Nordic at a glance

Investor Relations
February 2024

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This presentation was prepared in connection with the Q4 results released on February 6, 2024. Information contained herein will not be updated. The following slides should also be read and considered in connection with the information given orally during the presentation.

A globally leading IoT enabler

Simplifying lives through all things connected

Founded	Employees	Oslo listing	Market Cap
1983	1,493 (~75% R&D)	OSEBX:NOD	~$1.6bn

- **Fabless semiconductor company** specialized in low power wireless connectivity and embedded processing for IoT

- **Market leader** in Bluetooth Low Energy

- **Early adopter** of Thread (802.15.4) and support for Zigbee

- Launched **Wi-Fi 6** connectivity (dual band)

- **Committed to Matter** - active contribution to Matter SW development

- **Early mover** in cellular IoT & 5G with LTE-M, NB-IoT and DECT NR+

- Value added device control and management through **nRFCloud**

Dedicated to wireless connectivity

Broad portfolio - scalable solutions – common software platform

Strong product and solutions portfolio...

...for short–, medium– and long–range connectivity technologies
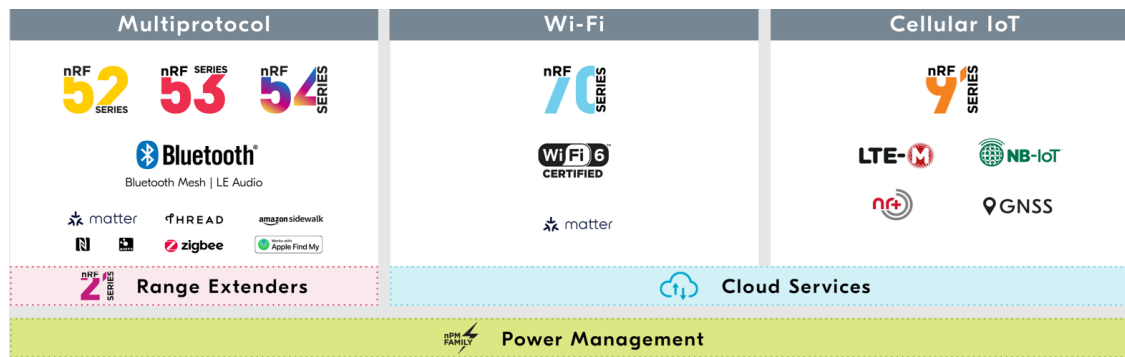
Low-power integrated circuits (ICs)

+

Embedded software

+

Advanced development tools

Short-range IoT

Multiprotocol

nRF 52 SERIES | nRF 53 SERIES | nRF 54 SERIES

Bluetooth®
Bluetooth Mesh | LE Audio

matter | THREAD | amazon sidewalk | N | zigbee | Works with Apple Find My

nRF 2 SERIES **Range Extenders**

Medium-range IoT

Wi-Fi

nRF 70 SERIES

WiFi 6 CERTIFIED

matter

Long-range cIoT

Cellular IoT

nRF 91 SERIES

LTE-M | NB-IoT
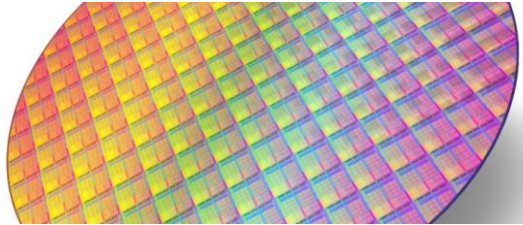
nR+ | GNSS

Cloud Services

Power Management
nPM FAMILY

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Resilient supply chain

- Norwegian company

- R&D in Norway, Finland, Sweden, UK, Poland, India and USA
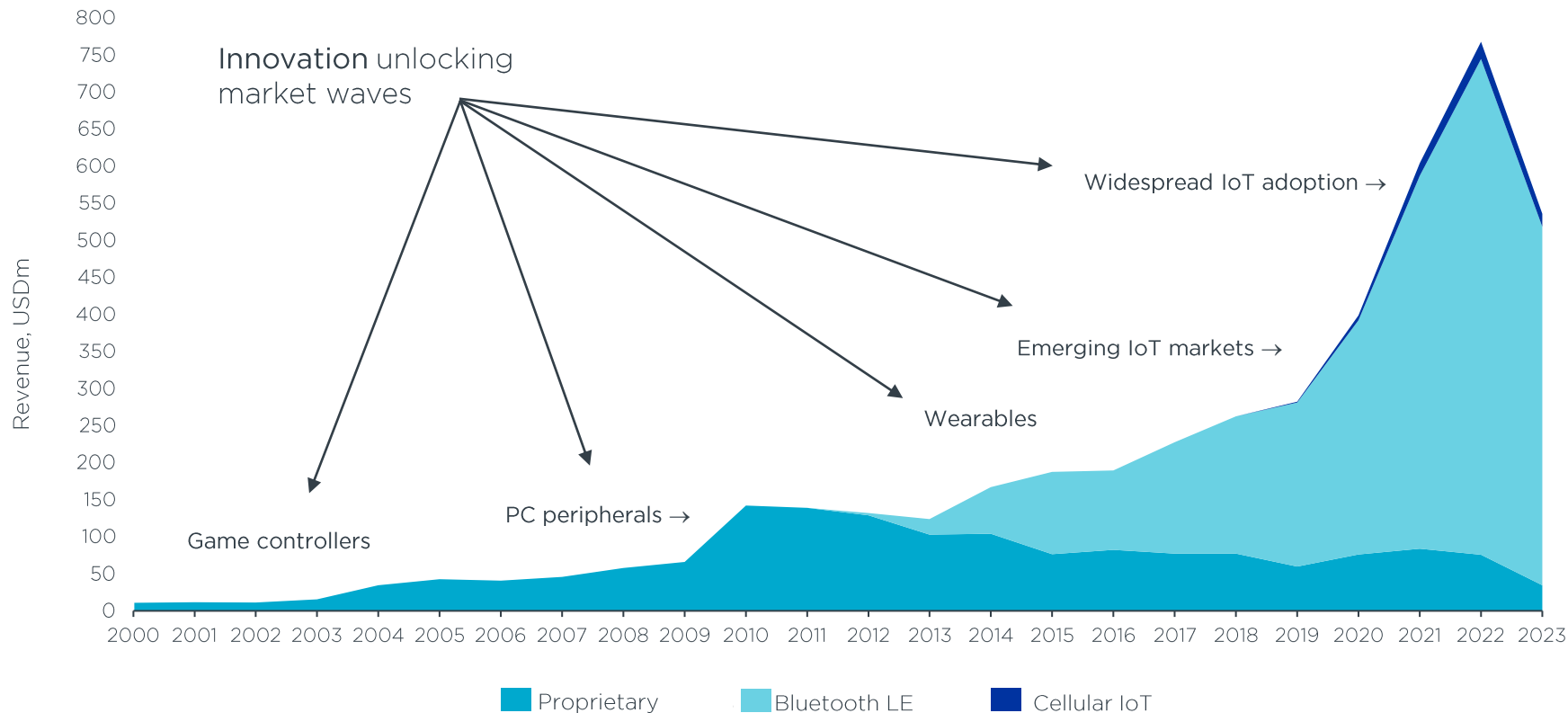
- All development in-house

- Wafer production outsourced to TSMC and Global Foundries
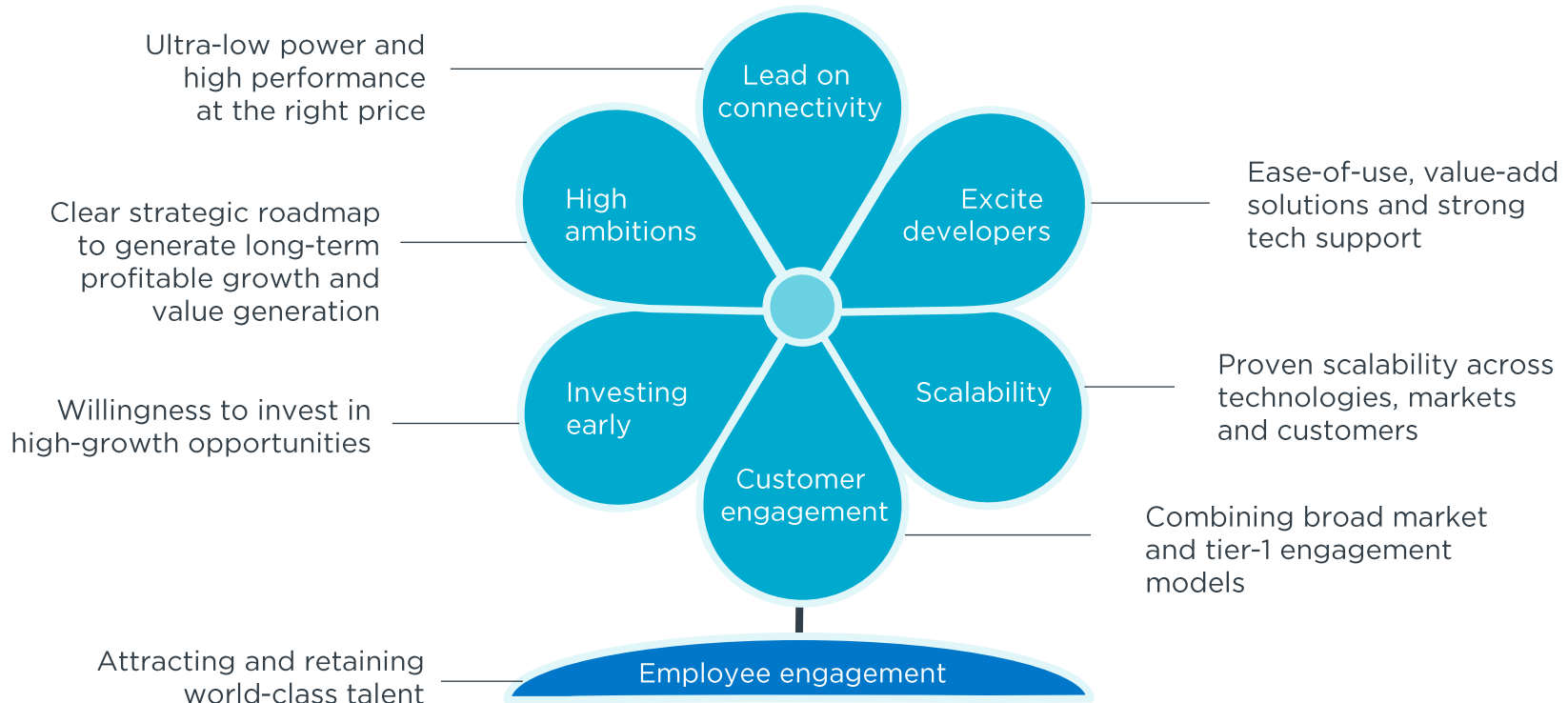
- Facilities in Taiwan and Germany

- Test and packaging outsourced to ASE, Amkor, Nepes and Qorvo

- Facilities in Taiwan, Philippines and China

# Nordic is on a long-lasting growth journey

Innovation unlocking market waves

Game controllers

PC peripherals →

Wearables

Emerging IoT markets →

Widespread IoT adoption →

Revenue, USDm

800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
50
0

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

Proprietary   Bluetooth LE   Cellular IoT

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Strategy based on distinctive advantages

Ultra-low power and high performance at the right price

Clear strategic roadmap to generate long-term profitable growth and value generation

Willingness to invest in high-growth opportunities

Attracting and retaining world-class talent

Lead on connectivity

High ambitions

Excite developers

Investing early

Scalability

Customer engagement

Employee engagement

Ease-of-use, value-add solutions and strong tech support

Proven scalability across technologies, markets and customers

Combining broad market and tier-1 engagement models

Expanding the opportunity pipeline

New technologies + value chain migration + more applications
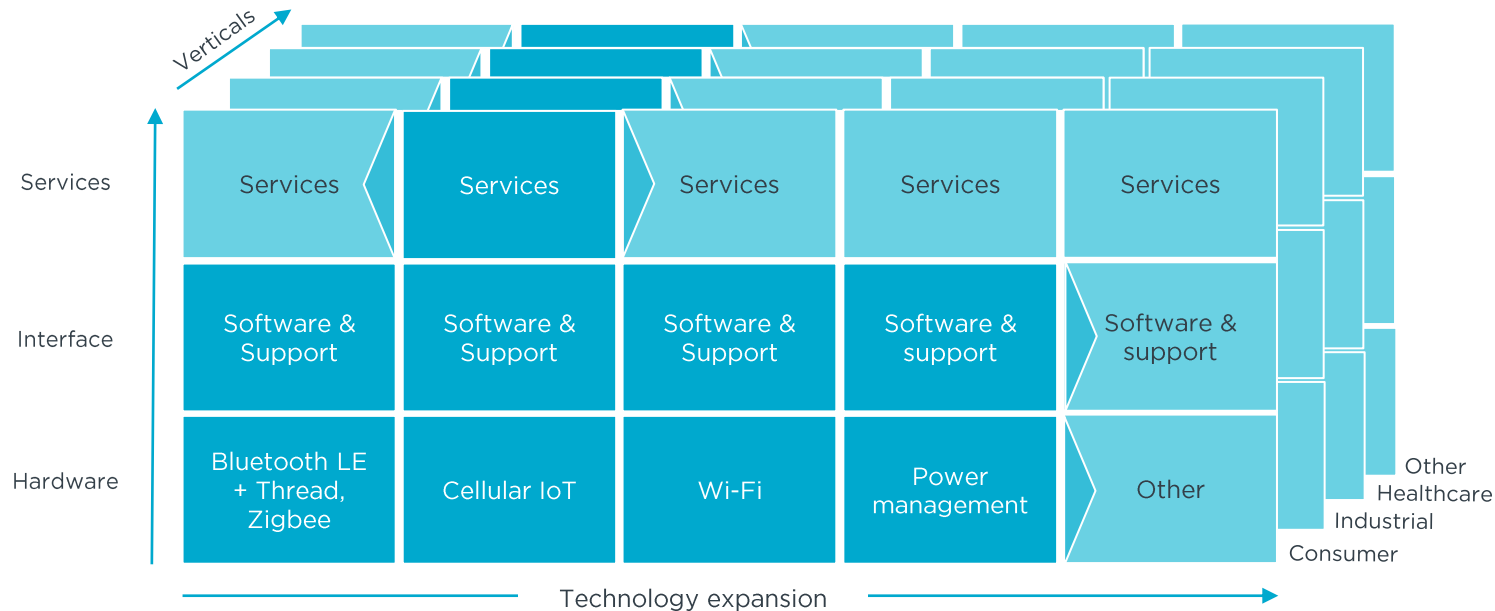
Our tech solutions are recognized globally

2023 U.K. Elektra Awards

'Internet of Things Product of the Year' category
Nordic's low power Wi-Fi 6 companion IC
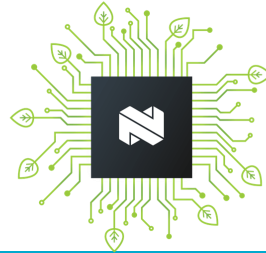
2023 Financial Times and Statista

Europe's Climate Leaders
Environmental performance

2023 EM Best Awards

IoT Semiconductor Company of the Year
For Product innovation, excellence, and sustainability

Short-range IoT

Market leader with strong growth

Revenue by end-user market
Deeper and more prolonged cyclical downturn than expected

- Weaker consumer demand spread to other markets during 2023

- Current revenue affected by both underlying demand and inventory adjustments

Short-range revenue by end-user markets, last 12 months (USDm)

Legend:
- Other
- Healthcare
- Industrial
- Consumer

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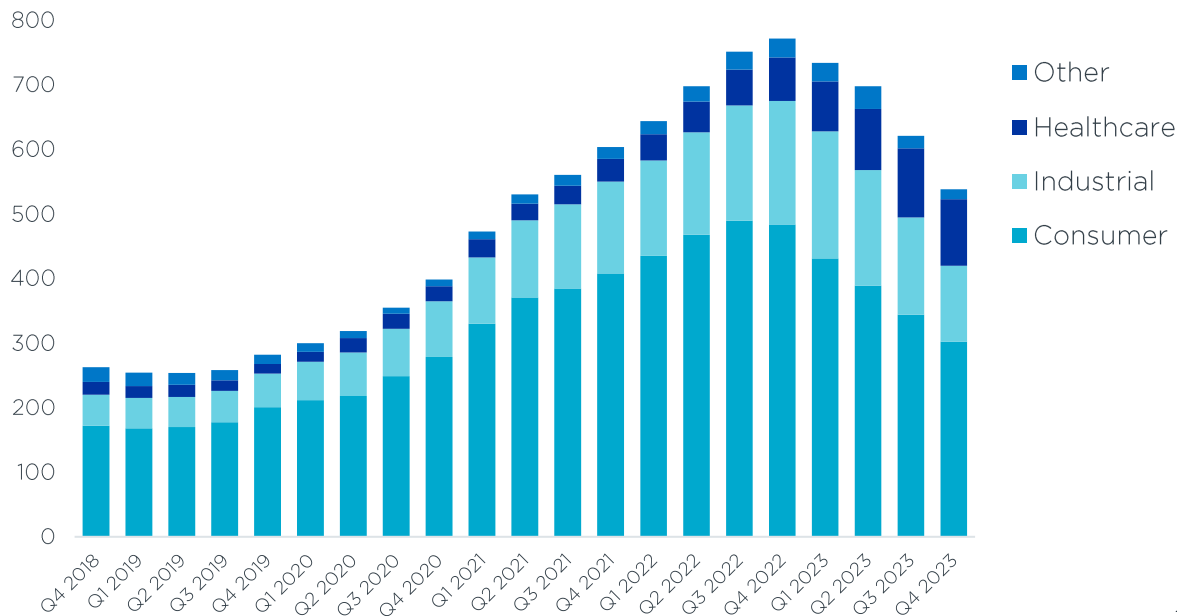
Breakdown by end-user markets

Aligned with customers end-products and our sales structure

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

IoT - Connect, Compute, Analyze and Act

IoT starts with connecting things

Bridging the physical and digital worlds requires:

- **Advanced** connectivity solutions

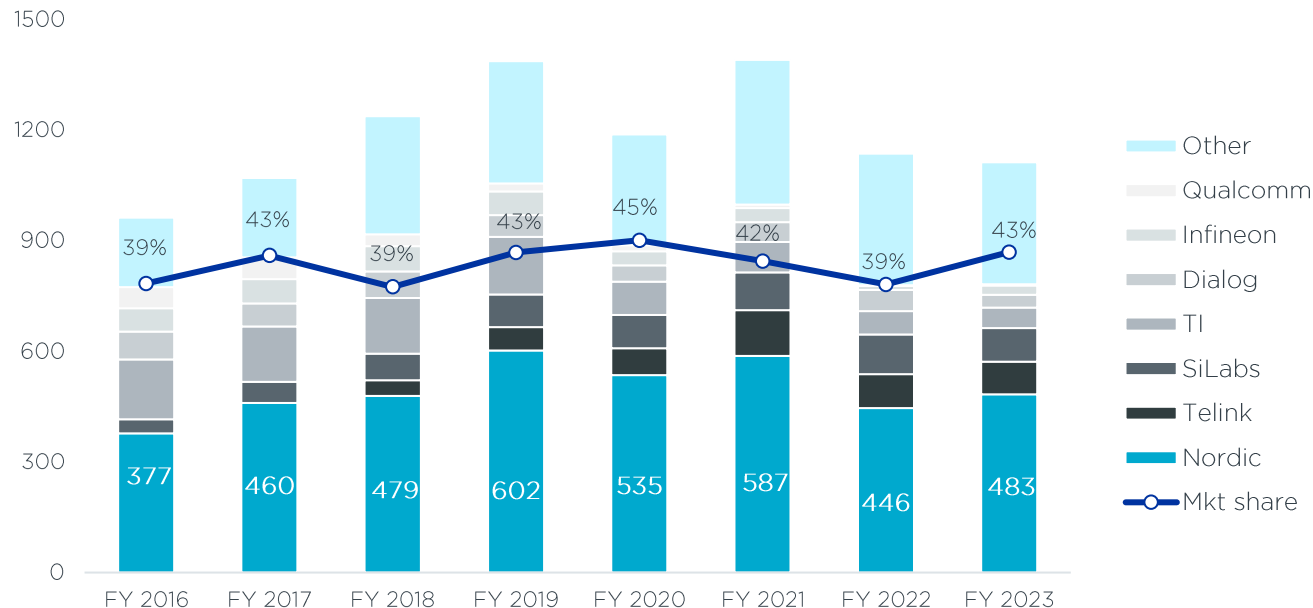- **Powerful** low power compute

- **Accurate** sensing capability

Real-world data

Gateways

Cloud computing

Sensors

AI/ML

Physical world

Digital world

Actuators

Data analytics

Actionable insight

Optimization

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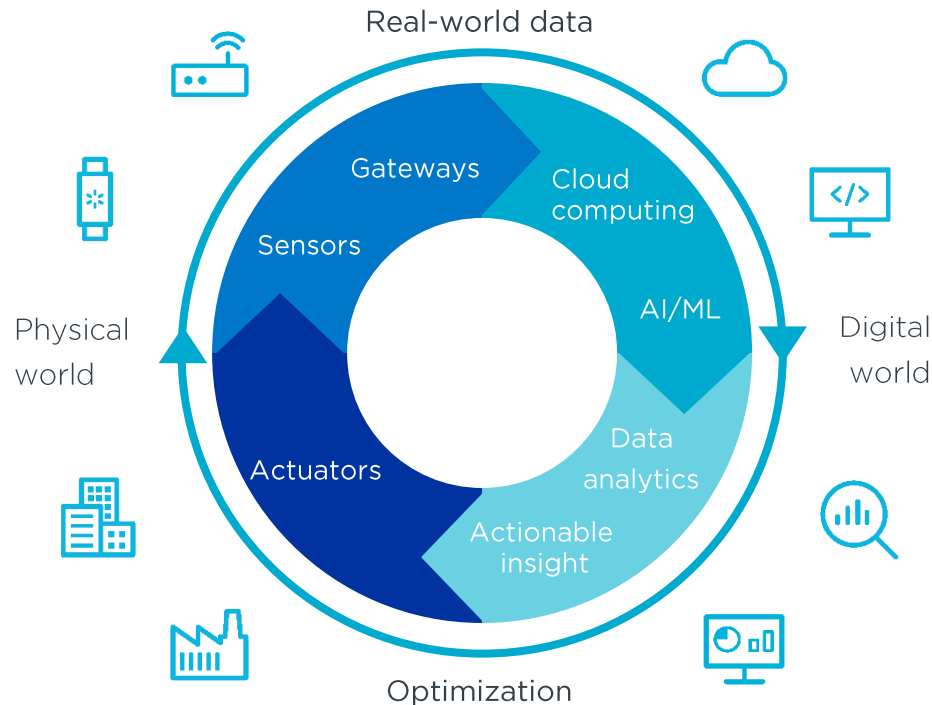
Platform ecosystems driving growth

Nordic leverages
on leading broad
market position and
strong tier-1 relations
built over many years

Nordic gaining design win market share

Nordic no. of designs +8% in 2023, vs -10% for all others combined

Bluetooth Low Energy end-product certifications, last 12 months

Legend:
- Other
- Qualcomm
- Infineon
- Dialog
- TI
- SiLabs
- Telink
- Nordic
- Mkt share

Nordic values per year:
- FY 2016: 377 (39%)
- FY 2017: 460 (43%)
- FY 2018: 479 (39%)
- FY 2019: 602 (43%)
- FY 2020: 535 (45%)
- FY 2021: 587 (42%)
- FY 2022: 446 (39%)
- FY 2023: 483 (43%)

Nordic end-product certifications

Q4'23
153 designs
45% mkt share

FY2023
483 designs
43% mkt share

Successful short-range product strategy

Customer centric broadening of the portfolio

High-end

Mid-range

Entry-level
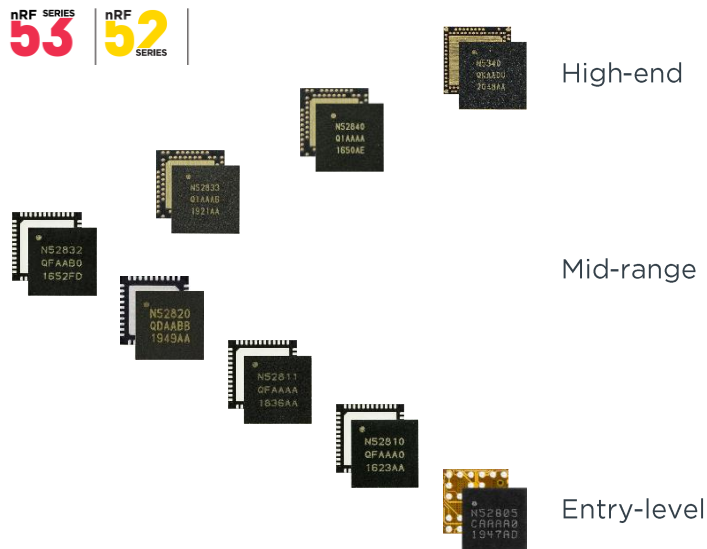
- **Broad portfolio** of ultra-low power SoCs
  - **Multiprotocol products** combining Bluetooth LE, Bluetooth mesh, ANT, NFC, Matter, Thread and Zigbee

- **Leading the market** on power consumption, performance and features

- **Catering to all types** of applications
  - From entry-level SoCs for cost constrained applications to high-end SoCs for complex IoT

- **Major R&D efforts** ongoing for development of next generation SoCs

Nordic 4th generation wireless SoCs

Setting a new standard in performance, efficiency and security

Driving value through continuous innovation
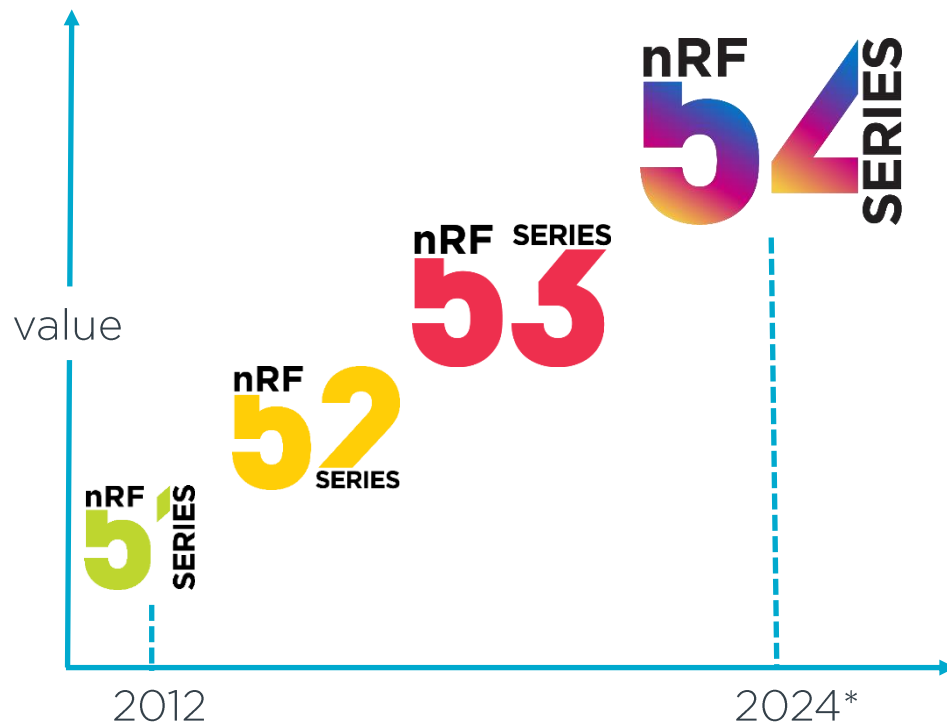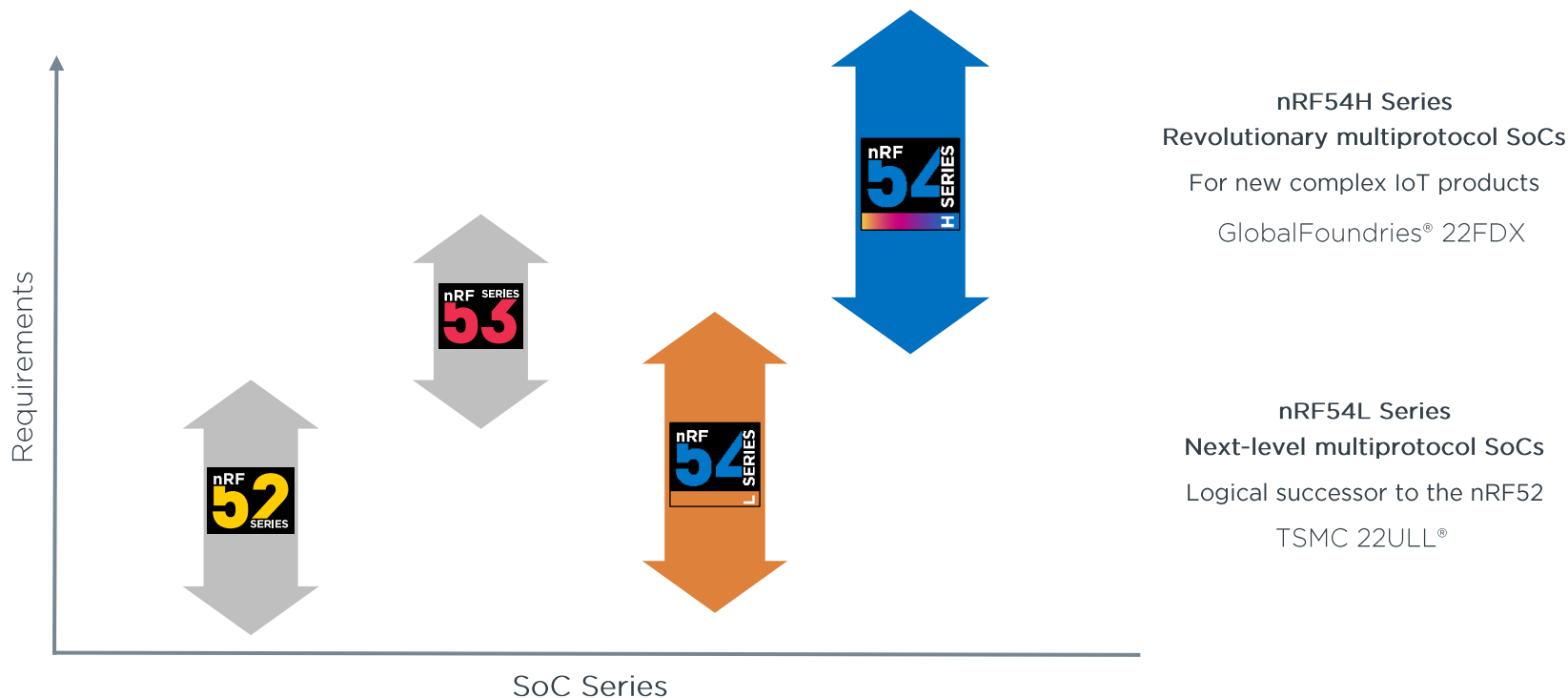

- New product families increases overall value for customers
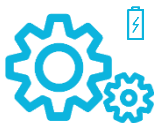- More features enables faster time to market and better end-products from our customers

*Initial revenue by year end 2024

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Nordic raising the bar once again

nRF54 – sampled both L and H to >100 customers by YE 2023

nRF54H Series
Revolutionary multiprotocol SoCs

For new complex IoT products

GlobalFoundries® 22FDX

nRF54L Series
Next-level multiprotocol SoCs

Logical successor to the nRF52

TSMC 22ULL®

Requirements

SoC Series

Cornerstones of the nRF54 Series

Higher processing power
lower power consumption

More security integrated
ensuring its readiness for the next generation of IoT

22nm

Smallest and most modern
process node for connectivity in IoT

4th generation Nordic radio
equipped to support future Bluetooth specification updates

Bluetooth®
5.4 LE Audio Mesh

matter

THREAD

ANT+

2.4 GHz
4 Mbps throughput

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Targeted applications

PC accessories

Gaming, VR, AR, and media controllers

Smart home and Matter

Medical devices

Industrial IoT

Advanced wearables

VR, AR, and advanced gaming controllers

Smart home and Matter

Medical and healthcare

LE Audio

Industrial

E-mobility

Long-range IoT and adjacent technologies

Early mover in next growth waves

Delivering on our customers' needs

Customer investment in product development
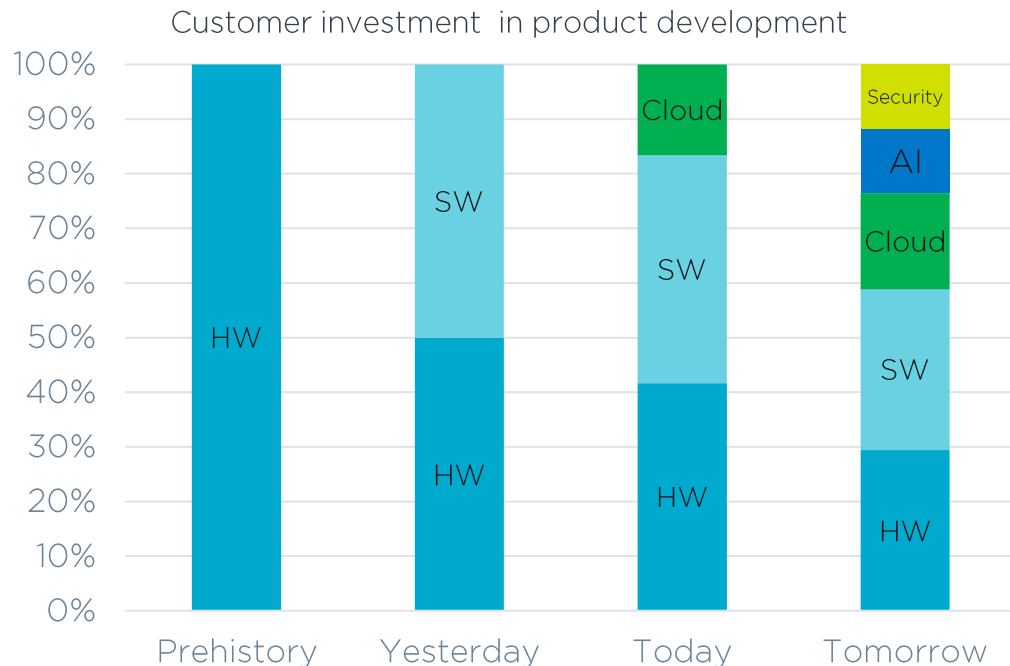
- Nordic is providing solutions to our customers reaching beyond ICs
- Investments in Software, Cloud, AI and Security is essential for the next growth wave

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Broadening our technology space

|	
	Cellular IoT
	Wi-Fi
	Power management
	Cloud Services

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

Cellular IoT: nRF91 Series – Ease of use

Lowest Power
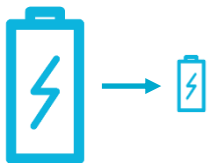
Designed for low power IoT

Efficient HW, FW, protocols and optimized cloud services

Verify with Power Profiler Kit II

Security Lifecycle

psacertified™

nRF Cloud Security Services from blank to securely connected device

Secure boot, authenticated FOTA, secure key/data storage
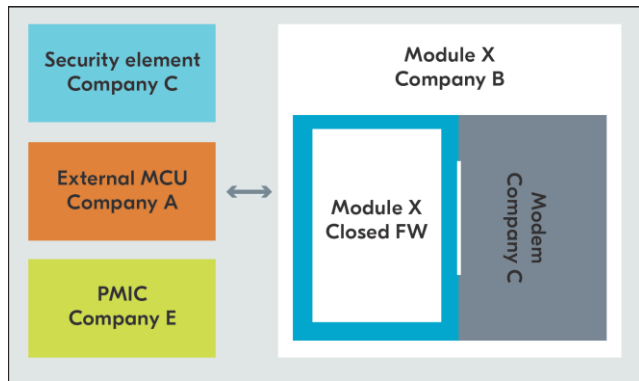
Reduced cost of ownership

Single integrated hardware for global deployment

Tools and SDK for faster time to market
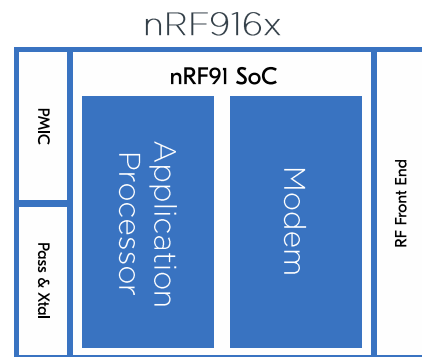
Lowers total cost and simplify supply chain

Others
Fragmented ownership

- Security element Company C
- External MCU Company A
- PMIC Company E
- Module X Company B
- Module X Closed FW
- Modem Company C

Nordic
Full solution ownership

nRF916x

- PMIC
- Pass & Xtal
- nRF91 SoC
- Application Processor
- Modem
- RF Front End

Completely integrated

- Lower complexity
- Lower power
- Smaller size
- Total lower cost
- Simpler supply chain
- Support and maintained
- Globally Certified

Target Applications – Cellular IoT

Asset tracking

People/pet/pallet tracking and health management

Portable medical devices

Smart City

Waste management

Smart streetlights

Environmental management

Device maintenance

Smart parking

Smart metering
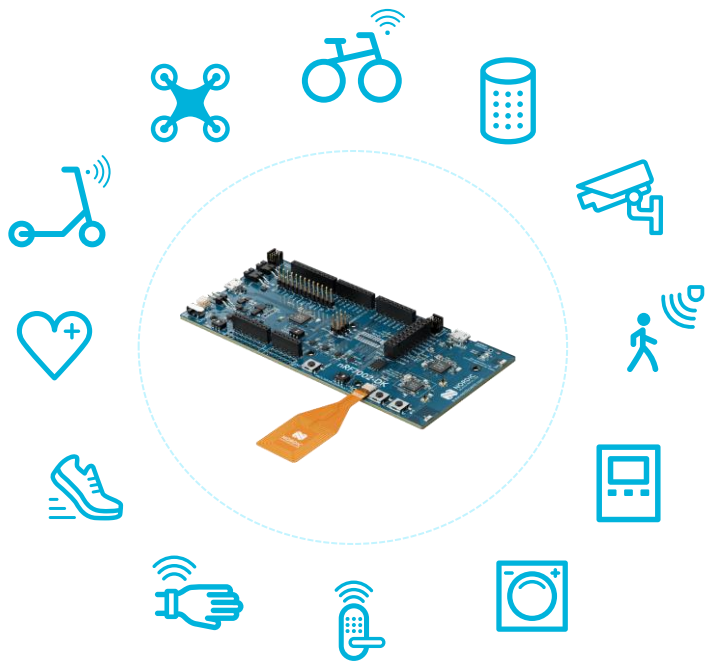
Water/electrical/gas metering

Agriculture

Industry 4.0

Predictive maintenance

Smart grid

Expanding into Wi-Fi
nRF70 Series – enabling IoT

- Wi-Fi 6 companion IC - 40nm node

- Dual band, 2.4 GHz and 5 GHz

- QFN 6x6mm package

- ~US$ 2 in high volumes

- Customer projects within Smart Home/Matter, Building Automation and Asset Tracking and other verticals

Low Power - Efficient radio power saving schemes

Robust performance - in dense congested environments

Secure - Cutting-edge security protocols

Expanding the PMIC portfolio

Multi-function PMIC with unique system management features

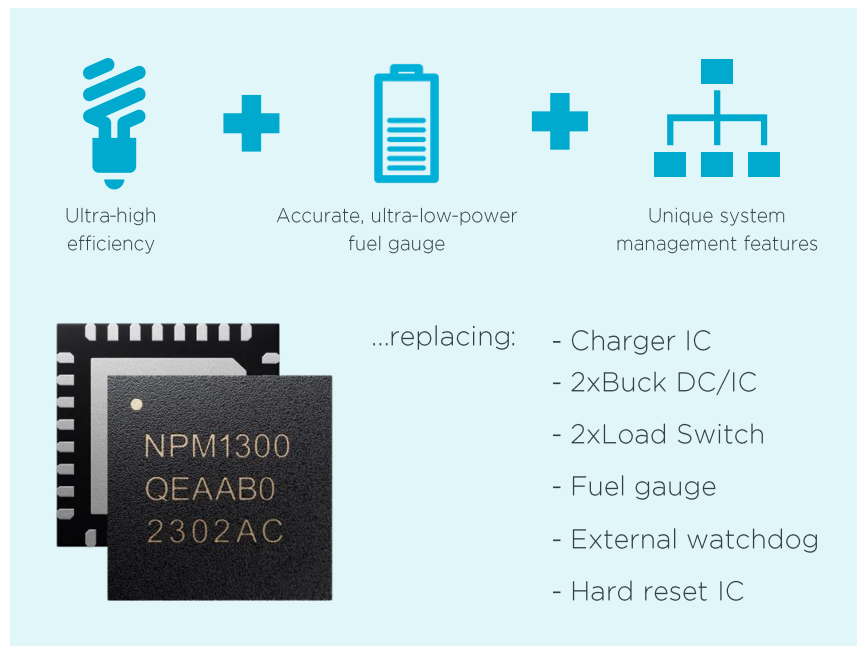|	*Launched '21* nPM1100	*Launched '22* nPM6001	*Launched '23* nPM1300
Charging	🔋	No	🔋
Power Rails (DCDC+Linear)	1	4+2	2+2
System Management Features	○	◔	◑
Price	◔	◔	◐
Use Case	Bluetooth LE, cIoT	Bluetooth LE, Wi-Fi, cIoT	Bluetooth LE, cIoT
Availability	In production	In production	In production

"I have been an earlier adopter for many of your parts over the years and would really like to put this PMIC in a design where the customer reaction is simply WOW. Congratulation for you and your team, you are definitely going to shake up the industry."

Customer email when nPM1300 was launched

Wide launch of the nPM1300

The most intelligent PMIC on the market

Ultra-high efficiency

Accurate, ultra-low-power fuel gauge

Unique system management features

NPM1300
QEAAB0
2302AC

...replacing:

- Charger IC
- 2xBuck DC/IC
- 2xLoad Switch
- Fuel gauge
- External watchdog
- Hard reset IC
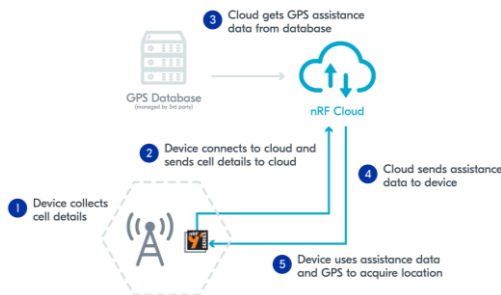
- Nordic takes care of energy efficiency from battery to antenna

- Unique power and system management features

- Replacing up to eight circuits from competing solutions

- nPM Power UP PC Software sets a new ease-of-use standard for PMICs
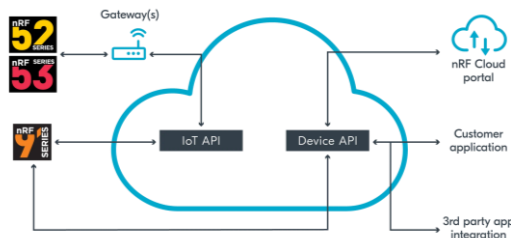
Expanding into cloud-based services

A new long term revenue stream for Nordic Semiconductor

Location Services

Initial services for nRF91 Series

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»

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Expanding existing technology
Nordic strong contributor to new 5G, ETSI DECT NR+ standard

DECT NR+ 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.

WORLD'S FIRST NON-CELLULAR 5G TECHNOLOGY, ETSI DECT NR+, 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 SW specialist company.

Investing into open-source RISC-V

- **Establishing a new company*** together with other major semiconductor players:
  - Nordic Semiconductor, NXP, Qualcomm, Bosch, and Infineon
- Aiming to accelerate the commercialization of future products based on the open-source RISC-V architecture

The company formation is subject to regulatory approvals in various jurisdictions.

Acquired AI/ML tech IP and team

Harnessing the power of AI to transform our position in the IOT market

- Bolt-on acquisition of high strategic significance

- Buying the IP portfolio and employing small core team in San Diego
  - › Always-on AI/ML accelerator – a key differentiator in the future
  - › Smart Health analog front-ends
  - › Power Management IC (PMIC)

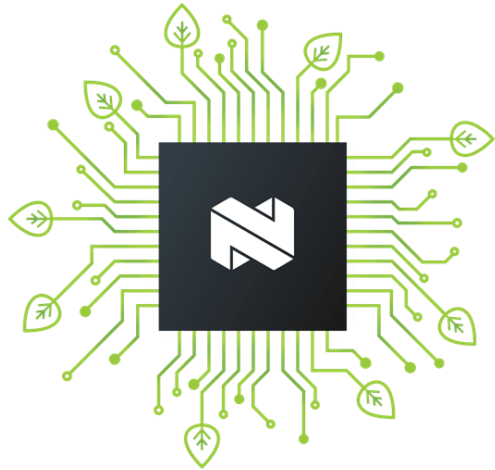- The acquisition obtained U.S. regulatory approval December 1, 2023

atlazo

"This brings a new level of always-on AI/ML capabilities and technologies that will strengthen our core business"

Kjetil Holstad,
EVP Strategy and Product Management

IoT supporting sustainability

Nordic one of Europe's Climate Leaders 2023

Compiled by Financial Times and Statista

- Nordic ranked number 26, making it the highest-ranked Norwegian company on the prestigious list of 500 companies

- The methodology for this list was tightened to reflect on companies' environmental performance:
  - reduction of core greenhouse gas emissions intensity over a five-year period
  - transparency on disclosing emissions that arise elsewhere within a company's value chain

"I am honored to witness the recognition we have received for our dedication and initiatives toward promoting sustainable development"

Linda Pettersson,
SVP Legal & Compliance, Chair of Nordic Semiconductor ESG Committee

2022 ESG and people highlights

22% decrease of scope 3 emissions

55% decrease of scope 2 emissions

78% of the energy used by offices generated from renewable energy sources

39.3% increase in female employees

71% of all prototyping platforms produced with recycled plastic casings

62 nationalities in **17** countries

Awarded **A**
CDP A LIST 2022 CLIMATE

Awarded **A**
ESG100 POSITION GREEN | 2022

Received **Low risk rating**
SUSTAINALYTICS a Morningstar company RATED

Headcount by business unit

Research & development | 75.5%
Business support | 10.3%
Sales | 7.5%
Supply chain | 6.1%
Executive Management Team | 0.7%

ESG ratings and recognitions

In 2022, we received several awards and acknowledgments for our work and progress on our sustainability goals and initiatives. Some highlights include:

CDP A rating

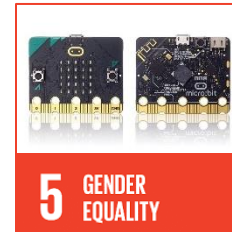Position Green A rating

Sustainalytics Low Risk rating

Nasdaq ESG Transparency Partner

STOXX® Global ESG Leaders Index

Sustainability depends on technology

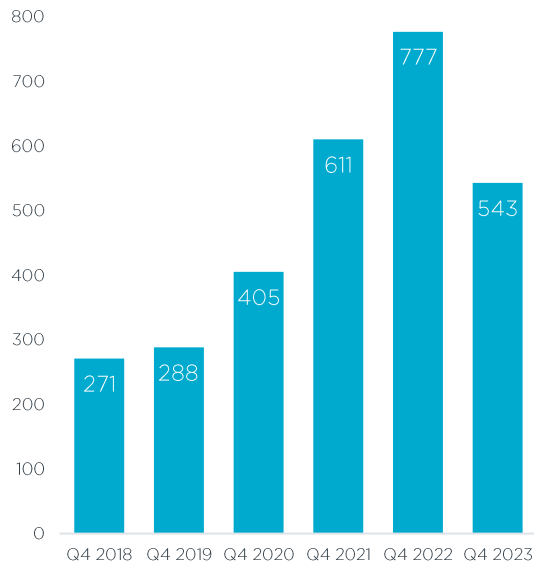## Disruptive IoT projects can contribute immensely to UN SDGs

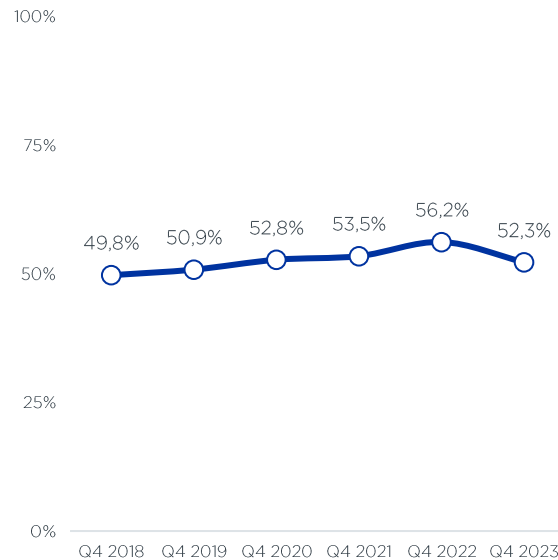# Key financials & Summary

Continuing a profitable growth journey
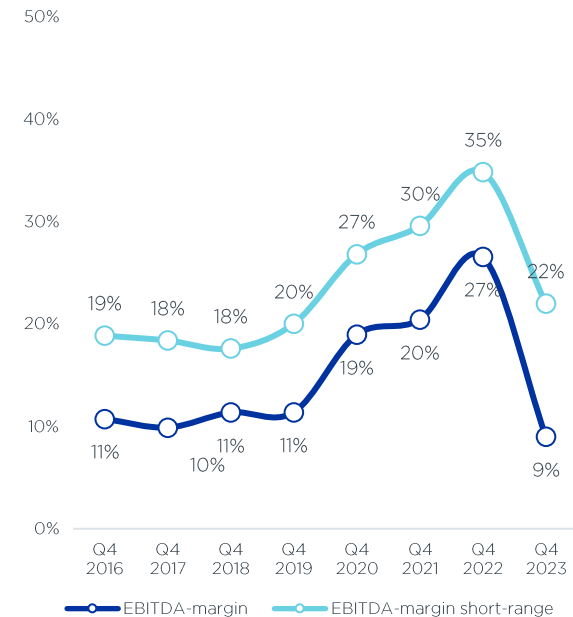
Financial performance – rolling 12 months

Revenue, last 12 months USDm

	Q4 2018	Q4 2019	Q4 2020	Q4 2021	Q4 2022	Q4 2023
Revenue	271	288	405	611	777	543

Gross margin, last 12 months, %

	Q4 2018	Q4 2019	Q4 2020	Q4 2021	Q4 2022	Q4 2023
Gross margin	49,8%	50,9%	52,8%	53,5%	56,2%	52,3%

EBITDA, last 12 months, %

	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	Q4 2021	Q4 2022	Q4 2023
EBITDA-margin	11%	10%	11%	11%	19%	20%	27%	9%
EBITDA-margin short-range	19%	18%	18%	20%	27%	30%	35%	22%

EBITDA-margin   EBITDA-margin short-range

Financial performance – quarterly
EBITDA-margin decline mainly reflecting revenue drop

Revenue, USDm

Gross margin, %

EBITDA (USD) and EBITDA-margin (%)
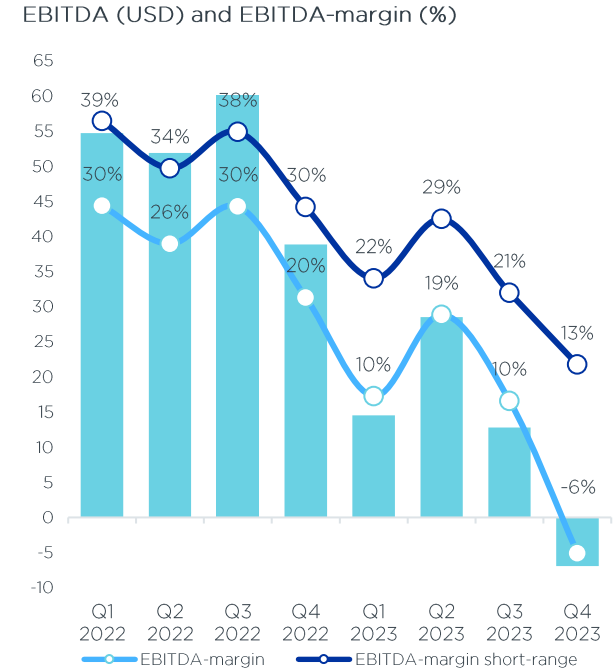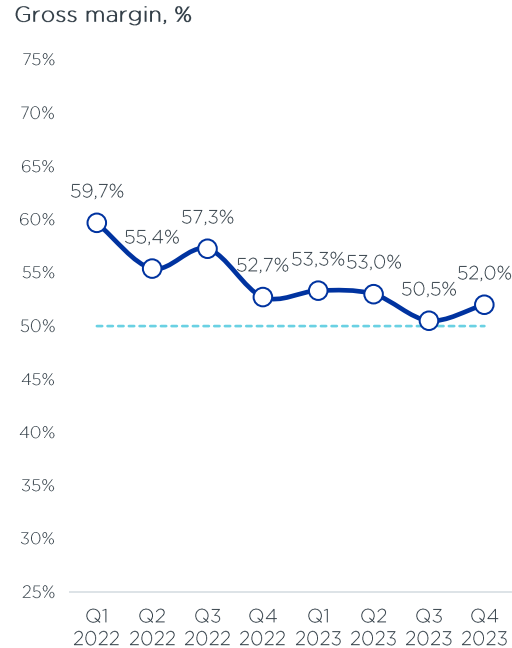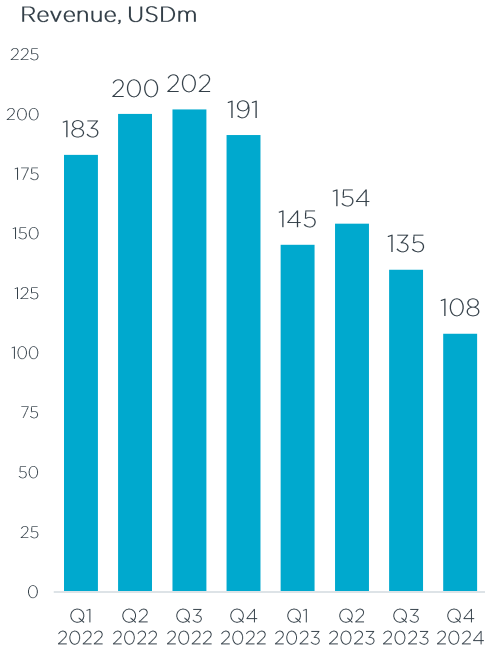
Investing in innovation

Innovation is a core driver of long-term revenue and margins
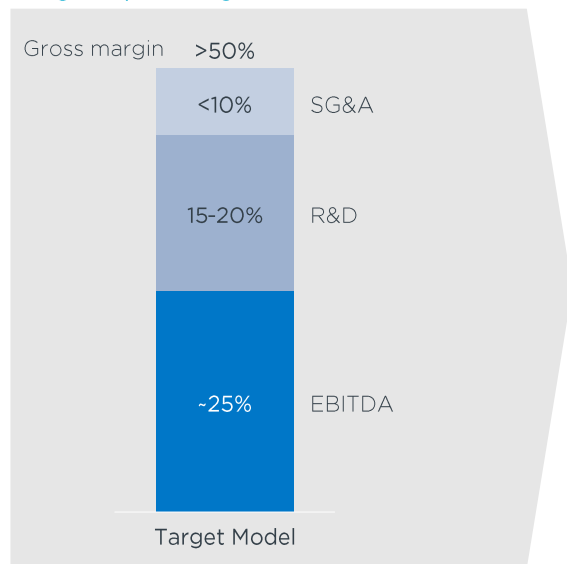
R&D expenses* by technology, USDm
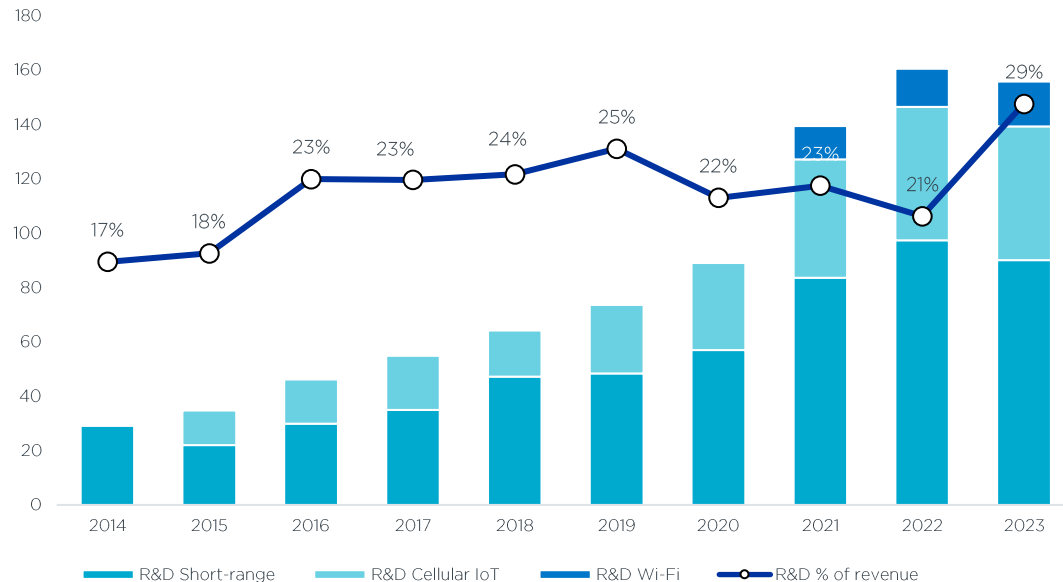
- R&D intensity increased sharply with declining revenue in 2023

- Implemented measures to reduce costs and reallocate R&D resources

- Recognized in P&L

- 2023 numbers are excluding restructing cost

Expansion within target operating model

Target operating model

Gross margin	>50%	
<10%		SG&A
15-20%		R&D
~25%		EBITDA

Target Model

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

SG&A
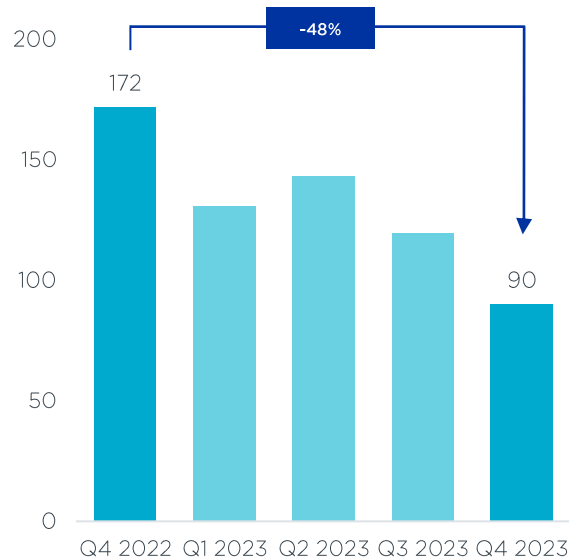- Increasing operational leverage

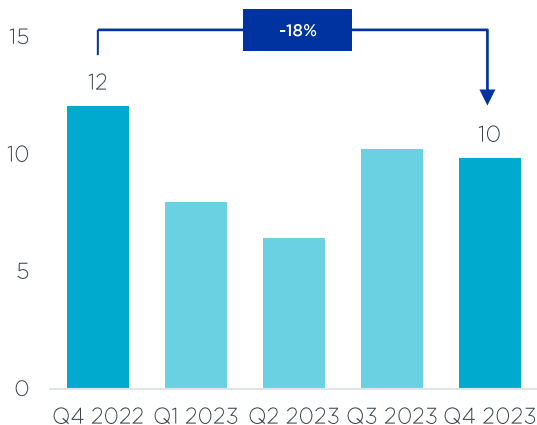**R&D**
- Continued strong commitment to innovation

EBITDA
- High operational leverage - margin depending on volume growth
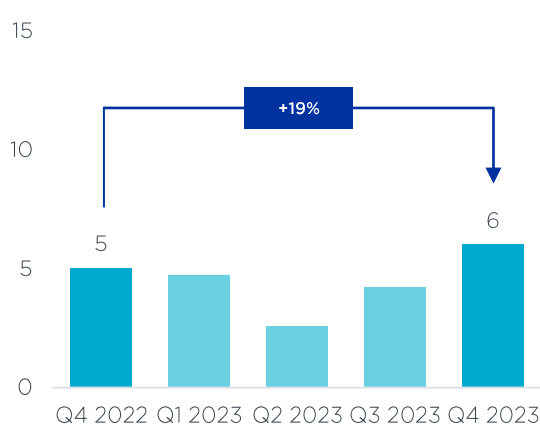
Lower Bluetooth revenue

Bluetooth revenue (USDm)
Quarterly

-48%

200
172
150
100
90
50
0

Q4 2022 Q1 2023 Q2 2023 Q3 2023 Q4 2023

Proprietary revenue (USDm)
Quarterly

-18%

15
12
10
10
5
0

Q4 2022 Q1 2023 Q2 2023 Q3 2023 Q4 2023

Cellular IoT revenue (USDm)
Quarterly

+19%

15
10
5
5
6
0

Q4 2022 Q1 2023 Q2 2023 Q3 2023 Q4 2023

Revenue by markets

Group	Consumer		Industrial		Healthcare		Others	
USDm **108.2**	USDm **67.4**		USDm **18.3**		USDm **18.8**		USDm **2.5**	
-43% y-o-y	-20% q-o-q	-38% y-o-y	-17% q-o-q	-65% y-o-y	-23% q-o-q	-16% y-o-y	-29% q-o-q	-62% y-o-y	-26% q-o-q

Others 2%
Healthcare 18%
Industrial 17%
Consumer 63%

Consumer: Q4'22 109, Q1'23 70, Q2'23 84, Q3'23 81, Q4'23 67

Industrial: Q4'22 52, Q1'23 45, Q2'23 30, Q3'23 24, Q4'23 18

Healthcare: Q4'22 22, Q1'23 24, Q2'23 35, Q3'23 26, Q4'23 19

Others: Q4'22 7, Q1'23 6, Q2'23 4, Q3'23 3, Q4'23 2
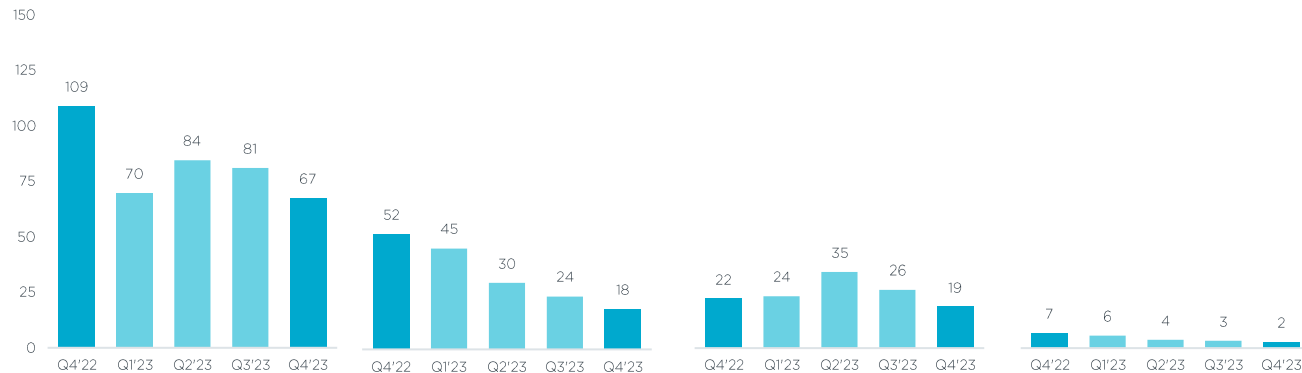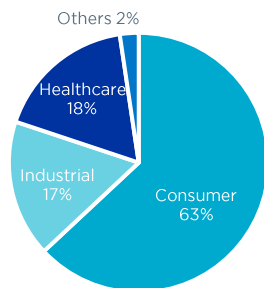
Revenue for the individual markets excludes ASICs and consulting revenue

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Low revenue in Q1 and limited visibility

Q1 2024 guidance

Revenue	Gross margin
USDm **70-80m**	**~50%**
-52% to -45% y-o-y -35% to -26% q-o-q	

Financial calendar 2024
- Q1: 24 April 2024
- Q2: 8 August 2024
- CMD planned for September 2024, date TBD
- Q3: 24 October 2024
- Q4: 5 February 2025

- Low revenue in Q1 with continued inventory adjustments - in addition to normal seasonality

- Reporting philosophy:
  - Only guiding for the current quarter
  - Limiting specific customer comments
  - May limit certain information due to the competitive landscape

Contact details

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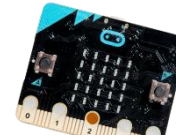
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