managers have not independently verified any of the information contained herein through due diligence procedures or other investigations and no formal due diligence investigations have been carried out by or on behalf of the Managers other than an oral due diligence call and receipt of a written completeness statement whereby the Company has confirmed to the Managers that the contents of the Investor Presentation are in all material respects correct and not misleading. Neither the Company nor the Managers or any of their respective parent or subsidiary undertakings or affiliates or any such person's directors, officers, employees, advisors or representatives (collectively the "Representatives") makes any representation or warranty of any sort (express or implied) as to the accuracy or completeness of any information contained herein or in any other model or information made available in connection with this Investor Presentation, and it should not be relied upon as such. No person shall have any right of action against the Company, the Managers, their respective Representatives or any other person in relation to the accuracy or completeness of any such information, and neither the Company nor the Managers nor any of their respective Representatives shall have any liability whatsoever (in negligence or otherwise, whether direct or indirect, in contract, tort or otherwise) for any loss howsoever from any use of this Investor Presentation or its contents or otherwise arising in connection with this Investor Presentation. The information contained in this Investor Presentation is subject to amendment and/or completion without notice and such amendments may be material.

AN INVESTMENT IN THE COMPANY INVOLVES RISK, AND SEVERAL FACTORS COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT MAY BE EXPRESSED OR IMPLIED BY STATEMENTS AND INFORMATION IN THIS PRESENTATION, INCLUDING, AMONG OTHERS, RISKS OR UNCERTAINTIES ASSOCIATED WITH THE COMPANY'S BUSINESS, SEGMENTS, DEVELOPMENT, GROWTH MANAGEMENT, FINANCING, MARKET ACCEPTANCE AND RELATIONS WITH CUSTOMERS, AND, MORE GENERALLY, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS, TAXES, CHANGES IN COMPETITION AND PRICING ENVIRONMENTS, FLUCTUATIONS IN CURRENCY EXCHANGE RATES AND INTEREST RATES AND OTHER FACTORS. SHOULD ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED IN THIS PRESENTATION. PLEASE REFER TO SLIDES 5 - 6 FOR A SUMMARY OF RISK FACTORS AND SLIDES 67 - 75 FOR A DETAILED BUT NON-EXHAUSTIVE DESCRIPTION OF CERTAIN RISK FACTORS ASSOCIATED WITH THE COMPANY AND THE BONDS.
Disclaimer (2/3)

The contents of this Investor Presentation are not to be construed as financial, legal, business, investment, tax or other professional advice. Each recipient should consult with its own professional advisors for any such matter and advice. An investment in the Bonds involves a high level of risk and several factors could cause the actual results or performance of the Issuer to be different from what may be expressed or implied by statements contained in this Investor Presentation. By attending a meeting where this Investor Presentation is made, or by reading the Investor Presentation slides, you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company, its business and its shares and other securities (including the Bonds). Please see the application form in respect of the Bonds for further investor representations and acknowledgments, as well as applicable selling and transfer restrictions.

ANY INVESTOR INVESTING IN THE BONDS IS BOUND BY THE FINAL TERMS AND CONDITIONS FOR THE BONDS, AND THE OTHER TERMS SET OUT IN THE SUBSCRIPTION MATERIAL FOR THE TRANSACTION.

Neither this Investor Presentation nor any copy of it nor the information contained herein is being issued, and nor may this Investor Presentation nor any copy of it nor the information contained herein be distributed directly or indirectly to or into Canada, Australia, Hong Kong, Japan, the United States of America or any other jurisdiction in which such distribution would be unlawful. Neither the Company nor the Managers, nor any of their Representatives, have taken any action to allow the distribution of this Investor Presentation in any jurisdiction where action would be required for such purposes. The distribution of this Investor Presentation and any purchase of or application/subscription for Bonds or other securities of the Company may be restricted by law in certain jurisdictions, and persons into whose possession this Investor Presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction. None of the Company nor the Managers nor any of their Representatives shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this Investor Presentation or its contents or otherwise arising in connection with the Investor Presentation.

This Investor Presentation does not contain or constitute, and should not be construed as, an offer to sell or the solicitation of an offer to participate in, or buy, any securities of the Company in the United States. The Company does not intend to register any securities that it may offer under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or to conduct a public offering in the United States, and any such securities may not be offered or sold in the United States absent registration under the U.S. Securities Act or an available exemption. Accordingly, any offer or sale of Bonds will only be offered or sold (i) within the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act), only to qualified institutional buyers ("QIBs") in offering transactions not involving a public offering and (ii) outside the United States in offshore transactions in accordance with Regulation S. Any representation to the contrary is a criminal offence in the United States. Any purchaser of Bonds in the United States, or to or for the account of U.S. Persons, will be deemed to have been made with certain representations and acknowledgements, including without limitation that the purchaser is a QIB.

Neither the Company nor the Managers have authorized any offer to the public of securities, or have undertaken or plans to undertake any action to make an offer of securities to the public requiring the publication of an offering prospectus, in any member state of the European Economic Area which has implemented the EU Prospectus Regulation 2017/1129.

In the event that this Investor Presentation is distributed in the United Kingdom, it shall be directed only at persons who are either "investment professionals" for the purposes of Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or high net worth companies and other persons to whom it may lawfully be communicated in accordance with Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). Any person who is not a Relevant Person must not act or rely on this Investor Presentation or any of its contents. Any investment or investment activity to which this Investor Presentation relates will be available only to Relevant Persons and will be engaged in only with Relevant Persons. This Investor Presentation is not a prospectus for the purposes of Section 85(1) of the UK Financial Services and Markets Act 2000, as amended ("FSMA"). Accordingly, this Investor Presentation has not been approved as a prospectus by the UK Financial Services Authority ("FSA") under Section 87A of FSMA and has not been filed with the FSA pursuant to the UK Prospectus Rules nor has it been approved by a person authorized under FSMA.
Disclaimer (3/3)

FORWARD LOOKING STATEMENTS

This Investor Presentation is current as of 13 June 2022. Nothing herein shall create any implication that there has been no change in the affairs of the Issuer or the Group.

This Investor Presentation contains forward looking statements relating to the Group’s business, financial performance and results of the Group and/or the industry in which it operates. Forward looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions (“Forward Looking Statements”). Forward Looking Statements are subject to inherent uncertainties and qualifications and are based on numerous assumptions, in each case whether or not identified in this Investor Presentation. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond the Company’s control, no assurance can be provided that the Company will achieve or accomplish these expectations, beliefs or projections. Forward Looking Statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. The Forward Looking Statements contained in this Investor Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

Neither the Company, the Managers nor any of their respective Representatives provides any assurance that the assumptions underlying the Forward Looking Statements are free from errors nor do any of them accept any responsibility for the future accuracy of the opinions expressed in this Investor Presentation or the actual occurrence of the forecasted developments. The Forward Looking Statements speak only as at the date of these materials and no representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. The Company expressly disclaims any obligation or undertaking to release any updates or revisions to any Forward Looking Statement to reflect any change in the Company’s expectations with regard thereto or any changes in events, circumstances or conditions on which any Forward Looking Statement is based. Accordingly, undue reliance should not be placed upon the Forward Looking Statements.

The Managers and/or their employees may hold shares, options or other securities of the Company and may, as principal or agent, buy or sell such securities. The Managers may have other financial interests in transactions involving the Company and/or the Group or securities thereof. Danske Bank, Norwegian branch has, on or about the time of settlement of the Transaction, acted as one of the lenders to the Company under a certain revolving credit financing, as further described in this Investor Presentation and the term sheet for the Bonds.

This Investor Presentation is subject to Norwegian law, and any dispute arising in respect of this Investor Presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as first venue.
Summary of risk factors (1/2)

Investing in the bonds (the “Bonds”) issued by Nordic Semiconductor ASA (the “Company” or the “Issuer”, and together with its direct and indirect subsidiaries, the “Group”) involves inherent risks. Investors should consider, among other things, this Investor Presentation in conjunction with these risk factors before making an investment decision. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of the entire investment. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, they could have a material and adverse effect on the Group’s business, financial condition, results of operations, cash flows and/or future prospects which may cause a decline in the value of the Bonds and/or that could result in a loss of all or part of any investment in the Bonds.

The risks and uncertainties described below are the principal known risks and uncertainties faced by the Issuer and the Group as of the date hereof, and represents those risk factors that the Issuer believes to represent the most material risks for investors when making their investment decision in the Bonds. Additional risks not presently known and uncertainties that the Issuer currently believes are immaterial, may also have a material adverse effect on its business, financial condition, results of operations and cash flow, and may cause a decline in the value of the Bonds that could result in a loss of all or part of any investment in the Bonds.

1. RISKS RELATING TO THE BUSINESS OF THE GROUP AND THE INDUSTRY IN WHICH IT OPERATES

- The semiconductor industry is generally highly cyclical and subject to fluctuations in product supply and demand affecting the business of the Group.
- Adverse global economic conditions could result in a downturn in the markets into which the Group’s products are sold.
- A global shortage in the supply of semiconductor chips could have a significant impact on the Group’s supply.
- Changes in international trade policies and international barriers to trade, or the escalation of trade tensions, may have an adverse effect on the Group’s business.
- The Group faces intense competition in the semiconductor industry that may cause it to lose market share and harm its financial performance.
- The Group depends on a limited number of customers for a substantial portion of its revenue. If the Group fails to retain or diversify its customer relationships or if its customers cancel or reduce their purchase commitments, the Group’s revenue could decline significantly.
- The Group is exposed to credit risk pursuant to trade credit arrangements with its distributors and certain customers.
- If the Group is unable to respond effectively to developments in technology or address the evolving needs of its customers and third-party component manufacturers, demand for the Group’s products could decrease.
- The Group’s business, financial condition and results of operations may be adversely affected if its third-party component manufacturers or distribution partners are not able to match manufacturing or distribution capacity to demand.
Summary of risk factors (2/2)

- The Group’s failure to adequately protect its technologies and know-how through patents and other intellectual property rights could negatively impact its competitiveness and harm its business and future prospects.
- The Group relies on technology provided by third parties, and its business may be negatively affected if it is unable to renew existing licensing arrangements, obtain future license arrangements or if it becomes subject to disputes or other negative consequences relating to existing or future licensing arrangements.
- The Group’s products may be subject to product liability and warranty claims, which could be expensive and could divert management’s attention.
- The Group’s loss of key management and other personnel and inability to attract key management and other personnel could impact its business.
- The Group is increasingly reliant on information technology in its operations, and any failure of such systems could harm its ability to effectively operate its business.
- The Group’s failure or alleged failure to comply with regulatory requirements, including competition laws and regulations and anti-corruption laws, could result in the imposition of penalties or sanctions and the incurrence of significant legal costs.
- The Group has operations worldwide and is subject to risks relating to tax, including changes in tax laws and regulations.
- Exchange rate and interest rate fluctuations may affect the Group’s financial condition or results of operations.

2. FINANCIAL RISKS

- Covenants under the Group’s existing borrowing arrangements may lead to inability to finance operations, capital needs and to pursue business opportunities, and the breach of any such covenants could have a material adverse effect on the Group’s operations.

3. RISKS RELATED TO THE BONDS

- Risks related to the market for the Bonds.
- Risks related to the Bonds not being secured.
- Risks related to put options, mandatory prepayment and early redemptions.
- Risks related to the Issuer’s dependency on the financial performance of the Group for amounts due on the Bonds.
- Risks related to restrictions on transferability of the Bonds.
- Risks related to exchange rates for non-NOK investors.
Abbreviations

Through out this presentation the following abbreviations are used:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIC</td>
<td>Application Specific Integrated Circuits</td>
</tr>
<tr>
<td>Bluetooth LE</td>
<td>Bluetooth Low Energy</td>
</tr>
<tr>
<td>BOM</td>
<td>Bill Of Materials</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compound Annual Growth Rate</td>
</tr>
<tr>
<td>cloT</td>
<td>Cellular IoT</td>
</tr>
<tr>
<td>CMD</td>
<td>Capital Markets Day</td>
</tr>
<tr>
<td>Fab</td>
<td>Fabrication</td>
</tr>
<tr>
<td>HI / H2</td>
<td>First / second half</td>
</tr>
<tr>
<td>IC</td>
<td>Integrated Circuits</td>
</tr>
<tr>
<td>IoT</td>
<td>Internet of Things</td>
</tr>
<tr>
<td>LE</td>
<td>Low Energy</td>
</tr>
<tr>
<td>LTE</td>
<td>Long-Term Evolution</td>
</tr>
<tr>
<td>LTE-M</td>
<td>Long Term Evolution, category M.</td>
</tr>
<tr>
<td>LTM</td>
<td>Last Twelve Months</td>
</tr>
<tr>
<td>NB-IoT</td>
<td>Narrowband IoT</td>
</tr>
<tr>
<td>NIBD</td>
<td>Net Interest Bearing Debt</td>
</tr>
<tr>
<td>NOD</td>
<td>Nordic Semiconductor ASA</td>
</tr>
<tr>
<td>Nordic</td>
<td>Nordic Semiconductor ASA</td>
</tr>
<tr>
<td>nRF</td>
<td>Nordic Radio-Frequency</td>
</tr>
<tr>
<td>POS</td>
<td>Point Of Sale</td>
</tr>
<tr>
<td>Q1 / Q2</td>
<td>First / second quarter</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research &amp; Development</td>
</tr>
<tr>
<td>RCF</td>
<td>Revolving Credit Facility</td>
</tr>
<tr>
<td>SDK</td>
<td>Software Development Kit</td>
</tr>
<tr>
<td>SEP</td>
<td>Standard Essential Patent</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>Selling, General &amp; Administrative expenses</td>
</tr>
<tr>
<td>SoC</td>
<td>System-on-Chip</td>
</tr>
<tr>
<td>Wi-Fi</td>
<td>Wireless Fidelity</td>
</tr>
</tbody>
</table>
Agenda

1. Transaction overview
2. Company overview
3. Financials
4. Industry overview
5. Appendix
6. Risk factors
Transaction overview & rational

- Nordic Semiconductor ASA ("Nordic", "NOD", the "Company") is contemplating a senior unsecured bond issue in NOK, with an expected tenor of 5 years and a target size of NOK 1,500 million.
- NOD has on 13 June 2022 been assigned a long-term issuer rating of 'BBB' with a 'Stable' outlook by Nordic Credit Rating. The unsecured bonds are expected to be rated 'BBB'.
- Demand for NOD’s products has been significantly above what NOD has been able to deliver over the past year. The proceeds from the Bond issue will be used to support the company’s growth plans, increase flexibility and security in the supply chain, and fund potential add-on acquisitions.
- Remaining bond proceeds will inter alia be used to further increase the Company’s already strong cash coverage (cash to R&D spending).
- On 3 June 2022, NOD signed a new senior secured sustainability-linked revolving credit facility (the "RCF") of USD 150 million. The RCF is currently undrawn
- NOD will continue to be conservatively capitalized following the bond issue and the RCF, with a pro forma negative NIBD per Q1 2022 and is committed to maintain an investment grade profile through the cycle.
Main terms — senior unsecured bond

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Nordic Semiconductor ASA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer Rating</td>
<td>BBB (stable) from Nordic Credit Rating</td>
</tr>
<tr>
<td>Initial Issue Amount</td>
<td>Target size NOK 1,500 million</td>
</tr>
<tr>
<td>Maximum Issue Amount</td>
<td>NOK 3,000 million</td>
</tr>
<tr>
<td>Tenor</td>
<td>5.0 years</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>3 months Nibor + [●]% per annum, quarterly interest payments (zero Interest Rate floor)</td>
</tr>
<tr>
<td>Amortization</td>
<td>Bullet at maturity</td>
</tr>
<tr>
<td>Status</td>
<td>Senior unsecured</td>
</tr>
<tr>
<td>Use of Proceeds</td>
<td>General corporate purposes, including by way of repayment of drawings under the RCF if relevant and any potential acquisitions</td>
</tr>
<tr>
<td>Negative Pledge</td>
<td>Yes, with carve-out for the higher of (i) the RCF and (ii) 15% of Total Assets, and other customary carve-outs (inter alia hedging, ordinary course, arising by law), including a general basket of USD 25 million</td>
</tr>
<tr>
<td>Change of Control</td>
<td>Investor put option at 101% of Initial Nominal Amount</td>
</tr>
<tr>
<td>Initial Nominal Amount</td>
<td>NOK 1,000,000</td>
</tr>
<tr>
<td>Minimum Investment</td>
<td>NOK 2,000,000</td>
</tr>
<tr>
<td>Trustee / Governing Law</td>
<td>Nordic Trustee AS / Norwegian law</td>
</tr>
<tr>
<td>Listing</td>
<td>Oslo Stock Exchange</td>
</tr>
<tr>
<td>Global Coordinator</td>
<td>Danske Bank</td>
</tr>
<tr>
<td>Joint Bookrunners</td>
<td>Danske Bank &amp; DNB Markets</td>
</tr>
</tbody>
</table>
Key credit highlights

- **Leading market position in a growing market**
  - Nordic Semiconductor, listed on Oslo Børs with a market capitalization of ~USD 3.6 billion, is a Norwegian fabless semiconductor company specializing in wireless communication technology that powers the Internet of Things (IoT). The company has more than 1,200 employees, of which ~75% work in R&D.
  - The award-winning Bluetooth Low Energy (Bluetooth LE) solutions has pioneered ultra-low power wireless, making Nordic a global market leader in Bluetooth LE with a market share of 42% as of Q1 2022.

- **Strong market with growth driven by continuous digitization and innovation (IoT)**
  - Nordics’ addressable market is large and is expected to continue to grow at a rapid pace. The growth is supported by megatrends such as smart homes, industrial IoT and platforms ecosystems, which will significantly increase the number of connected devices and drive demand for semiconductors in the future.
  - There is a continuous need for innovation to keep up with customer requirements. Nordic has invested ~USD 400 million over the past 5 years into R&D and is committed to innovation. Nordic currently invest around 60% of R&D spend into short-range technology, and 40% into cellular IoT, Wi-Fi and other technologies and products.

- **Solid balance sheet and low financial leverage**
  - Solid capital structure with a LTM Q1 2022 NIBD/EBITDA of -1.8x and a Q1 2022 equity ratio of ~77%. Strong liquidity with cash and cash equivalents of USD 304 million in Q1 2022, in addition to the new undrawn RCF of USD 150 million.
  - Committed to an investment grade rating, high equity ratio (>50%) and considerable liquidity (targets R&D coverage multiple 2 ~2.0x), to ensure flexibility and resilience.
  - Strong financial performance with a revenue CAGR of 22% since 2016\(^2\) with LTM EBITDA margins of ~24% as of Q1 2022. Nordic has outlined a long-term EBITDA margin target of 25%.

- **Strong customer relationships with world-leading technology companies**
  - Nordic has a broad customer base, ranging from single developers to global industry leading customers and shipped more than 700 million units in 2021.
  - Nordic has strong long-lasting relationships with tier-1 customers including major global platform companies.
  - Diversified customer base with the top 10 Bluetooth LE customers accounting for about 40% of sales in both 2020 and 2021.

---

1) Market share is based on last 12 months end-product certifications per Q1 2022. Source: DNB Markets/FCC. 2) Cash / LTM R&D spend. 3) CAGR based on Q1 LTM revenues.
Nordic is enabling IoT
Simplifying lives through all things connected

- Leading ultra-low-power wireless connectivity solutions
- Short-range, medium-range and long-range technologies
- Broad products and solutions portfolio
- Common software platform and development tools
- Excellent tech support and the world most active Bluetooth forum through Nordic’s “DevZone”
Building a smarter world!
Where everything is connected
Platform ecosystems driving growth

Nordic leverages on leading broad market position and strong tier-1 relations built over many years.
Our tech solutions are recognized globally

RF/Wireless category for the Nordic nRF5340™ high-end multiprotocol System-on-Chip (SoC)

Outstanding EMEA Semiconductor Company Award

Technical Innovation Award for the Nordic ‘nRF Cloud Location Services’
Nordic are on a long-lasting growth journey

Revenue
USDm

Innovation unlocking market waves

Widespread IoT adoption →
Emerging IoT markets →
Wearables →
PC peripherals →
Game controllers →


Proprietary/ASICs  Bluetooth LE  Cellular IoT
Dedicated to wireless connectivity

Broad portfolio - scalable solutions — common software platform

Strong product and solutions portfolio...

...for short-, medium- and long-range connectivity technologies

- Low-power integrated circuits (ICs)
- Embedded software
- Advanced development tools

<table>
<thead>
<tr>
<th>Short-range IoT</th>
<th>Medium-range IoT</th>
<th>Long-range cIoT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bluetooth LE, 802.15.4/Thread, Zigbee and 2.4GHz RF SoCs</td>
<td>Acquired leading Wi-Fi team and Wi-Fi assets in 2020</td>
<td>Multi-mode cellular LTE-M/NB-IoT Modules</td>
</tr>
</tbody>
</table>
Wafer shortages pose growth challenge

Mitigating actions will secure growth in 2022 and the coming years

Challenges

+ Strong long-term demand drivers
+ Strengthening cyclical demand
+ Underinvestment in wafer capacity
+ Logistic disruptions through Covid-19
= Structural and cyclical wafer shortage and greatly extended delivery times

Mitigating actions

- Managed to advance wafer allocations
- Adjusting to increased wafer prices
- Increased focus on dual sourcing
- Committed wafer deliveries securing 2022-2023 plan
### Key Suppliers investing for growth

<table>
<thead>
<tr>
<th>TSMC</th>
<th>GlobalFoundries</th>
<th>SiTerra</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ: Taiwan</td>
<td>HQ: US</td>
<td>HQ: Malaysia</td>
</tr>
<tr>
<td>Rating (S&amp;P/Moody’s): AA-/Aa3</td>
<td>Rating (S&amp;P/Moody’s): NR</td>
<td>Rating (S&amp;P/Moody’s): NR</td>
</tr>
<tr>
<td>Employees: ~56,000</td>
<td>Employees: ~15,000</td>
<td>Employees: ~1,500</td>
</tr>
</tbody>
</table>

- **$12bn new 12-inch fab in Arizona with expected annual capacity of 2.4m wafers**
- **Expected production start in 2024**
- **In talks with the German government regarding a potential plant to be built in Germany**

- **$4bn new 12-inch fab in Singapore, increasing annual capacity by 450K wafers**
- **Expected production start in 2023**
- **Currently planning a second plant in Malta, NY, which is being developed in close partnership with the government**

- **SiTerra plan to invest MYR645m ($153m) on an expansion that will increase annual manufacturing capacity by 20%.**
- **Expected ready by early 2023**

**CHIPS for America Act (2021)**
- “This bill establishes investments and incentives to support U.S. semiconductor manufacturing, research and development, and supply chain security.”

**EU Chips act (2022)**
- “The European Chips Act will Europe’s competitiveness and resilience in bolster semiconductor technologies and applications, and help achieve both the digital and green transition”

Source: Bloomberg (10 June 2022), Company websites, Company reports, European Commission, US Govt
Short-range IoT

Market leader with strong growth
Revenue by end-user market

Driven by product allocations

- Consumer accounts for two-thirds of revenue
- Highest growth for Industrial last 3 years
- High upside in Healthcare
Breakdown by end-user markets

Aligned with customers end-products and our sales structure

<table>
<thead>
<tr>
<th>Markets</th>
<th>Verticals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>Mobile/PC HID</td>
</tr>
<tr>
<td></td>
<td>Wearables</td>
</tr>
<tr>
<td></td>
<td>Smart Home</td>
</tr>
<tr>
<td></td>
<td>Gaming</td>
</tr>
<tr>
<td></td>
<td>VR/AR</td>
</tr>
<tr>
<td></td>
<td>Consumer Asset Tracking</td>
</tr>
<tr>
<td></td>
<td>Consumer Health</td>
</tr>
<tr>
<td></td>
<td>Audio</td>
</tr>
<tr>
<td></td>
<td>Toys</td>
</tr>
<tr>
<td></td>
<td>CE Remotes</td>
</tr>
<tr>
<td></td>
<td>Wireless Charging</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td>Healthcare</td>
<td>Drug Delivery</td>
</tr>
<tr>
<td></td>
<td>Disease Monitoring</td>
</tr>
<tr>
<td></td>
<td>Hearing Aids</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td>Industrial</td>
<td>Asset Tracking</td>
</tr>
<tr>
<td></td>
<td>Professional Lighting</td>
</tr>
<tr>
<td></td>
<td>Metering</td>
</tr>
<tr>
<td></td>
<td>Building Automation</td>
</tr>
<tr>
<td></td>
<td>Modules</td>
</tr>
<tr>
<td></td>
<td>Retail</td>
</tr>
<tr>
<td></td>
<td>Transportation</td>
</tr>
<tr>
<td></td>
<td>Payment / ID</td>
</tr>
<tr>
<td></td>
<td>Tools and Machinery</td>
</tr>
<tr>
<td></td>
<td>Agriculture</td>
</tr>
<tr>
<td></td>
<td>Beacons</td>
</tr>
<tr>
<td></td>
<td>Maker and Education</td>
</tr>
<tr>
<td></td>
<td>Automotive</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td>Other</td>
<td>Catalog sales</td>
</tr>
<tr>
<td></td>
<td>Undefined</td>
</tr>
</tbody>
</table>

24
Steady and high certification market share
Significantly increasing value per design

Bluetooth Low Energy end-product certifications, LTM

Source: DNB Markets/FCC
Growing across the whole customer base

- Growing customer base and increasing revenue per customer
- Balancing allocation across tier-1 customers and the broad market
Long-range IoT

Early mover in next growth wave
Leveraging Nordic short-range leader position
...to develop a sizable long-range cellular IoT business

- Cellular IoT (cIoT) set to be the next semiconductor growth wave
  - Higher value & price point
  - Nordic supports both LTE-M & NB-IoT
- Complementing our short-range offering
  - Technology and supply chain synergies
  - Common software development platform
  - Market & customer overlap
- Set to accelerate growth and maximize R&D value at attractive cost of entry
cloT set to benefit from new partners

Accelerating our customers’ time to market

cloT revenue last 12 months
USD
Adjacent technologies
products, services and verticals
Investing from technology leadership position

Sound investment criteria across technologies, products, services and verticals

- Sizeable markets
- Growth above industry average
- Opportunity for healthy gross-margins
- Opportunity to grow market share
- Feasibility from technical and financial viewpoint and time to market
Wi-Fi on track for market introduction in H2 2022

1. Harvest experience
   - Utilize newly acquired assets to get early access to Wi-Fi 6 market
   - Leverage our existing SoC position among our customers and in existing market verticals

2. Build into Nordic platforms
   - Bring Wi-Fi into the Nordic IC and Software platform
     - one experience, many technologies
   - Match Nordic low power DNA with strong Wi-Fi competence from our new Nordicers
     - similar to what we did when we entered the Cellular IoT space

3. Enhance Wi-Fi product offering
   - Continue to innovate in the Wi-Fi space through customer engagements and standardization work,
     similar to how we approach Bluetooth LE
   - Tailor solutions towards specific needs among certain customers and market vertical
Expanding into cloud-based services
A new long term revenue stream for Nordic Semiconductor

Location Services
Initial services for nRF9160
Assisted / Predictive GPS
Cell-tower based location
Significantly enhances battery life

Future Services
Also for short-range devices
Firmware Over The Air updates
Device lifetime management
Other value added services

One-stop-shop
Out-of-the-box support on Nordic kits
Tightly integrated, device to cloud
Single sales point for customer
«Ease of use»
Expanding existing technology
Nordic strong contributor to new 5G, ETSI DECT-2020 standard

WORLD’S FIRST NON-CELLULAR 5G TECHNOLOGY, ETSI DECT-2020, GETS ITU-R APPROVAL

- Nordic main contributor to the physical layer and a key contributor to the medium access layer of the specification
- Leverage our cellular investments with initial solution being built around the nRF91 Series
- In partnership with Wirepas, a Finish massive IoT wireless solution software specialist company
- Market introduction 2022

DECT 2020 reinvents the familiar DECT technology standardized by ETSI three decades ago. Supporting highly reliable low-latency connection between large numbers of densely-packed devices, it’s a scalable, cost-effective solution for enterprise IoT and machine-to-machine applications including industrial automation, sensor networks, logistics and smart buildings.
IoT supporting sustainability
Large potential to make a global impact
A structured approach to ESG governance

Our vision sets the framework:

Simplifying lives through all things connected

A leading vendor of wireless connectivity and embedded processing solutions for internet connected things with a sustainable footprint
IoT is crucial to deliver on UN SDGs

Nordic are making ‘things’ more capable and efficient by:

- Lowering power consumption
- Increasing computational capability
- Enabling a large variety of sustainable applications
  - Precision farming
  - Climate smart cities and communities
  - Smart mobility
  - Energy efficiency of buildings
  - Sustainable manufacturing and waste reduction
  - Extreme weather and climate impact modelling
  - And more…
Committed to achieve ESG targets

**ESG 2021 HIGHLIGHTS**

- **871%**
  - RENEWABLE ENERGY USAGE INCREASE

- **23%**
  - INCREASE IN FEMALE EMPLOYEES

- **35.8%**
  - GHG EMISSION REDUCTION PER REVENUE UNIT (TONNES CO2E/USDM)

- **34.6%**
  - GHG EMISSION REDUCTION PER FULL TIME EMPLOYEE (TONNES CO2E/FTE)

- **43%**
  - FEMALE ELECTED MEMBERS ON THE BOARD

---

**ESG KEY TARGETS FOR 2022**

- **RENEWABLE ENERGY PURCHASE TO ACHIEVE**
  - GHG EMISSION REDUCTION FOR SCOPE 2 BY 50%
  - GHG EMISSION REDUCTION FOR SCOPE 3 BY 20%

- **80% OF PROTOTYPING PLATFORMS WITH RECYCLABLE PLASTIC ENCLOSURE**

- **5% OF DEVICE CONTAINERS WITH RECYCLED PLASTIC**

- **DIVERSITY AND INCLUSION FOCUS TO ACHIEVE**
  - AN AVERAGE SCORE ABOVE 80 FOR INCLUSIVE LANGUAGE IN OUR JOB ADVERTISEMENTS

- **20% INCREASE IN NUMBER OF RECEIVED APPLICATIONS FROM FEMALES**

- **EMPLOYEE SATISFACTION WITH WORKING IN NORDIC AT OR ABOVE GLOBAL BENCHMARK**

---

*Source: Company’s 2021 annual report*
Unique position to enhance sustainability

Committed signatory to UN Global Compact and supporting UN Sustainable Development Goals (SDGs)

www.nordicsemi.com/ESGreport
Agenda

1. Transaction overview
2. Company overview
3. Financials
4. Industry overview
5. Appendix
6. Risk factors
Financial performance — rolling 12 months

Revenue, LTM
USDm

Gross margin, LTM
%

EBITDA, LTM
%

Q1 2017 | Q1 2018 | Q1 2019 | Q1 2020 | Q1 2021 | Q1 2022
205 | 249 | 264 | 306 | 478 | 650

Q1 2017 | Q1 2018 | Q1 2019 | Q1 2020 | Q1 2021 | Q1 2022
46.6% | 47.7% | 50.2% | 51.1% | 52.2% | 56.0%

Q1 2017 | Q1 2018 | Q1 2019 | Q1 2020 | Q1 2021 | Q1 2022
19.2% | 18.1% | 16.3% | 21.3% | 27.9% | 33.0%

EBITDA-marg in
EBITDA-marg in short-range

0% | 10% | 20% | 30% | 40% | 50% | 60%
Capex intensity to be maintained

- Long-term target for fabless business model <5% of sales
- 2022 capex expected in-line with 2021 (~4%)
- Continuing to invest in additional test capacity to finalize end-products quickly when we receive wafers
- During 2020 we invested in a state-of-the-art lab

CAPEX LTM¹
USDm, % of LTM revenue

1) CAPEX last 12 months to each quarter
Continuing to invest in innovation

Lowering of R&D intensity currently capped by revenue constraints

- Innovation is a core driver of revenue and long-term margins
- High absolute investment level set to continue...
- ...but R&D intensity set to decline with higher revenue

- Key to meeting customer requirements
- Securing long-term stability
- Continuous commitment to innovation
- Sustainable cash coverage level of ~2x

* Recognized in P&L
Financial indebtedness mainly consists of the RCF (undrawn) and leases

- Facility amount: USD 150 million
  - Signed June 2022
  - Legacy facility (USD 65 million) undrawn per Q1 2022
- Tenor: 3 years + 2 x 1 year extension options
- Three ESG KPIs:
  - 1) Annual scope 2 emissions from purchased electricity
  - 2) Percentage share of recycled plastic used in the chip product shipment containers (reels) per financial year
  - 3) Climate CDP rating (updated annually) as calculated by the 2021 Carbon Disclosure Project Scoring Methodology
- Financial covenant: Minimum equity ratio of 40%
- Lenders: Danske Bank & HSBC
- Sustainability coordinators: Danske Bank & HSBC

Leases
- Office buildings, office equipment, machinery and vehicles
- Typically one to six year leases
- USD 19.9 million per Q1 2022
  - USD 5.6 million current
  - USD 14.3 million non-current

- Operating cash flow of USD 32.0m in Q1
- Increasing net working capital mainly due to accounts receivables
  - NWC/Revenue LTM up to 19.9% from 17.8% at YE 2021 — still at low level
- Continued disciplined cash strategy
- Solid cash balance at 2.1x last 12 months R&D-spend

* EBITDA Adjusted for Capitalized Development Costs
Prudent capital management and a solid financial position

- Strong equity position with a minimum 50% equity ratio target
- Strong financial position with negative NIBD/EBITDA
- No drawn interest-bearing debt except lease liabilities as of Q1 2022
- 2021 low due to low inventory and receivables
- Slight ease in supplies to increase NWC

* Includes lease liabilities
Capital allocation priorities
Balancing growth, solidity and shareholder distribution

- Reinvestment in R&D with long-term perspective
  - Targets ~2.0x R&D coverage multiple\(^1\)

- Strong balance sheet required to ensure Flexibility and Resilience and full commitment to maintain an Investment Grade profile
  - Targets minimum 50% equity ratio

- Exploring M&A opportunities in adjacent technologies and markets
  - Primarily complementary technology add-ons

- Improving cash flow expected to allow for evaluation of Cash return to shareholders in 2023
  - Subject to capital structure, long-term growth targets and surplus cash\(^2\)

---

1) R&D coverage multiple = Cash / LTM R&D spend. 2) The company’s dividend policy is reviewed each year by the Board of Directors. No dividends paid in 2021.
Committed to maintain an IG credit profile

- Nordic received a BBB long-term issuer credit rating with a stable outlook from Nordic Credit Rating
  - The BBB rating reflects the company’s strong balance sheet and low financial leverage. The rating also reflects the company’s strong position in growing niche markets within wireless communication technology and IoT in particular, including products that help monitor various kinds of environmental impact. Nordic Semiconductor has strong customer relationships with world-leading technology companies.¹)

- Nordic has a strong balance sheet and low financial leverage and is committed to maintain its investment grade credit profile

¹) Nordic Credit Rating’s rating report on Nordic Semiconductor

<table>
<thead>
<tr>
<th>Sub factors</th>
<th>Impact</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating environment</td>
<td>20.0%</td>
<td>bb+</td>
</tr>
<tr>
<td>Market position</td>
<td>10.0%</td>
<td>bbb-</td>
</tr>
<tr>
<td>Size and diversification</td>
<td>10.0%</td>
<td>bb-</td>
</tr>
<tr>
<td>Operating efficiency</td>
<td>10.0%</td>
<td>bb+</td>
</tr>
<tr>
<td>Business risk assessment</td>
<td>50.0%</td>
<td>bb+</td>
</tr>
<tr>
<td>Ratio analysis</td>
<td></td>
<td>aa</td>
</tr>
<tr>
<td>Risk appetite</td>
<td></td>
<td>a</td>
</tr>
<tr>
<td>Financial risk assessment</td>
<td>50.0%</td>
<td>a+</td>
</tr>
</tbody>
</table>

**Indicative credit assessment**

- Liquidity: Adequate
- ESG: Adequate
- Peer comparisons: -1 notch
- Stand-alone credit assessment: bbb
- Support analysis: Neutral
- Issuer analysis: BBB
- Outlook: Stable
- Short-term rating: N3

Capital structure ratings

- Seniority: Rating
  - Senior unsecured: BBB
Seeking to align backlog to capacity

- Reduction in order backlog does not reflect demand
- Order backlog >> delivery capabilities given the current supply chain constraints
- Actively working with end-customers and distributors to adjust order volumes to better match delivery capabilities
- Further backlog adjustments required until the wafer supply situation is resolved
Expect solid Q2 despite supply challenges

Q2 2022 guidance

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Gross margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>USDm</td>
<td>&gt;54%</td>
</tr>
<tr>
<td>190-210</td>
<td></td>
</tr>
</tbody>
</table>

- Revenue guidance reflects current wafer allocations for Q2 2022
- Higher wafer supply expected in the second half of the year
- IoT affected by component shortage also in Q2 — issue expected to be resolved in H2 2022
Expansion within target operating model

**Target operating model**

- **Gross margin**
  - 15-20%
  - 50%
  - <10%

- **SG&A**
  - Increasing operational leverage

- **R&D**
  - Continued strong commitment to innovation

- **EBITDA**
  - Positive margin outlook based on continued high growth

- **Target Model**

**Gross margin depending on technology and customer mix**
- **Lower gross margins expected in cellular IoT Module business**
- **Higher gross margin opportunities in other new technologies and service offering**
- **Overall goal to maintain 50%**
The outlook stands firm

- USD 1bn revenue target in 2023
- Aiming to more than double revenue in 2023-2026
- Continued strong growth in short-range
- Accelerating in cloT
- Early traction in Wi-Fi
- Gradually increasing revenue contribution from power management and other adjacent products and technologies
Significantly broadening our market space
Our success depends on our innovation capabilities and execution

Addressable markets, 2026
by technology

- Investing in adjacent products and services — building on technology leadership
  - Developing next-generation Wi-Fi solutions and ‘filling the gap’ in our connectivity portfolio
  - Capturing circuit board space with power management and other adjacent products
  - Introducing Cloud Services — starting with location services for cellular IoT
  - Evaluating broad range of opportunities

Source: Nordic management estimates, as presented on CMD in October 2021.
IoT offers a large and growing market

- The total IoT space is a massive and growing market across hardware, connectivity and services
- Strong megatrends driving growth;
  - Industrial IoT
  - Sustainable solutions
  - Platform ecosystems

Bluetooth Low Energy set for continued growth

Bluetooth enabled device shipments
by radio version, # shipments in billion

- We are the clear market leader in Bluetooth Low Energy
- Broad portfolio of multiprotocol SoCs with Bluetooth Low Energy, Thread and Zigbee
- Common, unified software platform with broad range of SDKs and industry-leading development support
- Strong customer relations with leaders in wide range of verticals

Source: Bluetooth SIG Market Update, as presented on CMD in October 2021
Cellular IoT will drive digitalization of society
Nordic has invested early in a huge market opportunity

- LTE-M and NB-IoT will open new markets for M2M and M2People communication at massive scale
- Nordic has an industry-leading offering in terms of power consumption, form factor, and software support
- Continuing to invest to expand the portfolio

5 billion IoT devices by 2025 - via cellular access technologies

Source: ERICSSON whitepaper, Cellular networks for massive IoT, January 2021

1) As presented on CMD in October 2021
Agenda

1. Transaction overview
2. Company overview
3. Financials
4. Industry overview
5. Appendix
6. Risk factors
### Income statement

<table>
<thead>
<tr>
<th>USD million</th>
<th>Q1 2022</th>
<th>Q1 2021</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>183.09</td>
<td>143.23</td>
<td>610.53</td>
<td>405.22</td>
<td>288.39</td>
</tr>
<tr>
<td>Cost of materials</td>
<td>-73.76</td>
<td>-71.34</td>
<td>-283.42</td>
<td>-190.69</td>
<td>-141.29</td>
</tr>
<tr>
<td>Direct project costs</td>
<td>0.00</td>
<td>0.00</td>
<td>-0.47</td>
<td>-0.58</td>
<td>-0.35</td>
</tr>
<tr>
<td>Gross profit</td>
<td>109.32</td>
<td>71.89</td>
<td>326.64</td>
<td>213.94</td>
<td>146.75</td>
</tr>
<tr>
<td>Payroll expenses</td>
<td>-40.08</td>
<td>-35.95</td>
<td>-149.82</td>
<td>-101.21</td>
<td>-80.28</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-14.51</td>
<td>-11.04</td>
<td>-52.10</td>
<td>-35.95</td>
<td>-33.67</td>
</tr>
<tr>
<td>EBITDA</td>
<td>54.73</td>
<td>24.90</td>
<td>124.72</td>
<td>76.78</td>
<td>32.81</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-10.04</td>
<td>-9.23</td>
<td>-37.80</td>
<td>-31.06</td>
<td>-23.54</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>44.70</td>
<td>15.67</td>
<td>86.92</td>
<td>45.71</td>
<td>9.27</td>
</tr>
<tr>
<td>Net interest income</td>
<td>-0.06</td>
<td>-0.25</td>
<td>-0.40</td>
<td>-0.77</td>
<td>0.81</td>
</tr>
<tr>
<td>Net foreign exchange gains (losses)</td>
<td>-0.19</td>
<td>0.14</td>
<td>0.74</td>
<td>-2.02</td>
<td>-0.37</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>44.45</td>
<td>15.55</td>
<td>87.26</td>
<td>42.92</td>
<td>9.71</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-10.71</td>
<td>-2.05</td>
<td>-16.09</td>
<td>-4.53</td>
<td>-2.38</td>
</tr>
<tr>
<td>Net profit after tax</td>
<td>33.74</td>
<td>13.50</td>
<td>71.17</td>
<td>38.39</td>
<td>7.33</td>
</tr>
</tbody>
</table>
## Balance sheet

<table>
<thead>
<tr>
<th>USD million</th>
<th>Q1 2022</th>
<th>Q1 2021</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>2.37</td>
<td>2.39</td>
<td>2.39</td>
<td>2.39</td>
<td>0.00</td>
</tr>
<tr>
<td>Capitalized development expenses</td>
<td>30.72</td>
<td>33.99</td>
<td>31.54</td>
<td>34.56</td>
<td>33.99</td>
</tr>
<tr>
<td>Software and other intangible assets</td>
<td>14.69</td>
<td>18.44</td>
<td>15.76</td>
<td>19.91</td>
<td>11.41</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>6.23</td>
<td>3.67</td>
<td>6.33</td>
<td>3.67</td>
<td>2.61</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>32.72</td>
<td>29.40</td>
<td>33.89</td>
<td>28.28</td>
<td>26.63</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>18.83</td>
<td>23.70</td>
<td>18.94</td>
<td>25.09</td>
<td>23.93</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>105.57</strong></td>
<td><strong>111.60</strong></td>
<td><strong>108.84</strong></td>
<td><strong>113.91</strong></td>
<td><strong>98.77</strong></td>
</tr>
<tr>
<td>Inventory</td>
<td>62.74</td>
<td>60.81</td>
<td>54.94</td>
<td>61.96</td>
<td>53.07</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>154.30</td>
<td>135.22</td>
<td>141.75</td>
<td>88.03</td>
<td>64.52</td>
</tr>
<tr>
<td>Current financial assets</td>
<td>0.25</td>
<td>0.34</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Other current receivables</td>
<td>12.92</td>
<td>10.69</td>
<td>11.95</td>
<td>9.37</td>
<td>11.36</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>303.56</td>
<td>196.80</td>
<td>279.33</td>
<td>242.55</td>
<td>90.64</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>533.77</strong></td>
<td><strong>403.86</strong></td>
<td><strong>487.97</strong></td>
<td><strong>401.91</strong></td>
<td><strong>219.59</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>639.34</strong></td>
<td><strong>515.45</strong></td>
<td><strong>596.82</strong></td>
<td><strong>515.81</strong></td>
<td><strong>318.36</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USD million</th>
<th>Q1 2022</th>
<th>Q1 2021</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>0.32</td>
<td>0.32</td>
<td>0.32</td>
<td>0.32</td>
<td>0.30</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>-0.00</td>
<td>-0.00</td>
<td>-0.00</td>
<td>-0.00</td>
<td>-0.01</td>
</tr>
<tr>
<td>Share premium</td>
<td>235.45</td>
<td>235.45</td>
<td>235.45</td>
<td>235.45</td>
<td>113.36</td>
</tr>
<tr>
<td>Other equity</td>
<td>257.41</td>
<td>170.59</td>
<td>222.45</td>
<td>166.73</td>
<td>118.55</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>493.18</strong></td>
<td><strong>406.36</strong></td>
<td><strong>458.21</strong></td>
<td><strong>402.49</strong></td>
<td><strong>232.21</strong></td>
</tr>
<tr>
<td>Pension liability</td>
<td>0.71</td>
<td>0.43</td>
<td>0.58</td>
<td>0.67</td>
<td>0.31</td>
</tr>
<tr>
<td>Non-current lease liabilities</td>
<td>14.31</td>
<td>19.13</td>
<td>14.28</td>
<td>21.00</td>
<td>19.89</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>15.02</strong></td>
<td><strong>19.56</strong></td>
<td><strong>14.86</strong></td>
<td><strong>21.67</strong></td>
<td><strong>20.20</strong></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>29.63</td>
<td>26.40</td>
<td>28.39</td>
<td>22.81</td>
<td>19.74</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>25.12</td>
<td>5.41</td>
<td>17.43</td>
<td>4.98</td>
<td>3.14</td>
</tr>
<tr>
<td>Public duties</td>
<td>12.56</td>
<td>5.03</td>
<td>7.60</td>
<td>8.79</td>
<td>3.76</td>
</tr>
<tr>
<td>Current lease liabilities</td>
<td>5.59</td>
<td>5.97</td>
<td>5.99</td>
<td>5.52</td>
<td>4.04</td>
</tr>
<tr>
<td>Current financial liabilities</td>
<td>0.00</td>
<td>0.00</td>
<td>0.52</td>
<td>0.30</td>
<td>0.00</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>58.25</td>
<td>46.73</td>
<td>64.22</td>
<td>49.26</td>
<td>35.28</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>131.15</strong></td>
<td><strong>89.54</strong></td>
<td><strong>123.75</strong></td>
<td><strong>91.65</strong></td>
<td><strong>65.96</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>639.34</strong></td>
<td><strong>515.45</strong></td>
<td><strong>596.82</strong></td>
<td><strong>515.81</strong></td>
<td><strong>318.36</strong></td>
</tr>
</tbody>
</table>
## Cash flow statement

<table>
<thead>
<tr>
<th>USD million</th>
<th>Q1 2022</th>
<th>Q1 2021</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>44.45</td>
<td>15.55</td>
<td>87.26</td>
<td>42.93</td>
<td>9.71</td>
</tr>
<tr>
<td>Taxes paid for the period</td>
<td>-2.92</td>
<td>-1.75</td>
<td>-6.33</td>
<td>-2.96</td>
<td>-4.85</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>10.04</td>
<td>9.23</td>
<td>37.80</td>
<td>31.06</td>
<td>23.54</td>
</tr>
<tr>
<td>Change in inventories, trade receivables and payables</td>
<td>-19.09</td>
<td>-42.41</td>
<td>-41.04</td>
<td>-29.56</td>
<td>-13.80</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>1.80</td>
<td>0.89</td>
<td>6.67</td>
<td>3.15</td>
<td>1.10</td>
</tr>
<tr>
<td>Movement in pensions</td>
<td>0.13</td>
<td>0.00</td>
<td>0.13</td>
<td>0.14</td>
<td>0.03</td>
</tr>
<tr>
<td>Other operations related adjustments</td>
<td>-2.42</td>
<td>-8.22</td>
<td>11.33</td>
<td>20.53</td>
<td>3.95</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>31.99</td>
<td>-26.71</td>
<td>95.82</td>
<td>65.29</td>
<td>19.68</td>
</tr>
<tr>
<td><strong>Cash flows used in investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures (including software)</td>
<td>-4.15</td>
<td>-5.43</td>
<td>-25.05</td>
<td>-16.48</td>
<td>-20.18</td>
</tr>
<tr>
<td>Capitalized development expenses</td>
<td>-1.66</td>
<td>-1.61</td>
<td>-5.64</td>
<td>-8.40</td>
<td>-11.27</td>
</tr>
<tr>
<td>Business Combination, net of cash acquired</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>-13.16</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Net cash flows used in investing activities</strong></td>
<td>-5.80</td>
<td>-7.04</td>
<td>-30.69</td>
<td>-38.04</td>
<td>-31.45</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USD million</th>
<th>Q1 2022</th>
<th>Q1 2021</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows used in financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in treasury shares</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>10.46</td>
<td>2.41</td>
</tr>
<tr>
<td>Cash settlement of options contract</td>
<td>0.00</td>
<td>-10.14</td>
<td>-20.76</td>
<td>-4.56</td>
<td>0.00</td>
</tr>
<tr>
<td>Capital increase</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>121.28</td>
<td>0.00</td>
</tr>
<tr>
<td>Repayment of lease liabilities</td>
<td>-1.53</td>
<td>-1.64</td>
<td>-6.49</td>
<td>-3.55</td>
<td>-3.91</td>
</tr>
<tr>
<td><strong>Net cash flows used in financing activities</strong></td>
<td>-1.53</td>
<td>-11.79</td>
<td>-27.25</td>
<td>123.62</td>
<td>-1.49</td>
</tr>
</tbody>
</table>

| **Cash and cash equivalents** |          |          |         |         |         |
| Effects of exchange rate changes on cash and cash equiv. | -0.44   | -0.22    | -1.09   | 1.02    | 0.04    |
| Net change in cash and cash equivalents | 24.23   | -45.75   | 36.78   | 151.90  | -13.23  |
| Cash and cash equiv. beginning of period | 279.33  | 242.55   | 242.55  | 90.65   | 103.88  |
| **Cash and cash equiv. at end of period** | 303.56  | 196.79   | 279.33  | 242.55  | 90.65   |
Board of directors

Birger Steen
Chairman
Board Chair since 2018 and board member since 2017.
196,840 shares
5,258 shares

Inger Berg Ørstavik
Board member
Board member since 2017
24,758 shares

Jan Frykhammar
Board member
Board member since 2019
13,258 shares

Anita Huun
Board member
Board member since 2019
154,888 shares

Endre Holen
Board member
Board member since 2019
10,600 shares

Øyvind Birkenes
Board member
Board member since 2019

Annastiina Hintsa
Board member
Board member since 2019
4,258 shares

Anja Dekens
Board member
Board member since 2022
200 shares and 542 RSUs

Gro Fykse
Board member
Board member since 2022
850 shares and 1,191 RSUs

Morten Dammen
Board member
Board member since 2019
1,150 shares and 2,715 RSUs

Jon Helge Nistad
Board member
Board member since 2017
600 shares and 716 RSUs

Current holdings in the company

Employee elected
Executive management

Svenn-Tore Larsen  
CEO/President

Mr. Larsen is an Electronic Engineer from the University of Strathclyde, UK. He was appointed Chief Executive Officer of Nordic Semiconductor in February 2002. Mr. Larsen has broad international experience in the semiconductor business, previously as Director for the Nordic region for Xilinx Inc. He has also been working at Philips Semiconductor. Mr. Larsen was member of the Board of Nordic Semiconductor from 2000-2002. Svenn-Tore Larsen is based in Oslo, Norway.

Pål Elstad  
CFO/EVP Finance

Mr. Elstad has held several senior financial positions, most recently as investor relations responsible for REC Silicon ASA and Head of Finance for REC Solar in Singapore. He joined Nordic as CFO in 2014. Mr. Elstad has extensive manufacturing and supply chain experience from General Electric Healthcare. He holds a Bachelor of Economics degree from the Norwegian Business School (BI) and is a State Authorized Public Accountant (CPA). Pål Elstad is based in Oslo, Norway.

Katarina Finneng  
EVP People & Communication

Mrs. Finneng has international experience within management, HR and Communications/PR from several different sectors. Her most recent position before joining Nordic in 2019 was with Norwegian Air Shuttle ASA and previous experience includes different roles in Hafslund ASA and the Volvo Group. Mrs. Finneng holds a Master of Political Science degree from the University of Gothenburg, Sweden, as well as an Executive Master degree in Management from BI Norwegian Business School. Mrs. Finneng is Secretary of the Board’s People and Compensation Committee and holds a Directorship to the Board in the real estate development company Solon Eiendom ASA. Katarina Finneng is based in Oslo, Norway.

Kjetil Holstad  
EVP Product Management

Mr. Holstad has a B.Sc degree in Electronics from Sør-Trøndelag University College (HiST). After working 15 years in various technical and marketing positions related to MCUs and wireless technologies at Atmel Corporation and Texas Instruments, he joined Nordic in 2015 as a Product Manager for the short-range wireless business. Kjetil Holstad is based in Oslo, Norway.

Linda Pettersson  
SVP Legal & Compliance (Acting)

Mrs. Pettersson holds a Master of Law degree from Uppsala University in Sweden and has long international experience within Legal and Compliance functions within several different sectors. She started as Legal Counsel at Wallenius Wilhelmsen Logistics AS, providing legal support within a wide variety of areas of law across many jurisdictions. At Wallenius Wilhelmsen Logistics, she developed and implemented company-wide compliance programs including all their components, she supported investigations, and identified solutions for non-compliance matters. Her most recent position before joining Nordic in 2021 was to head the Group Compliance function at Norsk Hydro ASA. Mrs. Pettersson also acts as Secretary to the Board of Directors. Linda Pettersson is based in Oslo, Norway.
Executive management (continued)

Mr. Langeland has a Bachelor of Engineering (Hons) degree in Electronics from University of Manchester Institute of Science and Technology. He started as a Product Manager Standard Components in Nordic in 1999, before being appointed as a member of the Executive Management Team in 2005. Before joining Nordic, Mr. Langeland worked as Field Sales/Applications Engineer in Memic, Norway, at leading global electronic components distribution company. Geir Langeland is based in Oslo, Norway.

Mr. Morken joined the company as an Analog IC designer in 1994 and has since held numerous positions related to Project- and Supply Chain Management, including a brief employment for SensoNor ASA in 1999. Mr. Morken holds a Master’s degree in Electronics Engineering from Norwegian University of Science and Technology (NTNU). Ole Fredrik Morken is based in Taipei, Taiwan.

Mr. Nielsen holds an MBA from the Haas School of Business at the University of California, Berkeley and Bachelor of Engineering honors degree in Computer and Electronics Systems from University of Strathclyde. He joined Nordic in 2001 as Director of Sales and Marketing. Mr. Nielsen also held a position as R&D director from 2005 to 2006 and Director of Emerging Technologies and Strategic Partnerships from 2010 to 2012. Additionally, he served Innovation Norway as the Director of San Francisco and Houston offices where he was in charge of promoting Norwegian technology from 2007 to 2010. Prior to Nordic, he worked for Boston Consulting Group as a consultant. Svein-Egil Nielsen is based in Oslo, Norway.

Mr. Rømcke has a M.Sc. degree in Electronics Engineering from Norwegian University of Science and Technology (NTNU). Mr. Rømcke has held different positions in Nordic such as Digital Designer, Project Manager and Group Manager. He has also experience from Digital Design and Project Management in Normarc AS (now Indra), a leading manufacturer of aviation systems. Ebbe Rømcke is based in Oslo, Norway.

Mr. Ytterdal holds a Bachelor of Electronics Engineering and Business Administration from NKI College of Engineering in Oslo, Norway. He worked several years in Ericsson Standard Component before starting in Nordic as Regional Sales Manager for Asia and the Pacific in 2001. Between 2004 and 2010, Mr. Ytterdal was stationed in Hong Kong as Director of Sales & Marketing in APAC, establishing Nordic’s presence in the region. He also held a position as Director of the Board of the Norwegian Chamber of Commerce in Hong Kong from 2005-2008. Mr. Ytterdal moved back to Oslo/Norway in 2015, where he now has his base.

Current holdings in the company

- Geir Langeland: 201,144 shares, 16,709 RSUs and 13,189 performance shares
- Ole-Fredrik Morken: 110,577 shares, 9,995 RSUs and 9,995 performance shares
- Svein-Egil Nielsen: 15,164 shares, 11,239 RSUs and 11,239 performance shares
- Ebbe Rømcke: 74,018 shares, 6,666 RSUs and 6,666 performance shares
- Ståle “Steel” Ytterdal: 125,052 shares, 8,047 RSUs and 8,047 performance shares
## Share information

### 20 largest shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Folketrygdfondet</td>
<td>20,434,382</td>
<td>10.60</td>
</tr>
<tr>
<td>Accelerator Ltd</td>
<td>17,572,950</td>
<td>9.12</td>
</tr>
<tr>
<td>Capital Group Cos Inc/The</td>
<td>9,958,156</td>
<td>5.17</td>
</tr>
<tr>
<td>Invesco Ltd</td>
<td>5,718,634</td>
<td>2.97</td>
</tr>
<tr>
<td>Danske Bank A/S</td>
<td>5,633,267</td>
<td>2.92</td>
</tr>
<tr>
<td>DNB ASA</td>
<td>4,853,262</td>
<td>2.52</td>
</tr>
<tr>
<td>BlackRock Inc</td>
<td>4,820,202</td>
<td>2.50</td>
</tr>
<tr>
<td>Alfred Berg Kapitalforvaltning AB</td>
<td>4,681,927</td>
<td>2.43</td>
</tr>
<tr>
<td>Vanguard Group Inc/The</td>
<td>4,113,482</td>
<td>2.13</td>
</tr>
<tr>
<td>KLP Kapitalforvaltning AS</td>
<td>2,873,582</td>
<td>1.49</td>
</tr>
<tr>
<td>Svenska Handelsbanken AB</td>
<td>2,735,736</td>
<td>1.42</td>
</tr>
<tr>
<td>Passesta AS</td>
<td>2,685,000</td>
<td>1.39</td>
</tr>
<tr>
<td>Swedbank AB</td>
<td>2,351,076</td>
<td>1.22</td>
</tr>
<tr>
<td>Alden AS</td>
<td>2,050,000</td>
<td>1.06</td>
</tr>
<tr>
<td>Larsen Svenn-Tore</td>
<td>1,932,272</td>
<td>1.00</td>
</tr>
<tr>
<td>Robeco Luxembourg SA</td>
<td>1,850,000</td>
<td>0.96</td>
</tr>
<tr>
<td>TTC Invest AS</td>
<td>1,772,000</td>
<td>0.92</td>
</tr>
<tr>
<td>Eika Kapitalforvaltning AS/Norway</td>
<td>1,729,172</td>
<td>0.90</td>
</tr>
<tr>
<td>Oberweis Asset Management Inc</td>
<td>1,678,844</td>
<td>0.87</td>
</tr>
<tr>
<td>Songa Capital AS</td>
<td>1,620,000</td>
<td>0.84</td>
</tr>
</tbody>
</table>

Source: Bloomberg (10 June 2022)

### Share price performance

<table>
<thead>
<tr>
<th>NOK per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>
Group Legal structure

NOD ASA
Nordic Semiconductor ASA
Norway

100%

NOD KK
Nordic Semiconductor Japan
KK
Japan

100%

NOD AS TW
Nordic Semiconductor Norway Taiwan Branch
Taiwan

NOD GmbH
Nordic Semiconductor Germany GmbH
Germany

100%

NOD Singapore
Nordic Semiconductor Singapore PTE. LTD.
Singapore

NOD Hong Kong
Nordic Semiconductor Hong Kong Limited
Hong Kong

NOD India
Nordic Semiconductor India Private Limited
India

NOD SE
Nordic Semiconductor Sweden AB
Sweden

NOD China
Nordic Semiconductor (Shenzhen) Limited

100%

NOD AS
Nordic Semiconductor Norway AS
Norway

NOD OY
Nordic Semiconductor Finland OY
Finland

NOD Sp. z o.o.
Nordic Semiconductor Poland Sp. z o.o.
Poland

NOD SE
Nordic Semiconductor Sweden AB
Sweden

NOD SE
Nordic Semiconductor Sweden AB
Sweden

NOD UK
Nordic Semiconductor UK Limited
UK

NOD China
Nordic Semiconductor (Shenzhen) Limited

100%

NOD AS TW
Nordic Semiconductor Norway Taiwan Branch
Taiwan

NOD Singapore
Nordic Semiconductor Singapore PTE. LTD.
Singapore

NOD Hong Kong
Nordic Semiconductor Hong Kong Limited
Hong Kong

NOD India
Nordic Semiconductor India Private Limited
India

NOD SE
Nordic Semiconductor Sweden AB
Sweden

NOD China
Nordic Semiconductor (Shenzhen) Limited

100%
Risk factors (1/9)

Investing in the bonds (the “Bonds”) issued by Nordic Semiconductor ASA (the “Company” or the “Issuer”, and together with its direct and indirect subsidiaries, the “Group”) involves inherent risks. Investors should consider, among other things, this Investor Presentation in conjunction with these risk factors before making an investment decision. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of the entire investment. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, they could have a material and adverse effect on the Group’s business, financial condition, results of operations, cash flows and/or future prospects which may cause a decline in the value of the Bonds and/or that could result in a loss of all or part of any investment in the Bonds.

The risks and uncertainties described below are the principal known risks and uncertainties faced by the Issuer and the Group as of the date hereof, and represents those risk factors that the Issuer believes to represent the most material risks for investors when making their investment decision in the Bonds. Additional risks not presently known and uncertainties that the Issuer currently believes are immaterial, may also have a material adverse effect on its business, financial condition, results of operations and cash flow, and may cause a decline in the value of the Bonds that could result in a loss of all or part of any investment in the Bonds.

1. RISKS RELATING TO THE BUSINESS OF THE GROUP AND THE INDUSTRY IN WHICH IT OPERATES

1.1 The semiconductor industry is generally highly cyclical and subject to fluctuations in product supply and demand affecting the business of the Group.

The semiconductor industry is generally highly cyclical and is subject to constant and rapid technological changes, rapid product obsolescence and price erosion, evolving product and technological standards, short product life cycles and fluctuations in product supply and demand. The semiconductor industry has experienced significant downturns at various times, often in connection with or in anticipation of maturing product cycles of semiconductor companies and their customers’ products, as well as declines in general economic conditions. Downturns are typically characterized by diminished product demand, accelerated erosion of average selling prices, reduced revenues, lower capacity utilization rates and higher inventory levels. The Group has historically experienced adverse effects on its results of operations and cash flows during such downturns, specifically in the form of decreased revenue as a result of reduced demand from its end-customers, and it may experience such adverse effects in future downturns, which could be severe and prolonged. The Group’s ability to reduce costs in periods of downturn through reductions in capital expenditures and research and development expenses or other means may be limited because of the need to maintain its competitive position.

1.2 Adverse global economic conditions could result in a downturn in the markets into which the Group’s products are sold.

The Group’s growth is dependent, in part, on demand for its customers’ end products, primarily within the IoT, consumer, healthcare, and industrial sectors. Industry downturns that adversely affect the Group’s customers or their customers, could also adversely affect demand for the Group’s products. Additionally, global or regional economic slowdowns affecting business and consumer confidence generally could cause demand for semiconductor products to decline. The reliance on Taiwan for supply to the semiconductor industry could create a critical situation for the global economy. The Group experienced a tightening of supply at the beginning of 2021, and it continued throughout the year, with supply constraints confirmed for 2022 and expected for 2023. The supply constraint has a direct ripple effect on other identified risks, such as the Group’s dependency on key customers, as the gap between such key customers’ demand and what the Group can deliver is increasing.
Risk factors (2/9)

In addition, there are also uncertainties in the global economy due to geopolitical risks related to the recent instability in the Ukraine region, including supply chain disruptions and delays, increases in energy prices globally, increased inflation and continued trade frictions. The conflict in Ukraine, as well as financial sanctions being imposed on Russia by governments including in the United States, the European Union and the United Kingdom, have caused increased volatility in financial markets, and have added to upwards pressure on prevailing energy and some commodity prices. The effects of the conflict in Ukraine, and any further escalation of hostilities, on the global economy is difficult to predict, however any of the foregoing could cause or contribute to a broader global economic downturn, which could affect global or regional demand for semiconductor products, which in turn could adversely affect the Group’s business, financial condition and results of operations.

1.3 A global shortage in the supply of semiconductor chips could have a significant impact on the Group’s supply.

The semiconductor industry has been facing significant global supply issues as a result of the impact of the COVID-19 pandemic, shifts in demand and supply, supply shortages due in part to geopolitical and trade tensions, and other disruptions. In the past year, the semiconductor industry has been characterized by significant product shortages as strong demand has outstripped supply due in part to the increased demand from recovery trends following the COVID-19 pandemic, particularly within the automotive and electronics sector. Moreover, certain adverse weather and other events have also impacted the global supply of semiconductors. The nature of the Group’s business as a fabless manufacturer of semiconductors, means that the Group is heavily reliant on semiconductor manufacturing in Taiwan, which may be exposed to adverse effects of climate change and natural disasters. As a result of the above, among other factors, the semiconductor industry is currently experiencing significant shortages of capacity, which has resulted in a lengthening of the delivery lead times for the Group’s products. Numerous factors, such as the ongoing COVID-19 pandemic, the recent instability in the Ukraine region or further trade tensions between the United States and China, may prolong or deepen these challenges faced by the industry. If this capacity shortage continues for an extended period of time, the Group may be unable to continue procuring adequate manufacturing capacity from its third-party manufacturers for the production of its products. As a result, this supply shortage could limit the volume of products the Group can produce, delay production of new products or negatively impact the Group’s ability to meet its customer’s demand for its products. In addition, this shortage could also lead to industry-wide disruptions that may be difficult to predict or foresee, including potential impacts on the semiconductor industry broadly or on the Group’s business as a whole. Any of the foregoing could negatively impact the Group’s business and results of operations.

1.4 Changes in international trade policies and international barriers to trade, or the escalation of trade tensions, may have an adverse effect on the Group’s business.

Since 2018, there have been political and trade tensions among a number of the world’s major economies. These tensions have resulted in the implementation of tariffs and non-tariff trade barriers and sanctions, including the use of export control restrictions and sanctions against certain countries and individual companies. In particular, trade tensions between the United States and China have resulted in significant tariff increases, sanctions against specified entities, and the broadening of restrictions and license requirements for specified uses of products. The ongoing geopolitical and economic uncertainty between the United States and China, and the unknown impact of current and future United States and Chinese trade regulations, may cause disruptions in the semiconductor industry and its supply chain or other disruptions. Such disruptions may increase production costs for the Group’s end-customers and/or limit their ability to source certain components required for the production of their end-products, which may reduce demand for the Group’s products and materially harm the Group’s business, financial condition and results of operations.
Risk factors (3/9)

1.5 The Group faces intense competition in the semiconductor industry that may cause it to lose market share and harm its financial performance.

The semiconductor industry is extremely competitive. Competition is based on product performance, structure, pricing, quality, product features, system-level design capability, engineering expertise, responsiveness, new product innovation, product availability, delivery timing and reliability, customer sales and technical support, product line-up and customized design capability. The Group is exposed to competition from existing companies and new entrants, mainly from China. The Group’s competitors range from large, international companies offering a full range of products to smaller companies specializing in particular semiconductor products. The Group’s competitors may have greater financial, technological, personnel and other resources than the Group has in a particular market or overall, which again may influence the Group’s business, scope of assignments and customer relationships in the future.

The Group expects competition in the markets in which it participates to continue to increase as existing competitors improve or expand their product offerings or as new participants enter its markets, including those participants that had not historically engaged in such markets. For example, with Bluetooth Low Energy being adopted across more than 25 identified market verticals, it is likely that more focused and specialized competitors gain market share, especially in verticals where the Group’s position is weaker. Furthermore, there is a risk that Bluetooth becomes unattractive compared to other technologies, or is bundled with non-Group technologies. The largest immediate threat comes from various Wi-Fi standards tightly integrated with Bluetooth in combo-chipset. There are other wireless standards, such as Ultra-Wide Band, that may be a risk factor in the long term in some of the verticals where Bluetooth plays a dominant role today.

If the Group fails to keep pace with the rest of the semiconductor industry, it could lose market share in the markets in which it competes. Any such loss in market share could have a material negative impact on the Group’s financial condition and results of operations.

1.6 The Group depends on a limited number of customers for a substantial portion of its revenue. If the Group fails to retain or diversify its customer relationships or if its customers cancel or reduce their purchase commitments, the Group’s revenue could decline significantly.

In 2021, the Group derived 40% of its total revenue from its 10 largest customers. As a result of its customer concentration and the size of its existing customer base, the Group’s revenue could fluctuate materially and could be materially and disproportionately impacted by the decisions of its largest customers if they were to cancel or reduce their purchase commitments. Furthermore, in the event the Group’s largest customers experience a dramatic decline in sales, fail to compete with their competitors due to oversupply or overcapacity in the market or if they decide to alter the product mix, the Group’s business, financial condition and results of operations could be materially and adversely affected.

1.7 The Group is exposed to credit risk pursuant to trade credit arrangements with its distributors and certain customers.

The Group is exposed to credit risk pursuant to trade credit arrangements with its distributors and certain customers. The main counterparties are leading international distributors of electronic components. The Group integrates credit monitoring routing into any new credit lines and requires security in the form of payment guarantees or advance payment requirements if needed. The Group has not historically suffered any significant credit losses pursuant to its trade credit arrangements with its distributors or customers, however if such distributors or customers were to experience financial difficulties or any deterioration in their ability to satisfy their obligations to the Group, the Group’s cash flow could be materially and adversely affected.
Risk factors (4/9)

1.8 If the Group is unable to respond effectively to developments in technology or address the evolving needs of its customers and third-party component manufacturers, demand for the Group’s products could decrease.

The Group engages in continuous research and development to improve its existing products and technologies and develop new products. The markets for most of the Group’s products are characterized by continuous technological development, and customer requirements regarding the performance of the Group’s products are expected to continue to become stricter over time. In such markets, the Group’s ability to develop new products to meet evolving customer requirements is a critical factor to the success of its business. Technologies, standards or manufacturing processes may change during development, potentially rendering the Group’s products outdated or uncompetitive even before their introduction. If any of the Group’s competitors develop new technologies or products that are more attractive to the Group’s customers, the Group’s products could be rendered obsolete or demand for its products could decrease. Similarly, end products may evolve or be replaced by other new types of end products in a manner that reduces the need to use the Group’s products. For example, there is a risk that the Group may not be successful in executing its strategy to capture the cellular IoT market opportunity in terms of scale, time, and volume. The Group launched the nRF91 Series at the end of 2018, which is the Group’s first family of low power devices for cellular IoT. There is still a risk that cellular IoT will not be as successful as the Group had hoped for, or that the market is skewed toward NB-IoT where simpler, lower cost devices dominate. The Group’s customers may also choose competing low power wide area network (LPWAN) technologies or cancel roll-out of products due to lack of any of the LPWAN technologies. If the Group is unable to keep pace with changes in technology or successfully develop new products, its market share or revenue could decrease, and its business could be adversely affected.

1.9 The Group’s business, financial condition and results of operations may be adversely affected if its third-party component manufacturers or distribution partners are not able to match manufacturing or distribution capacity to demand.

The Group is a fabless semiconductor company which outsources component manufacturing and relies on distribution partners for sales to the broad market of original electronics manufacturers and to end-users. As a fabless company, the Group outsources the capital-intensive production of silicon wafers, packaging and testing of its products to third-party suppliers, mainly in South-East Asia. The manufacturing pipeline involves multiple stages with multiple suppliers and the ability and willingness of these suppliers to perform is largely outside of the Group’s control. If one or more of the Group’s third-party component manufacturers or distribution partners fails to perform its obligations in a timely manner or at satisfactory quality levels, the Group’s ability to market its products and its reputation could suffer. If production or manufacturing capacity is delayed, reduced or eliminated at one or more of these suppliers, the overall manufacturing process could be disrupted, which could lead to difficulties or delays in fulfilling the Group’s customer orders, particularly amid periods of high product demand, and which could in turn cause the Group’s revenue to decline in the short-term, and harm the Group’s customer relationships in the long-term. The manufacturing processes involved often depend on tooling developed and provided by the Group, specifically the chip design itself, as well as certain test programs and hardware used for quality screening. Failure on the Group’s end to provide good quality or enough quantity of such tooling may have the same consequences as outlined above.
Risk factors (5/9)

1.10 The Group’s failure to adequately protect its technologies and know-how through patents and other intellectual property rights could negatively impact its competitiveness and harm its business and future prospects.

The Group’s ability to compete in the semiconductor industry depends heavily on its technologies and know-how. The Group commits significant resources to secure protection for such technologies and know-how through patents and other forms of intellectual property rights, and to prevent dissemination of unpatented trade secrets and other proprietary information, including by entering into confidentiality agreements with its employees and controlling access to its offices and facilities. However, there can be no assurance that the measures the Group are taking will effectively deter competitors from improper use of its intellectual property, particularly in countries and areas where intellectual property may not be adequately protected. The Group’s competitors may misappropriate its intellectual property, or its intellectual property may become known or independently developed by its competitors. In addition, disputes may arise concerning the ownership of the Group’s intellectual property or the applicability or enforceability of its confidentiality agreements, and there can be no assurance that any such disputes would be resolved in the Group’s favor. Even if the Group is successful in any such disputes, it cannot be certain that it will have adequate remedies for any such breach. If the Group is unable to adequately protect its intellectual property where relevant, it could negatively impact the Group’s competitiveness and adversely affect its business and future prospects.

1.11 The Group relies on technology provided by third parties, and its business may be negatively affected if it is unable to renew existing licensing arrangements, obtain future license arrangements or if it becomes subject to disputes or other negative consequences relating to existing or future licensing arrangements.

The Group has entered into licenses for the use of technologies implemented in its products. The Bluetooth specifications are intended to be written so that all patent claims which are necessary to implement them are held by members of the Bluetooth Special Interest Group (SIG), of which the Group is a member. Any necessary claims held by members of the Bluetooth SIG, are automatically licensed to members like the Group as a condition of membership. However, there are other participants in the industry that own patents and are not members of the Bluetooth SIG, who assert their patents towards companies such as the Group. The Group has never been prevented from selling its established line of products due to intellectual property rights and is continuously investigating any allegations by patent holders that the Group’s products infringe on the intellectual property of others. The Group has always been able to achieve amicable solutions without resorting to litigation.

Nevertheless, if the Group is unable to renew its existing technology licensing arrangements on acceptable terms, or if such arrangements are terminated for any reason, the Group may lose the legal protection to sell certain of its products. The Group is therefore constantly evaluating second sourcing and new interest groups to decrease dependency on such providers. In the future, the Group may also need to obtain additional licenses for new or existing technologies. The Group has made progress and signed license agreements on a component level and on behalf of customers over the last year, but cannot provide assurance that certain license agreements can be obtained on acceptable terms or at all within cellular technology. The Group’s business and operating results can be affected by such refusal by some patent owners to license component manufacturers, such that customers might choose other vendors with better indemnification protection for such risk. This is a wider industry problem, and not only a risk for the Group specifically.
Risk factors (6/9)

1.12 The Group’s products may be subject to product liability and warranty claims, which could be expensive and could divert management’s attention.

The Group makes highly complex electronic components and, accordingly, there is a risk that defects may occur in its products that are not detected during the development and manufacturing process. Such defects can give rise to significant costs for the Group, including expenses relating to recalling products, replacing defective items, writing down defective inventory, delays in, cancellations of, rescheduling or return of orders or shipments and loss of potential sales. In addition, the occurrence of such defects may give rise to product liability and warranty claims, including liability for damages caused by such defects. Moreover, since the cost of replacing defective products is often much higher than the value of the products themselves, the Group may at times face damage claims from customers in excess of its warranty obligations or the relevant sales amounts, including consequential damages.

The Group also faces exposure to potential liability resulting from how its customers typically integrate the semiconductors it sells into numerous products, which are then in turn sold into the marketplace. These end products are often highly complex and may occasionally involve the use of the Group’s product in ways not originally envisioned by it. In these cases, the Group’s products can only be fully tested when deployed in the end products, and its customers may discover defects or errors only after the end products have been deployed. In addition, the Group may be named in product liability claims relating to such end products even if there is no evidence that the Group’s products caused a loss. Product liability claims could result in large expenses relating to defense costs or damages awards. Such events could have a material negative impact on the Group’s reputation, business, financial condition and results of operations.

1.13 The Group’s loss of key management and other personnel and inability to attract key management and other personnel could impact its business.

The Group depends on its senior executive officers and other key personnel to operate its business and on technical experts to develop new products and technologies. Turnover in these positions could adversely affect its operations, as it could lead to delays in the development of new products and technologies compared to competitors in the market, affecting the Group’s relationship with its customers. Competition for qualified employees among companies that rely heavily on engineering and technology is intense, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees required for the operation and expansion of the Group’s business could hinder its ability to conduct research and development activities successfully and develop marketable products. The Group’s success going forward depends in part on its ability to continue to recruit, train, develop and retain such personnel, and if it loses key personnel to competitors or at a rate greater than it anticipates, or if it has difficulty attracting new, highly talented employees, its reputation and its business, financial condition and results of operations could be affected.

1.14 The Group is increasingly reliant on information technology in its operations, and any failure of such systems could harm its ability to effectively operate its business.

The Group relies heavily on information technology systems across its operations, including for procurement, research and development, sales, delivery and various other processes and transactions. The Group’s ability to effectively manage its business and coordinate the production, distribution and sale of its products depends significantly on the reliability and capacity of these systems. In the addition, the Group may face attempts by others to gain unauthorized access through the internet, or to introduce malicious software, to its information systems and, if successful, could expose the Group and any other affected parties to risk of loss or misuse of proprietary or confidential information or disruptions of the Group’s business operations. The failure of the Group’s information technology systems to operate effectively, problems with transitioning to upgraded or replacement systems, a material network breach in the security of these systems as a result of a cyber-attack or other incident, or any other failure to maintain a continuous and secure cyber network, could result in delays in customer service or a worsening in the Group’s relationships with customers, reduce efficiency in its operations, require significant capital investments to remediate the problem or result in negative publicity that could harm its reputation.
Risk factors (7/9)

1.15 The Group’s failure or alleged failure to comply with regulatory requirements, including competition laws and regulations and anti-corruption laws, could result in the imposition of penalties or sanctions and the incurrence of significant legal costs.

The Group is subject to the regulatory regimes of each country in which it operates, including, among others, those relating to antitrust, anti-corruption, corporate governance, labor and customs regulation. Although the Group has in place internal controls and compliance systems for the purpose of complying with such laws and regulations, there can be no assurance that such systems, and the Group’s other efforts to promote compliance, will be effective. Any violation of the relevant regulations could result in criminal penalties, sanctions, significant fines or mandatory suspension from certain business activities and could also adversely affect the Group’s reputation, business and results of operations. The Group may also incur significant costs associated with enhancing its compliance functions as regulations and laws change in the countries in which it operates.

1.16 The Group has operations worldwide and is subject to risks relating to tax, including changes in tax laws and regulations.

The operations of the Group are carried out in several countries across the world, and, therefore, the Group’s tax filings are subject to the jurisdiction of a significant number of tax authorities and tax regimes, as well as to cross-border tax treaties between governments. Further, the nature of the operations of the Group means that the Group routinely has to deal with complex tax issues, as well as competing and developing tax systems where tax treaties may not exist or where the legislative framework is unclear and/or subject to change without pre-warning or transitional regulations. Changes in direct or indirect tax laws, tax practices or compliance requirements, the practical interpretation and administration thereof, including in respect to market practices, or otherwise, in any jurisdiction in which the Group operates could have a material adverse effect on the business, results of operations and financial condition of the Group.

1.17 Exchange rate and interest rate fluctuations may affect the Group’s financial condition or results of operations.

The Group operates globally and is exposed to foreign currency risk, as its sales revenue and direct production costs are almost entirely denominated in United States Dollars ("USD"), whereas approximately 45% and 25% of its operating expenses were denominated in Norwegian Kraners ("NOK") and Euros ("EUR"), respectively, in 2021. In connection with the incurrence of the Bonds the Company will enter into a NOK to USD currency swap which if unwound prior to the maturity date of the Bonds may incur a significant exposure. Since the operating activities of the Group are almost entirely denominated in USD, the Group does not use hedging instruments for USD other than the foregoing. Therefore, fluctuations in the exchange rates between the USD, NOK or EUR currencies may have an adverse effect on the Group.

Interest rate risk on floating rate bonds: The risk is due to the variability of the applicable reference rate of 3 months NIBOR (the “Reference Rate”). The coupon payments, which depend on the Reference Rate and the Margin, will vary in accordance with the variability of the Reference Rate. The value of the Bonds will depend on changes in the Reference Rate and any changes in the credit spread (Margin), relative to the Margin at the issue date, at a certain point in time for the remaining tenor of the applicable bond. Any potential changes in the quotation of the Reference Rate may also influence the value of bonds with floating coupon rates. The Bond Terms contain a clause/definition about what would replace the Reference Rates to ensure that this will be at market terms.

Interest rate risk on fixed rate bonds: Changes in market interest rates may adversely affect the value of a Bondholder's investment. If the Bonds have been issued with a fixed coupon rate, the coupon will be fixed for the tenor of the Bond. However, the value of the Bond may adversely be affected by changes in the underlying market rates and/or any changes in the credit quality of the Issuer implying an increased credit spread (Margin) compared with the Margin used to fix the coupon rate at the issue date.
2. FINANCIAL RISKS

2.1 Covenants under the Group’s existing borrowing arrangements may lead to inability to finance operations, capital needs and to pursue business opportunities, and the breach of any such covenants could have a material adverse effect on the Group’s operations.

The Group is subject to certain affirmative and negative covenants contained in the terms in the up to USD 150 million secured revolving credit facility committed on 3 June 2022 between the Company, as borrower, and Danske Bank A/S, as agent (the “RCF”).
In particular, the RCF requires the Group to maintain an equity ratio of at least 40%. The Group’s ability to meet that financial ratio can be affected by events beyond the Group’s control, and the Group cannot assure that the Group will meet it. The terms of the RCF further restrict the Company’s and the Group’s ability to (i) merge, demerge or enter into and (ii) incur additional financial indebtedness. Even though these limitations are subject to carve-outs and limitations, some of the covenants could limit the Group’s ability to finance future operations and capital needs, and its ability to finance future operations and capital needs and its ability to pursue activities that may be in the Company’s and/or the Group’s interest.
Any breaches of financial or other covenants of the RCF could result in an event of default. An event of default under the RCF could have a material adverse effect on the Group and its ability to carry on its business and operations and, in turn, the Group’s ability to fulfil its obligations under the RCF, including paying all or parts of the interest or principal amount.

3. RISKS RELATED TO THE BONDS

3.1 Risks related to the market for the Bonds.

The Bonds will be new securities for which there is currently no trading market, and although the intention is to apply for a listing of the Bonds on the Oslo Stock Exchange, there can be no assurance given regarding the future development of a trading market for the Bonds. The liquidity of any market for the Bonds will depend on the number of holders of those Bonds, investor interest at large and relative to the Company and its business segment in particular, and the interest of securities dealers in making a market in those securities and other factors. Accordingly, there can be no assurance as to (i) the liquidity of any such market that may develop, (ii) the holders of the Bonds (the ‘Bondholders’) ability to sell the Bonds, or (iii) the price at which Bondholders would be able to sell the Bonds. In addition, subsequent to their initial issuance, the Bonds may trade at a discount from their initial placement, depending on the prevailing interest rates, the market for similar securities, performance of the Company and other factors, beyond the Company’s control. If an active market does not develop or is not maintained, the price and liquidity of the Bonds may be adversely affected.

3.2 Risks related to the Bonds not being secured.

The Bonds are unsecured. Consequently, the right to receive payment under the Bonds in a default and enforcement scenario will be subject to all secured creditors first receiving due payment. Under a bankruptcy, holders of the Bonds will not receive any payment unless there are remaining funds after the secured creditors of the Company have received payment in full. This could result in the holders of the Bonds only receiving repayment in part or not at all.
Risk factors (9/9)

3.3 Risks related to put options, mandatory prepayment and early redemptions.

According to the terms for the Bonds, the Bonds will be subject to prepayment at the option of each Bondholder at 101% of the initial nominal amount upon a change of control event (as further set out in the term sheet for the Bonds) (“Put Option”). However, there can be no assurance that the Issuer will have sufficient funds at the time of exercise of such Put Option to make the required redemption of Bonds, which in turn could adversely affect the Issuer (e.g., by risking insolvency or triggering an event of default under the terms for the Bonds), and consequently adversely affect all Bondholders and not only those that choose to exercise such Put Option.

Under the terms of the Bond (the “Bond Terms”), the Issuer will reserve the possibility to redeem the outstanding Bonds before the final redemption date at a premium (“Call Option”). If the Bonds are redeemed before the final redemption date, the Bondholders have the right to receive an early redemption amount which may exceed the nominal amount in accordance with the Bond Terms. However, there is a risk that it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

3.4 Risks related to the Issuer’s dependency on the financial performance of the Group for amounts due on the Bonds.

The Issuer’s ability to pay any amounts due on the Bonds is, to a significant extent, dependent on the Group’s financial performance and will depend upon the level of distributions, interest payments and loan repayments, if any, received from its operating subsidiaries, associated undertakings and joint ventures, any amounts received on disposals of assets and equity holdings and the level of cash balances. Certain of the Group’s operating subsidiaries, associated undertakings and joint ventures are and may, from time to time, be subject to restrictions on their ability to make distributions and loans including as a result of restrictive covenants in loan agreements, foreign exchange and other regulatory restrictions and agreements with the other shareholders of such subsidiaries or associated undertakings.

3.5 Risks related to restrictions on transferability of the Bonds.

The Bonds may be subject to restrictions on transferability and resale under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

3.6 Risks related to exchange rates for non-NOK investors.

The Bonds are issued in NOK, and any future payments of interest on the Bonds will be paid in NOK. Accordingly, any investor with another reference currency in its ordinary course of business is subject to adverse movements in the NOK against their local currency as such adverse movements could have a material adverse effect on the local currency equivalent of any NOK payments on the Bonds.