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This presentation relies on financial figures up to, and including, Q4 2020 and was last updated in February 2020.
Nordic is enabling IoT
Through innovative low power wireless connectivity solutions

- Fabless semiconductor company with world-class production and distribution partners
- Specialist in low power wireless connectivity and embedded processing
- Market leader in short-range IoT with Bluetooth Low Energy and multiprotocol solutions
- Early mover in cellular IoT with low power LTE-M and NB-IoT technologies
- Expanding into Wi-Fi connectivity
Nordic is on a long-lasting growth journey

- Innovation unlocking new market waves
- Widespread IoT adoption
- Emerging IoT markets
- Wearables
- PC peripherals
- Game controllers

Revenue, USDm


Proprietary/ASICS
Bluetooth LE
Building a USD 1 billion company
Nordic set a bold 5-year ambition in 2019

- Based on 20%-30% growth for Bluetooth and multi-protocol products
- Gradual build-up of the cellular IoT business to a similar size as the short-range business
- Long-term EBITDA margin ambition of 20%

- Bluetooth increased 43% in 2020, and long-term prospects are stronger than ever
- The positive demand trends and continued strengthening of the customer base increases the confidence in our aspirations

*As communicated on the CMD in October 2019.
Nordic is built on a strong operating model

- **Sustainable business**
  - In own operation and throughout the value chain
- **Lead on connectivity**
  - Low power, high performance, feature-rich, reliable and robust
- **Early movers**
  - Investing early in high-growth markets
- **Scalable solutions**
  - Across technologies, markets and customers
- **Attract talent**
  - Building and retaining high-quality workforce
- **Excite developers & engage customers**
  - Combined broad market and tier-1 engagement model
Nordic is a driving force in connectivity
Low power connectivity is in our DNA

**Short-range IoT**
Bluetooth, 802.15.4/Thread, Zigbee and 2.4GHz RF SoCs
Built on decades of low power connectivity experience

**Long-range IoT**
Multimode cellular LTE-M/NB-IoT connected SiPs
In early commercial phase after 5 years of R&D

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**Integrated circuits (ICs)**
- Broad IC platform for maximum application coverage
- High integration for increased value proposition
- Optimized for long battery lifetime

**Embedded software**
- Common software framework for short and long-range IoT
- Open-source philosophy and modern architecture
- Shortens time-to-market

**Development tools**
- Engineers and developers in focus
- Excellent tech support
- World-class open-forum developer community in ‘Nordic DevZone’
Nordic to build position within Wi-Fi

- Acquisition of Wi-Fi IP, assets and team from Imagination Technologies and patents related to Wi-Fi 4, 5 & 6
- Added 81 employees* with complete Wi-Fi experience
- Synergy effect: Nordic Low Power connectivity heritage - latest low power evolution of Wi-Fi
- Expect annual R&D spend of USD 10-12 million, leading to a meaningful revenue contribution from Wi-Fi products within three years

*Started January 4, 2021
Our tech solutions are recognized globally

2019 Global Semiconductor Alliance Award

Most Respected Emerging Semiconductor Company for the second year running

2019 Norwegian Technology Award

Annual Tech Award for the ‘cutting-edge’ technical development of the nRF9160 SiP for cellular IoT applications

2020 China IoT Innovation Award

Technical Innovation Award for the Nordic Thingy:91 cellular IoT prototyping platform
Integrating ESG into our strategy

- IoT holds unique position to enhance sustainability on a global scale
- Committed signatory to UN Global Compact and supporting UN Sustainable Development Goals (SDGs)

www.nordicsemi.com/ESGreport
Short-range IoT

Market leader with strong growth
Bluetooth and new verticals drive short-range

Average Bluetooth growth of 23% & total short-range growth of 16% last 5 years

Short-range wireless component revenue (USDm) by technology

- Bluetooth CAGR +23.3%
- Proprietary CAGR: -0.1%

Short-range wireless component revenue (USDm) by end-user markets

- Others
- Healthcare
- Building/Retail
- Wearables
- Consumer electronics
Attracting developers – a key growth driver

Consistent growth in kit shipments*

- Thriving developer community at devzone.nordicsemi.com
- Leading the developer experience from A-Z, from idea to product

*Developer kit shipments are updated on a bi-annual basis
Broad portfolio to maximize value

- Broad IC platform that scales across technologies, markets and customers
- Common software framework across all ICs

ICs
- First IC
- Higher value ICs
- Lower cost ICs
- ASP

Software
- Nordic application frameworks & reference designs
- OS and middleware
- Open Thread
- System modules
- MCU Boot
- MOU Manager
- Nordic connectivity stacks
- Nordic libraries and drivers

Markets
- Connectivity
- Embedded processing
- Security
- Software

Increase value per design

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Continued high certification market share

Bluetooth Low Energy end-product certifications, Last 12 months*

- Consistent leader in terms of end-product certifications
- Nordic technology inside ~2450 Bluetooth LE products certified last five years
- 3.5x as many as #2
- 2x as many as #3-6 combined

*Source: DNB Markets/FCC
Strong relations with technology platforms

- Platform companies now defining the features and specs for new ecosystems
- Nordic leverages on strong relations built over years
- Nordic integral part of the CHIP project with major platforms
Long-range IoT
Early mover in next growth wave
Leveraging our 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

Complementary low power LTE technologies with mobility support and long range optimization
Ongoing projects across a variety of verticals

- Smart Home
- Payment systems
- Industrial monitoring systems
- Agricultural monitoring
- Smoke alarms
- Environmental monitoring & disaster prediction
- Construction
- Smoke alarms
- Solar power systems
- Product-as-a-service
- Parking systems
- Urban infrastructure
- Solar power systems
- Pet and livestock trackers
- Vehicle and driver behavior tracking
- Water/sewage monitoring
- Kids and elderly tracking
- Logistics
- Healthcare
- Street lights
- Metering
Key financials & Summary

Continuing a profitable growth journey
Financial performance

Revenue, USDm

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<td>198</td>
<td>236</td>
<td>271</td>
<td>288</td>
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</tbody>
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Gross margin, %

- 2015: 49.5%
- 2016: 47.1%
- 2017: 47.2%
- 2018: 49.6%
- 2019: 50.9%
- 2020: 52.8%

EBITDA, %

- 2015: 50%
- 2016: 42%
- 2017: 44%
- 2018: 46%
- 2019: 48%
- 2020: 50%
Continuing to invest in innovation

- 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

R&D expenses* by technology, USDm

- 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

*R Recognized in P&L
Demand shift supports long-term growth plan

- Solid market position
  - Market leader in Bluetooth
  - Positioned to take lead in cellular IoT
  - Complementing portfolio with Wi-Fi
- Market drivers in place to support ambitious long-term growth strategy
- Accelerating demand growth through 2020
- Wafer supply temporarily limits the upside in 2021
Market leader in short-range IoT - well positioned for the emerging long-range cellular IoT market - expanding into Wi-Fi connectivity
- Strong technology innovation in a customer centric business model
- Award-winning technologies and a strong developer community
- Broad-market leader with strong ties to platform companies and vertical leaders

20% average annual revenue growth 2000-2020
- USD 405.2 million revenue in 2020 – 40.5% growth from 2019
- Gross margin 52.8% and EBITDA 18.9% in 2020 – up 1.9 %-p. and 7.6 %-p from 2019

Aspiration to become a USD 1 billion revenue company with long-term EBITDA margin ambition of 20%*
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Building a smarter world!
Where everything is connected

Retail and Payment  Toys and Gaming  Audio and Music  Logistics & Transport  Smart Lighting
Sports and Fitness  Connected Health  Industrial Automation  Education  VR & AR
Connected Home  Computer Peripherals  Wearables  Automotive  Beacons