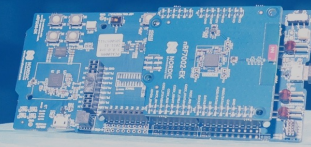


Quarterly Presentation

Q2 2023

July 11, 2023



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SEMICONDUCTOR

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This presentation was prepared in connection with the Q2 results released on July 11, 2023. 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.

Solid revenue in challenging market

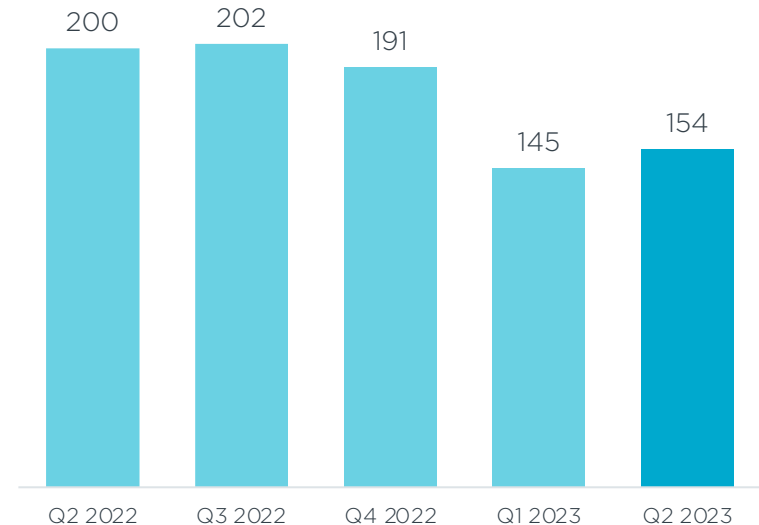
Q2 2023:

- Revenue of USD 154m (-23% y/y, +6% q/q)
- Bluetooth USD 143m (-15% y/y, +9% q/q)
- Gross margin 53% and EBITDA margin of 18%

Outlook:

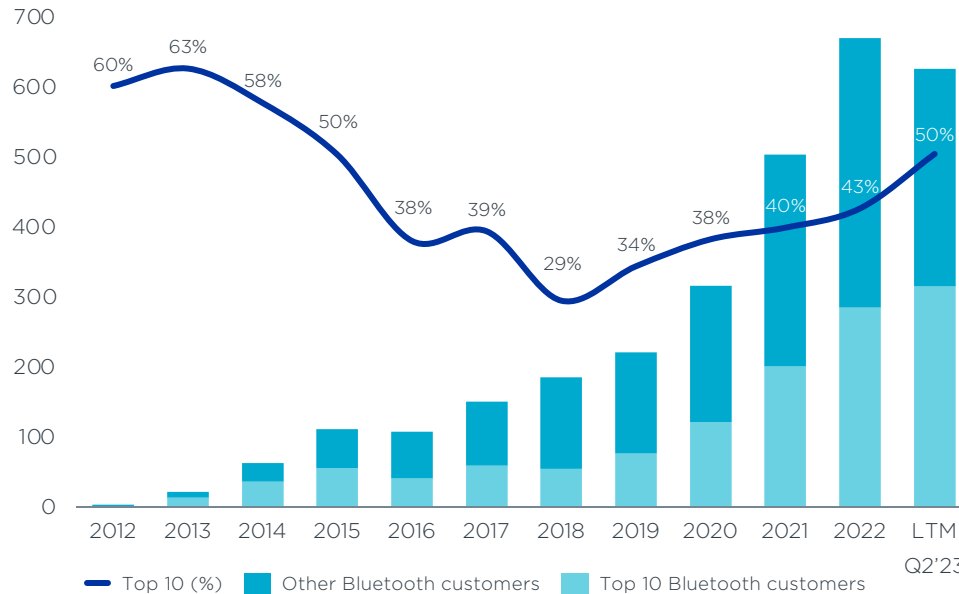
- Guiding for revenue of USD 145-165 million and gross margin of >52% in Q3
- Clear growth opportunities but cautious customers
- Low visibility and wide range of outcomes beyond the current quarter

Quarterly revenue development (USDm)



Tier-1s revenue share continue to increase

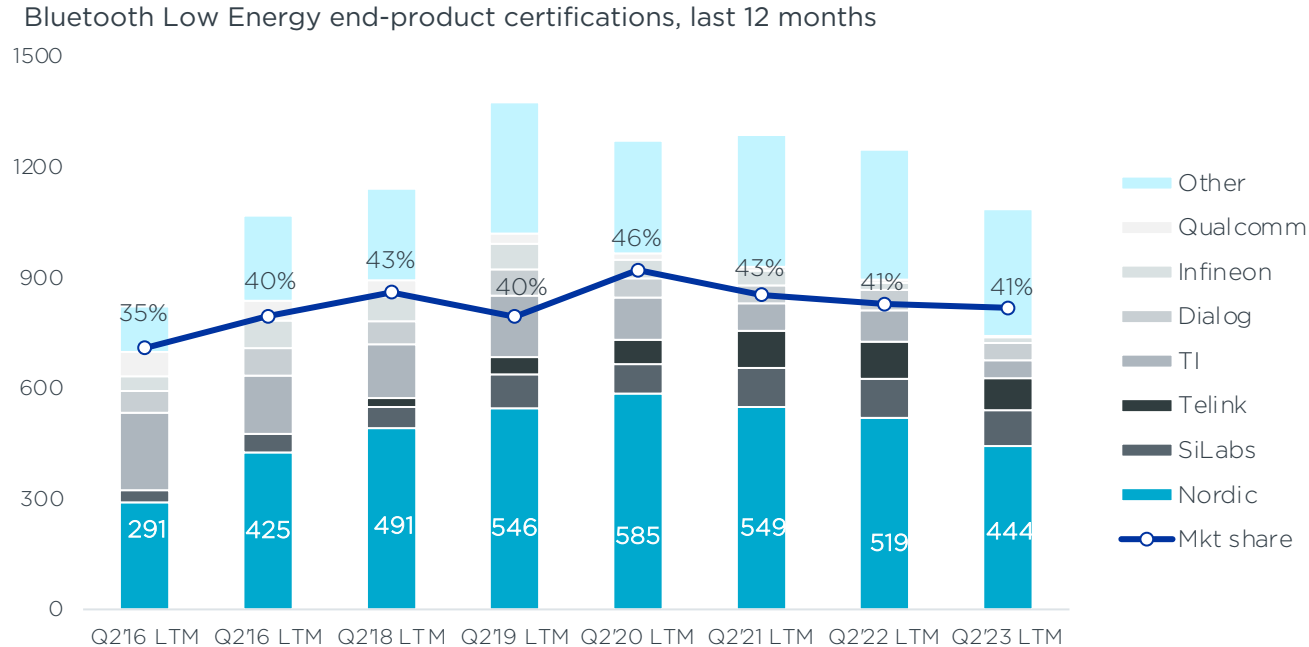
Bluetooth revenue composition (USDm)



- Top-10 accounted for ~50% of Bluetooth revenue LTM

Steady and high certification market share

Significantly increasing value per design



Nordic
end-product
certifications

Q2'23
108 designs
41% mkt share

LTM
444 designs
41 % mkt share

Nordic trends
toward high volume
designs

New customer product launches in Q2



OPUM Technologies
Digital Knee®
nRF52840



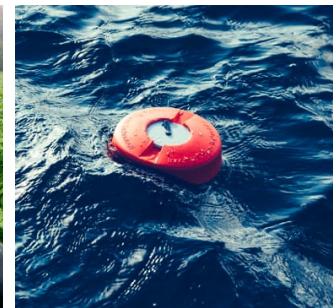
Casio
Sport Watch
nRF52833



Rulo
Industrial connectivity
solution
nRF9160



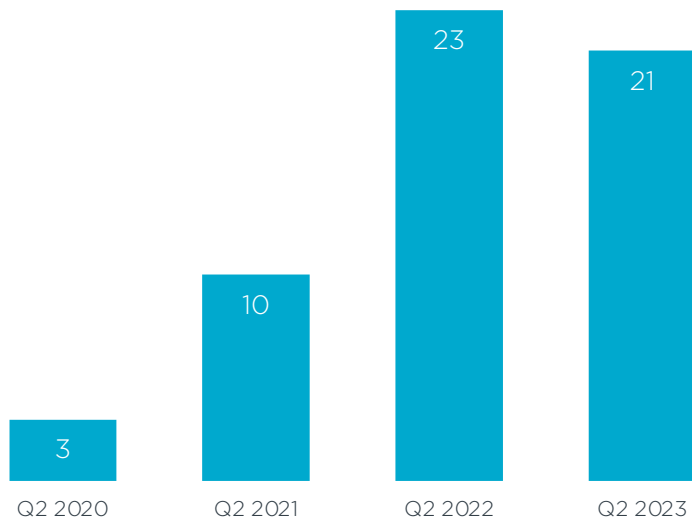
7Sense
Irrigation Sensor
nRF9160



Innomar Ocean Tech
Smart Buoy
nRF9160

Cellular IoT

Cellular IoT revenue last 12 months (USDm)



- Solid and healthy inflow of projects into pipeline, no signs of slowdown in design activity
- Good conversion rate through the pipeline, large base of ~370 commercial projects
- Lifetime value of designs is increasing
- Still lumpy revenue development, depending on customer production and purchasing cycles

Launching significant uplift of cellular offering

Full product + services solution from device to cloud

Saving our customers from dealing with today's fragmented cellular IoT supply chains

World's first devices supporting both cellular and DECT NR+

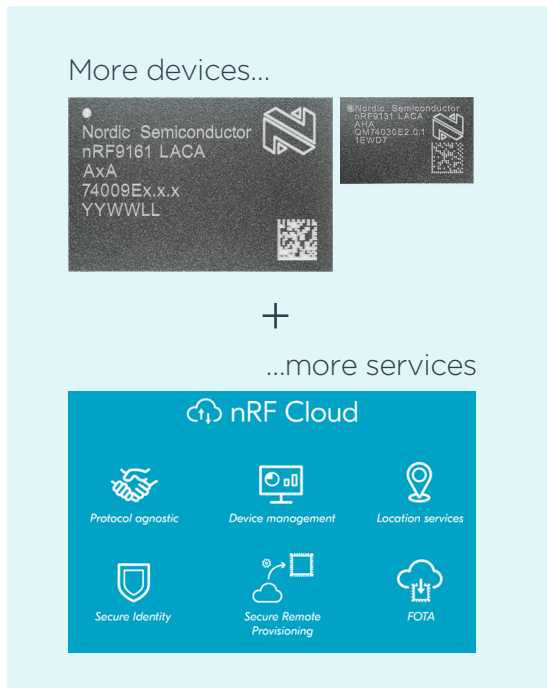
- **nRF9161 SiP**, fully integrated for global certification and massive adoption
- **nRF9131 mini-SiP**, a low-risk alternative to traditional high-volume chipset designs

Unique cellular feature uplift

- Firmware stack uplift on GNSS, large power savings for roaming devices, and more
- Network evaluation and debug tools shaving months off development cycles

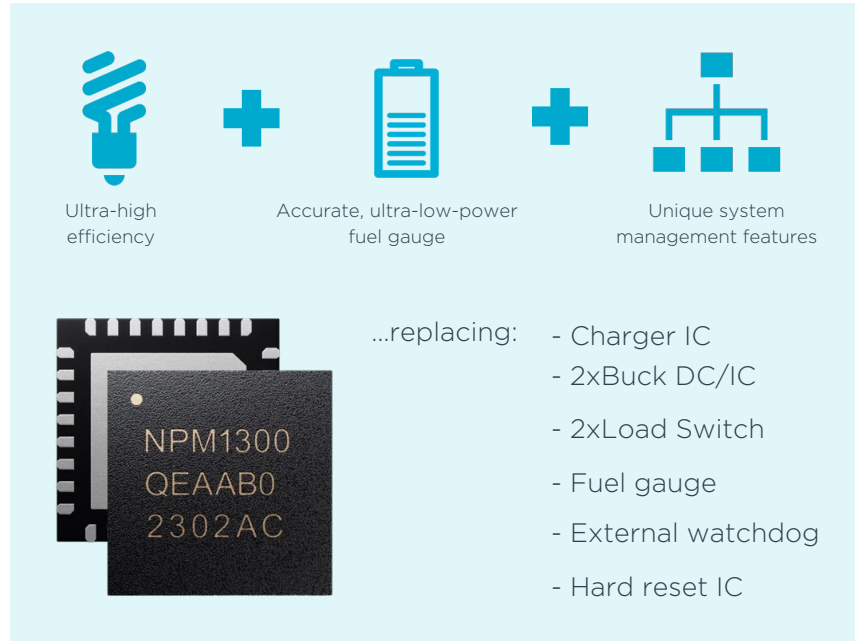
Fully optimized IoT devices added to nRF Cloud

- Secure and reliable lifecycle management of devices
- Highest deployment and protocol layer flexibility for a big and diverse IoT market



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

...replacing:

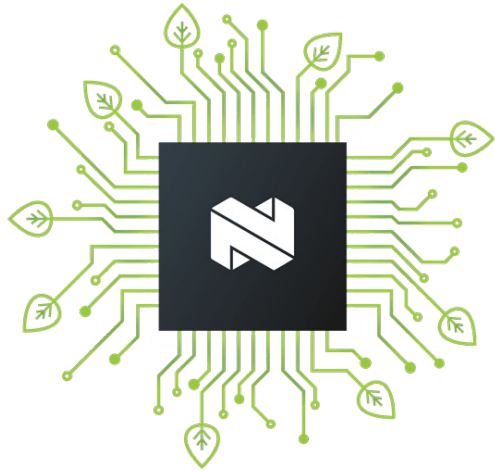
- Charger IC
- 2xBuck DC/IC
- 2xLoad Switch
- Fuel gauge
- External watchdog
- Hard reset IC

NPM1300
QEAAB0
2302AC

- 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
- Design wins already secured, see products ramping towards the end of 2023

Nordic one of Europe's Climate Leaders 2023

Compiled by Financial Times and Statista

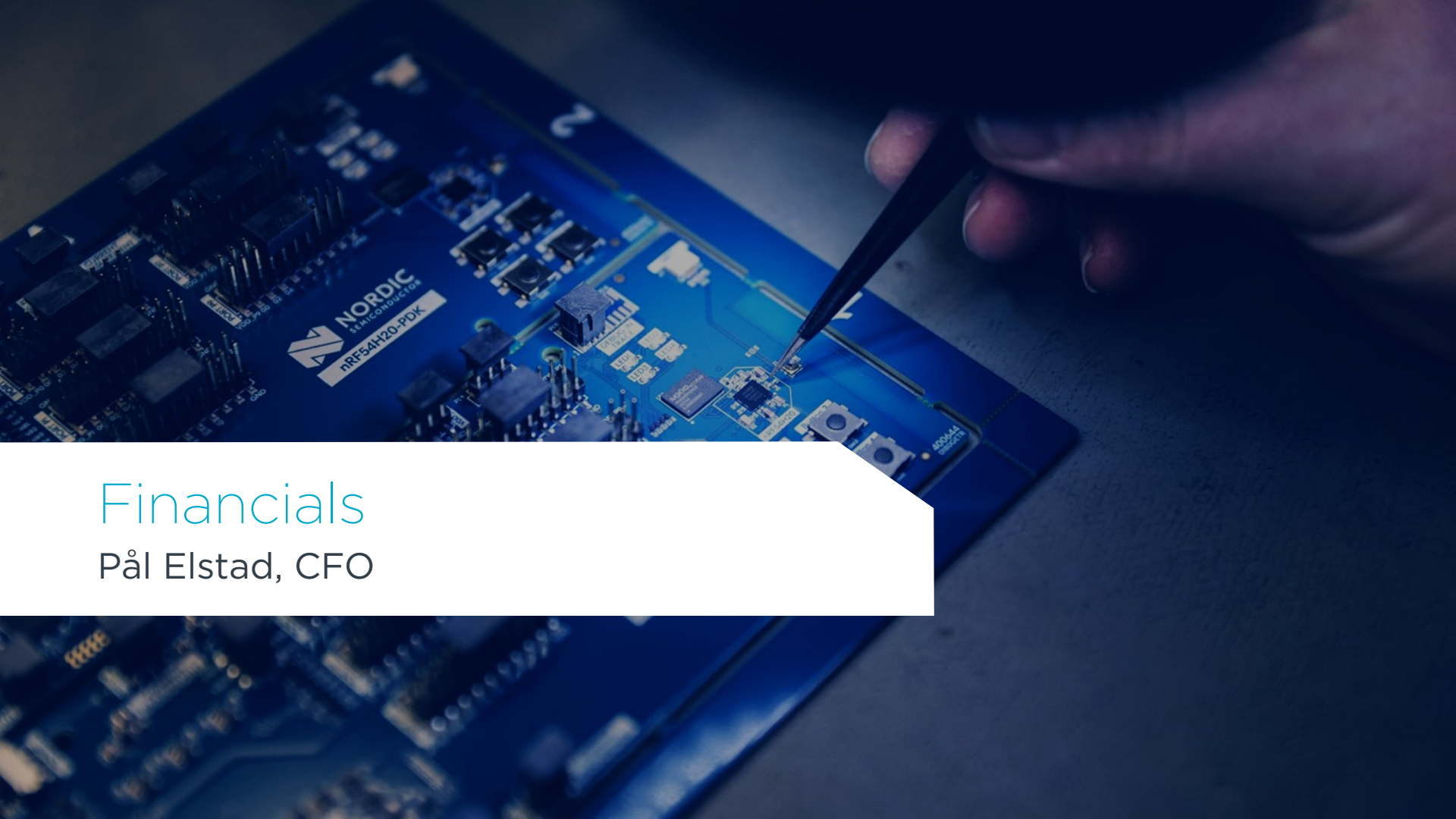


"I am honored to witness the recognition we have received for our dedication and initiatives toward promoting sustainable development"

Linda Pettersson,

SVP Legal & Compliance, Chair of Nordic Semiconductor ESG Committee

- 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

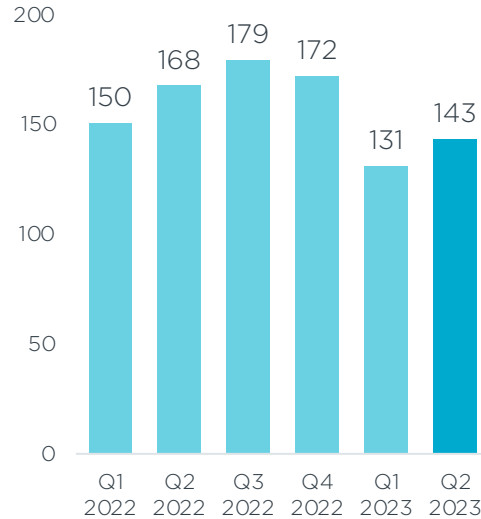


Financials

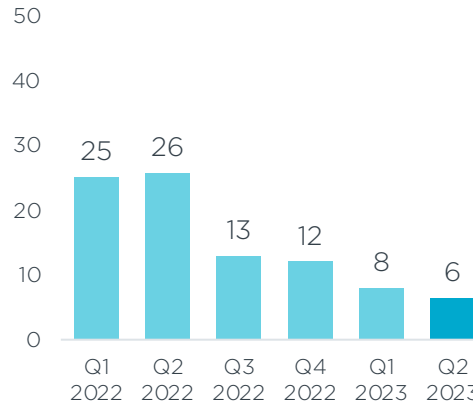
Pål Elstad, CFO

Bluetooth driving the q-o-q upturn

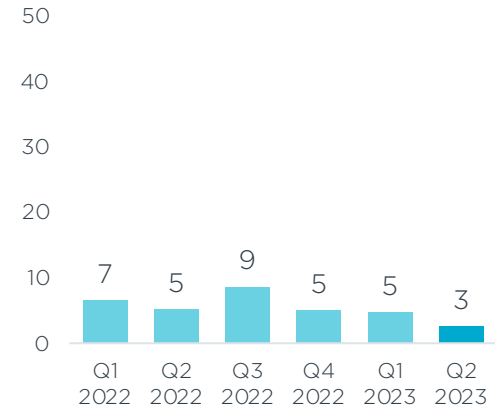
Bluetooth revenue (USDm)
Quarterly



Proprietary revenue (USDm)
Quarterly

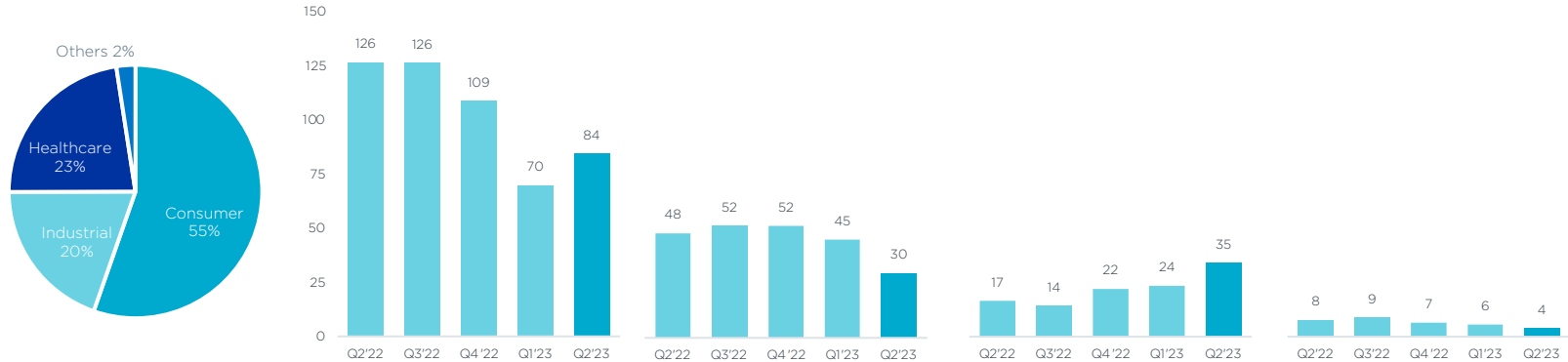


Cellular IoT revenue (USDm)
Quarterly



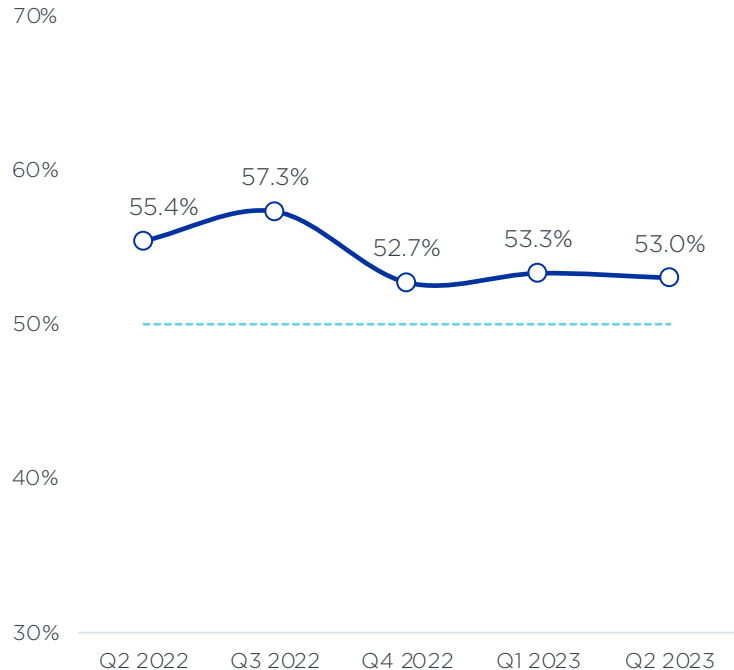
Revenue by markets

Group	Consumer		Industrial		Healthcare		Others	
USDm 154.2	USDm 84.4		USDm 29.9		USDm 34.5		USDm 3.7	
-23% y-o-y +6% q-o-q	-33% y-o-y +21% q-o-q		-38% y-o-y -34% q-o-q		+106% y-o-y +47% q-o-q		-52% y-o-y -33% q-o-q	



Revenue for the individual markets excludes ASICs and consulting revenue

Gross margin



- Stable and solid q-o-q margin development
- Expecting gross margin >52% for Q3 2023
- Reiterating long-term ambition to maintain gross margin >50%

Operating model performance Q2 2023

Gross margin 53.0%		Q2 2023	Q2 2022	Δ	
R&D short-range 12.3%	Revenue	USD 154.2m	USD 200.2m	-23.0%	Demand slowdown in 2023
R&D cellular IoT 7.4%	Gross margin	53.0% USD 81.7m	55.4% USD 110.8m	-2.4pp	Stable adjusted for price increase effects in 2022
R&D Wi-Fi 2.6%	R&D short-range	12.3% USD 18.9m	12.2% USD 24.4m	+0.1pp	<ul style="list-style-type: none"> Total R&D down from USD 39.8m to USD 34.4m Partly reflects start of capitalization of nRF54 Up from 19.9% to 22.3% of revenue Continued favourable y-o-y effect of fx developments
SG&A 12.3%	R&D cellular IoT	7.4% USD 11.5m	6.1% USD 12.3m	+1.3pp	
EBITDA 18.6%	R&D Wi-Fi	2.6% USD 4.0m	1.6% USD 3.2m	+1.0pp	
	SG&A	12.3% USD 18.9m	9.5% USD 19.1m	+2.8pp	Cost ratio up mainly due to lower revenue
	EBITDA	18.5% USD 28.5m	25.9% USD 51.9m	-7.4pp	Decline mainly due to lower revenue

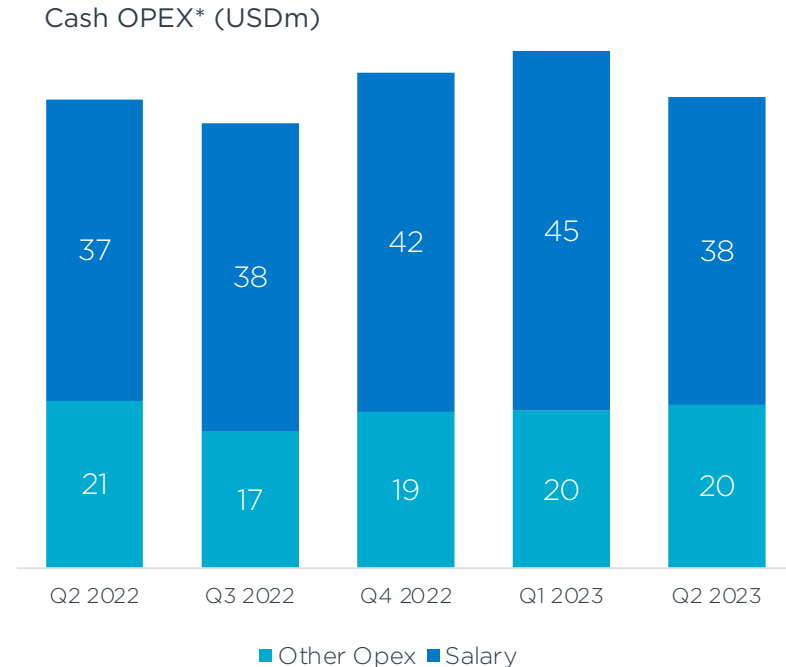
Balancing investments and cost awareness

Flat cash costs vs. Q2'22

Salary +2.1%:

- Employees increased by 17% y-o-y to 1,520
- Currency reduced payroll cost in Q2'23 by USD ~2m compared to Q2'22 rates

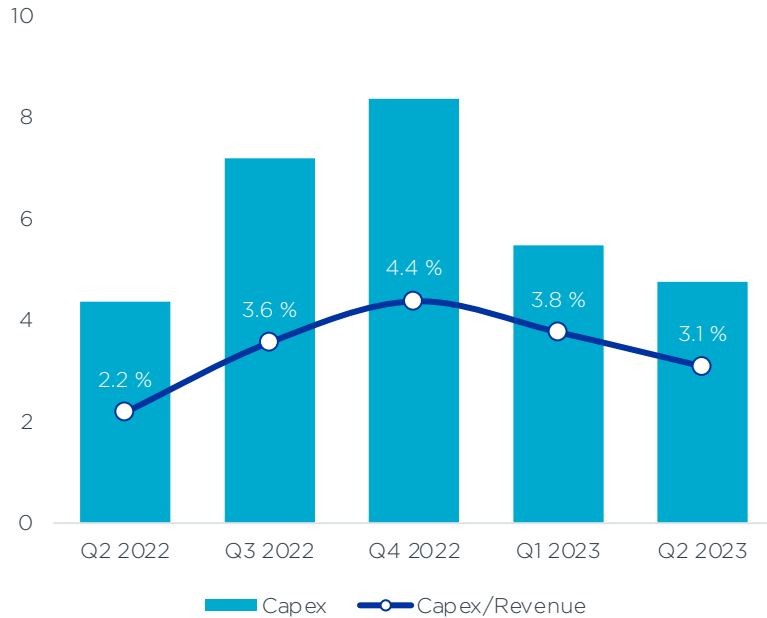
Continuing work to adjust cost base to protect margins



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

Capex intensity remains low

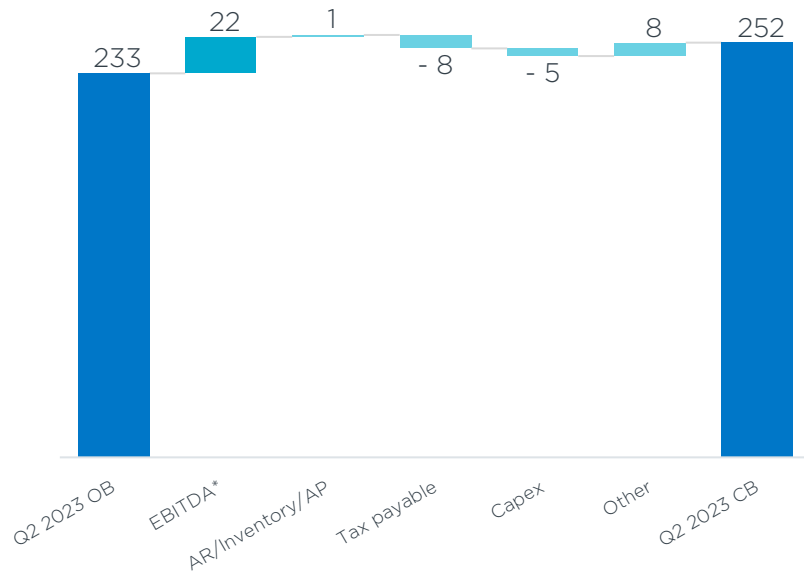
Capex (USDm)



- Capex of USD 4.8 million in Q2
- Overall capex intensity 3.7 % LTM

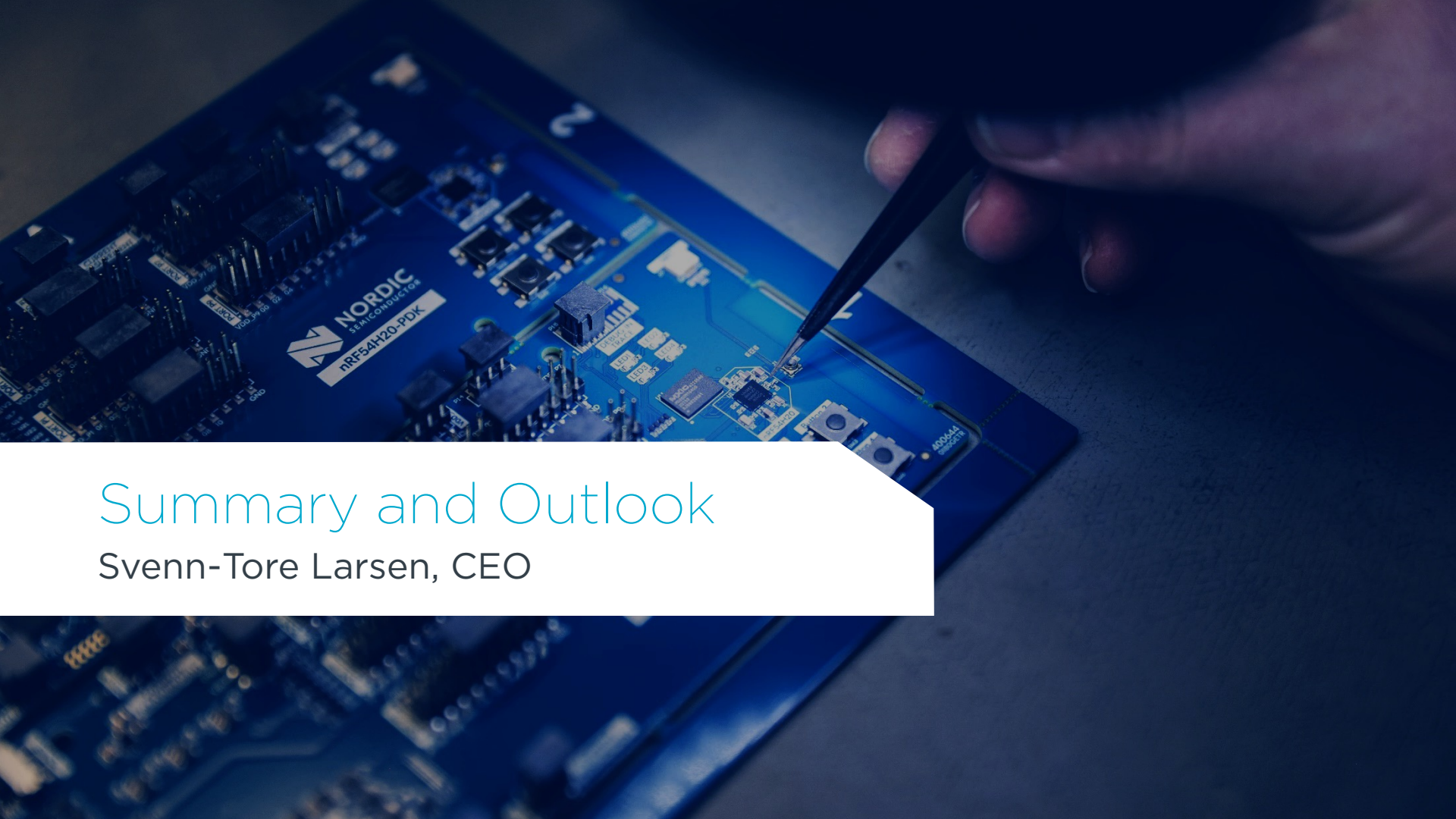
Strong cash position

Cash position and Cash Flow Q2 2023 (USDm)



- Cash flow from operations adjusted for capitalized development expenses of USD 25 million
- q-o-q decrease of NWC
 - NWC/Revenue LTM of 29.0%
- Other items mainly impacted by increased refund liabilities

* EBITDA Adjusted for Capitalized Development Costs



Summary and Outlook

Svenn-Tore Larsen, CEO

Expecting Q3 revenue in line with Q2

Q3 2023 guidance

Revenue	Gross margin
USDm 145-165m	>52%
-28% to -18% y-o-y -6% to +7% q-o-q	

- Stable q-o-q revenue development expected from Q2 to Q3
- Clear growth opportunities but cautious customers
- Low visibility and wide range of outcomes for revenue beyond the current quarter

Q&A



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