

Quarterly Presentation Q2 2022

July 12, 2022



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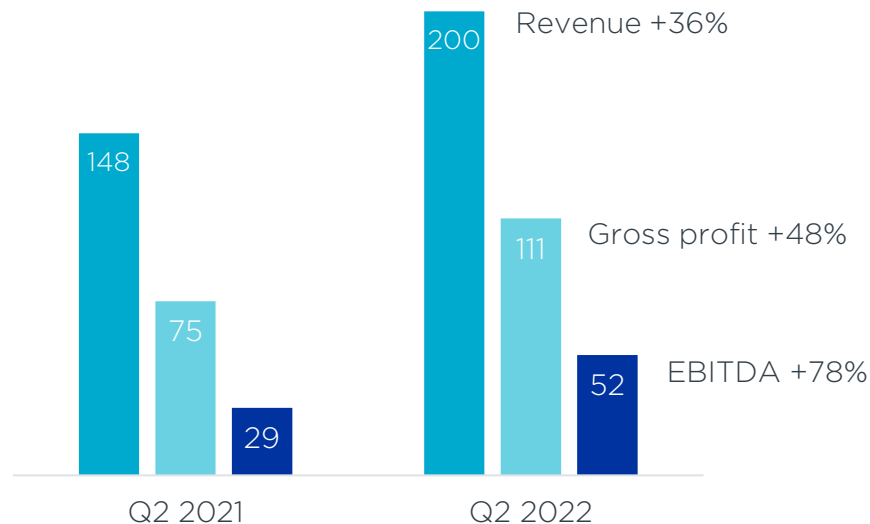
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This presentation was prepared in connection with the Q2 results released on July 12, 2022. Information contained herein will not be updated. The following slides should also be read and considered in connection with the information given orally during the presentation.

Record revenue in turbulent environment

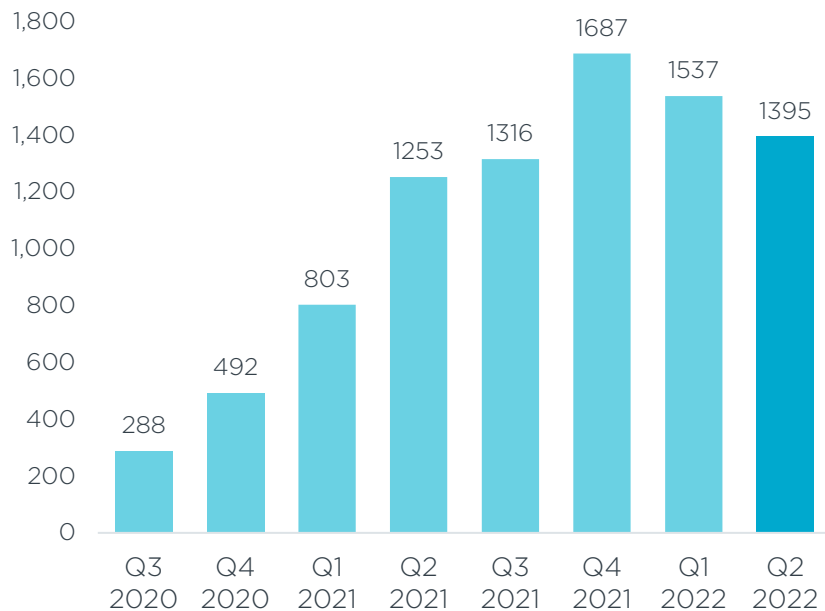
- Revenue of USD 200 million (+36%)
 - Severely impacted by wafer supply
- Gross margin 55.4%
- EBITDA of USD 51.9 million
- Stable outlook for Q3 with continued supply challenges
 - Revenue USD 190-210 million
 - Gross margin >54%
- Long-term outlook stands firm

Revenue, gross profit and EBITDA (USDm)



Continuing to align backlog to capacity

Backlog (USDm)

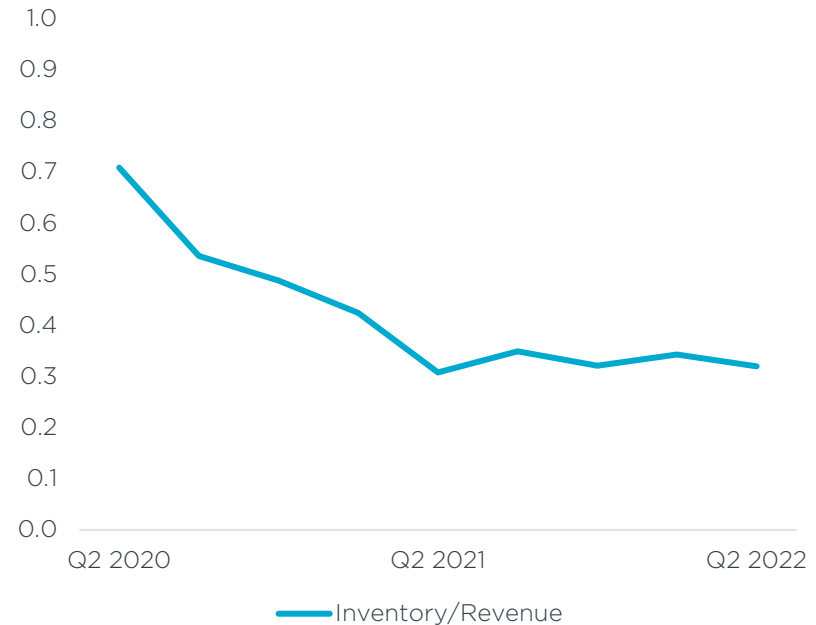


- Order backlog >> delivery capabilities given current supply chain constraints
- Backlog development currently no indication of revenue or demand
- Actively working with end-customers and distributors to adjust order volumes to better match delivery capabilities
- Further backlog adjustment required until wafer supply situation is resolved

Continued low inventories throughout the supply chain

- No signs of inventory build-up
- Low product inventories both at Nordic and distributors

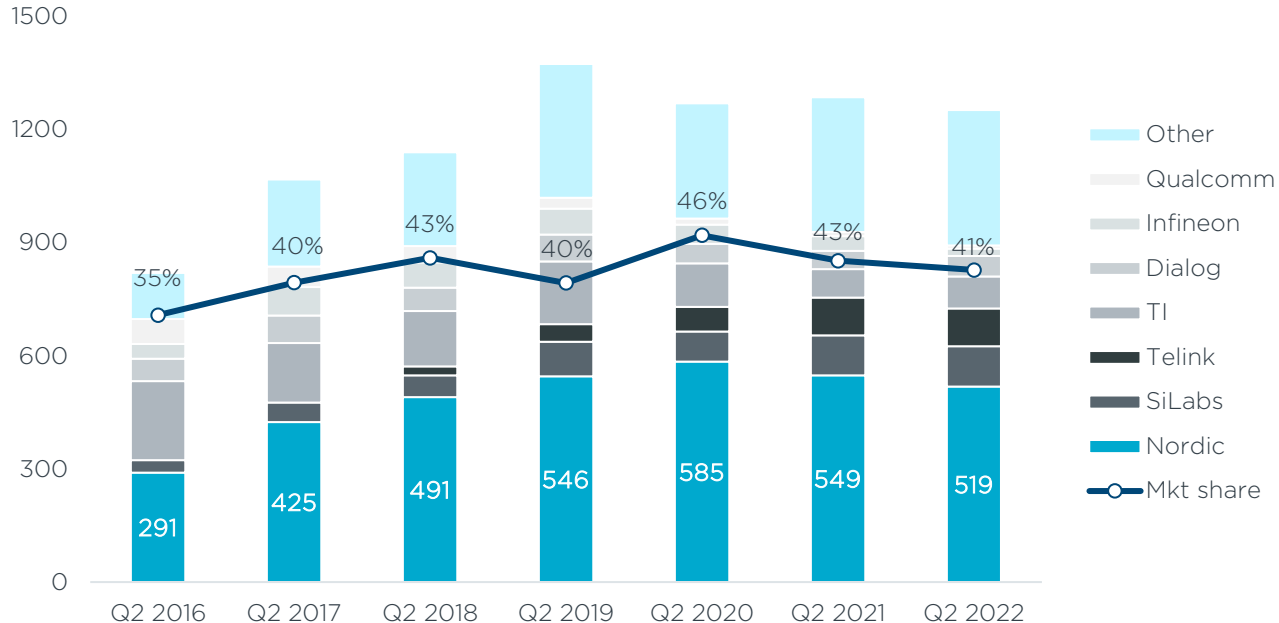
Nordic inventory/Revenue quarterly



Steady and high certification market share

Significantly increasing value per design

Bluetooth Low Energy end-product certifications, last 12 months



End-product
certifications,
Nordic Q2 2022

101

39 % mkt share in
Q2 2022 isolated

Trending toward
higher ASP devices
and higher volume
applications for
Nordic

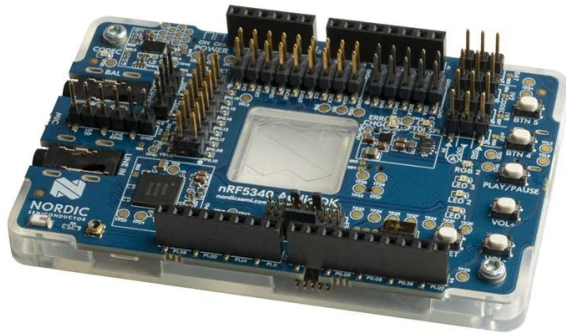
*Source: DNB Markets/FCC

First smart watch with cellular IoT



<p>Holmbergs Child car seat safety nRF52840</p>	<p>iSiTech Animal tracker nRF52840 + nRF21540</p>	<p>Aovx cellular IoT tracker nRF9160</p>	<p>August International Smartwatches nRF9160</p>	<p>SECO Smart plug nRF9160</p>
<p>Sends safety alerts from child car seat to smartphone app via Bluetooth LE</p>	<p>Avoiding livestock theft and wildlife poaching while remotely monitoring animal health and behavior</p>	<p>Tracker device with multiple integrated sensors - monitoring goods in storage or transit</p>	<p>Smartwatch with continuous monitoring and recording of key health metrics in the Cloud</p>	<p>Detecting a range of energy parameters for predictive maintenance of commercial chillers and freezers</p>

Accelerating the development of next generation wireless audio projects



LE Audio - "the future of wireless sound"

Bluetooth Special Interest Group (SIG)

- Launched nRF5340 Audio Development Kit
- Taking advantage of Bluetooth LE Audio's sound quality, low power consumption, and broadcast capabilities (Auracast™)
- Uses Nordic's flagship SoC nRF5340 - the ideal choice for LE Audio and other complex IoT applications
- First LE Audio customers in volume production

Fastest route to innovative IoT products

Launched Nordic Thingy:53

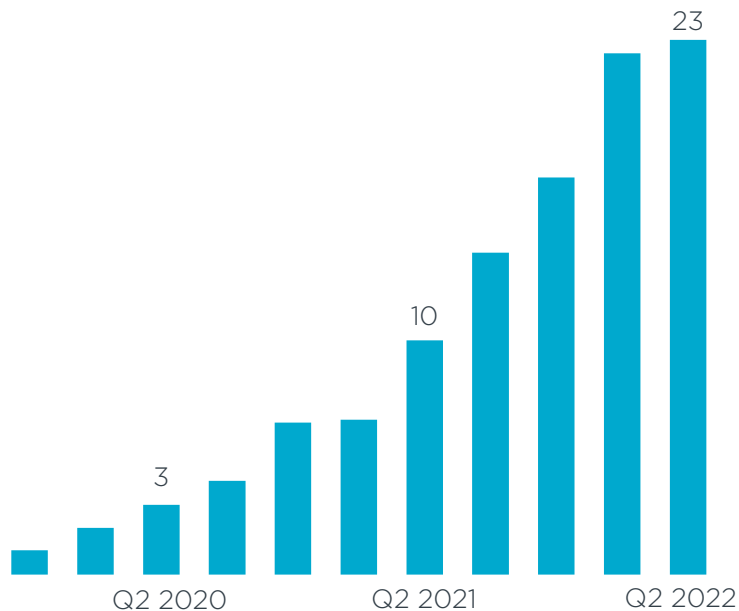
- A multi-sensor prototyping platform with multi-protocol short range wireless connectivity
- Support for embedded machine learning -key to advanced IoT edge processing
- Uses the nRF5340, nRF21540 range extender and nPM1100 power management IC



cloT supply challenges resolved ahead of H2

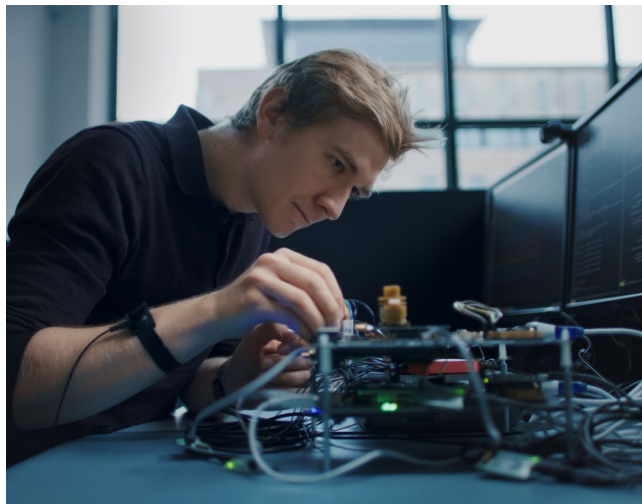
Expecting significant revenue pick-up

Cellular IoT revenue last 12 months (USDm)



- Delivery capacity and revenue affected by unavailability of a specially adapted filter in H1
- New and updated filter qualified and available in volumes from end June
- Significant growth in 2H

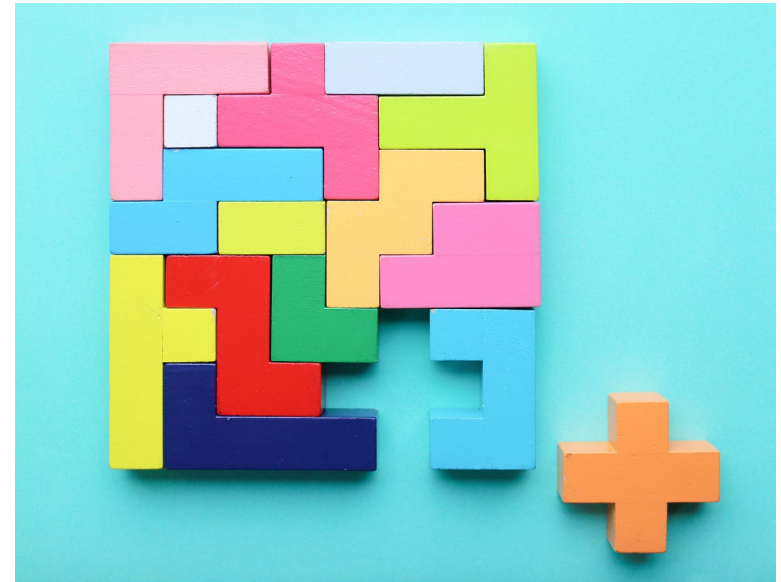
Creating next generation of cloT innovators



- “The Smart IoT Product Challenge” - competition for innovators to demonstrate solutions using the nRF9160 SiP-powered Tributech OEM module
- Winners announced
 - SENDANCE - SMART INSOLE FOR DIABETIC FOOT
 - CARPLOYEE - MOBILITY TRACKER WITH REWARD SYSTEM
 - JUHUU BIKEBOX - SECURE AND SMART BOX FOR STORING BIKES

Simplifying IoT Standard Essential Patent (SEP) licensing

- Huawei and Nordic signing groundbreaking and highly innovative cellular IoT SEP licensing agreement on a component level
- Huawei licenses the rights directly to Nordic, and all Nordic's nRF9160 customers are covered regardless of end-product type
- Adds transparency and predictability in the design process



Ultra-low power memory enabling energy harvesting



"We are very excited to bring on-board this world class team, recognized as an industry leader in optimized, low voltage embedded SRAM designs. A team we know intimately from years of working together."

Svein-Egil Nielsen CTO/EVP R&D and Strategy

- Technology acquisition of Mobile Semiconductor
 - Market-proven track record of delivering ultra-low power-performance-optimized, leading-edge static RAM (SRAM) memory technology for various MCUs and SoCs
 - Small team based in the US (Seattle, Washington)
- Mobile Semiconductor's memory technology already used in our nRF52, nRF53 and nRF91 Series devices
 - Also engaged for the next generation Nordic products
- Ultra-low power operation is a vital sustainability requirement

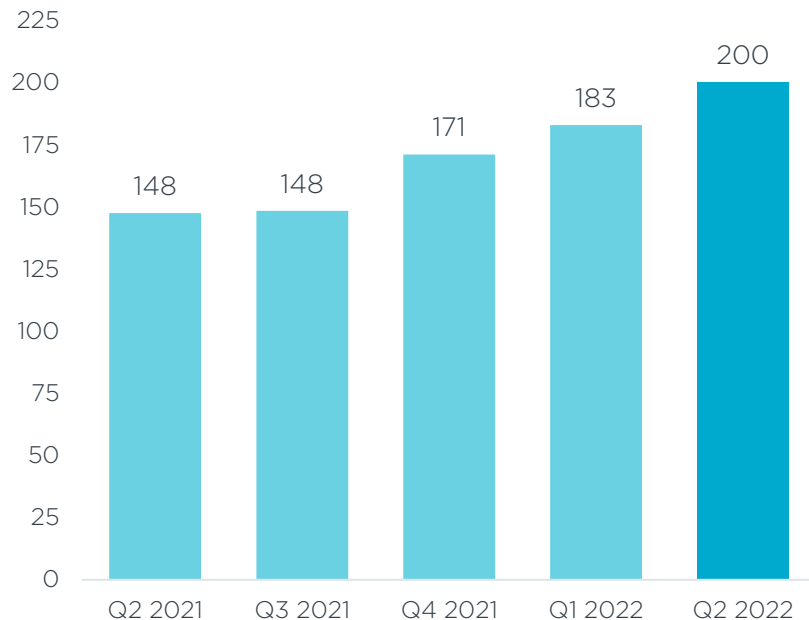


Financials

Pål Elstad, CFO

Revenue growth of 36% y-o-y

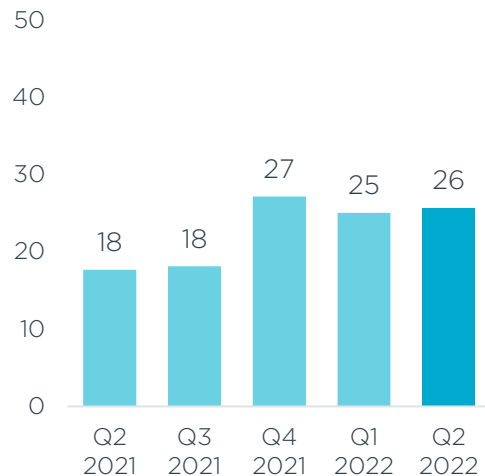
Quarterly revenue (USDm)



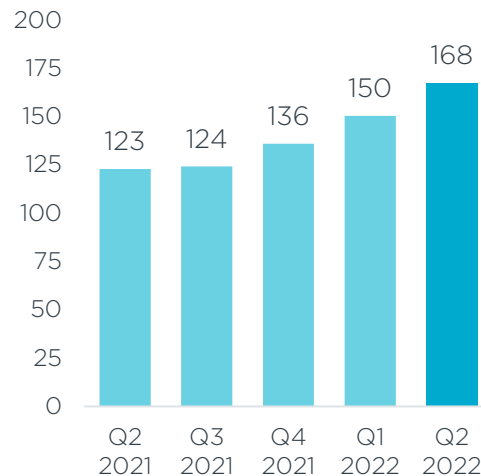
- Y-o-y growth despite severe wafer supply constraints and cellular IoT component unavailability
 - Bluetooth +36 % to USD 168 million
 - Proprietary +45 % to USD 26 million
 - Cellular IoT +13 % to USD 5 million
- Revenue +9% from Q1

Revenue by Technology

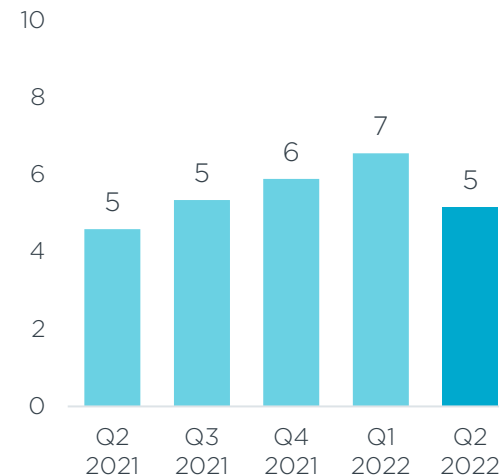
Proprietary revenue (USDm)
Quarterly



Bluetooth revenue (USDm)
Quarterly



Cellular IoT revenue (USDm)
Quarterly

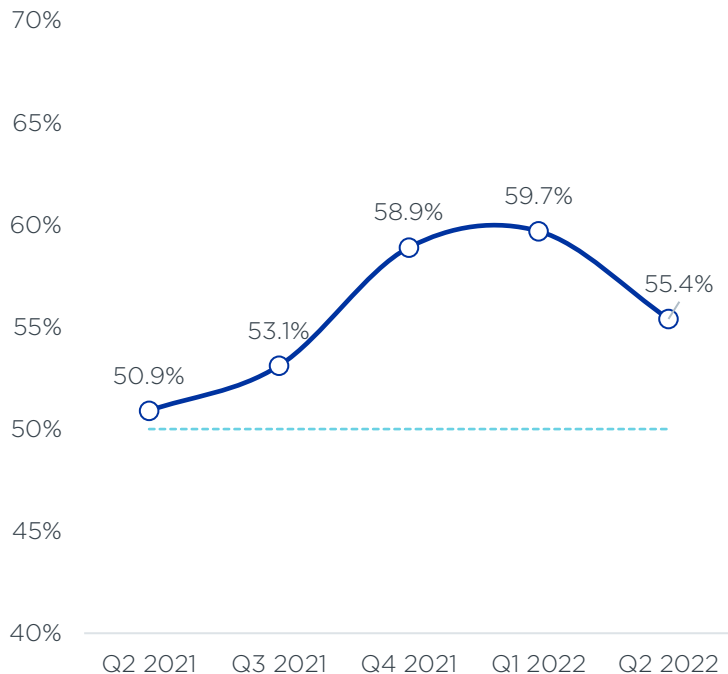


Strong growth in non-consumer

Group	Consumer	Industrial	Healthcare	Others
USDm 200.2	USDm 126.4	USDm 48.2	USDm 16.8	USDm 8.8
+36% y-o-y +9% q-o-q	+35% y-o-y +3% q-o-q	+28% y-o-y +21% q-o-q	+74% y-o-y +18% q-o-q	+86% y-o-y +33% q-o-q

- Market classifications now includes Short range, cellular IoT and other revenues
- Growth across all end-user markets
- Numbers reflect product allocations more than underlying demand

Strong gross margin



- Continued high margins reflect product allocations under constrained supply
- Positive effects of product and customer mix

Operating model performance Q2 2022

Gross margin
55.4%

	Q2 2022	Q2 2021	Δ		
R&D short-range 12.2%	Revenue	USD 200.2m	USD 147.6m	+35.6%	Volume, price and product mix
R&D cellular IoT 6.1%	Gross margin	55.4% USD 110.8m	50.9% USD 75.1m	+4.5pp	Price, product and customer mix
R&D Wi-Fi 1.6%	R&D short-range	12.2% USD 24.4m	12.6% USD 18.6m	-0.4pp	Total R&D up from USD 31.4m to 39.8m, but down from 21.3% to 19.9% - continuing to invest despite current revenue wafer supply constraints
SG&A 9.5%	R&D cellular IoT	6.1% USD 12.3m	6.6% USD 9.8m	-0.5pp	
	R&D Wi-Fi	1.6% USD 3.2m	2.1% USD 3.0m	-0.5pp	
	SG&A	9.5% USD 19.1m	9.9% USD 14.5m	-0.4pp	
	EBITDA 25.9%	EBITDA	25.9% USD 51.9m	19.8% USD 29.2m	+6.1pp

Investing for growth

Cash cost increase mainly due to increased number of employees

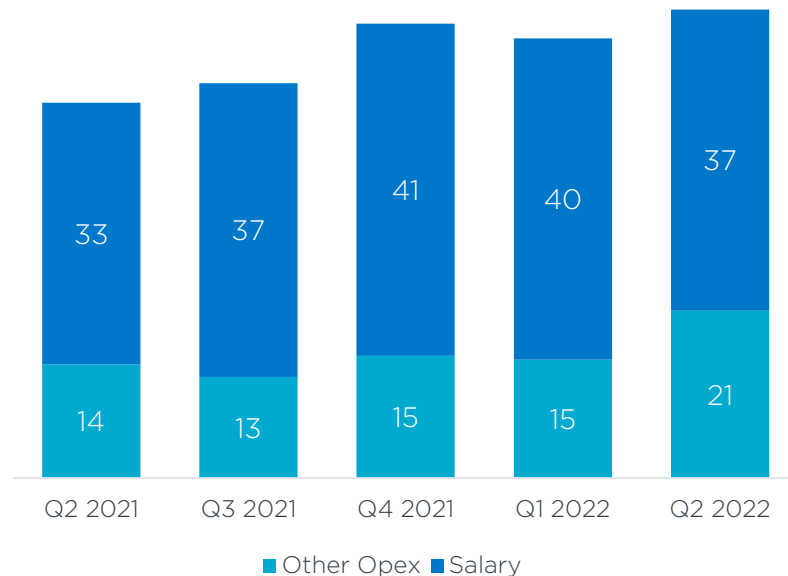
Salary:

- Number of employees increased by 19.9% to 1 303 over the past last 12 months

Other OPEX:

- Varying with pace of product introductions
- High tape-out activity in the quarter

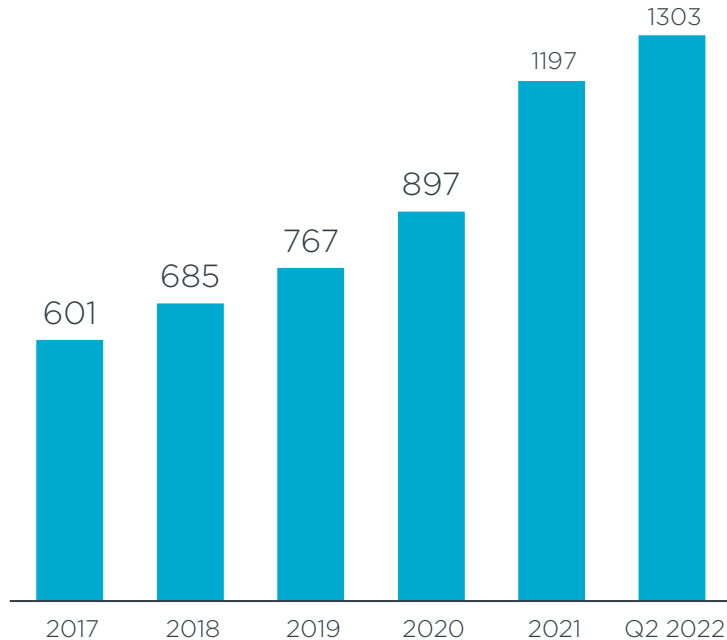
Cash OPEX* (USDm)



*Cash OPEX: Operating expenses, excl. capitalized R&D, depreciation and amortization and option expenses

Hiring top talent

Employees



More than doubled the organization over the past five years

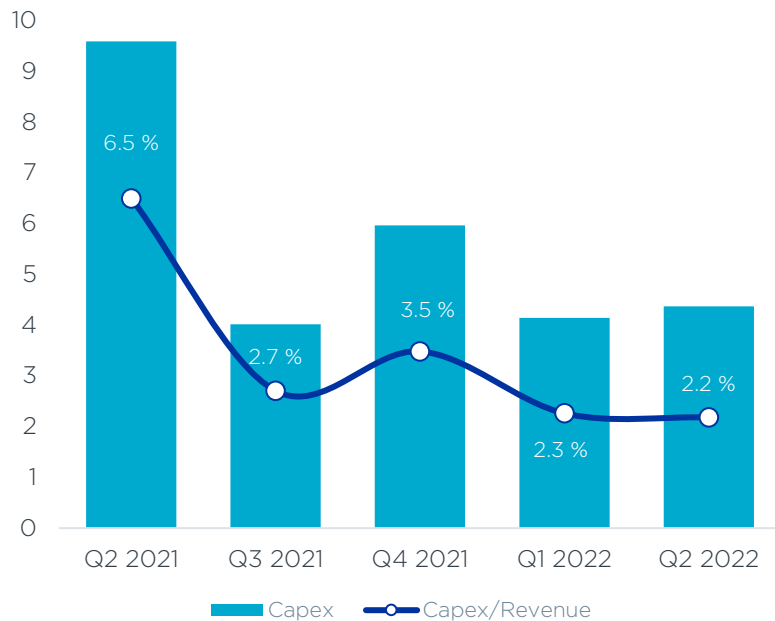
- Proven ability to attract talent from a scarce talent pool

Investing in our future workforce

- 117 active students in Norway, Finland, Sweden, UK and Poland over the summer months

Low capex intensity

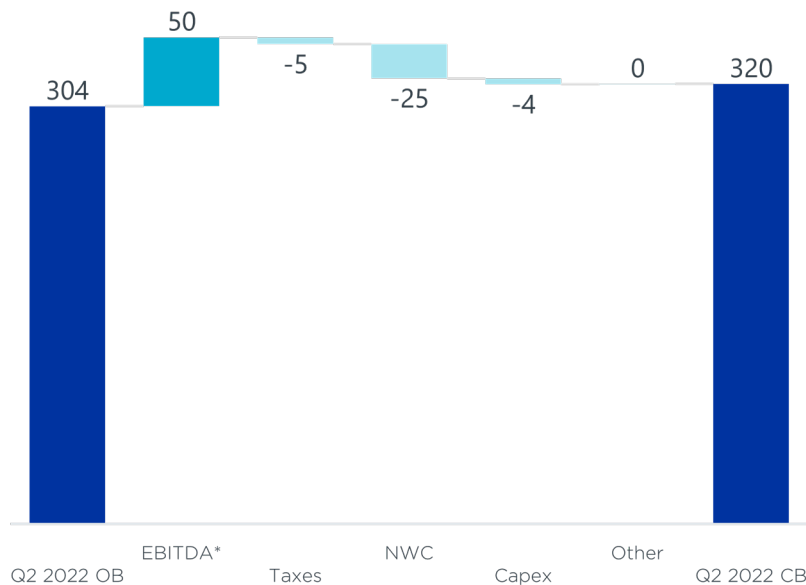
Capex (USDm)



- Low capex of USD 4 million in Q2
- Overall capex intensity below 3% for the full year 2022

Continued strong cash position

Cash position and Cash Flow Q2 2022 (USDm)



- Operating cash flow of USD 29.8m in Q2
- Increasing net working capital mainly due to accounts receivables
 - NWC/Revenue LTM up to 21.9% 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
- Increased RCF to USD 150 million

* EBITDA Adjusted for Capitalized Development Costs



Summary and Svenn-Tore Larsen, CEO Outlook

Expect stable Q3 with continued severe supply challenges

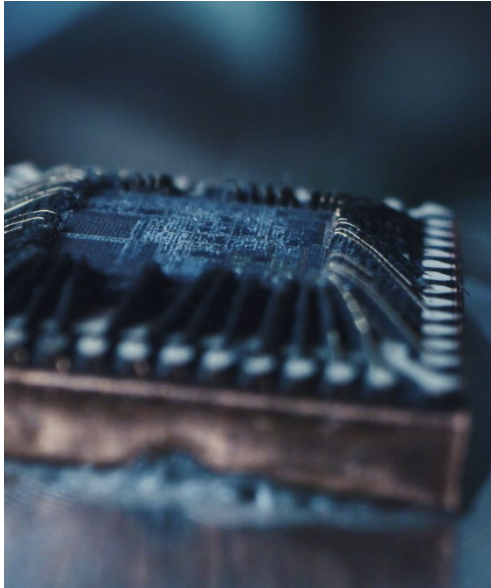
Q3 2022 guidance

Revenue	Gross margin
USDm 190-210	>54%
+28% to +41% y-o-y -5% to +5% q-o-q	

- Reduced demand in some consumers verticals but total demand >> supply
- Revenue guidance reflects current wafer allocations for Q3 2022
- Higher wafer supply expected in the fourth quarter of the year
- Solved cellular IoT component issues - expect significantly higher revenue in 2H

Expanding capacity through multi-sourcing

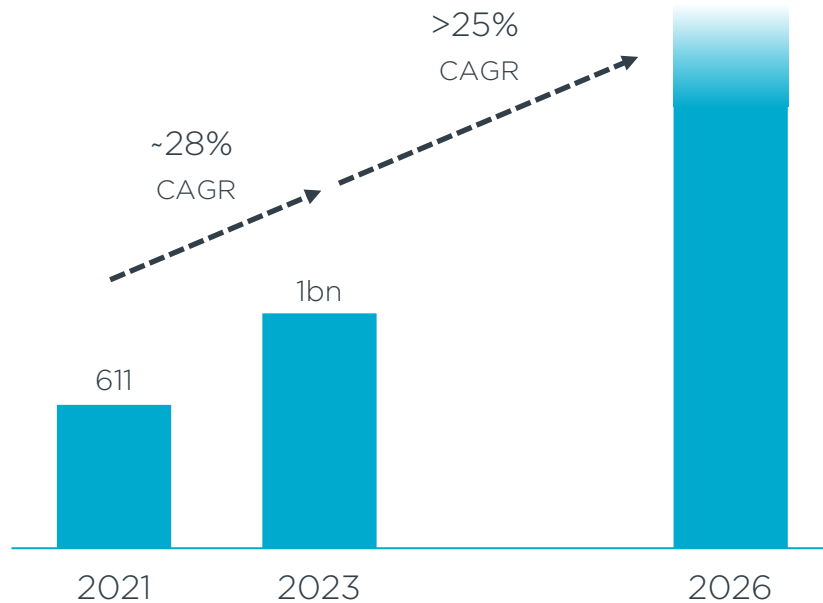
Delivering features that IoT requires in the future



- Developing new technology platform across short-range, Wi-Fi and cellular IoT
 - R&D innovation with high customer involvement
 - Multi-year project with large R&D teams on multiple sites
 - Leveraging state-of-the-art development ecosystem
- Leading process technologies optimized for IoT
 - Expanding capacity through multi-sourcing
 - Disruptive performance
 - Working actively on securing supply, both long and short term
 - First short-range product ramping H2 2023

The outlook stands firm

Revenue (USDm)



- USD 1bn revenue target in 2023
- Aiming to more than double revenue in 2023-2026

Q&A



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