Go-to-market strategy

Director of Sales and Marketing, Geir Langeland
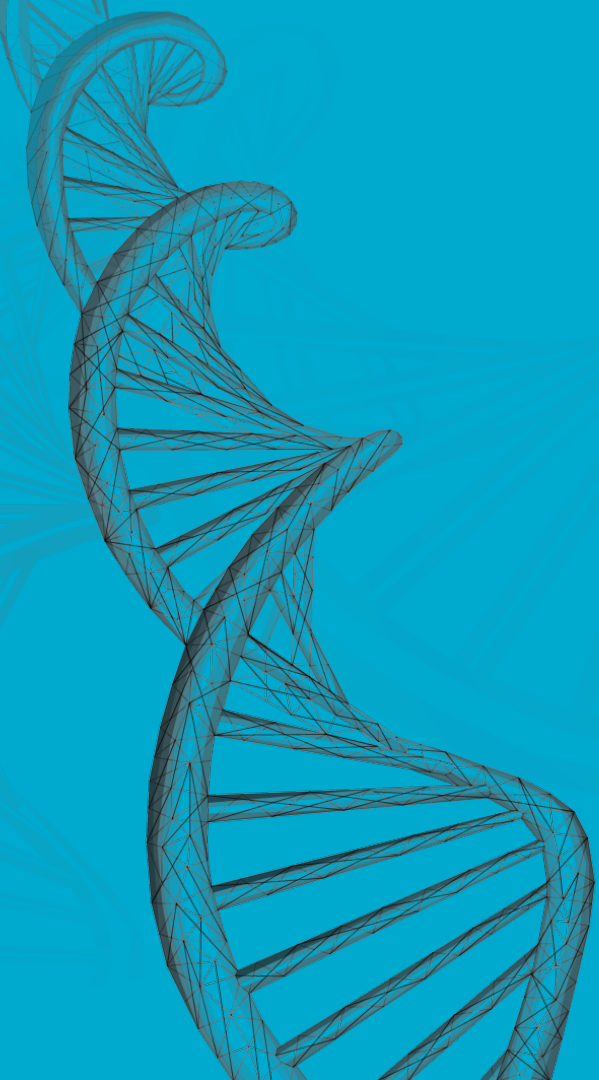
Our DNA

The customer journey

Customer journey
From nothing to broad market leader in 5 years
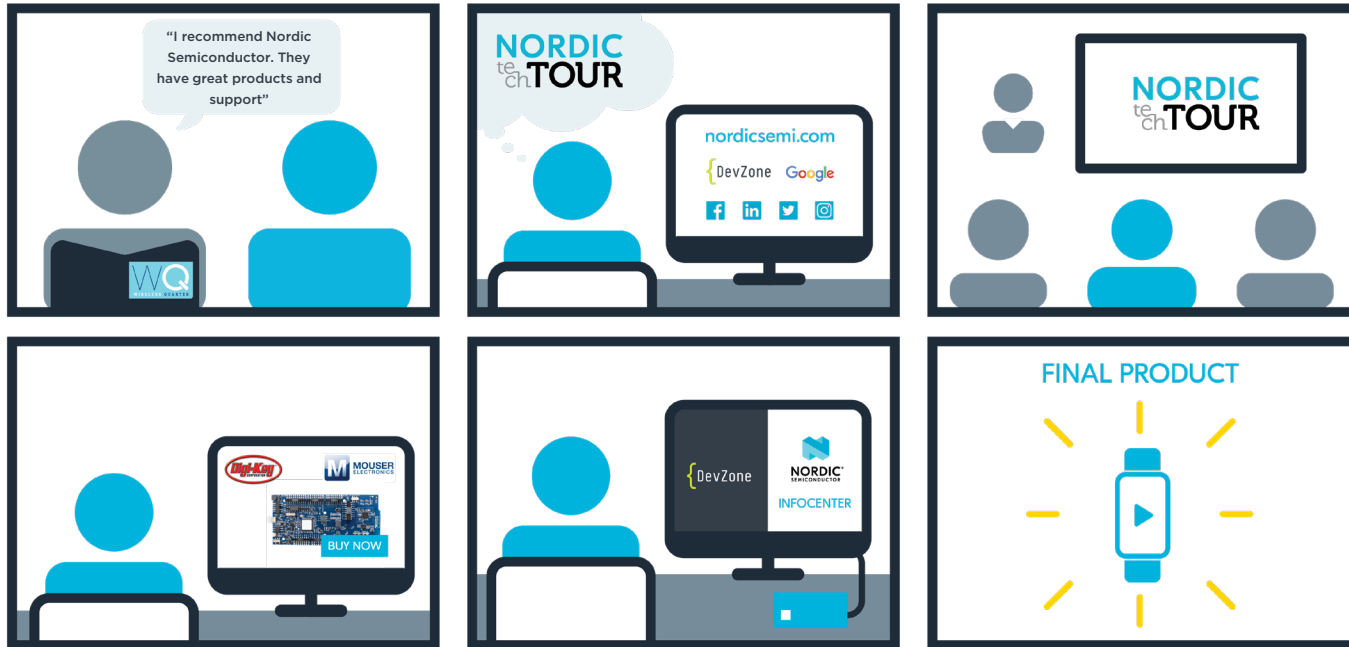
#1 where it matters in catalogue sales

Short-range wireless development kits

Global presence – local expertise

- Broadline distributors with 10-100's of product lines globally or in several regions

- Distribution application engineers trained by Nordic

- Perform important fulfilment and logistic services for Nordic

- Joint seminars and workshops

- Promoting and selling both long- and short-range portfolio from Nordic

Broadliners

RUTRONIK
ELECTRONICS WORLDWIDE

ARROW
NYSE: ARW

AVNET®
NASDAQ: AVT

Local presence – deep expertise

- Small number of product lines and only focus on Nordic in one region
- Most provide design services for end customers
- Deep engagement with local Nordic technical and sales resources
- Joint seminars and workshops
- Promoting and selling both long- and short-range portfolio from Nordic

Value Add Distributors

Undisputed #1 in the Bluetooth broad market

Market share - Bluetooth Low Energy end-product certifications*
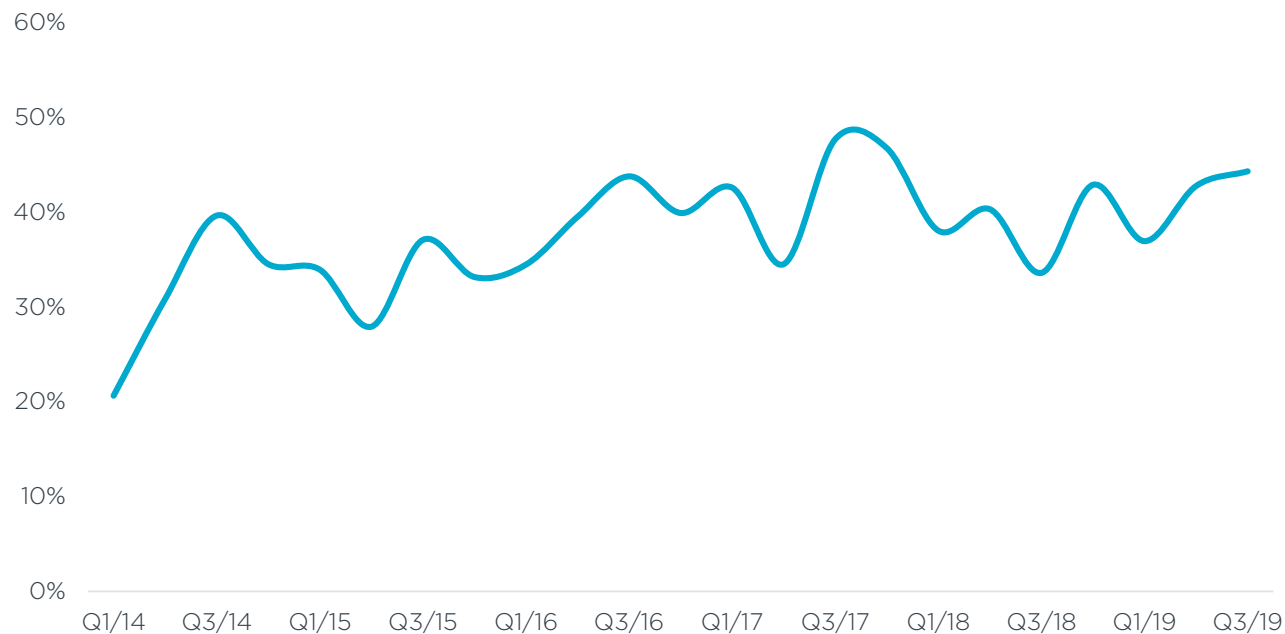
End-product certifications, Nordic Q3 19

168

+39%
y-o-y

+11%
q-o-q

Almost two decades of sales experience and distribution channels now deployed to sell our cellular IoT solution!

Q3 - broad range of new product launches

SMK Corporation nRF52832	ViewTag nRF525840	National Instruments nRF52840	Telepower nRF52810	McWong nRF52832
Media streaming remote	Luggage Tag	Vibration sensor	Smart Card	Mesh network lighting

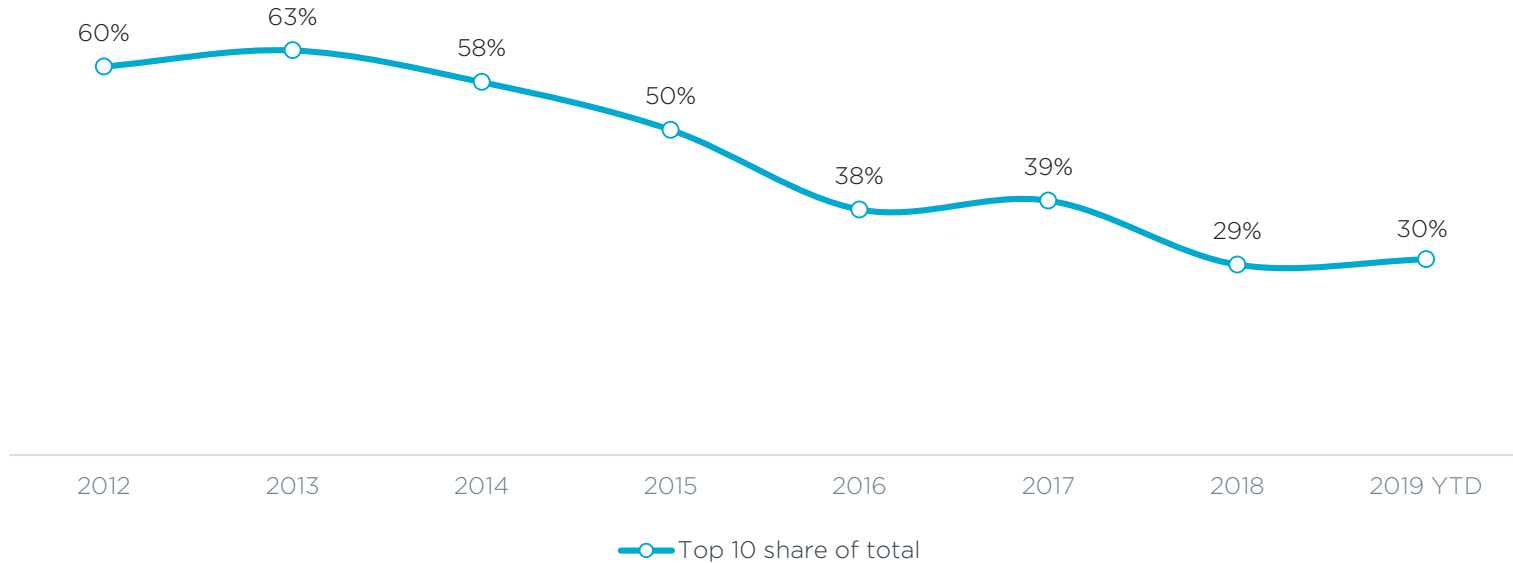| Pin One nRF52832	Unlimited nRF525832	Fruitech nRF52832	Do Technology nRF52840	Montr nRF9160
Button displays	Electric skateboard	Smart pillbox	Smart Watch	Cellular Emergency button

Reduced dependency on clients or products
Top-10's share of Bluetooth LE has been halved

Line chart showing "Top 10 share of total" by year:

Year	Value
2012	60%
2013	63%
2014	58%
2015	50%
2016	38%
2017	39%
2018	29%
2019 YTD	30%

Top 10 share of total

Solid positions with the vertical market leaders

tile
GOOee®
RINGLY
DIABNEXT™
Colgate®

Tier 1:

Direct influence and sales processes

Working closely with market segment leaders and key accounts

Targeted business development teams with strict success criteria

Early involvement to establish proof-of-concepts

Aligning product roadmaps with customer requirements

Creating long-term partnerships for scaling over time

Broad market engagement:

Indirect influence and distributed sales processes

Ecosystem partnerships

Engineering communities

Distributor catalogue sales

Example: The Tile + Nordic partnership

- Tile recently announced new range of products using nRF52810 from Nordic

  - "Tile Sticker', 'Tile Pro', 'Tile Mate', and 'Tile Slim'.

- Tile finding-technology integrated into new Nordic SDK package

- Tile and Nordic partnering on a high level to enable existing Nordic customers to incorporate Tile technology
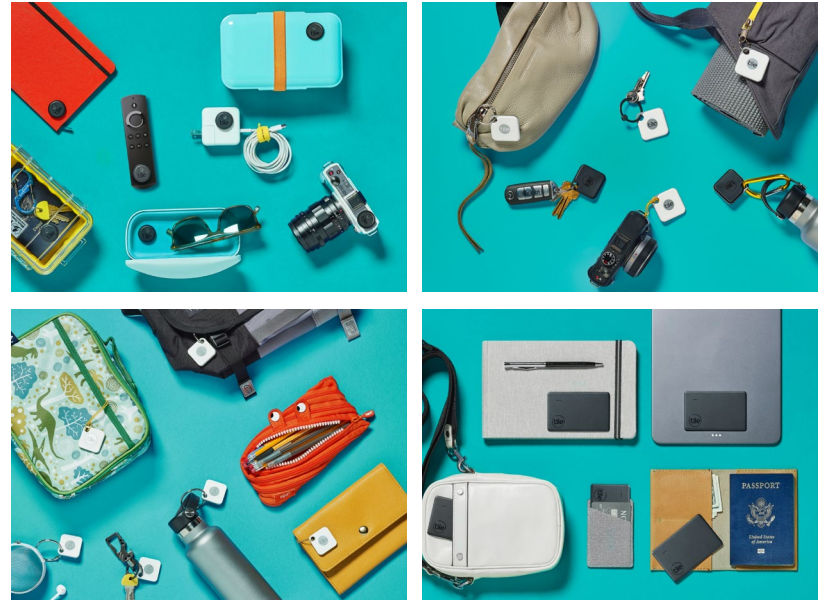
New range of Tile devices coming to the market built on nRF52810 SoCs
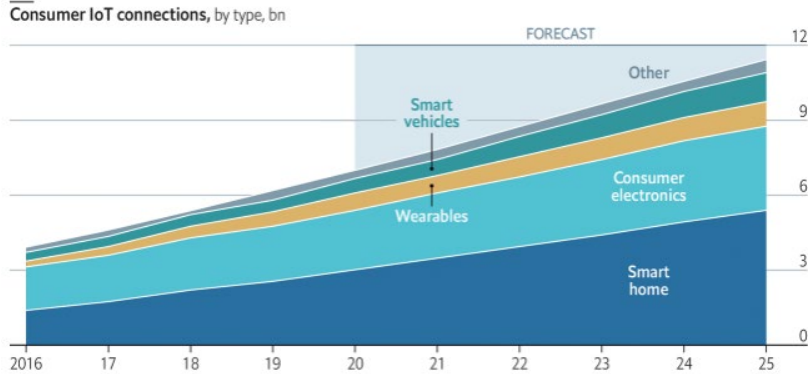
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Strengthening the focus on global tier 1s

- "Things" increasingly connect through platforms and the cloud

- Large market opportunity in servicing the platforms and their ecosystems

- Our product volumes and Bluetooth LE customer base ensures interoperability and attractiveness when connecting to platforms
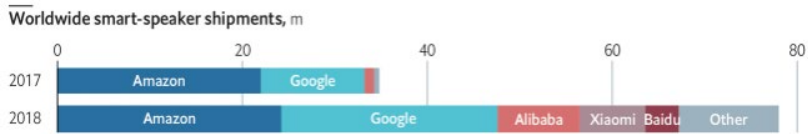
Broad market

| Consumer Electronics | Wearables | Building/ Retail | Healthcare | Others |

Vertical Tier 1s

Platforms

amazon

SAMSUNG

Google

MI

Baidu 百度

Alibaba.com

Tencent

Etc...

Smart hubs/speakers control connected home

Consumer IoT connections, by type, bn

FORECAST

Other
Smart vehicles
Wearables
Consumer electronics
Smart home

2016 17 18 19 20 21 22 23 24 25

Worldwide smart-speaker shipments, m

0 20 40 60 80

2017 — Amazon | Google

2018 — Amazon | Google | Alibaba | Xiaomi | Baidu | Other

Sources: GSMA Intelligence; Canalys
The Economist

"The correlation between ownership of smart hubs/speakers and smart devices across multiple use cases suggests that smart hubs are increasingly the control platform of choice for connected homes

–GSMA Intelligence, Feb 2019

16

Xiaomi ecosystem – already using Nordic

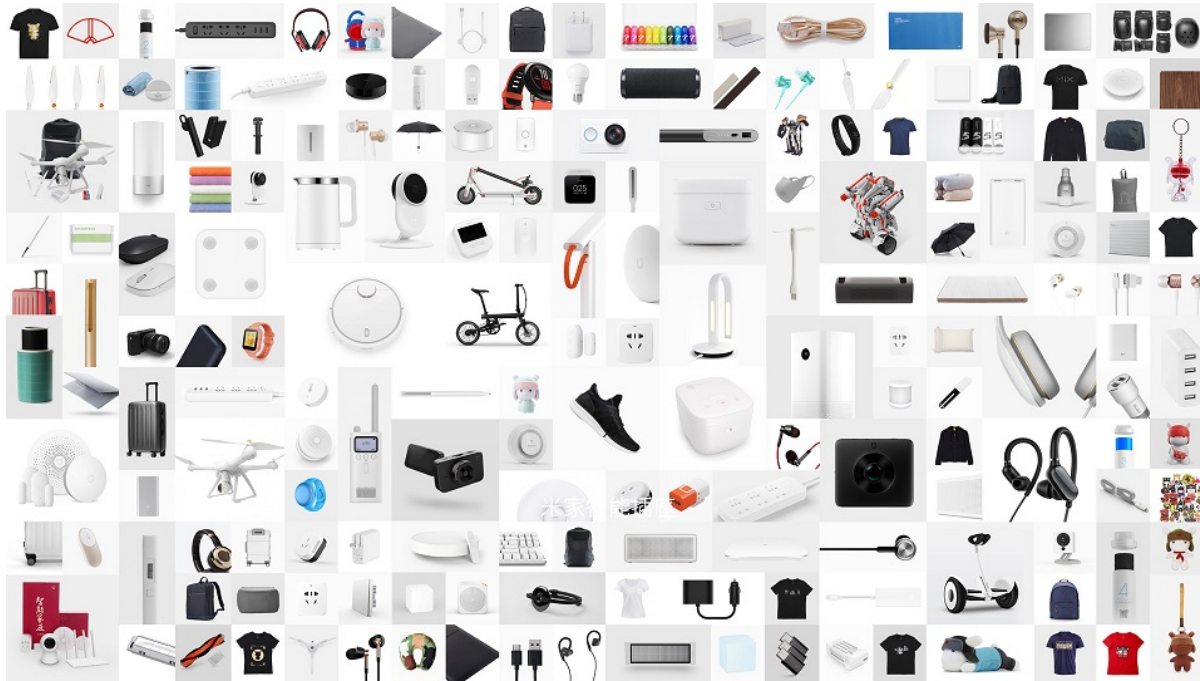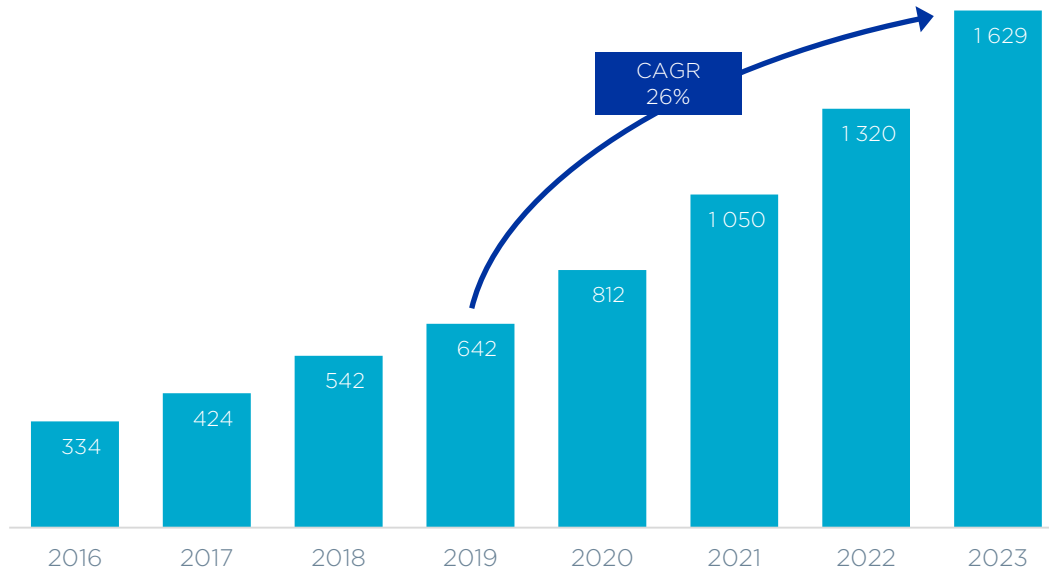| Mi VR | Mijia smart door lock | Mi Quartz Watch | 70mai Tire Pressure Monitoring System | Mi Bunny MITU robot |

Xiaomi ecosystem – huge potential

Strategy to interconnect their own products with third parties

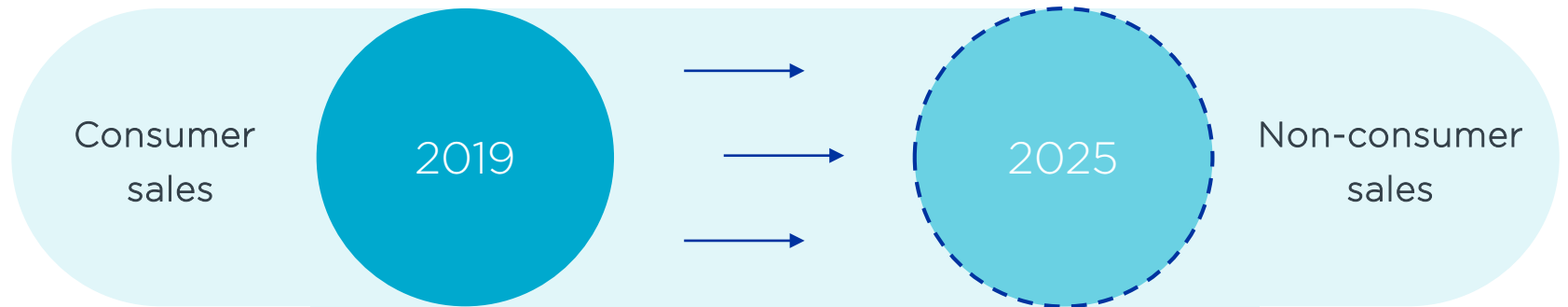# Strong market outlook for Bluetooth LE

IHS: Bluetooth Low Energy market outlook, million units

CAGR
26%

Year	Value
2016	334
2017	424
2018	542
2019	642
2020	812
2021	1 050
2022	1 320
2023	1 629

- Mobile/PC HID market levelling out

- Continued solid outlook for established verticals like Smart Home, wearables, retail, gaming/VR&AR, etc.

- Several emerging verticals hold potential to drive growth higher

Source: IHS Markit | Technology, now part of Informa Tech, Wireless IoT Connectivity Intelligence Service, 2019

Landscape is changing

Strong growth within non-consumer

Consumer sales

2019

2025

Non-consumer sales

Major opportunities in disruptive verticals

- We might be underestimating potentially disruptive applications in e.g.:

  - Smart Home

  - Smart lighting

  - Drug delivery & disease monitoring

  - Logistics/Asset tracking

- Each may grow into several hundred million unit markets over the next 5 years

- Product and services development roadmaps targeted to unlock the volume and value potential
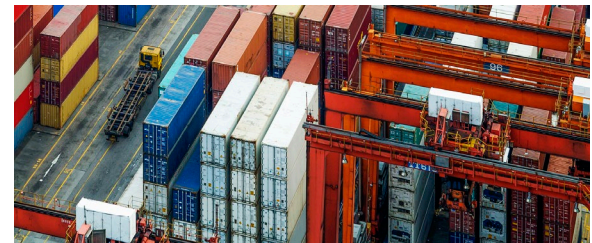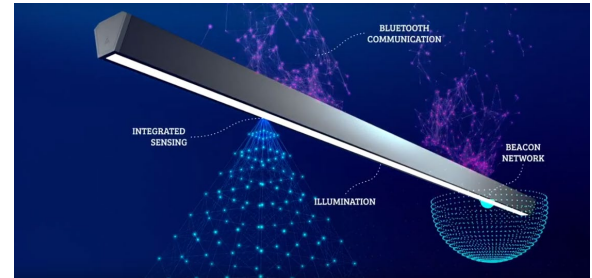
# Smart lighting

Smart lighting is in the early stages

- Large untapped market - only a small fraction of lighting is connected

- Upside potential supported by solid growth drivers

  - Fast increasing adoption of LED

  - Stricter EU lighting regulations on energy labelling and ecodesign

  - Large government-backed initiatives on smart cities, sustainability and energy usage

  - Strong use cases in both the enterprise and consumer markets

Lighting is becoming the building backbone

- Connected lighting in the professional market is moving to mesh networks for light control, monitoring and building automation

- Occupancy & positioning

- Movement & direction

- Temperature & HVAC control

- Security & alarm systems

- Predictive & preventive maintenance

- Beacons

- Etc.

Smart lighting = Big Data

Illustration source: Gooee
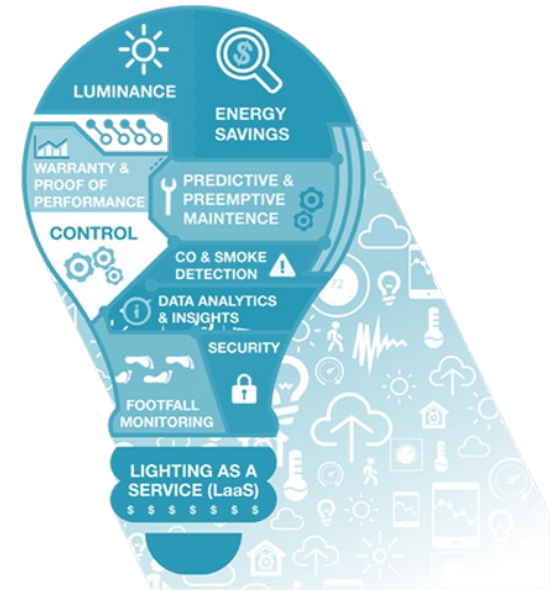
NOD partnering with lighting IoT leaders

- Partnered with Gooee in 2016, a leader in IoT building intelligence

- Gooee has demonstrated how lighting can be used to automate entire buildings or portfolios of buildings

- Wireless connectivity from Nordic is a key ingredient in this setup.

Gooee and croonwolter & dros in July signed a contract to connect over 5,000 buildings to Gooee's IoT platform

Illustration source: Gooee

Example: Heat maps and beacons/proximity
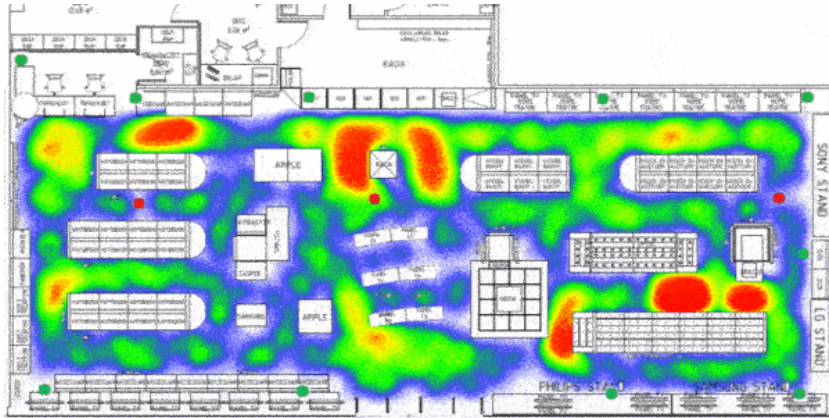
- Where are people? How many?
- How long have they been there?
- Does HVAC need adjusting?
- Do restrooms need cleaning?

- What's the most valuable space?
- Can we improve space utilization?
- Who is moving where?
- Can we influence consumers?
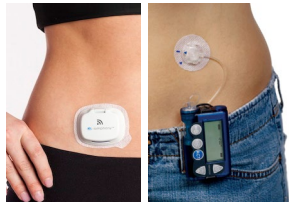
Drug delivery &
Disease monitoring

Drug delivery and disease monitoring

Self-injection pens

Metered inhalers

Diabetes pumps

Large potential markets for connected devices

- Disease areas: Diabetes/insulin, glucose, asthma, allergies, respiratory diseases, growth hormones, blood pressure, other

Strong technology roadmap needed:

- Competitive cost points needed to unlock high-volume disposable markets

- Size and power constraints

- Processing power requirements/battery tech

- Adherence to regulatory regimes will influence rollout

Typical Use Case for Medical Adherence

LTE-M
NB-IoT

DRUG DELIVERY   CGM
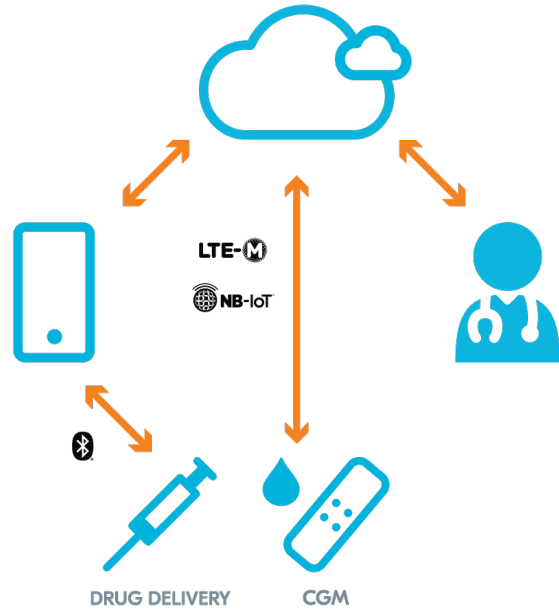
Medication management

- Automated medication diaries
- Amount, timing, type of medication
- Correct usage of delivery device

Notification and usage statistics

- Family and/or doctors/hospitals
- Feedback to pharma companies

Examples

Dexcom
(CGM)

Aterica Health
(Injector Case)

Summary & Outlook

- Excellent position in the growing Bluetooth Low Energy market

- Broad market leader with strong ties to vertical tier 1s and platform ecosystems

- Fortifying positions in growing established verticals

- Targeting potentially disruptive new application areas

- Extending and leveraging our successful sales go-to-market strategy to cellular