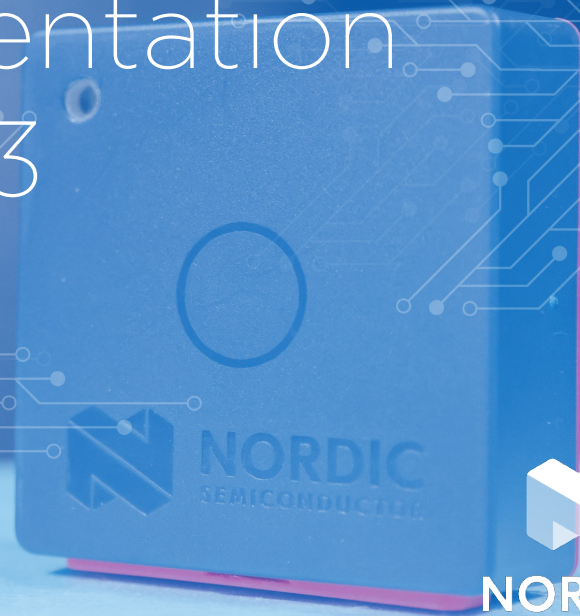


Quarterly Presentation Q4 2023

February 6, 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.

Today's presenters



Vegard Wollan

CEO

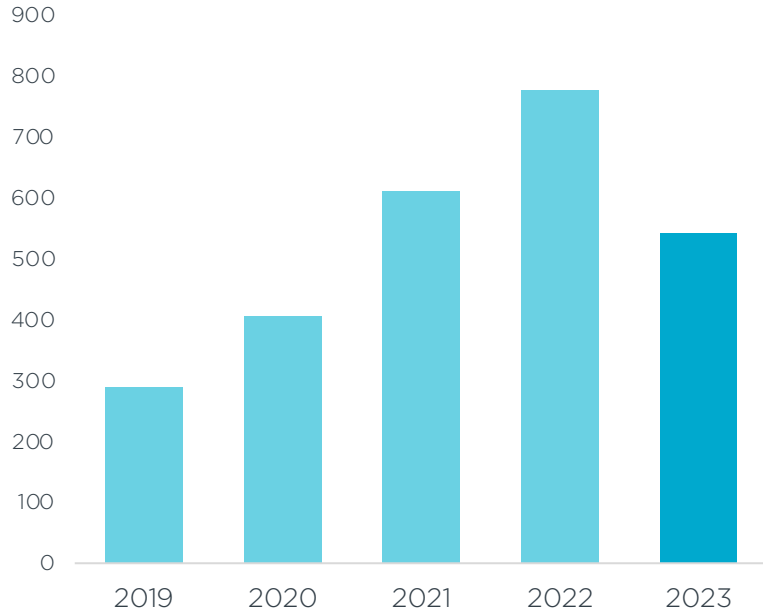


Pål Elstad

CFO

2023: Weaker results on 30% revenue drop

Revenue development, last 12 months (USDm)



A sharper and more prolonged downturn than anticipated

- 39% revenue CAGR in 2019-22
- 30% revenue decline in 2023

2023 key figures:

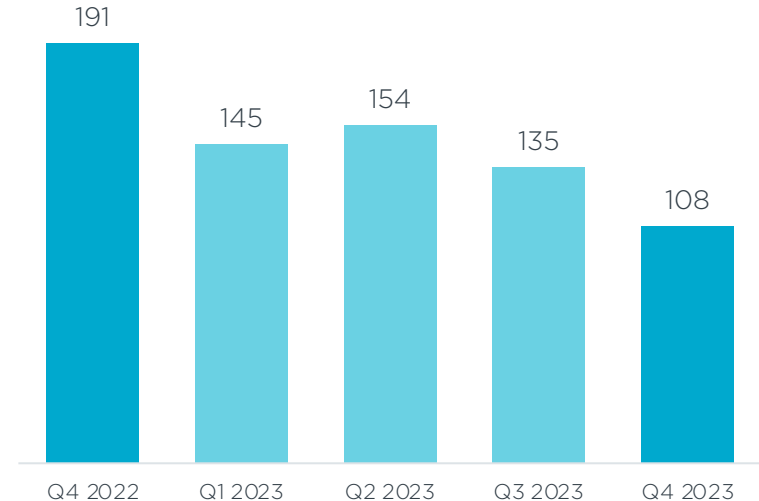
- Revenue: USD 543m (USD 777m in 2022)
- Gross margin: 52% (56% in 2022)
- EBITDA: USD 49m, 9% (USD 206m, 26% in 2022)

Q4: Persisting cyclical downturn

Q4 2023:

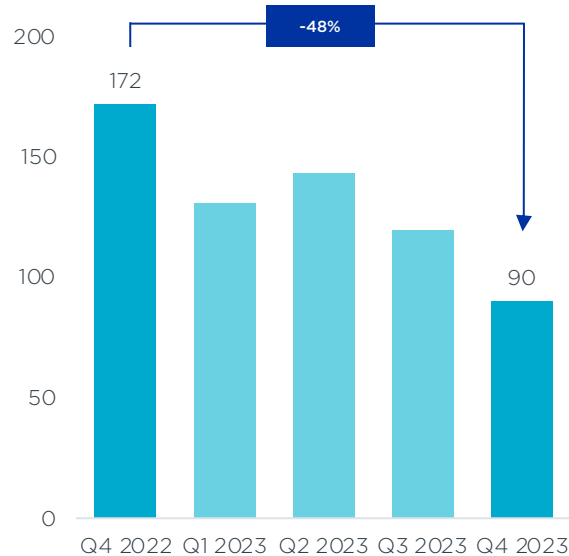
- Revenue of USD 108m (-43% y/y, -20% q/q)
- Gross margin of 52% vs 53% in Q4'22
- EBITDA of USD -7m vs. USD +39m in Q4'22
- EBITDA of USD -2m adjusted for restructuring

Quarterly revenue development (USDm)

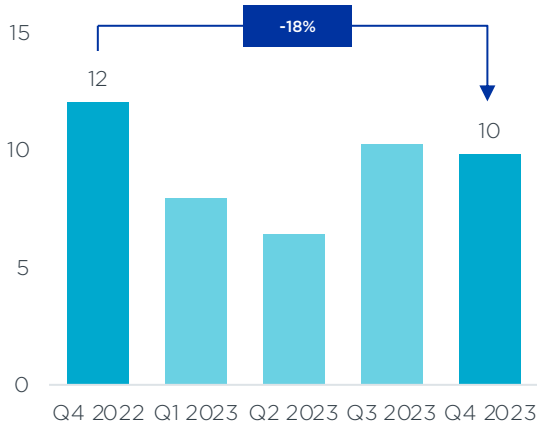


Lower Bluetooth revenue

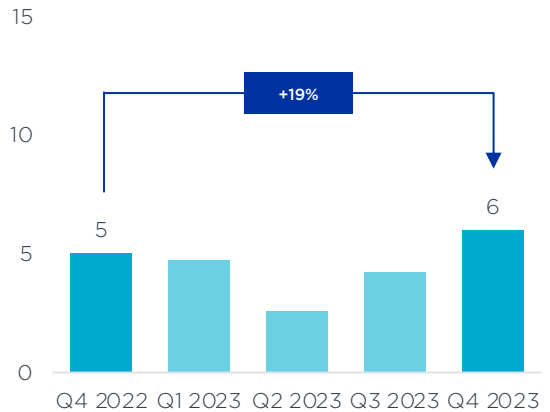
Bluetooth revenue (USDm)
Quarterly



Proprietary revenue (USDm)
Quarterly

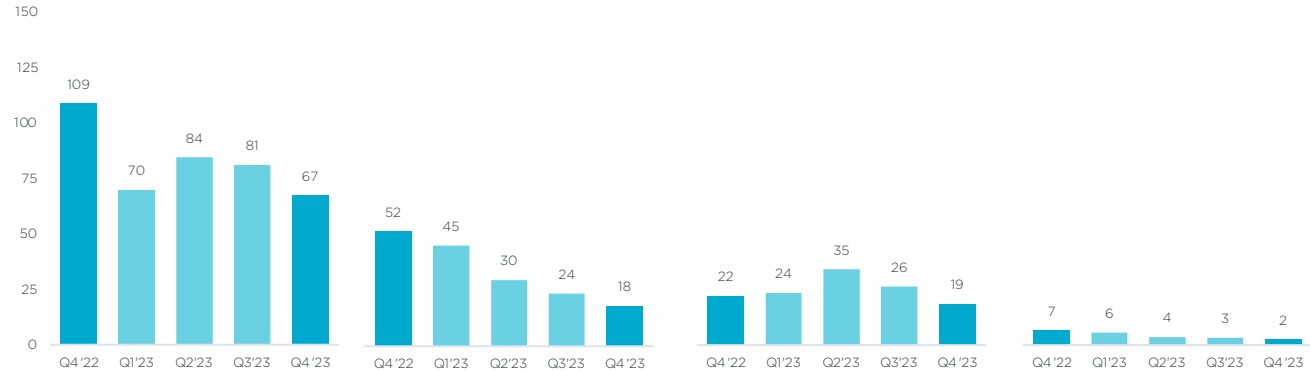
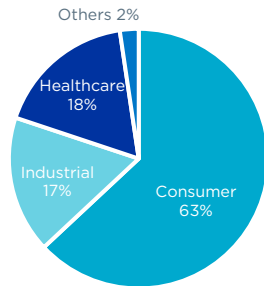


Cellular IoT revenue (USDm)
Quarterly



Revenue by markets

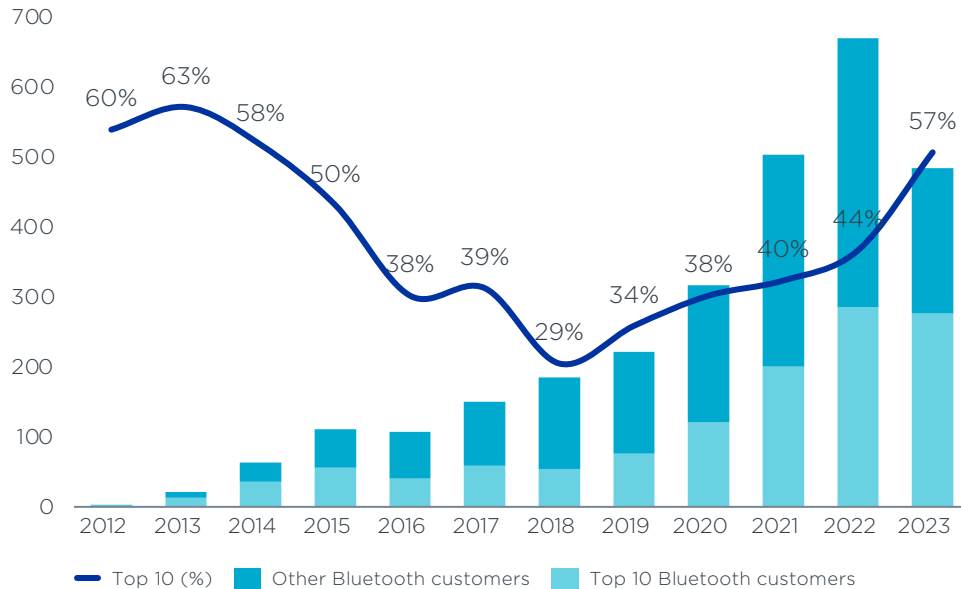
Group		Consumer		Industrial		Healthcare		Others	
USDm 108.2		USDm 67.4		USDm 18.3		USDm 18.8		USDm 2.5	
-43% y-o-y	-20% q-o-q	-38% y-o-y	-17% q-o-q	-65% y-o-y	-23% q-o-q	-16% y-o-y	-29% q-o-q	-62% y-o-y	-26% q-o-q



Revenue for the individual markets excludes ASICs and consulting revenue

Top-10 have been resilient in the downturn

Bluetooth revenue composition (USDm)

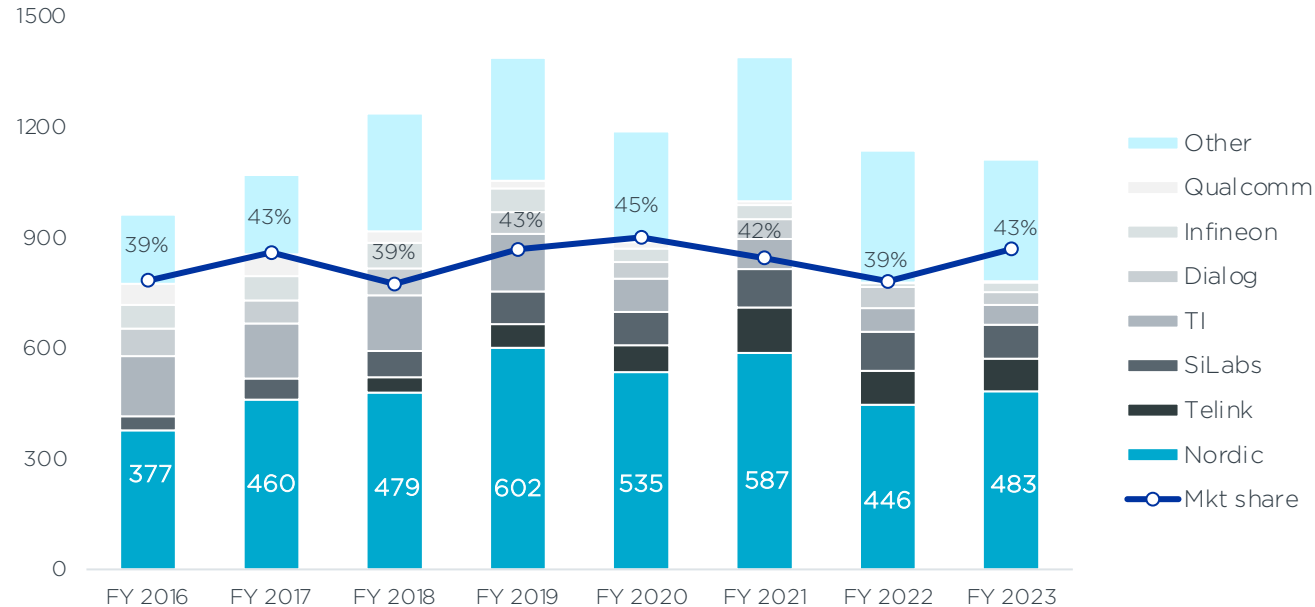


- Increasing customer concentration, with top-10 accounting for 57% of Bluetooth revenue in 2023
- Stable revenue from Top-10 but 46% drop for other Bluetooth customers

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



Nordic
end-product
certifications

Q4'23
153 designs
45% mkt share

FY2023
483 designs
43% mkt share

*Source: DNB Markets/FCC

New customer product launches



Minew

electronic shelf label
nRF52833

GN Group

Bluetooth LE Audio
and Auracast
broadcast audio TV
streamer
nRF5340

NNOXX Inc.

Wearable biomarker
tracker
nRF5340 + nRF21540

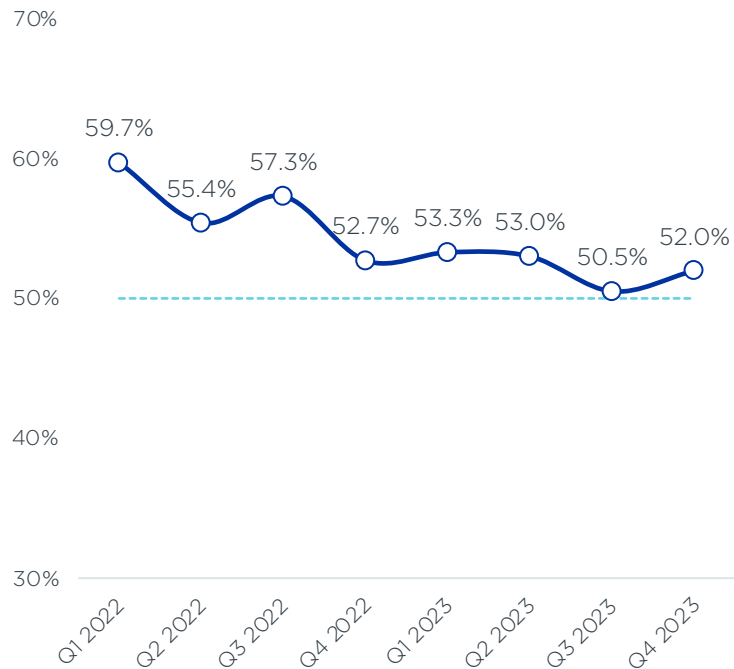
Genesys Electronics Design

Wearable Sensor platform
nRF52840 + nPM1300

Tavago Tech

Asset tracker
nRF52833 + nRF9160
+ nRF7000 + nPM1100

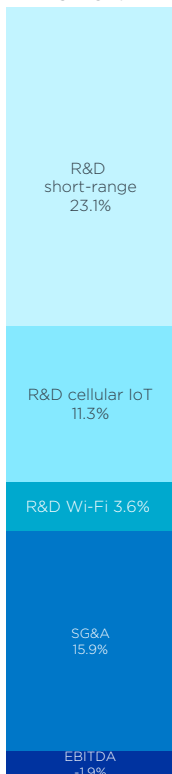
Gross margin



- Customer and product mix leading to increased margin q-o-q
- Expecting gross margin around 50% for Q1 2024
- Reiterating long-term ambition to maintain gross margin >50%

Operating model performance Q4 2023

Gross margin
52.0%



	Q4 2023	Q4 2022	Δ	
Revenue	USD 108.2m	USD 191.4m	-43.5%	Demand contracting in a cyclical downturn throughout 2023
Gross margin	52.0% USD 56.3m	52.7% USD 100.9m	-0.7pp	Change in customer and product mix
R&D short-range	23.1% USD 25.0m	14.2% USD 27.3m	+8.8pp	<ul style="list-style-type: none"> Total R&D down from USD 45.2m to USD 41.1m Partly reflects increase in capitalization of USD 5.7m primarily related to nRF54
R&D cellular IoT	11.3% USD 12.2m	7.0% USD 13.5m	+4.2pp	
R&D Wi-Fi	3.6% USD 3.9m	2.3% USD 4.4m	+1.3pp	
SG&A	15.9% USD 17.2m	8.8% USD 16.8m	+7.1pp	Higher activity in 2023, mainly related to acquisition
EBITDA*	-1.9% USD -2.0m	20.3% USD 38.9m	-22.2pp	Decline mainly reflecting lower revenue

*Excluding restructuring costs of USD 4.9 million

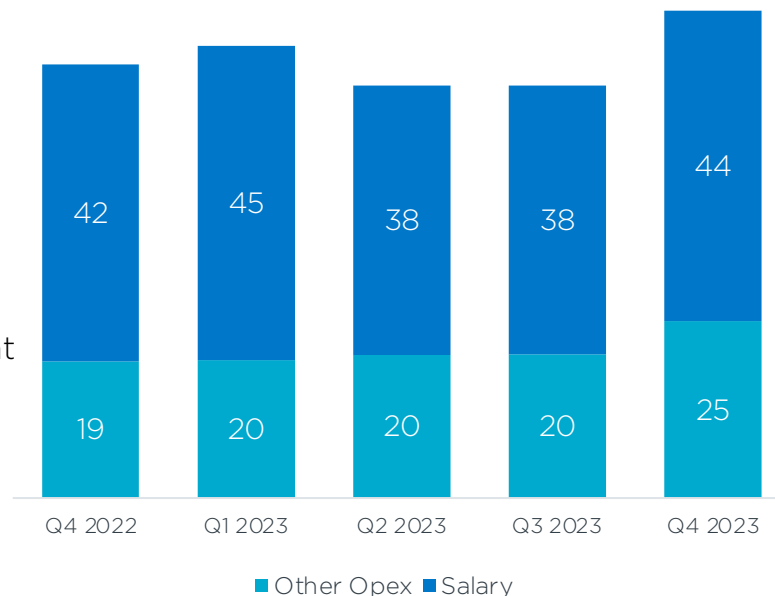
Balancing investments and cost awareness

Significant gross one-offs in Q4 2023

- 5 % increase in payroll from Q4 2022
- Reversal of variable remuneration and other effects more than offset the restructuring cost
- Employees increased by 3% y-o-y to 1,493
- High Q4 increase in other opex due to late product stage activities but also increased price environment

Continuing work to adjust cost base to protect margins

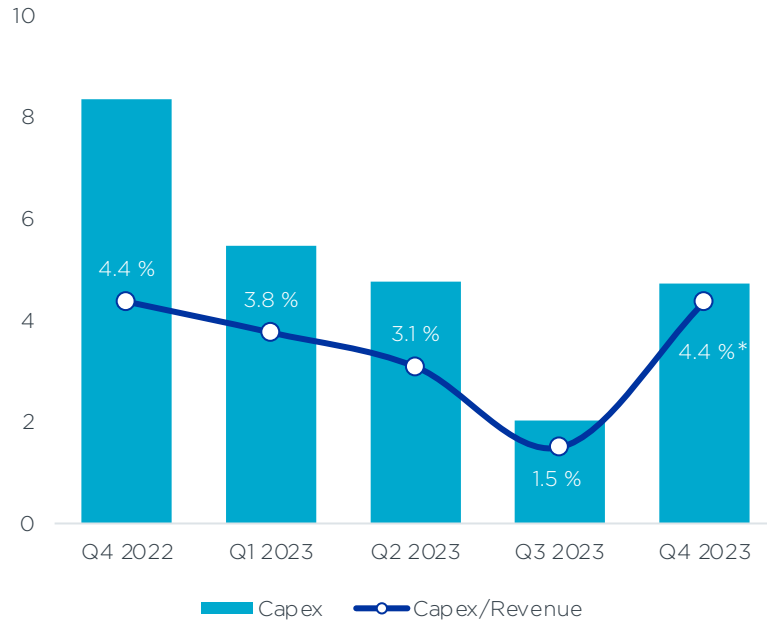
Cash OPEX* (USDm)



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

Underlying capex intensity remains low

Capex (USDm)



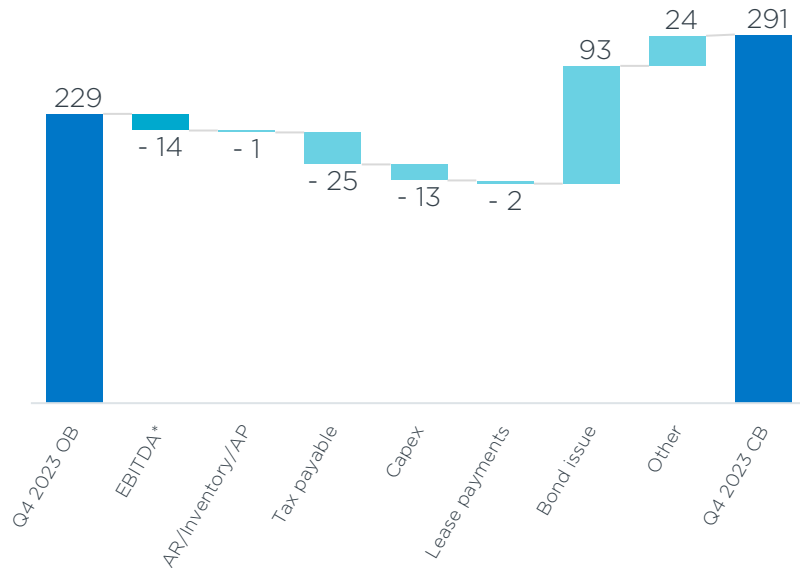
Capex of USD 13.2m in Q4, of which USD 8.5m reflects the Atlazo IP acquisition

- Overall capex intensity 3.1 % LTM, excl. the Atlazo IP acquisition

* Excluding Atlazo IP acquisition

Strong Cash Position

Cash position and Cash Flow Q4 2023 (USDm)



- Bond issue of USD 93m
- Taxes paid on 2022 profits
- Capex include Atlazo IP acquisition of USD 8.5m
- NWC/Revenue LTM of 41%
- Other items mainly impacted by increased other short-term liabilities

* EBITDA Adjusted for Capitalized Development Costs

Introducing our new CEO, Vegard Wollan

Wollan has vast experience from the semiconductor industry

- 2016-2023: CEO of Touchnetix
- 1996-2016: VP Atmel Touch & MCU
- 1991-1995: Engineer Nordic VLSI

The Nordic team extends its gratitude to Sverre-Tore Larsen, who stepped down after 22 years with Nordic at YE'23





Summary and Outlook

Vegard Wollan, CEO

Kicking off the year at CES 2024

Nordic showing innovative demonstrations

- Bluetooth LE Audio and Auracast
- End-to-end solutions for cellular IoT and DECT NR+
- Wi-Fi locationing
- Apple and Google ecosystem coexistence within Matter
- Machine Learning using the Thingy:53

Important meeting place for Nordic:

- Team had >100 customer and Partner meetings



My first impressions

- We have world class engineers, great employees and a great culture
- We have innovative and leading products and total solutions – although with potential for improved execution
- We have an impressive customer base and strong partner relationships with tier-ones
 - but now we also need to regain traction in the broad market
- Our focus is on returning to growth and restore profitability



Create and execute on right product roadmaps

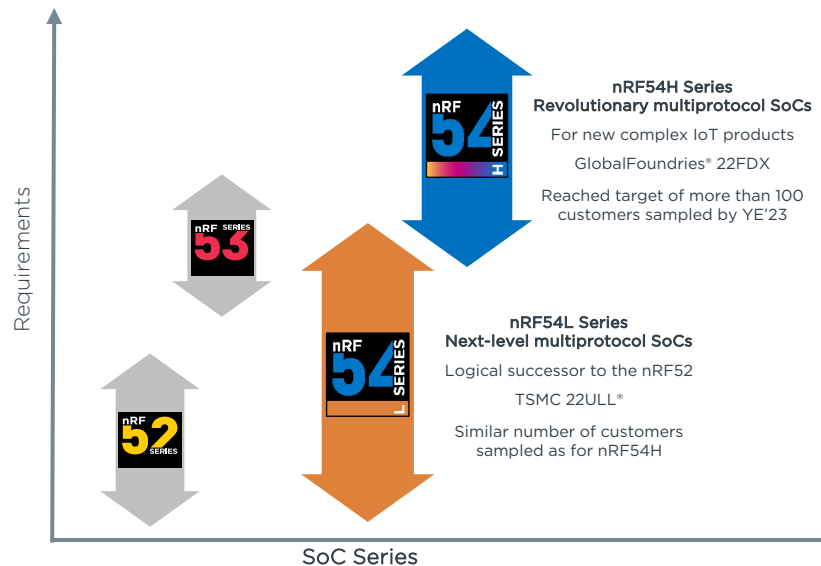
Sustainable growth and profitability requires us to:

- Have the winning products
- Deliver on new product development and engineering execution

My key initial focus areas are hence:

- Product introductions and product strategies across our different technologies
- Executing on our development pipeline
- Secure efficient use of our excellent engineering development resources

Driving the next level of IoT
with world leading efficiency and performance



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

Q&A



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