Nordic Semiconductor

Credit Investor Presentation

November 2023

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The risks and uncertainties described below are the principal known risks and uncertainties faced by the Issuer and the Group as of the date hereof, and represents those risk factors that the Issuer believes to represent the most material risks for investors when making their investment decision in the Bonds. Additional risks not presently known and uncertainties that the Issuer currently believes are immaterial, may also have a material adverse effect on its business, financial condition, results of operations and cash flow, and may cause a decline in the value of the Bonds that could result in a loss of all or part of any investment in the Bonds.

1. RISKS RELATING TO THE BUSINESS OF THE GROUP AND THE INDUSTRY IN WHICH IT OPERATES

- The semiconductor industry is generally highly cyclical and subject to fluctuations in product supply and demand affecting the business of the Group.
- Adverse global economic conditions could result in a downturn in the markets into which the Group's products are sold.
- A global shortage in the supply of semiconductor chips could have a significant impact on the Group's supply.
- Changes in international trade policies and international barriers to trade, or the escalation of trade tensions, may have an adverse effect on the Group's business.
- The Group faces intense competition in the semiconductor industry that may cause it to lose market share and harm its financial performance.
- The Group depends on a limited number of customers for a substantial portion of its revenue. If the Group fails to retain or diversify its customer relationships or if its customers cancel or reduce their purchase commitments, the Group's revenue could decline significantly.
- The Group is exposed to credit risk pursuant to trade credit arrangements with its distributors and certain customers.
- If the Group is unable to respond effectively to developments in technology or address the evolving needs of its customers and third-party component manufacturers, demand for the Group's products could decrease.
- The Group's business, financial condition and results of operations may be adversely affected if its third-party component manufacturers or distribution partners are not able to match manufacturing or distribution capacity to demand.

Summary of risk factors (2/2)

- The Group’s failure to adequately protect its technologies and know-how through patents and other intellectual property rights could negatively impact its competitiveness and harm its business and future prospects.
- The Group relies on technology provided by third parties, and its business may be negatively affected if it is unable to renew existing licensing arrangements, obtain future license arrangements or if it becomes subject to disputes or other negative consequences relating to existing or future licensing arrangements.
- The Group’s products may be subject to product liability and warranty claims, which could be expensive and could divert management’s attention.
- The Group’s loss of key management and other personnel and inability to attract key management and other personnel could impact its business.
- The Group is increasingly reliant on information technology in its operations, and any failure of such systems could harm its ability to effectively operate its business.
- The Group’s failure or alleged failure to comply with regulatory requirements, including competition laws and regulations and anti-corruption laws, could result in the imposition of penalties or sanctions and the incurrence of significant legal costs.
- The Group has operations worldwide and is subject to risks relating to tax, including changes in tax laws and regulations.
- Exchange rate and interest rate fluctuations may affect the Group's financial condition or results of operations.

2. FINANCIAL RISKS

- Covenants under the Group's existing borrowing arrangements may lead to inability to finance operations, capital needs and to pursue business opportunities, and the breach of any such covenants could have a material adverse effect on the Group's operations.

3. RISKS RELATED TO THE BONDS

- Risks related to the market for the Bonds.
- Risks related to the Bonds not being secured.
- Risks related to put options, mandatory prepayment and early redemptions.
- Risks related to the Issuer’s dependency on the financial performance of the Group for amounts due on the Bonds.
- Risks related to restrictions on transferability of the Bonds.
- Risks related to exchange rates for non-NOK investors.

Abbreviations

- Through out this presentation the following abbreviations are used:

AI	Artificial Intelligence
ASIC	Application Specific Integrated Circuits
Bluetooth LE	Bluetooth Low Energy
CMD	Capital Markets Day
Fab	Fabrication
H1 / H2	First / second half
IC	Integrated Circuits
IoT	Internet of Things
LE	Low Energy
LTE-M	Long Term Evolution, category M.
LTM	Last Twelve Months
ML	Machine Learning
NB-IoT	Narrowband IoT
NIBD	Net Interest-Bearing Debt
NOD	Nordic Semiconductor ASA

Nordic	Nordic Semiconductor ASA
nRF	Nordic Radio-Frequency
PMIC	Power Management IC
POS	Point Of Sale
Q1 / Q2 / Q3 / Q4	First / second / third / fourth quarter
R&D	Research & Development
RCF	Revolving Credit Facility
SG&A	Selling, General & Administrative expenses
SoC	System-on-Chip
Wi-Fi	Wireless Fidelity

Main terms – senior unsecured bonds[1]

Issuer	Nordic Semiconductor ASA
Issuer Rating	BBB (negative) from Nordic Credit Rating
Initial Issue Amount	3 year: NOK [●] million 5 year: Minimum NOK 300 million
Tenor	3 and/or 5 years
Interest Rate	3 year: 3 months Nibor + [●]% per annum, quarterly interest payments (zero Interest Rate floor) 5 year: 3 months Nibor + 3.00% per annum, quarterly interest payments (zero Interest Rate floor)
Amortization	Bullet at maturity
Status	Senior unsecured
Use of Proceeds	General corporate purposes, including by way of repayment of drawings under the RCF if relevant and any potential acquisitions
Rating Event	Means an event where the Issuer and the Bond Issue does not hold minimum one credit rating of BBB- or higher
Springing Financial Covenant	If a Rating Event takes place: Equity Ratio ≥ 40%
Distribution Restriction	Maximum 50% of net profit, however no distributions permitted if a Rating Event takes place
Margin Step-Up	Margin step-up of 100bps if a Rating Event takes place
Negative Pledge	Yes, with carve-out for the higher of (i) the amount of the total commitments under the RCF and (ii) 15% of Total Assets, and other customary carve-outs (*inter alia* hedging, ordinary course, arising by law), including a general basket of USD 25 million
Change of Control	Investor put option at 101% of Initial Nominal Amount
Initial Nominal Amount / Min. Investment	NOK 1,000,000 / NOK 2,000,000
Trustee / Governing Law / Listing	Nordic Trustee AS / Norwegian law / Oslo Stock Exchange
Global Coordinator and Sole Lead Manager	Danske Bank
Co-Manager	HSBC

1) Please see the draft term sheet for more information

Key credit highlights

Leading market position in a long-term growth market	▪ Nordic Semiconductor, listed on Oslo Børs with a market capitalization of ~USD 1.6 billion, is a Norwegian fabless semiconductor company specializing in wireless communication technology that powers the Internet of Things (IoT). The company has more than 1,500 employees, of which ~75% work in R&D ▪ The award-winning Bluetooth Low Energy (Bluetooth LE) solutions has pioneered ultra-low power wireless, making Nordic a global market leader in Bluetooth LE with a market design win share of 42% as of Q3 2023[1]
Strong market drivers from continuous digitization and innovation (IoT)	▪ Nordics' addressable market is large and is expected to continue to grow at a rapid pace. The growth is supported by megatrends such as smart homes, industrial IoT and platforms ecosystems, which will significantly increase the number of connected devices and drive demand for semiconductors in the future ▪ There is a continuous need for innovation to keep up with customer requirements. Nordic has invested ~USD 600 million over the past 5 years into R&D and is committed to innovation. Nordic currently invests around 60% of R&D spend into short-range technology, and 40% into cellular IoT, Wi-Fi and other technologies and products
Solid balance sheet and low financial leverage	▪ Solid capital structure with a LTM Q3 2023 NIBD/EBITDA of -2.0x and a Q3 2023 equity ratio of ~77%. Strong liquidity with cash and cash equivalents of USD ~229 million as of Q3 2023, in addition to the undrawn RCF of USD 150 million ▪ Committed to an investment grade rating, high equity ratio (>50%) and considerable liquidity (targets R&D coverage multiple[2] ~1.0x), to ensure flexibility and resilience ▪ Nordic has outlined a long-term EBITDA margin target of 25%
Strong customer relationships with world-leading technology companies	▪ Nordic has a broad customer base, ranging from single developers to global industry leading customers and shipped more than 700 million units in 2022 ▪ Nordic has strong long-lasting relationships with tier-1 customers including major global platform companies ▪ Diversified customer base, with the top 10 Bluetooth LE customers accounting for about 44% of sales in 2022, and 54% LTM Q3 2023

1) Market share is based on last 12 months end-product certifications per Q3 2023. Source: DNB Markets/FCC. 2) Cash / LTM R&D spend.

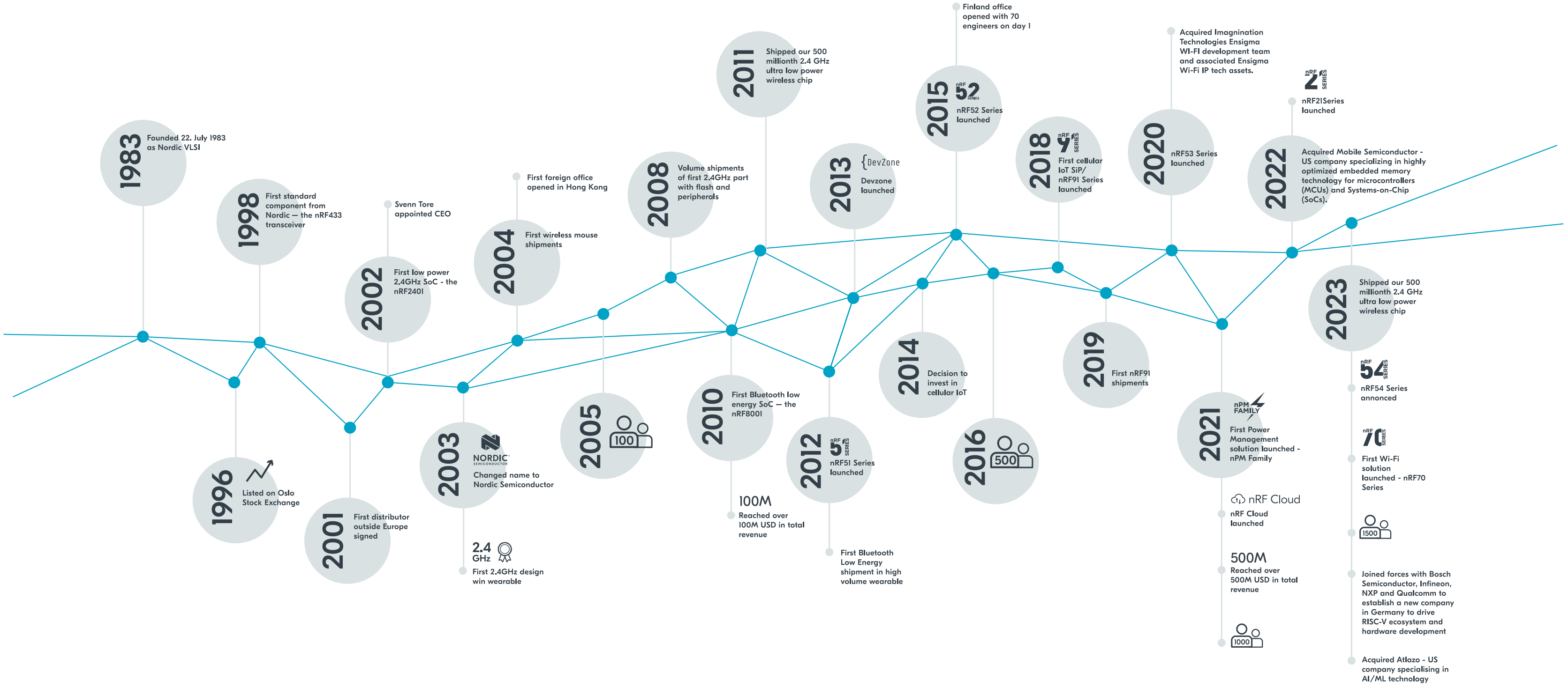
Agenda

1. Company overview
2. Financials
3. Appendix
4. Risk factors

NORDIC SEMICONDUCTOR

Our Story - Nordic Semiconductor

40 years of wireless innovation



A globally leading IoT enabler

Simplifying lives through all things connected

Founded	Employees	Oslo listing	Market Cap
1983	1,530 (~75% R&D)	OSEBX:NOD	~$1.6bn

- Leading ultra-low-power wireless connectivity solutions
  - Short-range: 
  - Medium-range: 

  - Long-range: 

- Broad products/solutions portfolio:

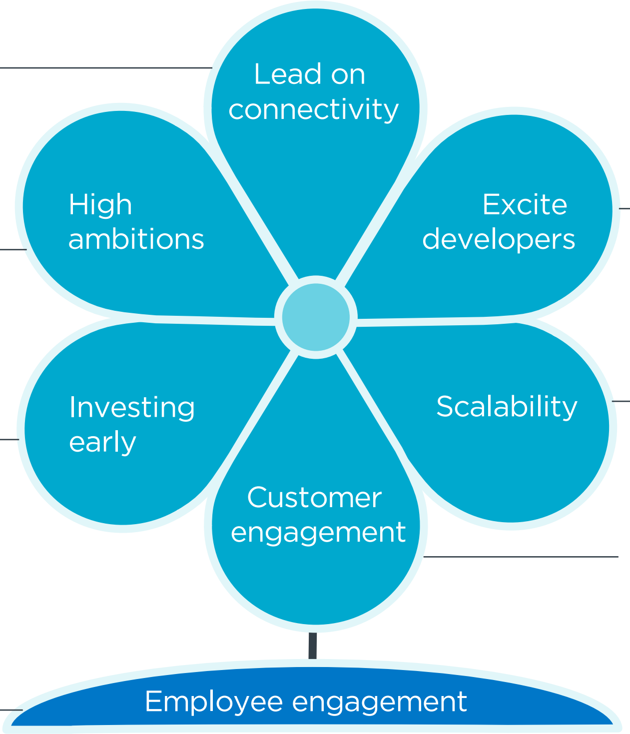
- Common software platform and development tools
- Excellent tech support and the world most active Bluetooth forum through Nordic's "DevZone"

Strategy based on distinctive advantages

Ultra-low power and
high performance
at the right price

Clear strategic roadmap
to generate long-term
profitable growth and
value generation

Willingness to invest in
high-growth opportunities



Attracting and retaining
world-class talent

Ease-of-use, value-add
solutions and strong
tech support

Proven scalability across
technologies, markets
and customers

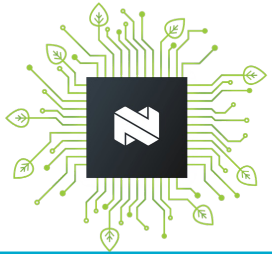
Combining broad market
and tier-1 engagement
models

Our tech solutions are recognized globally

2023 U.K. Elektra Awards

'Internet of Things Product of the Year' category

Nordic's low power Wi-Fi 6 companion IC



2023 Financial Times and Statista

Europe's **Climate** Leaders

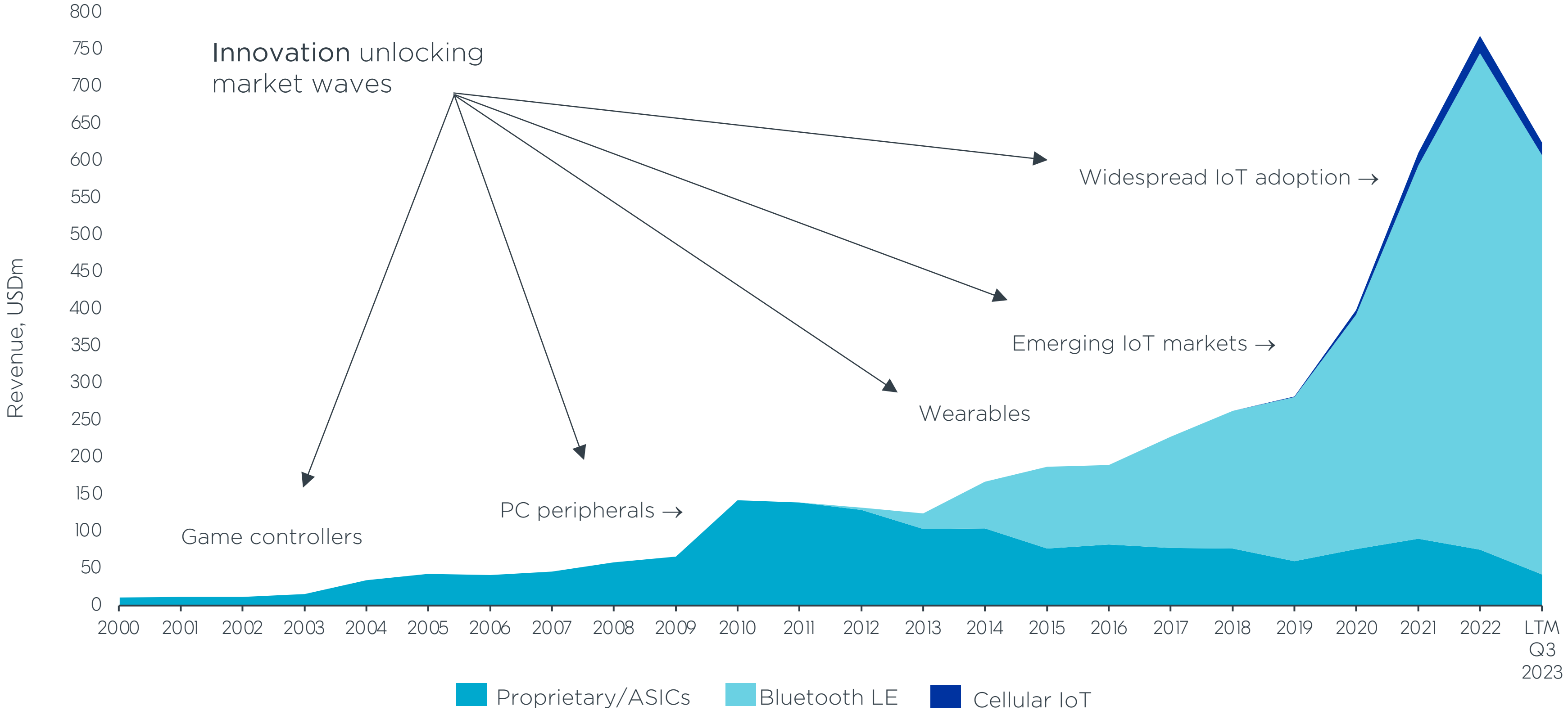
Environmental performance

2022 EE Awards Asia

Best Development Tool categories

Power Profiler Kit II (PPK2)

Nordic is on a long-lasting growth journey



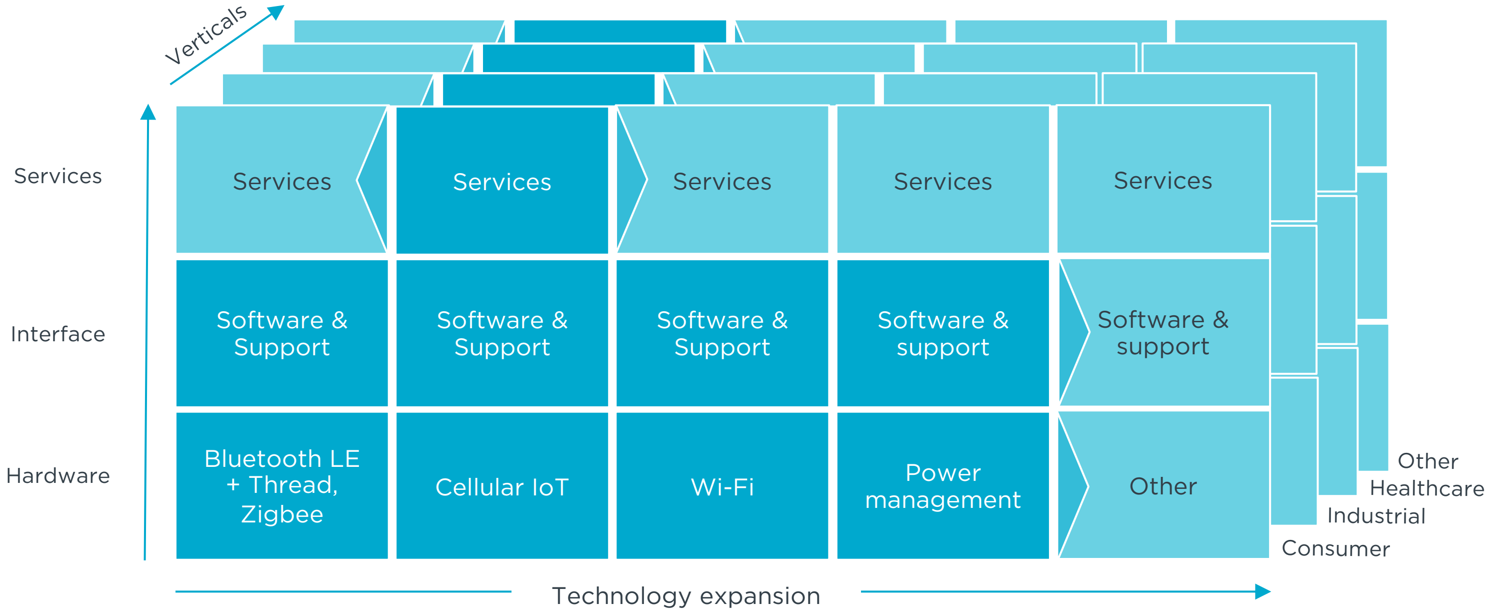
Protecting our position in a cyclical downturn

- Maintaining a unique technology platform with Bluetooth, Wi-Fi and Cellular IoT
- Reallocating resources from longer-term projects to projects generating revenue and profits in the near- to mid-term
- Cost measures include reduced use of consultants and assessment of total resource requirement to continue the main R&D programs
- These measures will have effect from 2024 and will reduce quarterly operating expenses in the order of USD 5 million

- Leading ultra-low-power wireless technologies
- Broad solution portfolio
- Common software platform, and development tools
- Exceptional technology support
- Solutions for a wide range of verticals

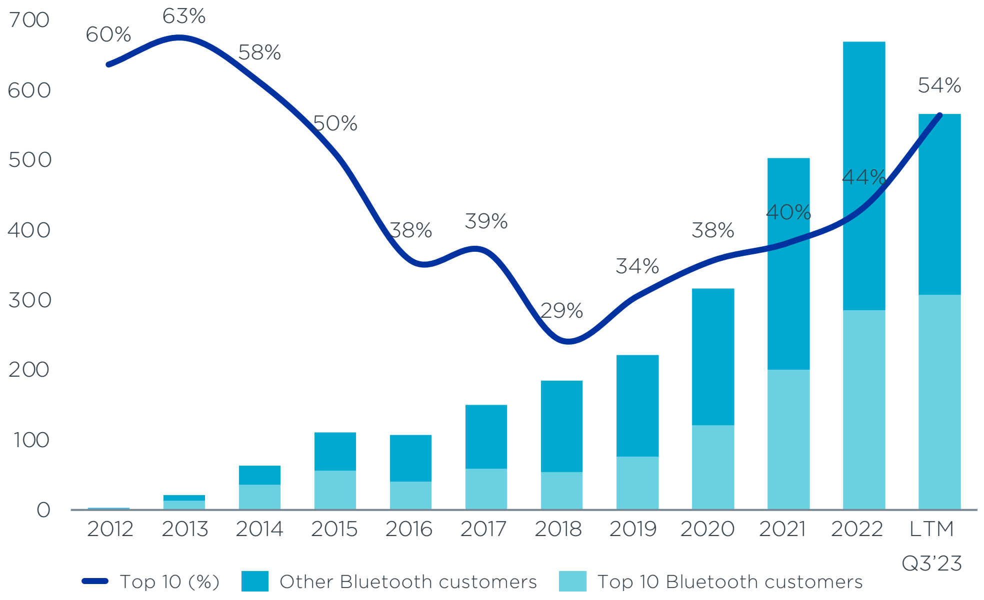
Expanding the opportunity pipeline

New technologies + value chain migration + more applications



Tier-1s revenue share continue to increase

Bluetooth revenue composition (USDm)

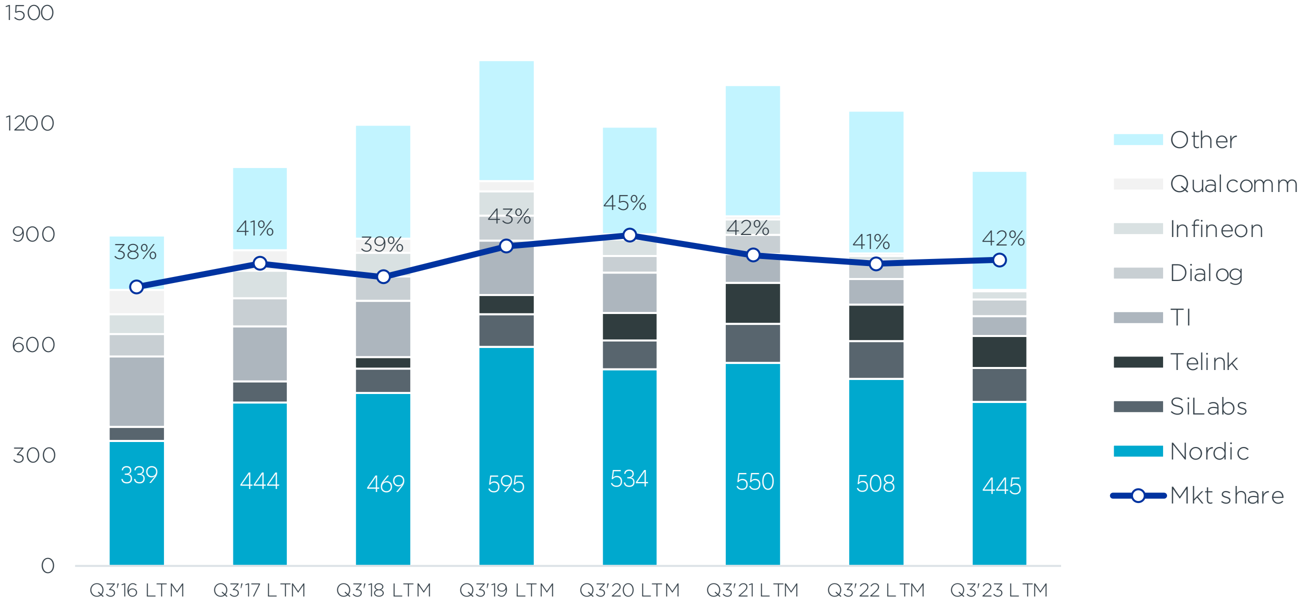


- Top-10 customers have continued to grow in absolute revenue and number of designs
- Top-10 customers, consisting of multinational and market leading corporations, accounted for 54% of Bluetooth revenue LTM and above 60% in Q3

Steady and high certification market share

More than 5x as large as number 2 and 3

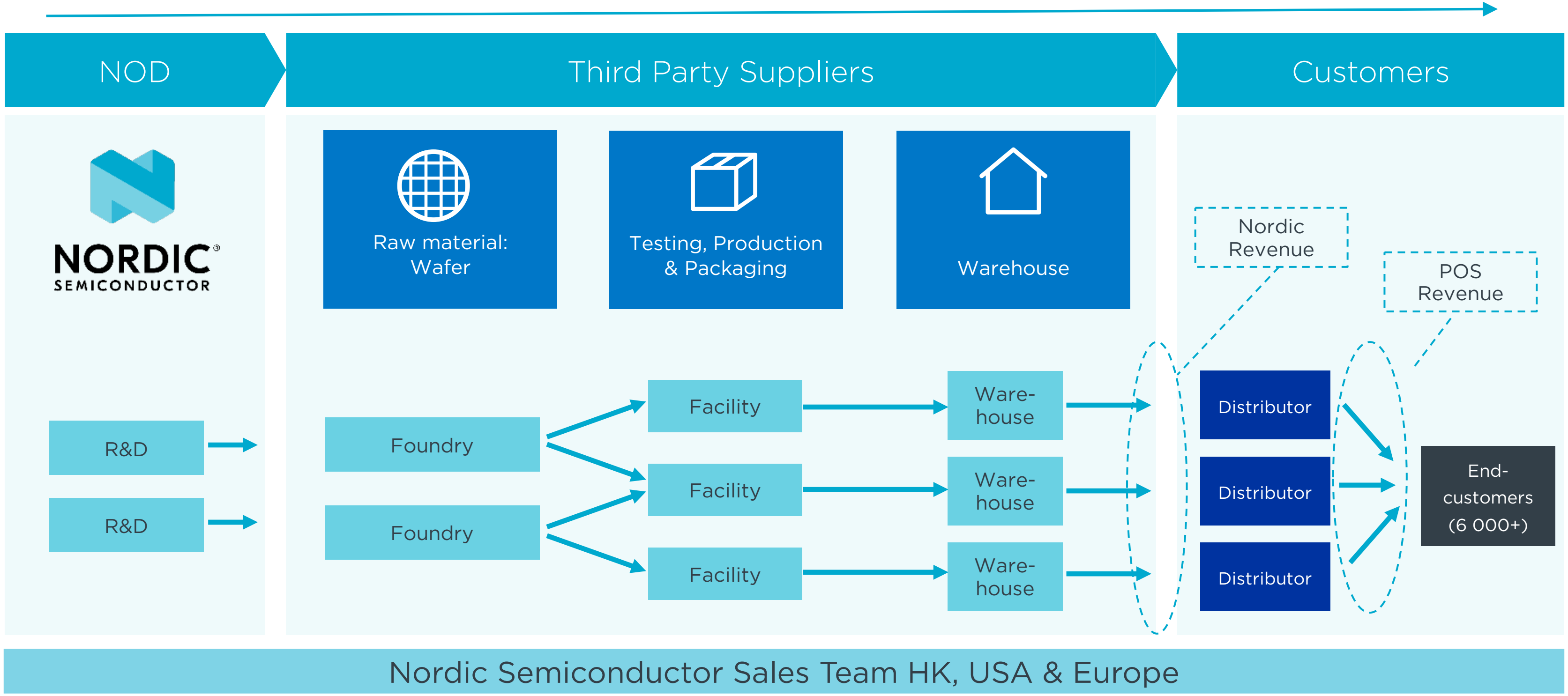
Bluetooth Low Energy end-product certifications, last 12 months



Nordic end-product certifications
Q3'23 113 designs 42% mkt share
LTM 445 designs 42% mkt share
Nordic trends toward high volume designs

Source: DNB Markets/FCC

Nordic's value chain[1]



1) *For illustrative purposes only*

Key Suppliers

TSMC

- TSMC is the world's leading semiconductor foundry. Most of their production capacity is in Taiwan, with facilities in the US and China
- As of 2022 the company had an annual production capacity exceeding 15 million 12-inch equivalent wafers

Founded 1987	HQ Taiwan
Market Cap.[1] ~$458bn	2022 Revenue ~$76bn
Rating (S&P/Moody's) AA-/Aa3	2022 Employees ~73,000

GlobalFoundries

- GlobalFoundries is one of the world's leading semiconductor foundries with operations in Europe, the US and Asia
- The company recently opened their $4bn fab facility in Singapore, increasing their annual capacity of 300mm wafers by 450,000

Founded 2009	HQ US
Market Cap.[1] ~$29bn	2022 Revenue ~$8.1bn
Rating (S&P/Moody's) NR	2022 Employees ~13,000

SilTerra

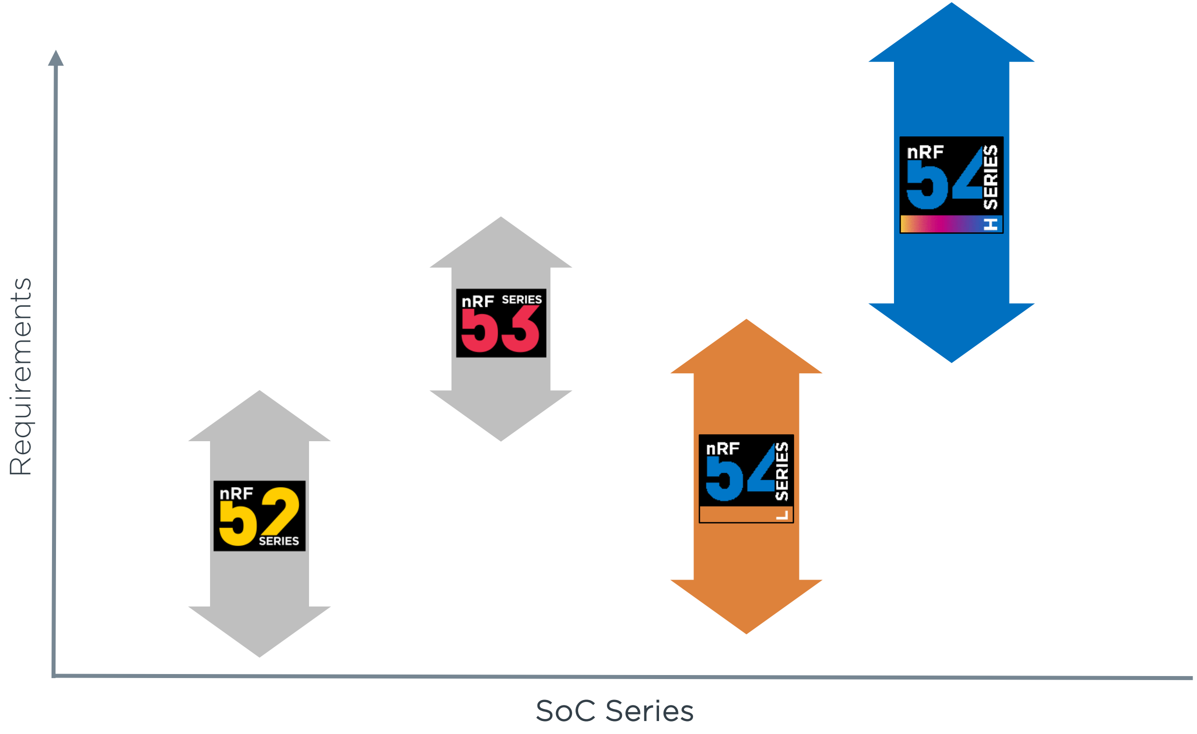
- SilTerra is a pure-play global semiconductor foundry based in Malaysia
- SilTerra manufactures 200mm semiconductor wafers with a designed annual capacity of 46,000 wafers per month

Founded 1995	HQ Malaysia
Market Cap. *Private*	2022 Revenue *Private*
Rating (S&P/Moody's) NR	2022 Employees >1,400

Source: Bloomberg (13 November 2023), Company websites, Company reports

Nordic raising the bar once again

nRF54 – maintaining our market leading performance



nRF54H Series

Revolutionary multiprotocol SoCs

For new complex IoT products

nRF54L Series

Next-level multiprotocol SoCs

Logical successor to the nRF52

Nordic acquires AI/ML tech IP and team

Harnessing the power of AI to transform our position in the IOT market

- Bolt-on acquisition of high strategic significance
- Buying the IP portfolio and employing small core team in San Diego
  - Always-on AI/ML accelerator – a key differentiator in the future
  - Smart Health analog front-ends
  - Power Management IC (PMIC)
- Expecting to see initial benefits within 12-18 months from closing*

atlazo

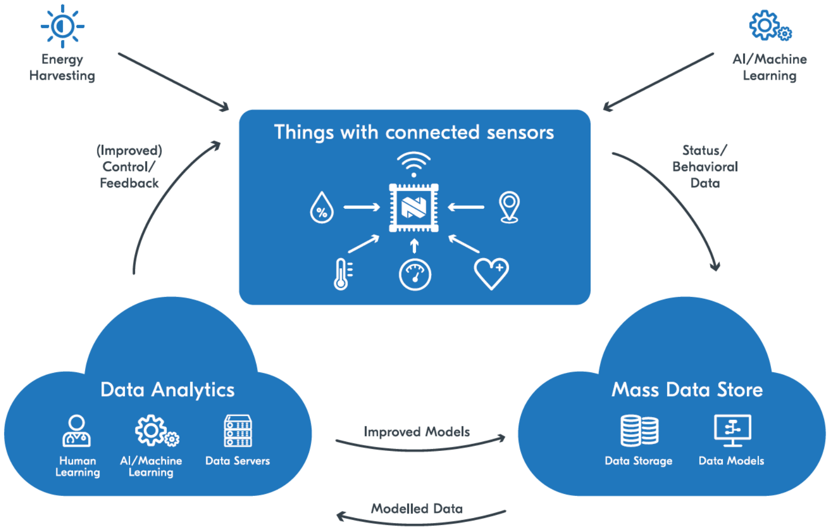
"This brings a new level of always-on AI/ML capabilities and technologies that will strengthen our core business"

Kjetil Holstad,
EVP Strategy and Product Management

** The transaction is dependent on regulatory approval, and completion of the transaction is expected by the end of 2023.*

IoT supporting sustainability

IoT is crucial to deliver on UN SDGs



Nordic are making ‘things’ more capable and efficient by:

- Lowering power consumption
- Increasing computational capability
- Enabling a large variety of sustainable applications
  - Precision farming
  - Climate smart cities and communities
  - Smart mobility
  - Energy efficiency of buildings
  - Sustainable manufacturing and waste reduction
  - Extreme weather and climate impact modelling
  - And more…

Enabling a large variety of sustainable solutions*

Heart monitoring

Borsam's Wireless ECG Monitor Event Recorder and ECG Holter Recorder employ Nordic's nRF52832 SoC to connect to a smartphone or gateway, which provide ample processing power for the device to continuously record ECG waveform data and detect arrhythmia in 'real time'. The data is then relayed to an app on the user's smartphone using Nordic Bluetooth® LE wireless connectivity.

Waste management

The German-based 'adhoc smart waste' solution uses the nRF9160 SiP to provide cellular IoT Cloud connectivity. Built-in optical sensors monitor the fill levels of various containers, including underground waste systems. The monitoring process is overseen by the RF9160 SiP, which then collates the data and sends it to the Cloud, using its multimode LTE-M/NB-IoT modem.

Smart city lighting

The streetlights in any town or city can be quickly upgraded to be smart using the Nordic-based cellular IoT luminaire controller. One example of this technology is the "Urban Node 324" by Urban Control, designed for easy installation and can accommodate a range of applications, from one street-light to millions, in a cost-effective manner.

Smart utility meter

Lobaro's Wireless M-Bus Gateway solely uses solar power and employs Nordic's nRF9160 SiP with integrated LTE-M/NB-IoT for LPWA networking. The smart utility meter gateway can record data from up to 500 consumption meters, including water meters, and heat meters. It operates perpetually on harvested solar energy alone, making it the first gateway of its type.

Livestock tracking

The South-African based company iSiTech, has developed the iSi-TAG Livestock and wildlife tracker monitors animals over long distances using Bluetooth LE and Nordic range extender. The tags are powered by harvested solar energy, and is powered by nRF52840 SoC, which has been engineered to minimize power consump-tion with a fully-automatic power management system.

*Select 2022 solutions contributing to the SDGs

Unique position to enhance sustainability

Committed signatory to UN Global Compact and supporting UN Sustainable Development Goals (SDGs)

www.nordicsemi.com/annualreport

Sustainability management

Minerals and smelters	Sustainability compliance, surveys, integrity due diligence, and audits			Contribution to the SDGs
Responsible Minerals Initiative	Responsible Business Alliance	ISO	NORDIC SEMICONDUCTOR	
Nordic is committed to the Responsible Minerals Initiative (RMI), and supports transparency around supply chain due diligence related to sourcing, refining, and smelting of raw materials	Nordic requires all tier-I suppliers to adhere to the RBA Code of Conduct which contains a set of social, environmental and ethical industry standards. The standards set out reference to international norms and standards such as the UN Declaration of Human Rights, ILO and OECD Guidelines.	All manufacturing suppliers of Nordic must meet the International Organization for Standardization (ISO) requirements regarding environmental and quality management	Nordic conducts risk based due diligence of business partners to enable us to identify potential risks and concerns related to human rights and decent working conditions, HSE aspects, environmental performance and ethical business performance. For our tier-I suppliers we utilize RBA Self-Assessment Questionnaires and audits.	In 2022, our IoT solutions were utilized for various applications, contributing to multiple SDGs. Despite our products' broad potential for supporting SDGs, we are mindful of the environmental impact of our components' production and usage, and we take measures to manage it

Nordic's business value generation

Raw Material Suppliers	Tier one - Subcontractors	NORDIC SEMICONDUCTOR	Distributors	Customers	End-users
Raw Material Suppliers Sub-tier Suppliers	- Wafer productions - Product assembly - Product testing	- Hardware products - Software products - Services		- Finished products - IoT products - ...	Businesses Consumers

2022 ESG highlights

22%
decrease of scope 3 emissions

55%
decrease of scope 2 emissions

19.7%
increase in headcount

Headcount by business unit

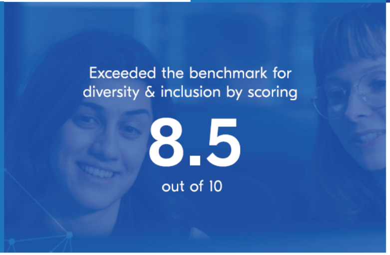
Research & development	75.5%
Business support	10.3%
Sales	7.5%
Supply chain	6.1%
Executive Management Team	0.7%

78%
of the energy used by offices generated from renewable energy sources

39.3%
increase in female employees

62
nationalities *in*
17
countries

71%
of all prototyping platforms produced with recycled plastic casings



Awarded
A
CDP A LIST 2022 CLIMATE

Awarded
A
ESG100 POSITION GREEN | 2022

Received
Low risk rating
SUSTAINALYTICS RATED

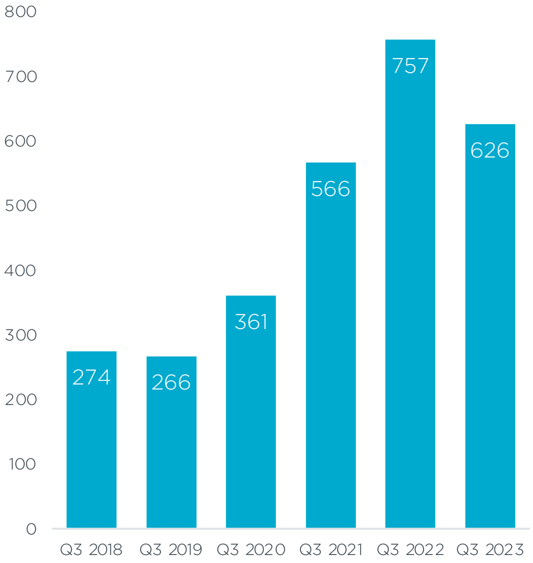
Agenda

1. Company overview
2. Financials
3. Appendix
4. Risk factors

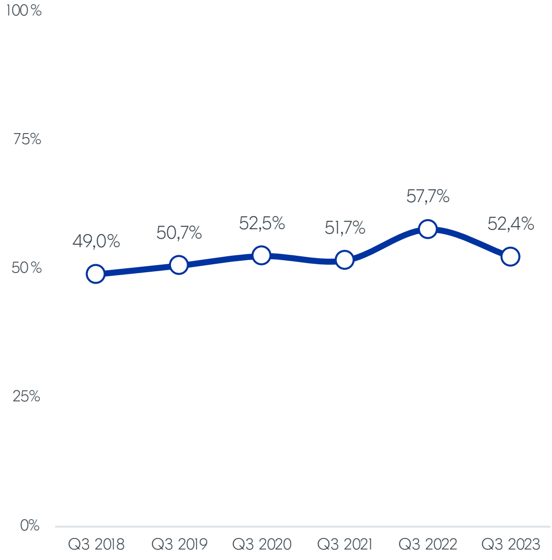
NORDIC®
SEMICONDUCTOR

Financial performance – rolling 12 months

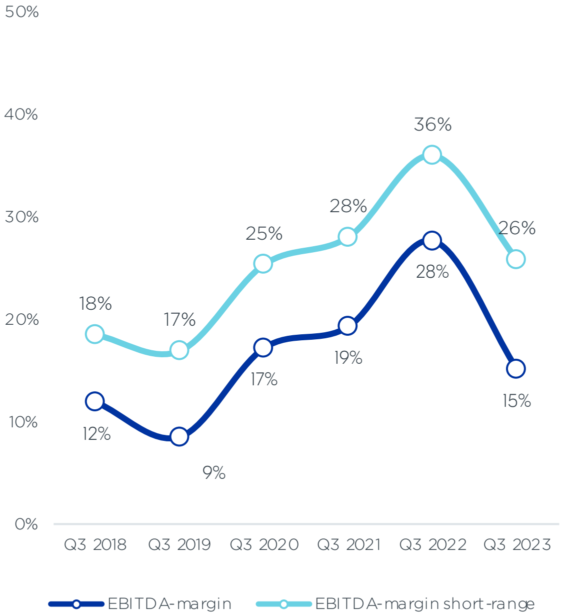
Revenue, last 12 months USDm



Gross margin, last 12 months, %

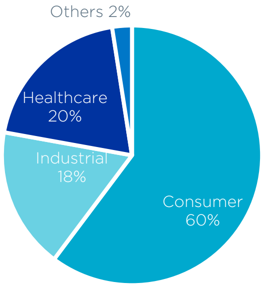


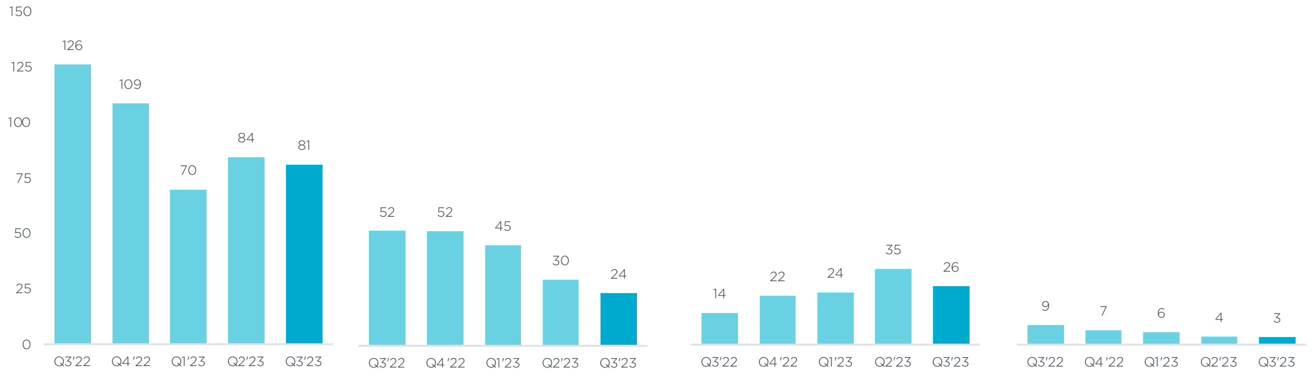
EBITDA, last 12 months, %



Revenue by markets Q3 2023

Group	Consumer	Industrial	Healthcare	Others
USDm 135.0	USDm 81.0	USDm 23.7	USDm 26.5	USDm 3.3
-33% y-o-y, -12% q-o-q	-36% y-o-y, -4% q-o-q	-54% y-o-y, -21% q-o-q	+84% y-o-y, -23% q-o-q	-63% y-o-y, -11% q-o-q





Revenue for the individual markets excludes ASICs and consulting revenue

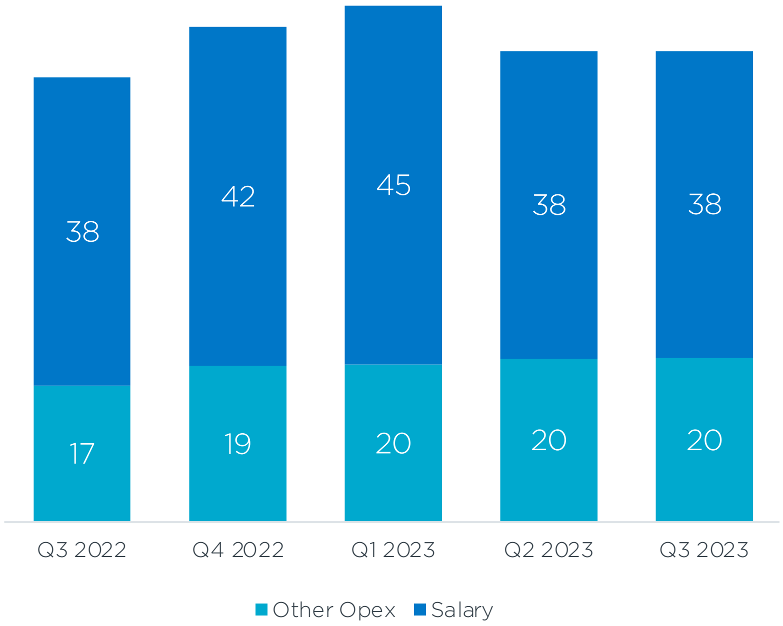
Balancing investments and cost awareness

Flat salary cash costs y-o-y and q-o-q

- Employees increased by 11% y-o-y to 1,530, flat development q-o-q
- Reduced variable pay accruals in Q3 2023

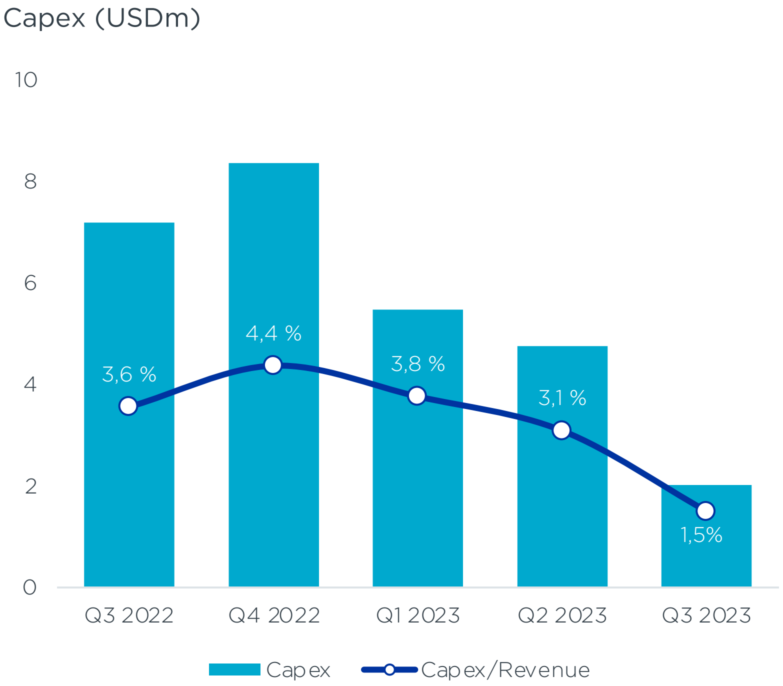
Continuing work to adjust cost base to protect margins

Cash OPEX* (USDm)



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

Capex intensity remains low

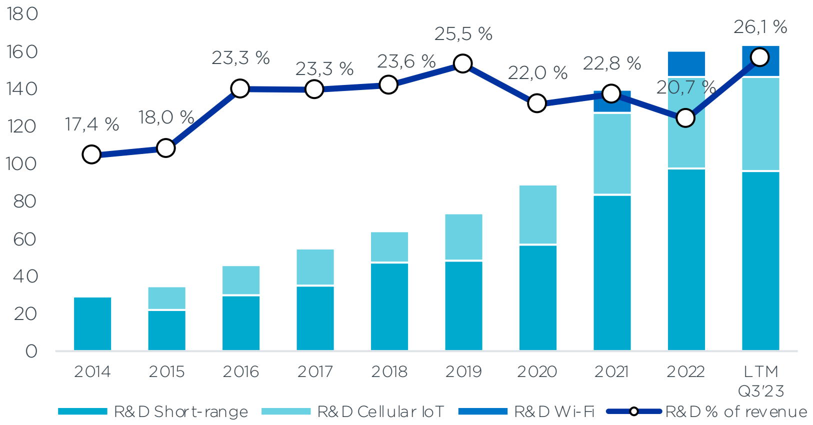


- Postponed some investments to Q4, and maintaining focus on spending reduction
- Overall capex intensity 3.3 % LTM

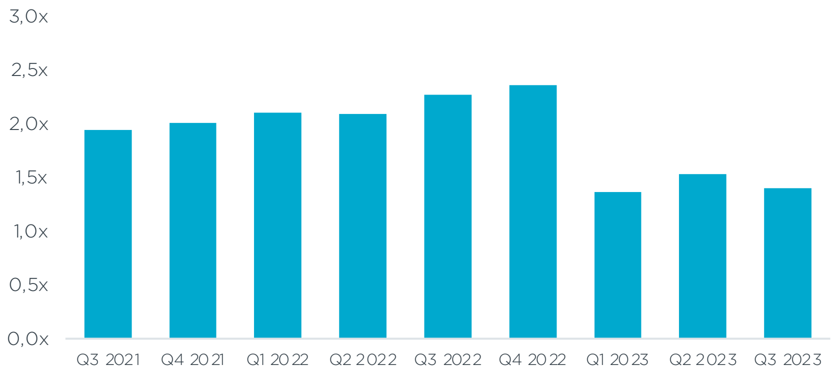
Investing in innovation

Innovation is a core driver of revenue and long-term margins

R&D expenses* by technology, USDm



R&D coverage multiple, Cash/R&D spending last 12 months



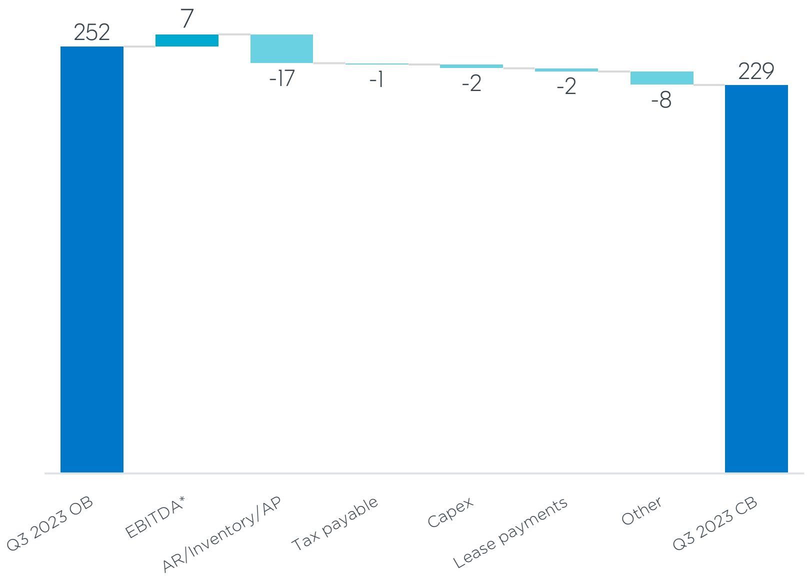
- R&D intensity increasing into 2023 with declining revenue
- Taking action to reduce cost and reallocate R&D resources

- Key to meeting customer requirements
- Securing long-term stability
- Continuous commitment to innovation
- USD 100m prepayment in Q1 2023 to strengthen supply resilience

** Recognized in P&L*

Continued disciplined cash strategy

Cash position and Cash Flow Q3 2023 (USDm)

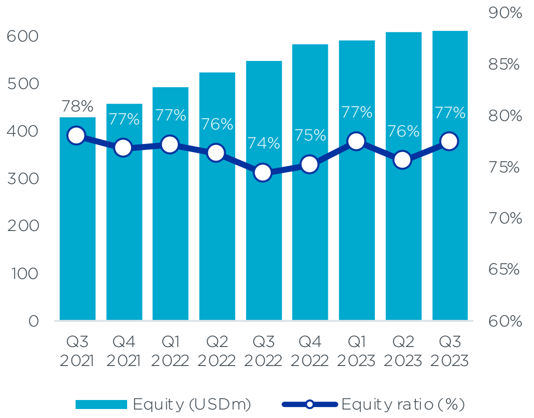


- Strategic inventory increase of USD 10m in the quarter
- NWC/Revenue LTM of 37%
- Other items mainly impacted by decreased other short-term liabilities

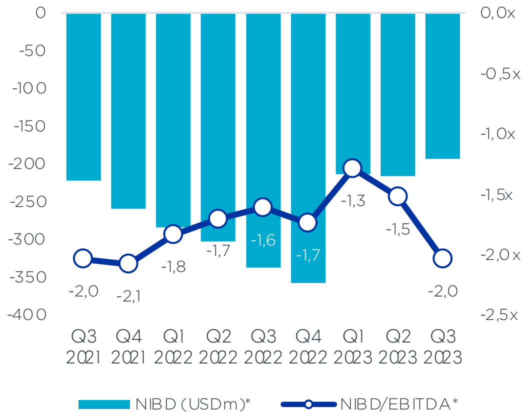
** EBITDA Adjusted for Capitalized Development Costs*

Prudent capital management

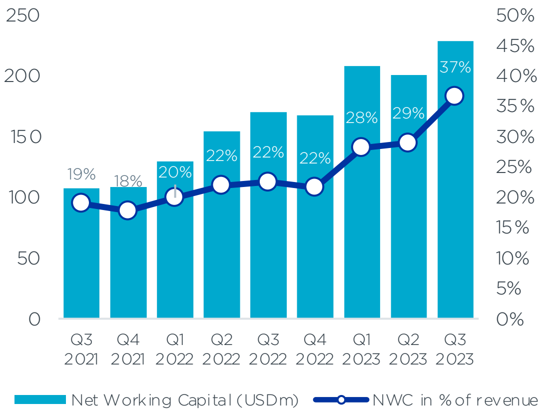
Equity and Equity Ratio
USDm, %



NIBD and NIBD/EBITDA
USDm, x



Net Working Capital
USDm, % of LTM revenue



- Strong equity position with a minimum 50% equity ratio target

- Strong financial position with negative NIBD/EBITDA due to a net positive cash position
- No drawn interest-bearing debt except minor lease liabilities as of Q3 2023

- The increasing net working capital is mainly a result of increasing inventory
- Higher inventory a result of a more normalized supply situation following the severe supply constraints in 2022

* Includes lease liabilities

Capital allocation priorities

Balancing growth, solidity and shareholder distribution

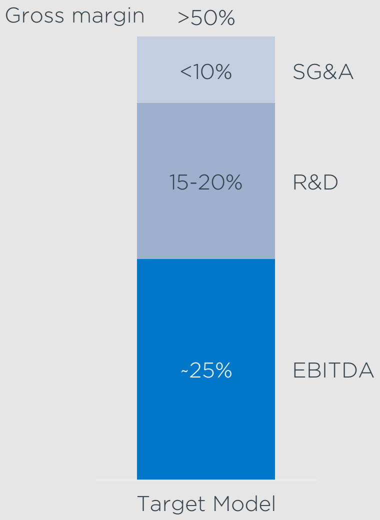
NORDIC SEMICONDUCTOR

Reinvestment in **R&D** with long-term perspective	Targets ~1.0x R&D coverage multiple[1]
Strong balance sheet required to ensure **Flexibility and Resilience** and full commitment to maintain an Investment Grade profile	Targets minimum 50% equity ratio
Exploring **M&A opportunities** in adjacent technologies and markets	Primarily complementary technology add-ons
Improving cash flow needed to allow for evaluation of **Cash return to shareholders**	Subject to capital structure, long-term growth targets and surplus cash[2]

1) R&D coverage multiple = Cash / LTM R&D spend. 2) The company's dividend policy is reviewed each year by the Board of Directors. No dividends paid in 2022.

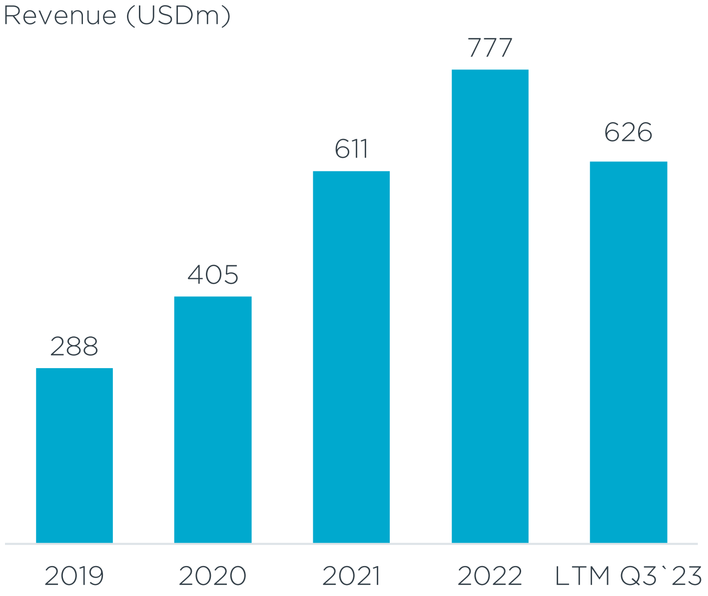
Target operating model at higher volumes

Target operating model



Gross margin	▪ Gross margin depending on technology and customer mix ▪ Lower gross margin expected in cellular IoT Module business ▪ Higher gross margin opportunities in other new technologies and service offering ▪ Overall goal to maintain above 50%
SG&A	▪ Increasing operational leverage
R&D	▪ Continued strong commitment to innovation
EBITDA	▪ High operational leverage - margin depending on volume growth

Continued challenging market



Q4 2023 guidance

Revenue	Gross margin
USDm 110-130m	~50%
-43% to -32% y-o-y -19% to -4% q-o-q	

- Sequential revenue decline and flat gross margin expected from Q3 to Q4
- Continued low visibility in the current cyclical downturn
- Taking action to reduce cost and reallocate R&D resources

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Income statement

USD million	Q3 2023	Q3 2022	Q3 2023 YTD	Q3 2022 YTD	FY 2022	FY 2021
Total revenue	135.0	202.1	434.7	585.4	776.7	610.5
Cost of materials	-66.9	-86.3	-207.2	-249.5	-339.9	-283.4
Direct project costs	0.0	0.0	0.0	0.0	0.0	-0.5
Gross profit	68.2	115.7	227.5	335.9	436.8	326.6
Payroll expenses	-35.4	-39.5	-112.6	-118.6	-161.4	-149.8
Other operating expenses	-19.9	-16.1	-58.9	-50.5	-69.7	-52.1
EBITDA	12.8	60.1	55.9	166.8	205.7	124.7
Depreciation and amortization	-10.7	-11.6	-33.2	-32.2	-44.1	-37.8
Operating Profit	2.1	48.5	22.7	134.6	161.6	86.9
Net interest income	0.5	0.8	3.6	0.9	4.9	-0.4
Net foreign exchange gains (losses)	-0.9	2.0	3.4	6.9	0.6	0.7
Profit before tax	1.7	51.3	29.7	142.4	167.2	87.3
Income tax expense	-0.5	-27.1	-9.6	-51.5	-44.8	-16.1
Net profit after tax	1.2	24.2	20.1	90.9	122.3	71.2

Balance sheet

USD million	Q3 2023	Q3 2022	FY 2022	FY 2021
ASSETS				
Goodwill	10.3	2.3	2.3	2.4
Capitalized development expenses	34.5	28.2	26.6	31.5
Software and other intangible assets	11.0	13.3	11.7	15.8
Deferred tax assets	3.7	5.1	4.6	6.3
Property assets	3.1	3.1	3.6	3.1
Equipment	27.7	29.4	32.0	30.8
Right-of-use asset	34.9	17.1	21.4	18.9
Other non-current assets	100.0	0.0	0.0	0.0
Total non-current assets	225.1	98.4	102.1	108.8
Inventory	158.2	88.7	102.1	54.9
Accounts receivable	160.5	183.5	175.1	141.7
Current financial assets	0.0	0.6	0.3	0.0
Other current receivables	18.1	13.3	17.5	12.0
Cash and cash equivalents	228.7	352.8	379.1	279.3
Total current assets	565.5	638.8	674.1	488.0
TOTAL ASSETS	790.6	737.3	776.2	596.8

USD million	Q3 2023	Q3 2022	FY 2022	FY 2021
EQUITY AND LIABILITIES				
Total equity	611.9	548.4	583.5	458.2
Pension liability	0.7	0.5	0.7	0.6
Non-current liabilities	0.0	0.0	0.0	0.0
Non-current lease liabilities	26.8	11.0	14.9	14.3
Total non-current liabilities	27.5	11.5	15.5	14.9
Accounts payable	35.7	42.3	34.2	28.4
Income taxes payable	34.5	57.5	43.8	17.4
Public duties	4.4	4.2	6.5	7.6
Dividend payable	0.0	0.0	0.0	0.0
Current loan facility	0.0	0.0	0.0	0.0
Current lease liabilities	8.7	4.6	6.3	5.6
Current financial liabilities	0.0	0.0	0.0	0.5
Other current liabilities	67.8	69.0	86.4	64.2
Total current liabilities	151.2	177.4	177.2	123.7
TOTAL EQUITY AND LIABILITIES	790.6	737.3	776.2	596.8

Cash flow statement

USD million	Q3 2023	Q3 2022	Q3 2023 YTD	Q3 2022 YTD	FY 2022	FY 2021
Cash flows from operating activities						
Profit before tax	1.7	51.3	29.6	142.4	167.2	87.3
Taxes paid for the period	-0.7	-2.6	-16.7	-10.2	-16.8	-6.3
Depreciation	10.7	11.6	33.2	32.2	44.1	38.2
Change in inventories, trade receivables and payables	-17.4	-17.3	-39.9	-61.4	-74.6	-41.0
Share-based compensation expense	2.4	2.1	5.4	6.4	7.8	6.7
Movement in pensions	-0.02	-0.02	0.0	-0.1	0.1	0.1
Prepayments	0.0	0.0	-100.0	0.0	0.0	0.0
Other operations related adjustments	-9.4	-0.4	-22.2	-2.7	14.9	11.0
Net cash flows from operating activities	**-12.8**	**44.8**	**-110.6**	**106.6**	**142.7**	**95.8**
Cash flows used in investing activities						
Capital expenditures (including software)	-2.0	-7.2	-12.3	-15.7	-24.1	-25.0
Capitalized development expenses	-5.7	-2.1	-15.3	-5.5	-6.5	-5.6
Business combination, net of cash acquired	0.0	0.0	-6.0	0.0	0.0	0.0
Net cash flows used in investing activities	**-7.7**	**-9.2**	**-33.6**	**-21.2**	**-30.6**	**-30.7**

USD million	Q3 2023	Q3 2022	Q3 2023 YTD	Q3 2022 YTD	FY 2022	FY 2021
Cash flows used in financing activities						
Changes in Treasury stock	0.0	0.0	0.0	0.0	0.0	0.0
Cash settlement of options contract	0.0	0.0	0.0	-4.7	-4.7	-20.8
Capital Increase	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of lease liabilities	-2.2	-1.5	-5.9	-4.6	-6.6	-6.5
Interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Net cash flows used in financing activities	**-2.2**	**-1.5**	**-5.9**	**-9.3**	**-11.3**	**-27.3**
Cash and cash equivalents						
Effects of exchange rate changes on cash and cash equivalents	-0.6	-1.1	-0.3	-2.6	-1.0	-1.1
Net change in cash and cash equivalents	-23.3	33.0	-150.4	73.5	99.8	36.8
Cash and cash equivalents beginning of period	252.0	319.8	379.1	279.3	279.3	242.5
Cash and cash equivalents at end of period	**228.7**	**352.8**	**228.7**	**352.8**	**379.1**	**279.3**

Board of directors

Birger Steen
Chairman

Board Chair since 2018 and board member since 2017.

198,745 shares

Inger Berg Ørstavik
Board member

Board member since 2017

5,919 shares

Anita Huun
Board member

Board member since 2019

13,919 shares

Snorre Kjesbu
Board member

Board member since 2023

661 shares

Annastiina Hintsa
Board member

Board member since 2019

4,919 shares

Anja Dekens
Board member

Board member since 2022

433 shares and 275 RSUs

Gro Fykse
Board member

Board member since 2022

1,146 shares and 598 RSUs

Morten Dammen
Board member

Board member since 2019

1,953 shares and 1,108 RSUs

Jon Helge Nistad
Board member

Board member since 2017

749 shares and 418 RSUs

Employee elected

Current holdings in the company

Executive management

Svenn-Tore Larsen
CEO/President

Mr. Larsen is an Electronic Engineer from the University of Strathclyde, UK. He was appointed Chief Executive Officer of Nordic Semiconductor in February 2002. Mr. Larsen has broad international experience in the semiconductor business, previously as Director for the Nordic region for Xilinx Inc. He has also been working at Philips Semiconductor. Mr. Larsen was member of the Board of Nordic Semiconductor from 2000-2002. Svenn-Tore Larsen is based in Oslo, Norway.

1,947,142 shares, 17,465 RSUs and 12,745 performance shares

Pål Elstad
CFO/EVP Finance

Mr. Elstad has held several senior financial positions, most recently as investor relations responsible for REC Silicon ASA and Head of Finance for REC Solar in Singapore. He joined Nordic as CFO in 2014. Mr. Elstad has extensive manufacturing and supply chain experience from General Electric Healthcare. He holds a Bachelor of Economics degree from the Norwegian Business School (BI) and is a State Authorized Public Accountant (CPA). Pål Elstad is based in Oslo, Norway.

49,417 shares, 6,249 RSUs and 6,249 performance shares

Katarina Finneng
EVP People & Communication

Mrs. Finneng has international experience within management, Human Resources and Communications/PR from several different sectors. Her most recent position before joining Nordic in 2019 was with Norwegian Air Shuttle ASA, and previous experience includes different roles in Hafslund ASA and the Volvo Group. Mrs. Finneng holds a Master of Political Science degree from the University of Gothenburg, Sweden, as well as an Executive Master degree in Management from BI Norwegian Business School. Mrs. Finneng is Secretary of the Board's People and Compensation Committee. Katarina Finneng is based in Oslo, Norway.

4,337 shares, 5,186 RSUs and 5,186 performance shares

Kjetil Holstad
EVP Strategy and Product Management

Mr. Holstad has a B.Sc degree in Electronics from Sør-Trøndelag University College (HiST). After working 15 years in various technical and marketing positions related to MCUs and wireless technologies in Atmel Corporation and Texas Instruments, he joined Nordic in 2015 as a Product Manager for the short-range wireless business. Kjetil Holstad is based in Oslo, Norway.

16,401 shares, 4,536 RSUs and 4,536 performance shares

Linda Pettersson
SVP Legal & Compliance

Mrs. Pettersson holds a Master of Law degree from Uppsala University in Sweden and has long international experience within Legal and Compliance functions within several different sectors. She started as Legal Counsel at Wallenius Wilhelmsen Logistics AS, providing legal support within a wide variety of areas of law across many jurisdictions. At Wallenius Wilhelsem Logistics, she developed and implemented company-wide compliance programs including all their components, she supported investigations, and identified solutions for non-compliance matters. Her most recent position before joining Nordic in 2021 was to head the Group Compliance function at Norsk Hydro ASA. Mrs. Pettersson also acts as Secretary to the Board of Directors. Linda Pettersson is based in Oslo, Norway.

598 RSUs

Current holdings in the company

Executive management (continued)

Geir Langeland
EVP Sales & Marketing

Mr. Langeland has a Bachelor of Engineering (Honours) degree in Electronics from University of Manchester Institute of Science and Technology (UMIST). He started as a Product Manager Standard Components in Nordic Semiconductor in 1999, before being appointed as a member of the Executive Management Team in 2005. Before joining Nordic, Mr. Langeland worked as Field Sales/Applications Engineer in Memec Norway, a leading global electronic components distribution company. Geir Langeland is based in Oslo, Norway.

219,653 shares, 9,518 RSUs and 6,568 performance shares

Ole-Fredrik Morken
EVP Supply Chain

Mr. Morken joined the company as an Analog IC designer in 1994 and has since held numerous positions related to Project- and Supply Chain Management, including a brief employment for SensoNor ASA in 1999. Mr. Morken holds a Master's degree in Electronics Engineering from Norwegian University of Science and Technology (NTNU). Ole Fredrik Morken is based in Taipei, Taiwan.

205,345 shares, 4,754 RSUs and 4,754 performance shares

Svein-Egil Nielsen
CTO/EVP R&D

Mr. Nielsen holds an MBA from the Haas School of Business at the University of California, Berkeley and Bachelor of Engineering honors degree in Computer and Electronics Systems from University of Strathclyde. He joined Nordic in 2001 as Director of Sales and Marketing. Mr. Nielsen also held a position as R&D director from 2005 to 2006 and Director of Emerging Technologies and Strategic Partnerships from 2010 to 2012. Additionally, he served Innovation Norway as their Director of San Francisco and Houston offices where he was in charge of promoting Norwegian technology from 2007 to 2010. Prior to Nordic, he worked for Boston Consulting Group as a consultant. Svein-Egil Nielsen is based in Oslo, Norway.

42,285 shares, 7,064 RSUs and 7,064 performance shares

Ola Boström
SVP Quality

Mr. Boström holds a M.Sc. degree from Uppsala University and a PhD from the University of Aix-Marseille III. Before joining the Quality Department of Nordic in 2006, Mr. Boström worked with wafer manufacturing and TCAD in the R&D Department of STMicroelectronics. Mr. Boström has held several positions inside Nordic including Product Engineering and Product Qualifications before being in charge of the installation and operation of a high-end Electrical/Physical Failure Analysis lab in Trondheim. Ola Boström is based in Oslo, Norway.

2,427 shares and 2,881 RSUs

Ståle "Steel" Ytterdal
SVP IR

Mr. Ytterdal holds a Bachelor of Electronics Engineering and Business Administration from NKI College of Engineering in Oslo, Norway. He worked several years in Ericsson Standard Component before starting in Nordic as Regional Sales Manager for Asia and the Pacific in 2001. Between 2004 and 2019, Mr. Ytterdal was stationed in Hong Kong as Director of Sales & Marketing in APAC, establishing Nordic's presence in the region. He also held a position as Director of the Board of the Norwegian Chamber of Commerce in Hong Kong from 2005-2008. Mr. Ytterdal moved back to Oslo/Norway in 2019, where he now has his base.

141,632 shares, 4,153 RSUs and 4,153 performance shares

Current holdings in the company

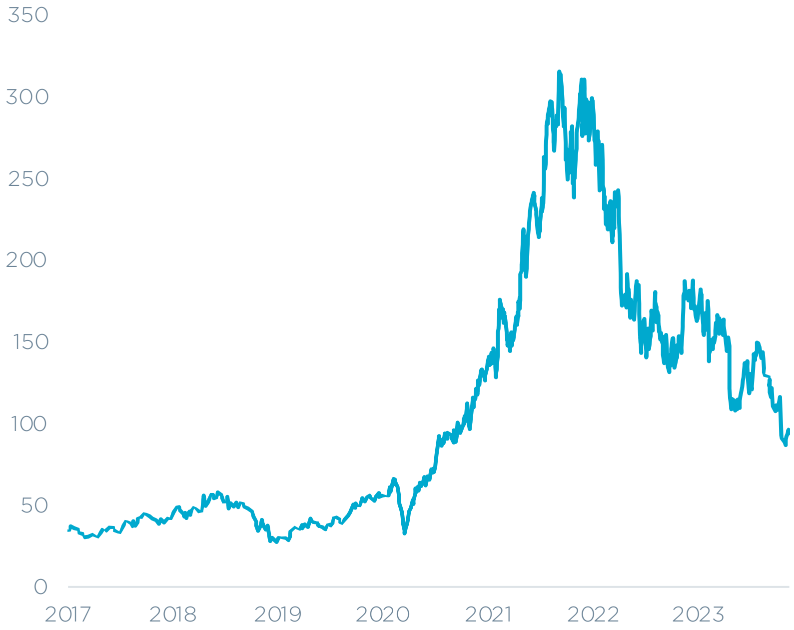
Share information

20 largest shareholders as of July 2023

Rank	Shareholder	Holdings
1	Accelerator Limited	17.472.950
2	DNB Asset Management	17.408.968
3	Capital Research and Management Company	15.888.742
4	Folketrygdfondet	11.867.504
5	Hardman Johnston Global Advisors	7.667.508
6	The Vanguard Group	6.871.675
7	Danske Bank Investment Management	5.587.073
8	Invesco Advisers	5.093.864
9	Robeco Institutional Asset Management	4.786.128
10	Alfred Berg Kapitalforvaltning	4.493.776
11	Eika Kapitalforvaltning	4.222.602
12	RBC Global Asset Management	3.974.454
13	Contour Asset Management	3.833.211
14	Swedbank Robur Fonder	3.380.000
15	Handelsbanken Fonder	3.313.705
16	Skandia Fonder	2.596.492
17	Storebrand Asset Management	2.357.693
18	KLP Kapitalforvaltning	2.356.642
19	Alden AS	2.150.000
20	BlackRock Fund Advisors	2.049.068

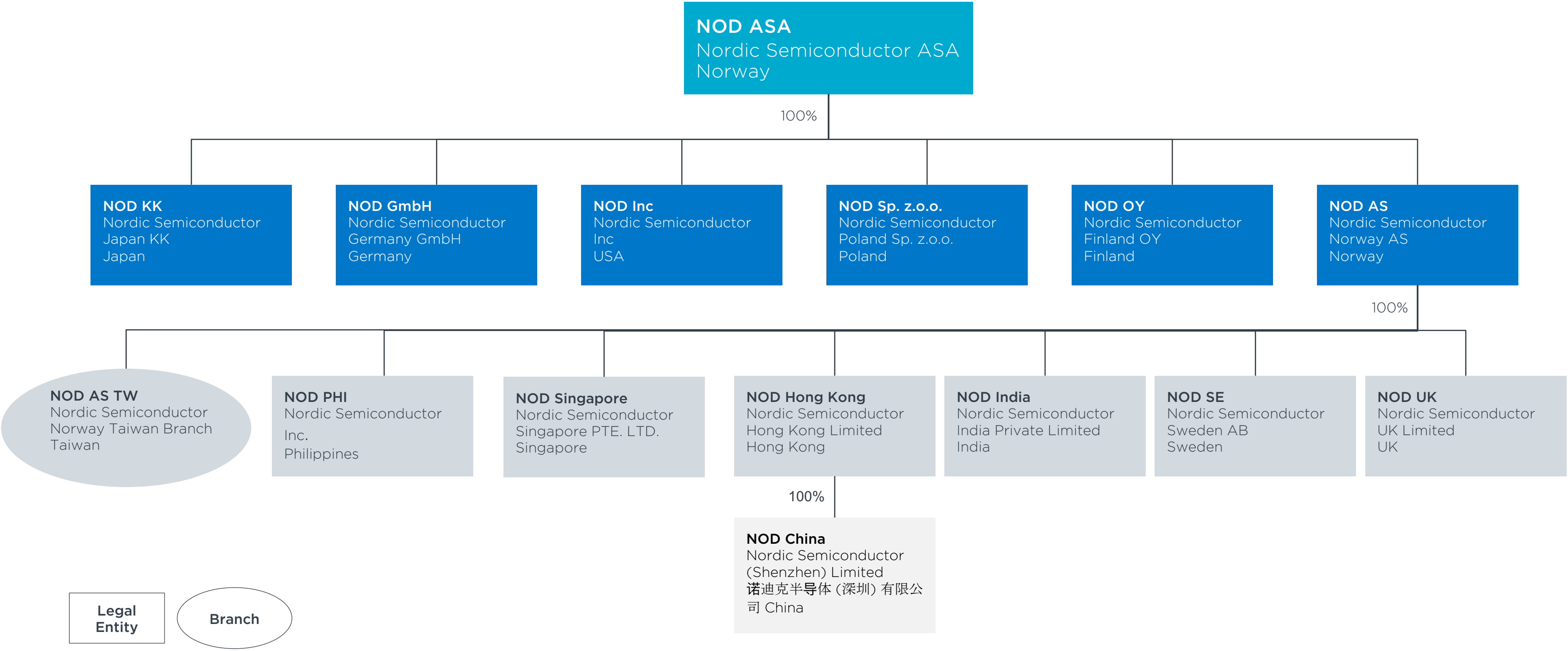
Share price performance as of 13 November 2023

NOK per share



Source: Q4 Inc (July 2023), Bloomberg (13 November 2023)

Group Legal structure



Agenda

1. Company overview
2. Financials
3. Appendix
4. Risk factors

NORDIC SEMICONDUCTOR

Risk factors (1/9)

*Investing in the bonds (the "**Bonds**") issued by Nordic Semiconductor ASA (the "**Company**" or the "**Issuer**", and together with its direct and indirect subsidiaries, the "**Group**") involves inherent risks. Investors should consider, among other things, this Investor Presentation in conjunction with these risk factors before making an investment decision. An investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of the entire investment. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, they could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows and/or future prospects which may cause a decline in the value of the Bonds and/or that could result in a loss of all or part of any investment in the Bonds.*

The risks and uncertainties described below are the principal known risks and uncertainties faced by the Issuer and the Group as of the date hereof, and represents those risk factors that the Issuer believes to represent the most material risks for investors when making their investment decision in the Bonds. Additional risks not presently known and uncertainties that the Issuer currently believes are immaterial, may also have a material adverse effect on its business, financial condition, results of operations and cash flow, and may cause a decline in the value of the Bonds that could result in a loss of all or part of any investment in the Bonds.

1. RISKS RELATING TO THE BUSINESS OF THE GROUP AND THE INDUSTRY IN WHICH IT OPERATES

1.1 The semiconductor industry is generally highly cyclical and subject to fluctuations in product supply and demand affecting the business of the Group.

The semiconductor industry is generally highly cyclical and is subject to constant and rapid technological changes, rapid product obsolescence and price erosion, evolving product and technological standards, short product life cycles and fluctuations in product supply and demand. The semiconductor industry has experienced significant downturns at various times, often in connection with or in anticipation of maturing product cycles of semiconductor companies and their customers' products, as well as declines in general economic conditions. Downturns are typically characterized by diminished product demand, accelerated erosion of average selling prices, reduced revenues, lower capacity utilization rates and higher inventory levels. The Group has historically experienced adverse effects on its results of operations and cash flows during such downturns, specifically in the form of decreased revenue as a result of reduced demand from its end-customers, and it may experience such adverse effects in future downturns, which could be severe and prolonged. The Group's ability to reduce costs in periods of downturn through reductions in capital expenditures and research and development expenses or other means may be limited because of the need to maintain its competitive position.

1.2 Adverse global economic conditions could result in a downturn in the markets into which the Group's products are sold.

The Group's growth is dependent, in part, on demand for its customers' end products, primarily within the IoT, consumer, healthcare, and industrial sectors. Industry downturns that adversely affect the Group's customers or their customers, could also adversely affect demand for the Group's products. Additionally, global or regional economic slowdowns affecting business and consumer confidence generally could cause demand for semiconductor products to decline.

Risk factors (2/9)

In addition, there are also uncertainties in the global economy due to geopolitical risks related to the recent instability in the Ukraine region, including supply chain disruptions and delays, increases in energy prices globally, increased inflation and continued trade frictions. The conflict in Ukraine, as well as financial sanctions being imposed on Russia by governments including in the United States, the European Union and the United Kingdom, have caused increased volatility in financial markets, and have added to upwards pressure on prevailing energy and some commodity prices. The effects of the conflict in Ukraine, and any further escalation of hostilities, on the global economy is difficult to predict, however any of the foregoing could cause or contribute to a broader global economic downturn, which could affect global or regional demand for semiconductor products, which in turn could adversely affect the Group's business, financial condition and results of operations.

1.3 A global shortage in the supply of semiconductor chips could have a significant impact on the Group's supply.

The nature of the Group's business as a fabless manufacturer of semiconductors, means that the Group is heavily reliant on semiconductor manufacturing in Taiwan, which may be exposed to adverse effects of geopolitics, climate change and natural disasters.

Given current demand and supply forecasts Nordic expects wafer supply to be sufficient to meet current requirements. In order to support future growth opportunities Nordic has increased inventory levels which can increase risk of obsolescence

Numerous factors, such as pandemics, the recent instability in the Ukraine region or further trade tensions between the United States and China, can increase the challenges faced by the industry. The Group may be unable to continue procuring adequate manufacturing capacity from its third-party manufacturers for the production of its products. As a result, this supply shortage could limit the volume of products the Group can produce, delay production of new products or negatively impact the Group's ability to meet its customer's demand for its products. In addition, this shortage could also lead to industry-wide disruptions that may be difficult to predict or foresee, including potential impacts on the semiconductor industry broadly or on the Group's business as a whole. Any of the foregoing could negatively impact the Group's business and results of operations.

1.4 Changes in international trade policies and international barriers to trade, or the escalation of trade tensions, may have an adverse effect on the Group's business.

Since 2018, there have been political and trade tensions among a number of the world's major economies. These tensions have resulted in the implementation of tariffs and non-tariff trade barriers and sanctions, including the use of export control restrictions and sanctions against certain countries and individual companies. In particular, trade tensions between the United States and China have resulted in significant tariff increases, sanctions against specified entities, and the broadening of restrictions and license requirements for specified uses of products. The ongoing geopolitical and economic uncertainty between the United States and China, and the unknown impact of current and future United States and Chinese trade regulations, may cause disruptions in the semiconductor industry and its supply chain or other disruptions. Such disruptions may increase production costs for the Group's end-customers and/or limit their ability to source certain components required for the production of their end-products, which may reduce demand for the Group's products and materially harm the Group's business, financial condition and results of operations.

Risk factors (3/9)

1.5 The Group faces intense competition in the semiconductor industry that may cause it to lose market share and harm its financial performance.

The semiconductor industry is extremely competitive. Competition is based on product performance, structure, pricing, quality, product features, system-level design capability, engineering expertise, responsiveness, new product innovation, product availability, delivery timing and reliability, customer sales and technical support, product line-up and customized design capability. The Group is exposed to competition from existing companies and new entrants, mainly from China. The Group's competitors range from large, international companies offering a full range of products to smaller companies specializing in particular semiconductor products. The Group's competitors may have greater financial, technological, personnel and other resources than the Group has in a particular market or overall, which again may influence the Group's business, scope of assignments and customer relationships in the future.

The Group expects competition in the markets in which it participates to continue to increase as existing competitors improve or expand their product offerings or as new participants enter its markets, including those participants that had not historically engaged in such markets. For example, with Bluetooth Low Energy being adopted across more than 25 identified market verticals, it is likely that more focused and specialized competitors gain market share, especially in verticals where the Group's position is weaker. Furthermore, there is a risk that Bluetooth becomes unattractive compared to other technologies, or is bundled with non-Group technologies. The largest immediate threat comes from various Wi-Fi standards tightly integrated with Bluetooth in combo-chipset. There are other wireless standards, such as Ultra-Wide Band, that may be a risk factor in the long term in some of the verticals where Bluetooth plays a dominant role today.

If the Group fails to keep pace with the rest of the semiconductor industry, it could lose market share in the markets in which it competes. Any such loss in market share could have a material negative impact on the Group's financial condition and results of operations.

1.6 The Group depends on a limited number of customers for a substantial portion of its revenue. If the Group fails to retain or diversify its customer relationships or if its customers cancel or reduce their purchase commitments, the Group's revenue could decline significantly.

In 2022, the Group derived 44% of its total revenue from its 10 largest customers or 54% last 12 months Q3 2023. As a result of its customer concentration and the size of its existing customer base, the Group's revenue could fluctuate materially and could be materially and disproportionately impacted by the decisions of its largest customers if they were to cancel or reduce their purchase commitments. Furthermore, in the event the Group's largest customers experience a dramatic decline in sales, fail to compete with their competitors due to oversupply or overcapacity in the market or if they decide to alter the product mix, the Group's business, financial condition and results of operations could be materially and adversely affected.

1.7 The Group is exposed to credit risk pursuant to trade credit arrangements with its distributors and certain customers.

The Group is exposed to credit risk pursuant to trade credit arrangements with its distributors and certain customers. The main counterparties are leading international distributors of electronic components. The Group integrates credit monitoring routing into any new credit lines and requires security in the form of payment guarantees or advance payment requirements if needed. The Group has not historically suffered any significant credit losses pursuant to its trade credit arrangements with its distributors or customers, however if such distributors or customers were to experience financial difficulties or any deterioration in their ability to satisfy their obligations to the Group, the Group's cash flow could be materially and adversely affected.

Risk factors (4/9)

1.8 If the Group is unable to respond effectively to developments in technology or address the evolving needs of its customers and third-party component manufacturers, demand for the Group's products could decrease.

The Group engages in continuous research and development to improve its existing products and technologies and develop new products. The markets for most of the Group's products are characterized by continuous technological development, and customer requirements regarding the performance of the Group's products are expected to continue to become stricter over time. In such markets, the Group's ability to develop new products to meet evolving customer requirements is a critical factor to the success of its business. Technologies, standards or manufacturing processes may change during development, potentially rendering the Group's products outdated or uncompetitive even before their introduction. If any of the Group's competitors develop new technologies or products that are more attractive to the Group's customers, the Group's products could be rendered obsolete or demand for its products could decrease. Similarly, end products may evolve or be replaced by other new types of end products in a manner that reduces the need to use the Group's products. For example, there is a risk that the Group may not be successful in executing its strategy to capture the cellular IoT market opportunity in terms of scale, time, and volume. The Group launched the nRF91 Series at the end of 2018, which is the Group's first family of low power devices for cellular IoT. There is still a risk that cellular IoT will not be as successful as the Group had hoped for, or that the market is skewed toward NB- IoT where simpler, lower cost devices dominate. The Group's customers may also choose competing low power wide area network (LPWAN) technologies or cancel roll-out of products due to lack of any of the LPWAN technologies. If the Group is unable to keep pace with changes in technology or successfully develop new products, its market share or revenue could decrease, and its business could be adversely affected.

1.9 The Group's business, financial condition and results of operations may be adversely affected if its third-party component manufacturers or distribution partners are not able to match manufacturing or distribution capacity to demand.

The Group is a fabless semiconductor company which outsources component manufacturing and relies on distribution partners for sales to the broad market of original electronics manufacturers and to end-users. As a fabless company, the Group outsources the capital-intensive production of silicon wafers, packaging and testing of its products to third-party suppliers, mainly in South-East Asia. The manufacturing pipeline involves multiple stages with multiple suppliers and the ability and willingness of these suppliers to perform is largely outside of the Group's control. If one or more of the Group's third-party component manufacturers or distribution partners fails to perform its obligations in a timely manner or at satisfactory quality levels, the Group's ability to market its products and its reputation could suffer. If production or manufacturing capacity is delayed, reduced or eliminated at one or more of these suppliers, the overall manufacturing process could be disrupted, which could lead to difficulties or delays in fulfilling the Group's customer orders, particularly amid periods of high product demand, and which could in turn cause the Group's revenue to decline in the short-term, and harm the Group's customer relationships in the long-term. The manufacturing processes involved often depend on tooling developed and provided by the Group, specifically the chip design itself, as well as certain test programs and hardware used for quality screening. Failure on the Group's end to provide good quality or enough quantity of such tooling may have the same consequences as outlined above.

Risk factors (5/9)

1.10 The Group's failure to adequately protect its technologies and know-how through patents and other intellectual property rights could negatively impact its competitiveness and harm its business and future prospects.

The Group's ability to compete in the semiconductor industry depends heavily on its technologies and know-how. The Group commits significant resources to secure protection for such technologies and know-how through patents and other forms of intellectual property rights, and to prevent dissemination of unpatented trade secrets and other proprietary information, including by entering into confidentiality agreements with its employees and controlling access to its offices and facilities. However, there can be no assurance that the measures the Group are taking will effectively deter competitors from improper use of its intellectual property, particularly in countries and areas where intellectual property may not be adequately protected. The Group's competitors may misappropriate its intellectual property, or its intellectual property may become known or independently developed by its competitors. In addition, disputes may arise concerning the ownership of the Group's intellectual property or the applicability or enforceability of its confidentiality agreements, and there can be no assurance that any such disputes would be resolved in the Group's favor. Even if the Group is successful in any such disputes, it cannot be certain that it will have adequate remedies for any such breach. If the Group is unable to adequately protect its intellectual property where relevant, it could negatively impact the Group's competitiveness and adversely affect its business and future prospects.

1.11 The Group relies on technology provided by third parties, and its business may be negatively affected if it is unable to renew existing licensing arrangements, obtain future license arrangements or if it becomes subject to disputes or other negative consequences relating to existing or future licensing arrangements.

The Group has entered into licenses for the use of technologies implemented in its products. The Bluetooth specifications are intended to be written so that all patent claims which are necessary to implement them are held by members of the Bluetooth Special Interest Group (SIG), of which the Group is a member. Any necessary claims held by members of the Bluetooth SIG, are automatically licensed to members like the Group as a condition of membership. However, there are other participants in the industry that own patents and are not members of the Bluetooth SIG, who assert their patents towards companies such as the Group. The Group has never been prevented from selling its established line of products due to intellectual property rights and is continuously investigating any allegations by patent holders that the Group's products infringe on the intellectual property of others. The Group has always been able to achieve amicable solutions without resorting to litigation.

Nevertheless, if the Group is unable to renew its existing technology licensing arrangements on acceptable terms, or if such arrangements are terminated for any reason, the Group may lose the legal protection to sell certain of its products. The Group is therefore constantly evaluating second sourcing and new interest groups to decrease dependency on such providers. In the future, the Group may also need to obtain additional licenses for new or existing technologies. The Group has made progress and signed license agreements on a component level and on behalf of customers over the last year, but cannot provide assurance that certain license agreements can be obtained on acceptable terms or at all within cellular technology. The Group's business and operating results can be affected by such refusal by some patent owners to license component manufacturers, such that customers might choose other vendors with better indemnification protection for such risk. This is a wider industry problem, and not only a risk for the Group specifically.

Risk factors (6/9)

1.12 The Group’s products may be subject to product liability and warranty claims, which could be expensive and could divert management’s attention.

The Group makes highly complex electronic components and, accordingly, there is a risk that defects may occur in its products that are not detected during the development and manufacturing process. Such defects can give rise to significant costs for the Group, including expenses relating to recalling products, replacing defective items, writing down defective inventory, delays in, cancellations of, rescheduling or return of orders or shipments and loss of potential sales. In addition, the occurrence of such defects may give rise to product liability and warranty claims, including liability for damages caused by such defects. Moreover, since the cost of replacing defective products is often much higher than the value of the products themselves, the Group may at times face damage claims from customers in excess of its warranty obligations or the relevant sales amounts, including consequential damages.

The Group also faces exposure to potential liability resulting from how its customers typically integrate the semiconductors it sells into numerous products, which are then in turn sold into the marketplace. These end products are often highly complex and may occasionally involve the use of the Group’s product in ways not originally envisioned by it. In these cases, the Group’s products can only be fully tested when deployed in the end products, and its customers may discover defects or errors only after the end products have been deployed. In addition, the Group may be named in product liability claims relating to such end products even if there is no evidence that the Group’s products caused a loss. Product liability claims could result in large expenses relating to defense costs or damages awards. Such events could have a material negative impact on the Group’s reputation, business, financial condition and results of operations.

1.13 The Group’s loss of key management and other personnel and inability to attract key management and other personnel could impact its business.

The Group depends on its senior executive officers and other key personnel to operate its business and on technical experts to develop new products and technologies. Turnover in these positions could adversely affect its operations, as it could lead to delays in the development of new products and technologies compared to competitors in the market, affecting the Group's relationship with its customers. Competition for qualified employees among companies that rely heavily on engineering and technology is intense, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees required for the operation and expansion of the Group’s business could hinder its ability to conduct research and development activities successfully and develop marketable products. The Group’s success going forward depends in part on its ability to continue to recruit, train, develop and retain such personnel, and if it loses key personnel to competitors or at a rate greater than it anticipates, or if it has difficulty attracting new, highly talented employees, its reputation and its business, financial condition and results of operations could be affected.

1.14 The Group is increasingly reliant on information technology in its operations, and any failure of such systems could harm its ability to effectively operate its business.

The Group relies heavily on information technology systems across its operations, including for procurement, research and development, sales, delivery and various other processes and transactions. The Group’s ability to effectively manage its business and coordinate the production, distribution and sale of its products depends significantly on the reliability and capacity of these systems. In the addition, the Group may face attempts by others to gain unauthorized access through the internet, or to introduce malicious software, to its information systems and, if successful, could expose the Group and any other affected parties to risk of loss or misuse of proprietary or confidential information or disruptions of the Group’s business operations. The failure of the Group’s information technology systems to operate effectively, problems with transitioning to upgraded or replacement systems, a material network breach in the security of these systems as a result of a cyber-attack or other incident, or any other failure to maintain a continuous and secure cyber network, could result in delays in customer service or a worsening in the Group’s relationships with customers, reduce efficiency in its operations, require significant capital investments to remediate the problem or result in negative publicity that could harm its reputation.

Risk factors (7/9)

1.15 The Group's failure or alleged failure to comply with regulatory requirements, including competition laws and regulations and anti-corruption laws, could result in the imposition of penalties or sanctions and the incurrence of significant legal costs.

The Group is subject to the regulatory regimes of each country in which it operates, including, among others, those relating to antitrust, anti-corruption, corporate governance, labor and customs regulation. Although the Group has in place internal controls and compliance systems for the purpose of complying with such laws and regulations, there can be no assurance that such systems, and the Group's other efforts to promote compliance, will be effective. Any violation of the relevant regulations could result in criminal penalties, sanctions, significant fines or mandatory suspension from certain business activities and could also adversely affect the Group's reputation, business and results of operations. The Group may also incur significant costs associated with enhancing its compliance functions as regulations and laws change in the countries in which it operates.

1.16 The Group has operations worldwide and is subject to risks relating to tax, including changes in tax laws and regulations.

The operations of the Group are carried out in several countries across the world, and, therefore, the Group's tax filings are subject to the jurisdiction of a significant number of tax authorities and tax regimes, as well as to cross-border tax treaties between governments. Further, the nature of the operations of the Group means that the Group routinely has to deal with complex tax issues, as well as competing and developing tax systems where tax treaties may not exist or where the legislative framework is unclear and/or subject to change without pre-warning or transitional regulations. Changes in direct or indirect tax laws, tax practices or compliance requirements, the practical interpretation and administration thereof, including in respect to market practices, or otherwise, in any jurisdiction in which the Group operates could have a material adverse effect on the business, results of operations and financial condition of the Group.

1.17 Exchange rate and interest rate fluctuations may affect the Group's financial condition or results of operations.

The Group operates globally and is exposed to foreign currency risk, as its sales revenue and direct production costs are almost entirely denominated in United States Dollars ("**USD**"), whereas approximately 50% and 20% of its operating expenses were denominated in Norwegian Kroners ("**NOK**") and Euros ("**EUR**"), respectively, in 2022. In connection with the incurrence of the Bonds the Company may enter into a NOK to USD currency swap which if unwound prior to the maturity date of the Bonds may incur a significant exposure. Since the operating activities of the Group are almost entirely denominated in USD, the Group does not use hedging instruments for USD other than the foregoing. Therefore, fluctuations in the exchange rates between the USD, NOK or EUR currencies may have an adverse effect on the Group.

Interest rate risk on floating rate bonds: The risk is due to the variability of the applicable reference rate of 3 months NIBOR (the "**Reference Rate**"). The coupon payments, which depend on the Reference Rate and the Margin, will vary in accordance with the variability of the Reference Rate. The value of the Bonds will depend on changes in the Reference Rate and any changes in the credit spread (Margin), relative to the Margin at the issue date, at a certain point in time for the remaining tenor of the applicable bond. Any potential changes in the quotation of the Reference Rate may also influence the value of bonds with floating coupon rates. The Bond Terms contain a clause/definition about what would replace the Reference Rates to ensure that this will be at market terms.

Interest rate risk on fixed rate bonds: Changes in market interest rates may adversely affect the value of a Bondholder's investment. If the Bonds have been issued with a fixed coupon rate, the coupon will be fixed for the tenor of the Bond. However, the value of the Bond may adversely be affected by changes in the underlaying market rates and/or any changes in the credit quality of the Issuer implying an increased credit spread (Margin) compared with the Margin used to fix the coupon rate at the issue date.

Risk factors (8/9)

2. FINANCIAL RISKS

2.1 Covenants under the Group's existing borrowing arrangements may lead to inability to finance operations, capital needs and to pursue business opportunities, and the breach of any such covenants could have a material adverse effect on the Group's operations.

The Group is subject to certain affirmative and negative covenants contained in the terms in the up to USD 150 million secured revolving credit facility committed on 3 June 2022 between the Company, as borrower, and Danske Bank A/S, as agent (the "**RCF**").

In particular, the RCF requires the Group to maintain an equity ratio of at least 40%. The Group's ability to meet that financial ratio can be affected by events beyond the Group's control, and the Group cannot assure that the Group will meet it. The terms of the RCF further restrict the Company's and the Group's ability to (i) merge, demerge or enter into and (ii) incur additional financial indebtedness. Even though these limitations are subject to carve-outs and limitations, some of the covenants could limit the Group's ability to finance future operations and capital needs, and its ability to finance future operations and capital needs and its ability to pursue activities that may be in the Company's and/or the Group's interest.

Any breaches of financial or other covenants of the RCF could result in an event of default. An event of default under the RCF could have a material adverse effect on the Group and its ability to carry on its business and operations and, in turn, the Group's ability to fulfil its obligations under the RCF, including paying all or parts of the interest or principal amount.

3. RISKS RELATED TO THE BONDS

3.1 Risks related to the market for the Bonds.

The Bonds will be new securities for which there is currently no trading market, and although the intention is to apply for a listing of the Bonds on the Oslo Stock Exchange, there can be no assurance given regarding the future development of a trading market for the Bonds. The liquidity of any market for the Bonds will depend on the number of holders of those Bonds, investor interest at large and relative to the Company and its business segment in particular, and the interest of securities dealers in making a market in those securities and other factors. Accordingly, there can be no assurance as to (i) the liquidity of any such market that may develop, (ii) the holders of the Bonds (the "**Bondholders**") ability to sell the Bonds, or (iii) the price at which Bondholders would be able to sell the Bonds. In addition, subsequent to their initial issuance, the Bonds may trade at a discount from their initial placement, depending on the prevailing interest rates, the market for similar securities, performance of the Company and other factors, beyond the Company's control. If an active market does not develop or is not maintained, the price and liquidity of the Bonds may be adversely affected.

3.2 Risks related to the Bonds not being secured.

The Bonds are unsecured. Consequently, the right to receive payment under the Bonds in a default and enforcement scenario will be subject to all secured creditors first receiving due payment. Under a bankruptcy, holders of the Bonds will not receive any payment unless there are remaining funds after the secured creditors of the Company have received payment in full. This could result in the holders of the Bonds only receiving repayment in part or not at all.

Risk factors (9/9)

3.3 Risks related to put options, mandatory prepayment and early redemptions.

According to the terms for the Bonds, the Bonds will be subject to prepayment at the option of each Bondholder at 101% of the initial nominal amount upon a change of control event (as further set out in the term sheet for the Bonds) ("Put Option"). However, there can be no assurance that the Issuer will have sufficient funds at the time of exercise of such Put Option to make the required redemption of Bonds, which in turn could adversely affect the Issuer (e.g., by risking insolvency or triggering an event of default under the terms for the Bonds), and consequently adversely affect all Bondholders and not only those that choose to exercise such Put Option.

3.4 Risks related to the Issuer's dependency on the financial performance of the Group for amounts due on the Bonds.

The Issuer's ability to pay any amounts due on the Bonds is, to a significant extent, dependent on the Group's financial performance and will depend upon the level of distributions, interest payments and loan repayments, if any, received from its operating subsidiaries, associated undertakings and joint ventures, any amounts received on disposals of assets and equity holdings and the level of cash balances. Certain of the Group's operating subsidiaries, associated undertakings and joint ventures are and may, from time to time, be subject to restrictions on their ability to make distributions and loans including as a result of restrictive covenants in loan agreements, foreign exchange and other regulatory restrictions and agreements with the other shareholders of such subsidiaries or associated undertakings.

3.5 Risks related to restrictions on transferability of the Bonds.

The Bonds may be subject to restrictions on transferability and resale under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

3.6 Risks related to exchange rates for non-NOK investors.

The Bonds are issued in NOK, and any future payments of interest on the Bonds will be paid in NOK. Accordingly, any investor with another reference currency in its ordinary course of business is subject to adverse movements in the NOK against their local currency as such adverse movements could have a material adverse effect on the local currency equivalent of any NOK payments on the Bonds.