



Quarterly Presentation

Q1 2024

April 24, 2024



NORDIC[®]
SEMICONDUCTOR

Disclaimer

The following presentation is being made only to, and is only directed at, persons to whom such presentation may lawfully be communicated (“relevant persons”). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Nordic Semiconductor ASA (The Company). The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

This presentation includes and is based, inter alia, on forward-looking information and contains statements regarding the future in connection with The Company’s growth initiatives, profit figures, outlook, strategies and objectives. All forward-looking information and statements in this presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for The Company. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects”, “believes”, “estimates” or similar expressions.

Important factors may lead to actual profits, results and developments deviating substantially from what has been expressed or implied in such statements. Although The Company believes that its expectations and the presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation.

The Company is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the presentation, and neither The Company nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

This presentation was prepared in connection with the Q1 results released on April 24, 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

Q1 – Revenue as guided

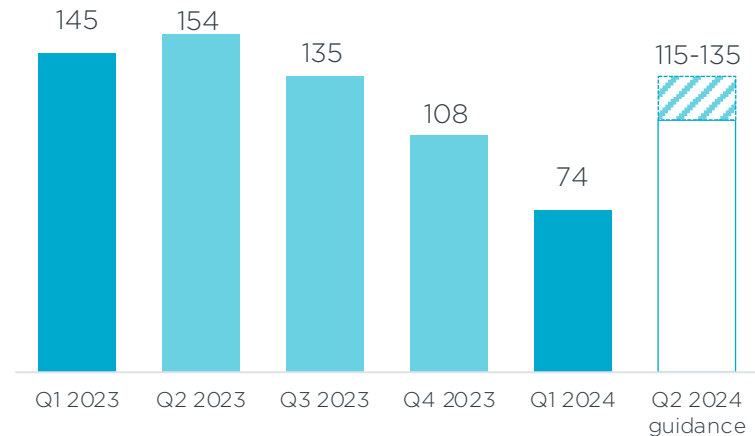
Q1 2024:

- Revenue of USD 74 million
- Actively adjusted inventory in the distribution channel, significantly higher sell-through from distributors
- Gross margin of 48%
- EBITDA of USD -23 million

Q2 2024 guidance:

- Revenue of USD 115-135 million
- Q2 revenue supported by improved demand and seasonality
- Gross margin ~50%

Quarterly revenue development (USDm)



Reorganizing with four new business units

Short-range, Long-range, Wi-Fi & Power Management (PMIC)



Short-range
Øyvind Strøm
EVP Short-range



Long-range
Øyvind Birkenes
EVP Long-range



Wi-Fi
Joakim Ferm
SVP Wi-Fi

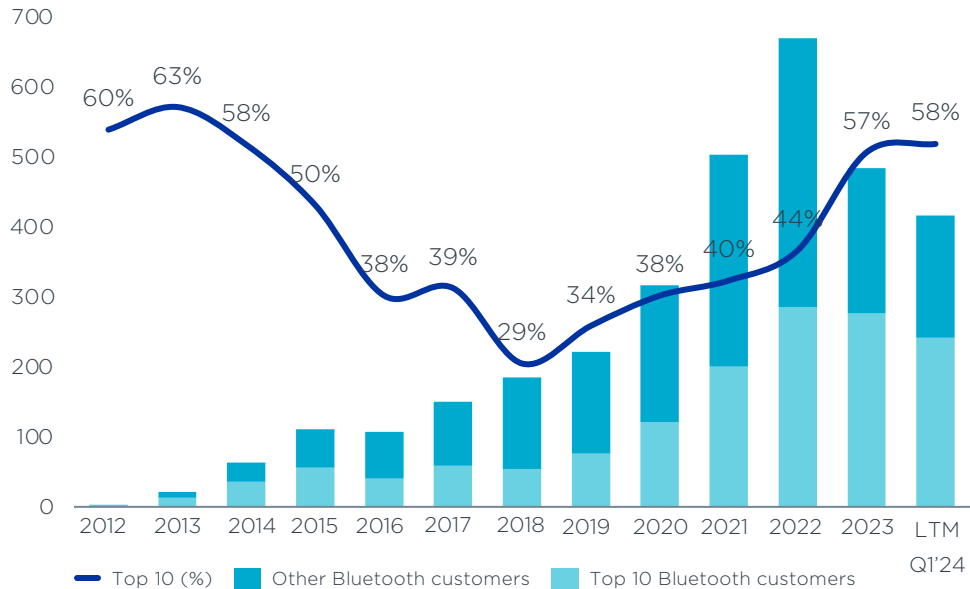


PMIC
Kjetil Holstad
EVP Strategy and Product Management

- Strengthening executive management team and improving accountability and autonomy
- Sharpening the focus on products and development roadmaps
- Customer centric and agile approach to improve market responsiveness and shorten time-to-market
- Seeking to improve return on our R&D investments and our world-class engineering teams

Top-10 and broad market split stabilizing

Bluetooth revenue composition (USDm)

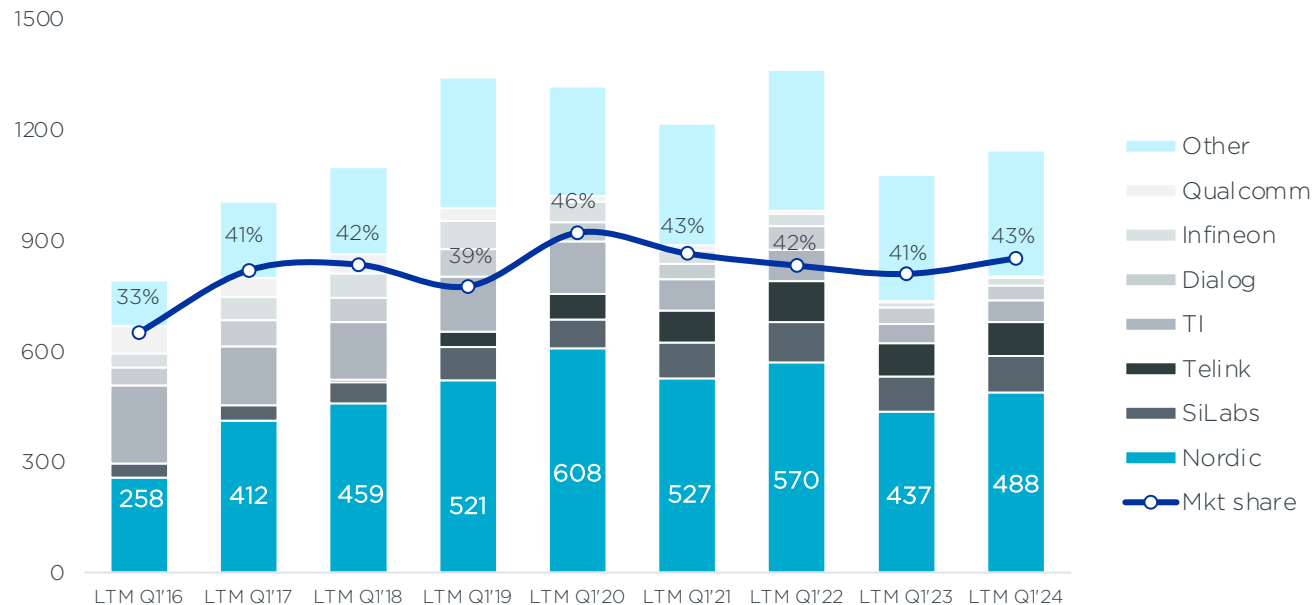


- Strong customer relationships with tier-1s, working to regain traction in the broad market

Nordic gaining design win market share

Outpacing the total market

Bluetooth Low Energy end-product certifications, last 12 months



Nordic
end-product
certifications

Q1'24
113 designs
42% mkt share

LTM Q1'24
488 designs
43% mkt share

*Source: DNB Markets/FCC

Asset tracking device uses Nordic cloT

Bringing end-to-end visibility across the pharmaceutical supply chain

- The Controlant Saga Card - ensure that medication and vaccines reach patients at the right time and place and with the right quality
- In pilot phase with early adopters for the Saga Card
- Nordic in collaboration with Controlant and Deutsche Telekom



Mobile World Congress 2024 in Barcelona

Nordic expands cellular IoT offering

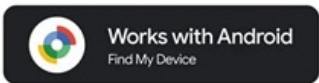
Strengthening our end-to-end solution with nRF9151 SiP

- Reducing both power consumption and size
- Specifically designed for cellular IoT and DECT NR+ applications
- Confirms our dedication to providing cutting-edge long-range IoT solutions and our continuous drive to stay ahead



Nordic collaboration with Google

Support for Google's 'Find My Device' into the nRF Connect SDK



- nRF Connect SDK allows third-party device makers to build products using Google's "*Find My Device*" network for the Android ecosystem
- Customers have already built commercial products based on the nRF52 Series devices
 - Chipolo tracker
 - Pebblebee tracker
- Adding to already established support for "*Apple Find My*"

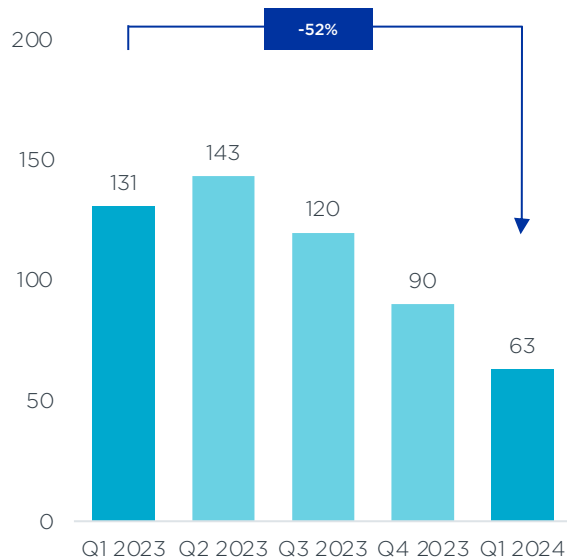
Financials

Pål Elstad, CFO

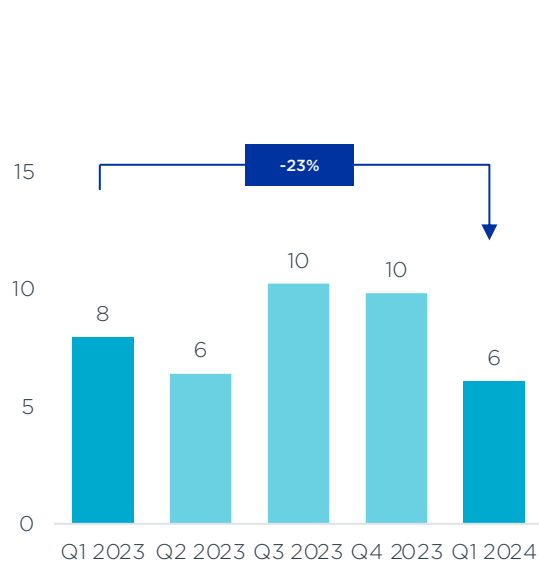


Revenue by technology

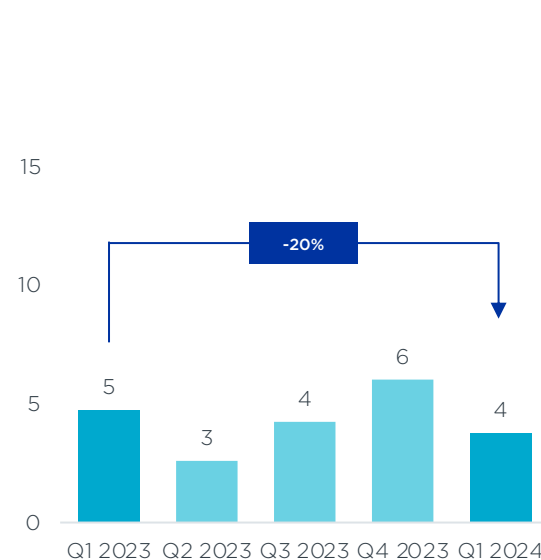
Bluetooth revenue (USDm)
Quarterly



Proprietary revenue (USDm)
Quarterly

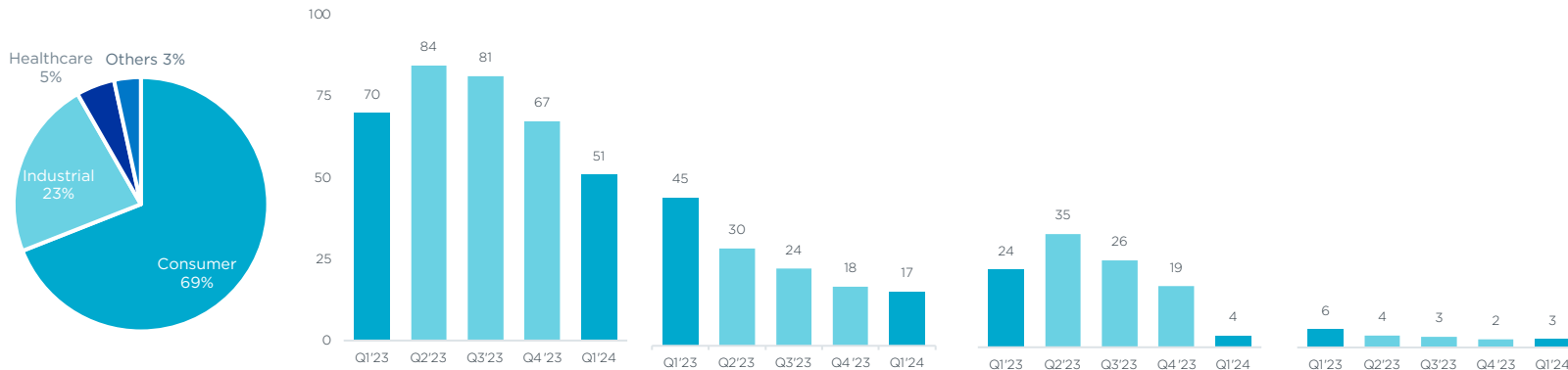


Cellular IoT revenue (USDm)
Quarterly



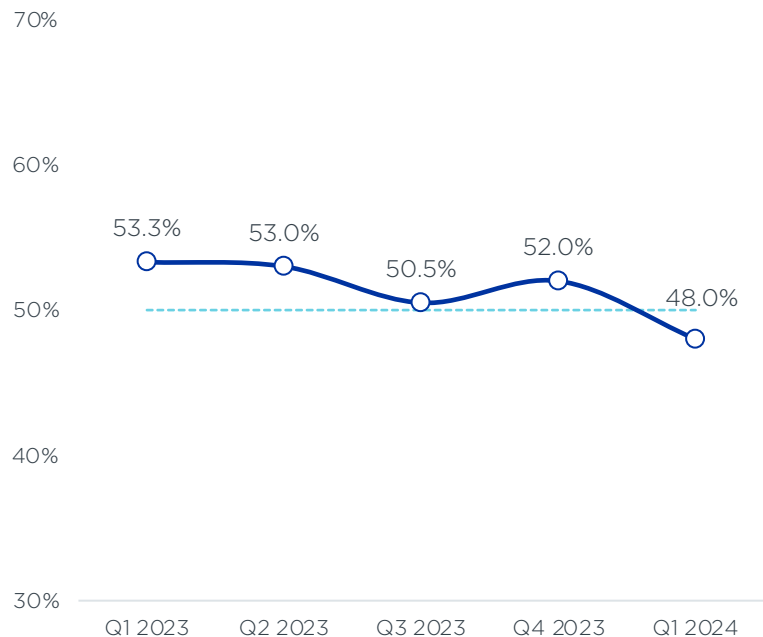
Inventory adjustment across all markets

Group	Consumer		Industrial		Healthcare		Others		
USDm 74.5	USDm 50.8		USDm 16.7		USDm 3.6		USDm 2.5		
-49% y-o-y	-31% q-o-q	-27% y-o-y	-25% q-o-q	-63% y-o-y	-9% q-o-q	-85% y-o-y	-81% q-o-q	-55% y-o-y	+1% q-o-q



Revenue for the individual markets excludes ASICs and consulting revenue

Gross margin



- Main drivers in Q1
 - Changes in customer mix
 - Effects of inventory management
 - Negative effect of write-downs and overhead costs being allocated to low revenue base
- Expecting gross margin around 50% for Q2 2024
- Reiterating long-term ambition to maintain gross margin >50%

Operating model performance Q1 2024

Gross margin
48.0%

R&D
short-range
31.8%

R&D cellular IoT
15.7%

R&D Wi-Fi 3.6%

SG&A
25.9%

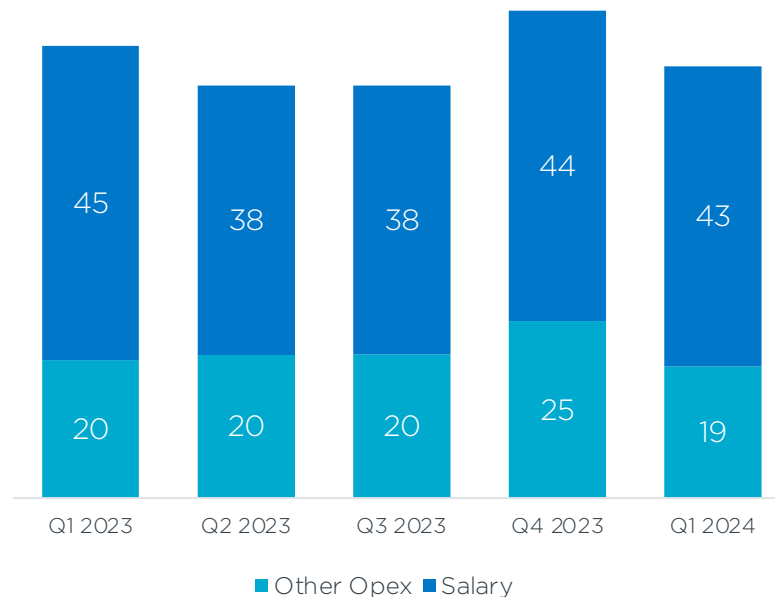
EBITDA
-30.6%

	Q1 2024	Q1 2023	Δ	
Revenue	USD 74.5m	USD 145.4m	-48.8%	Revenue as guided
Gross margin	48.0% USD 35.8m	53.3% USD 77.6m	-5.3pp	Customer mix, inventory management, and lower revenue base to allocate overhead/write-downs
R&D short-range	31.8% USD 23.7m	17.2% USD 25.0m	+14.6pp	Total R&D down from USD 43.2m to USD 39.3m
R&D cellular IoT	15.7% USD 11.7m	9.4% USD 13.7m	+16.3pp	
R&D Wi-Fi	5.4% USD 4.0m	3.1% USD 4.5m	+2.3pp	
SG&A	25.9% USD 19.3m	13.6% USD 19.8m	+12.3pp	Total spending down from last year
EBITDA	-30.6% USD -22.9m	10.1% USD 14.6m	-22.2pp	Weak results reflects lower revenue and gross margin

Balancing investments and cost awareness

- Savings initiatives reducing workforce y-o-y by 7% in addition to 2023 salary freeze
- Continuing to focus on spending adjustments to improve margins

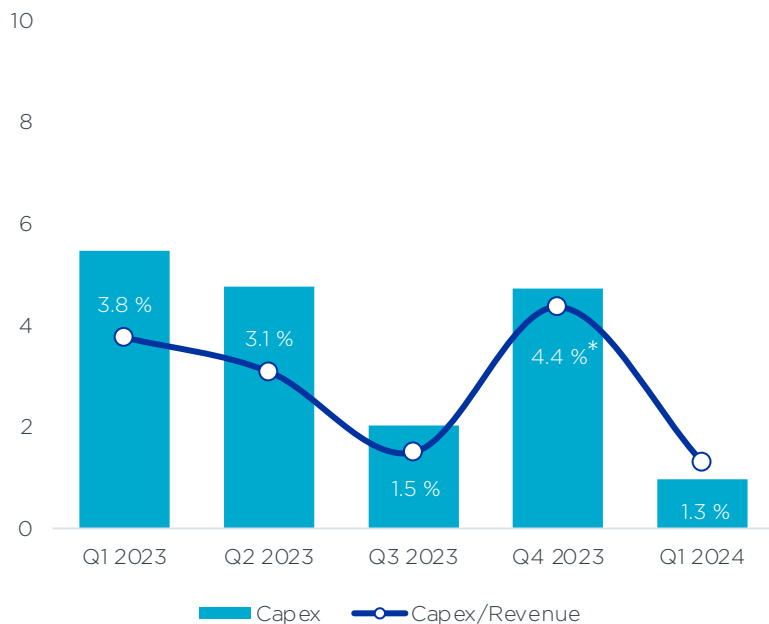
Cash OPEX* (USDm)



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

Underlying capex intensity remains low

Capex (USDm)

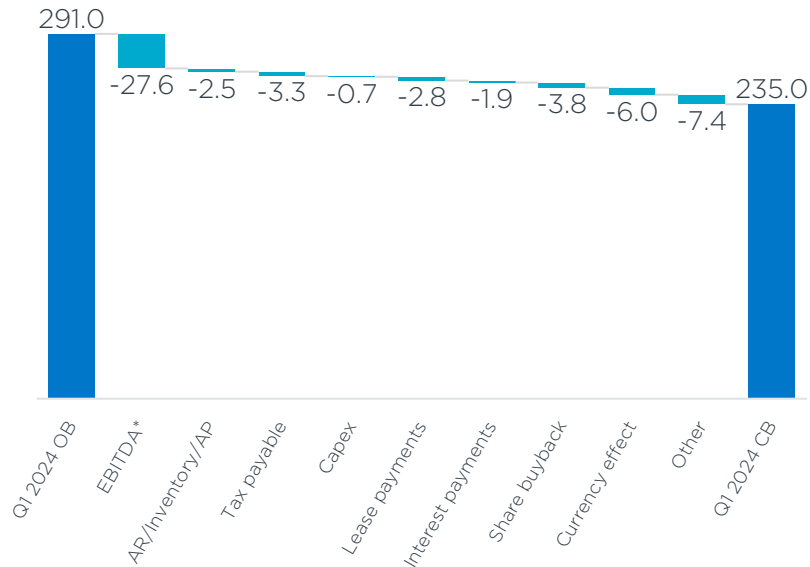


- Capex of USD 1.0m in Q1, which will normalize in coming quarters

* Excluding Atlazo IP acquisition

Cash spending focus

Cash position and Cash Flow Q1 2024 (USDm)



- Low capex spending while scrutinizing all spending areas
- NWC/Revenue LTM of 50%
- Bond interest payments started in Q1
- Other items mainly impacted by increased other short-term liabilities, assets and public duties

* EBITDA Adjusted for Capitalized Development Costs

Summary and Outlook

Vegard Wollan, CEO



Expecting return to sequential growth

Q2 2024 guidance

Revenue	Gross margin
USDm 115-135m	~50%
-25% to -12% y-o-y	+54% to +81% q-o-q

Capital Markets Day event set for September 26 in Oslo, Norway

- Q2 revenue supported by improved demand and seasonality
- Gross margin expected to rebound to the 50% level

Q&A



NORDIC[®]
SEMICONDUCTOR