

Nordic at a glance

Investor Relations
August 2024


NORDIC
SEMICONDUCTOR



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 Q2 results released on August 8, 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.

A globally leading IoT enabler

Simplifying lives through all things connected



Founded 1983	Employees 1,390 (-75% R&D)	Oslo listing OSEBX:NOD	Market Cap ~\$2.4bn
-----------------	-------------------------------	---------------------------	------------------------

- Fabless semiconductor company specialized in low power wireless connectivity and embedded processing for IoT
- Market leader in Bluetooth Low Energy
- Early adopter of Thread (802.15.4) and support for Zigbee
- Launched Wi-Fi 6 connectivity (dual band)
- Committed to Matter - active contribution to Matter SW development
- Early mover in cellular IoT & 5G with LTE-M, NB-IoT and DECT NR+
- Value added device control and management through nRFCloud

Dedicated to wireless connectivity

Broad portfolio - scalable solutions - common software platform

Strong product and solutions portfolio...

...for short-, medium- and long-range connectivity technologies



Low-power integrated circuits (ICs)

+



Embedded software

+

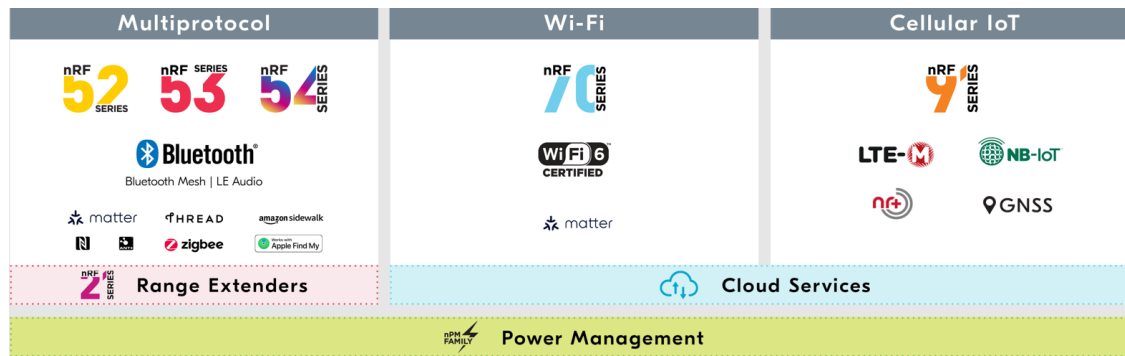


Advanced development tools

Short-range IoT

Medium-range IoT

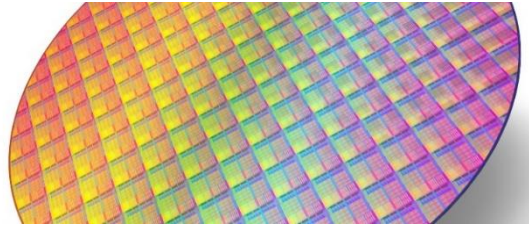
Long-range IoT



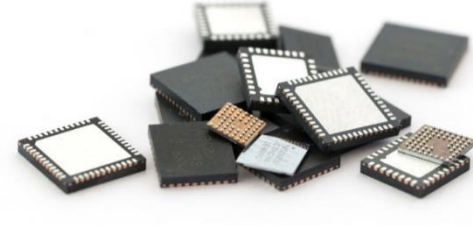
Resilient supply chain



- Norwegian company
- R&D in Norway, Finland, Sweden, UK, Poland, India and USA
- All development in-house

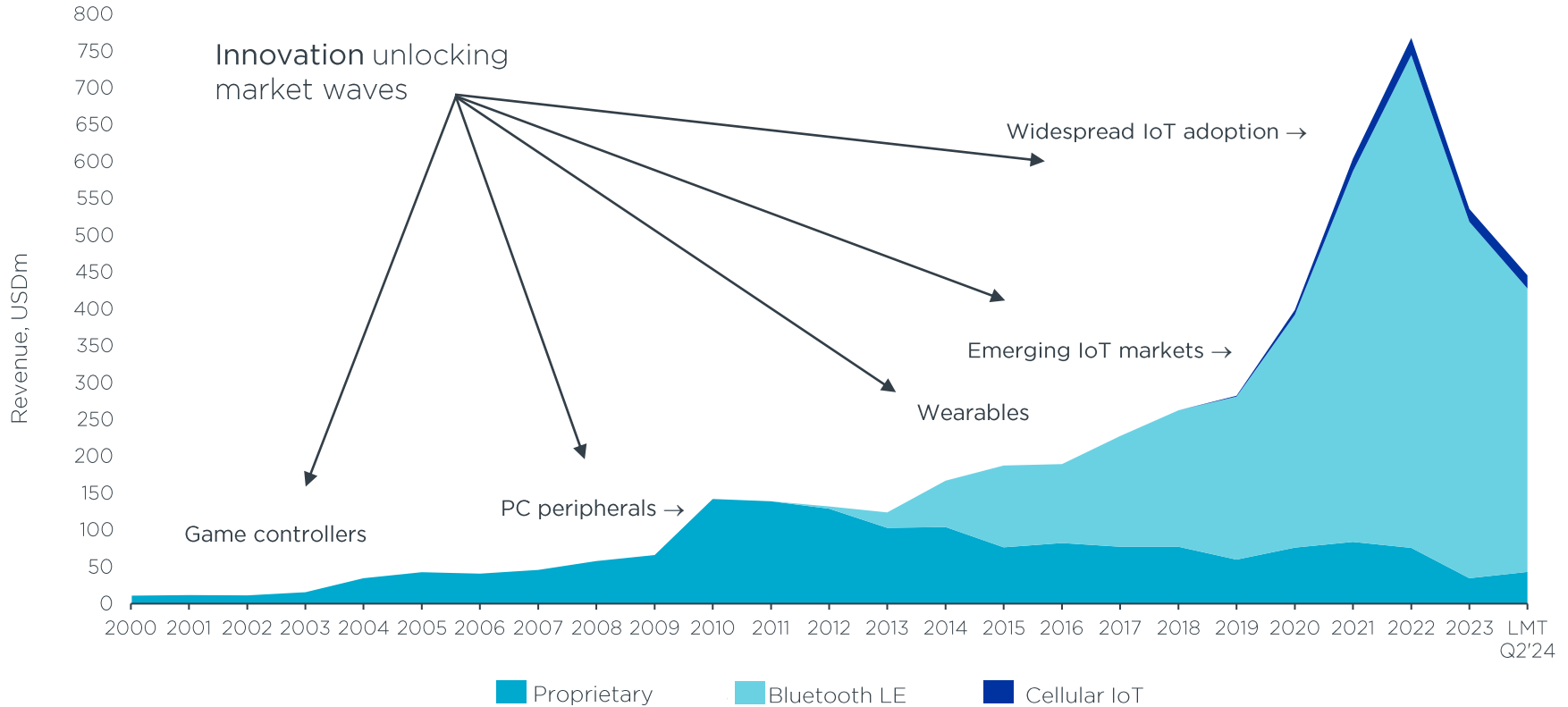


- Wafer production outsourced to TSMC and Global Foundries
- Facilities in Taiwan and Germany

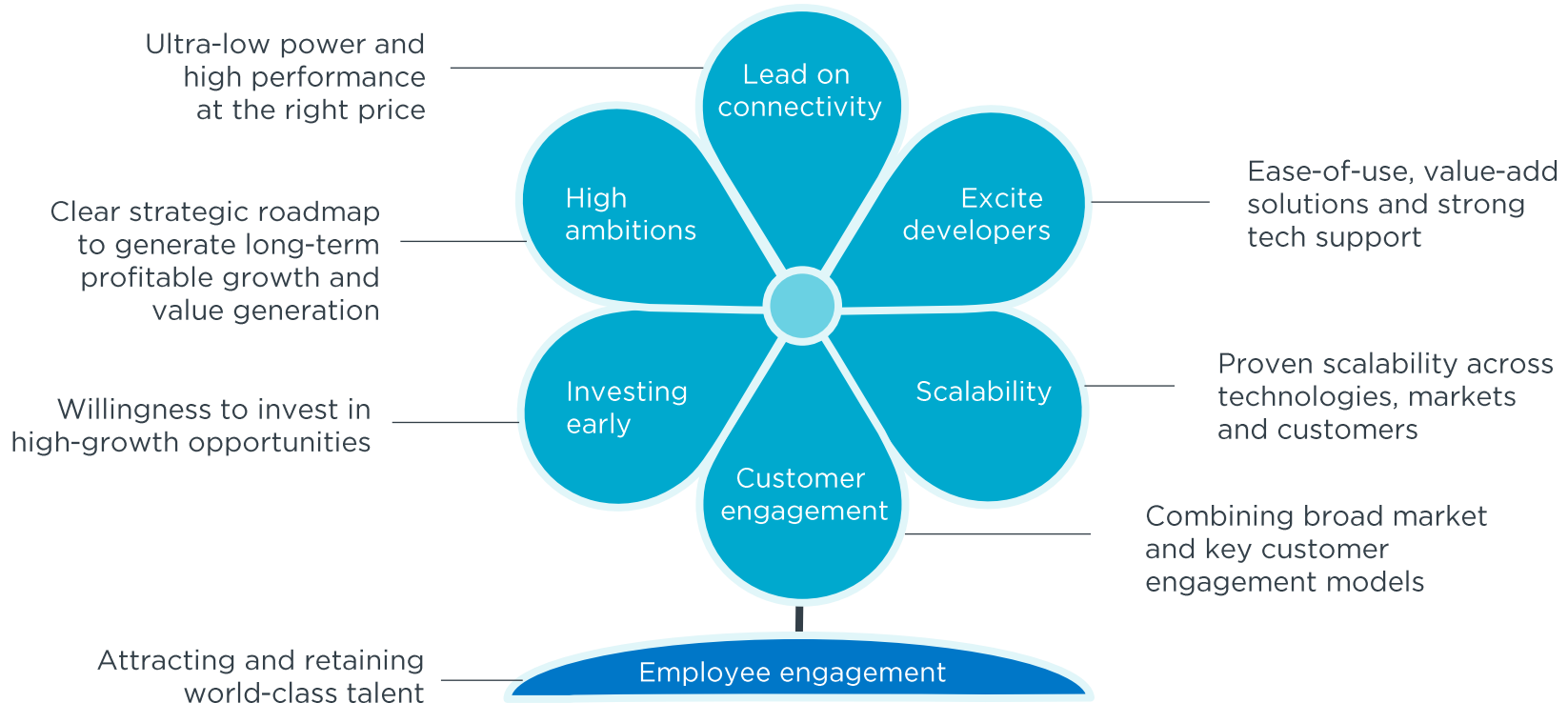


- Test and packaging outsourced to ASE, Amkor, Nepes and Qorvo
- Facilities in Taiwan, Philippines and China

Nordic is on a long-lasting growth journey



Strategy based on distinctive advantages



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



2024 Time magazine and Statista

Named one of the "Worlds Most Sustainable Companies"



2023 EM Best Awards

IoT Semiconductor Company of the Year
For Product innovation, excellence, and sustainability

2024: Reorganizing with 4 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

Short-range IoT

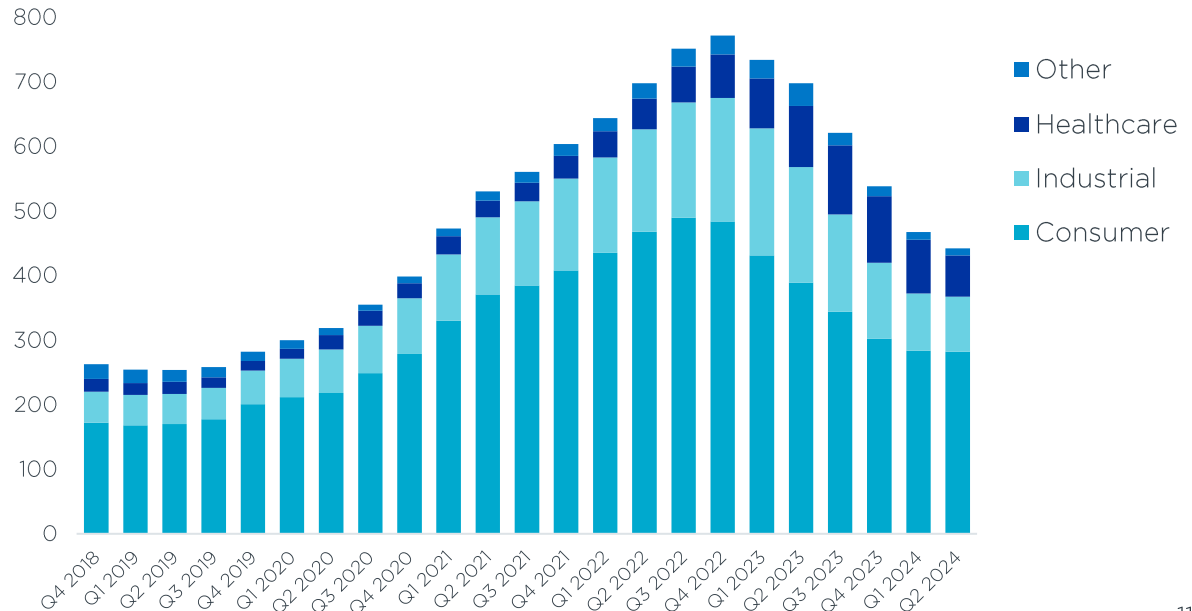
Market leader with strong growth

Revenue by end-user market

Markets beginning to stabilize

- Weak demand in all markets through 2023
- Markets beginning to stabilize, with sequential revenue improving in Q2'24 in reflection of higher demand from both key customers and the broad market

Short-range revenue by end-user markets, last 12 months (USDm)



Breakdown by end-user markets

Aligned with customers end-products and our sales structure

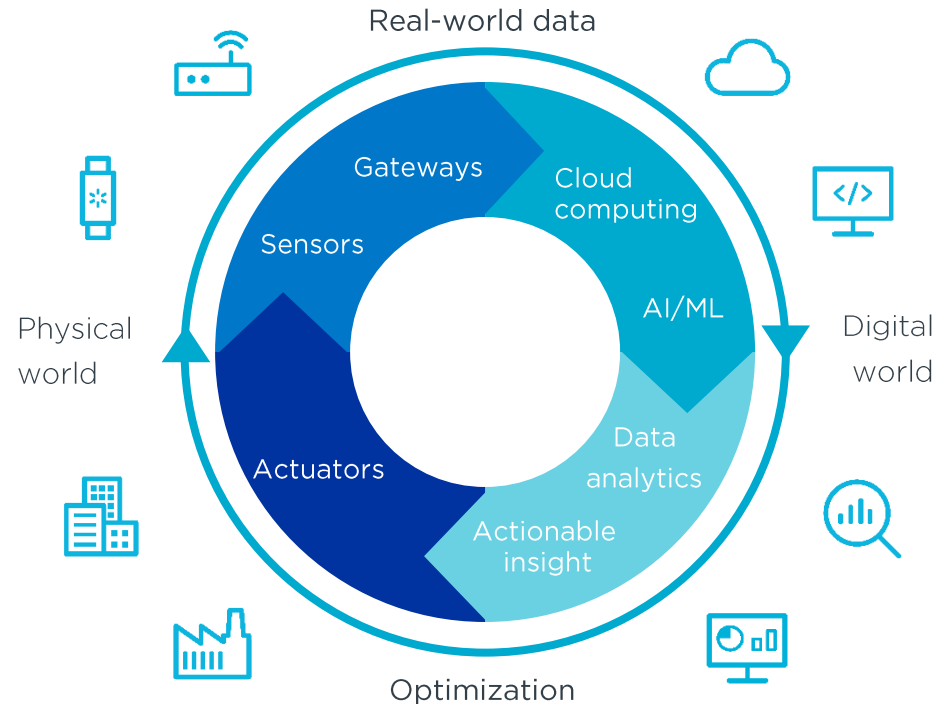
Markets	Verticals
Consumer	<ul style="list-style-type: none"> ▪ Mobile/PC HID ▪ Wearables ▪ Smart Home ▪ Gaming ▪ VR/AR ▪ Consumer Asset Tracking ▪ Consumer Health ▪ Audio ▪ Toys ▪ CE Remotes ▪ Wireless Charging ▪ Other
Healthcare	<ul style="list-style-type: none"> ▪ Drug Delivery ▪ Disease Monitoring ▪ Hearing Aids ▪ Other
Industrial	<ul style="list-style-type: none"> ▪ Asset Tracking ▪ Professional Lighting ▪ Metering ▪ Building Automation ▪ Modules ▪ Retail ▪ Transportation ▪ Payment / ID ▪ Tools and Machinery ▪ Agriculture ▪ Beacons ▪ Maker and Education ▪ Automotive ▪ Other
Other	<ul style="list-style-type: none"> ▪ Catalog sales ▪ Undefined

IoT - Connect, Compute, Analyze and Act

IoT starts with connecting things

Bridging the physical and digital worlds requires:

- **Advanced** connectivity solutions
- **Powerful** low power compute
- **Accurate** sensing capability



Key connectivity for platform ecosystems

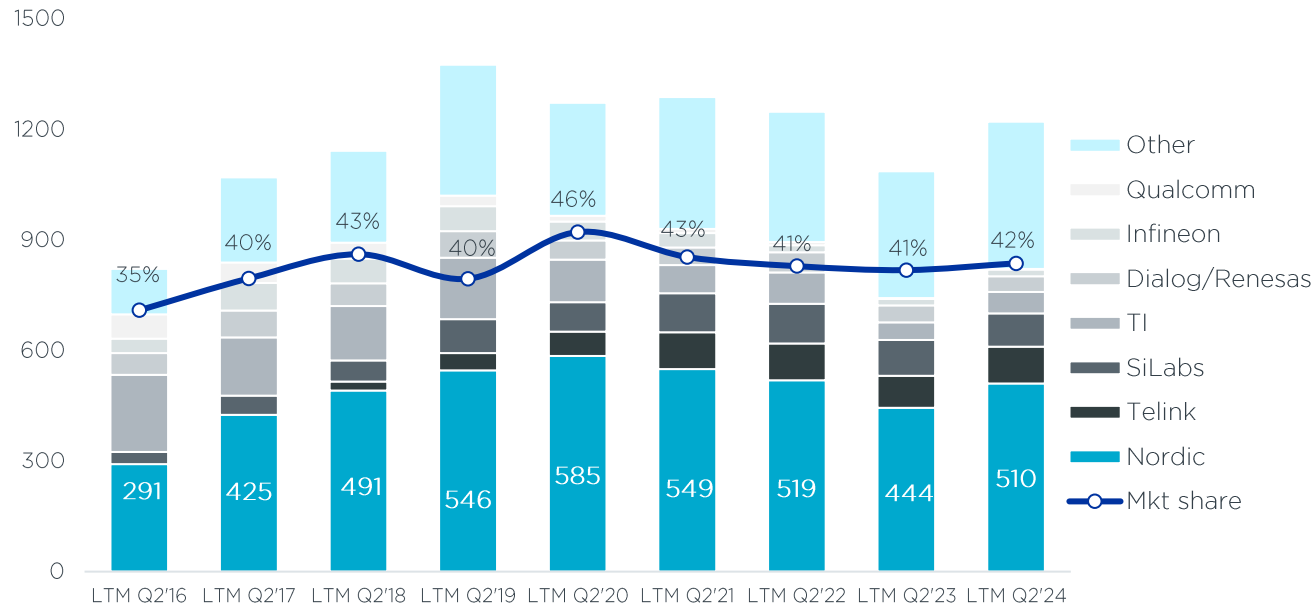
- Nordic leverages on leading broad market position and strong key customer relations built over many years
- Recently added support for Google's 'Find My Device', adding to already established support for 'Apple Find My'



High and stable design win market share

Outpacing the total market LTM

Bluetooth Low Energy end-product certifications, last 12 months



Nordic end-product certifications

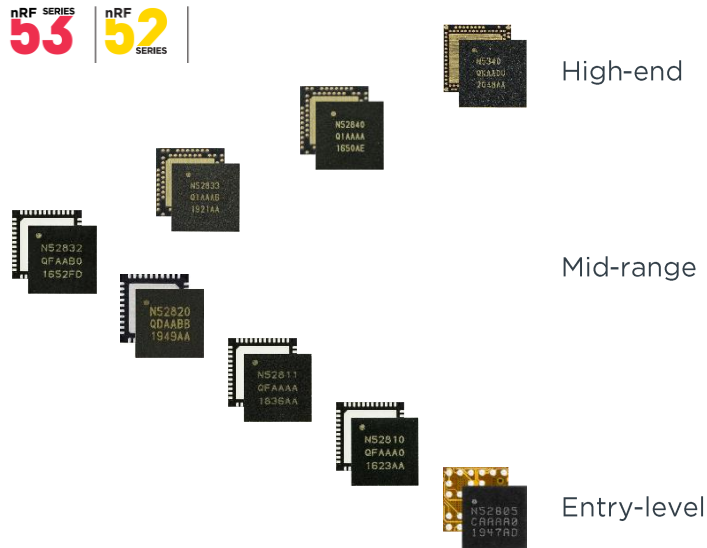
Q2'24
130 designs
 38% mkt share

LTM Q2'24
510 designs
 42% mkt share

*Source: DNB Markets/FCC

Successful short-range product strategy

Customer centric broadening of the portfolio



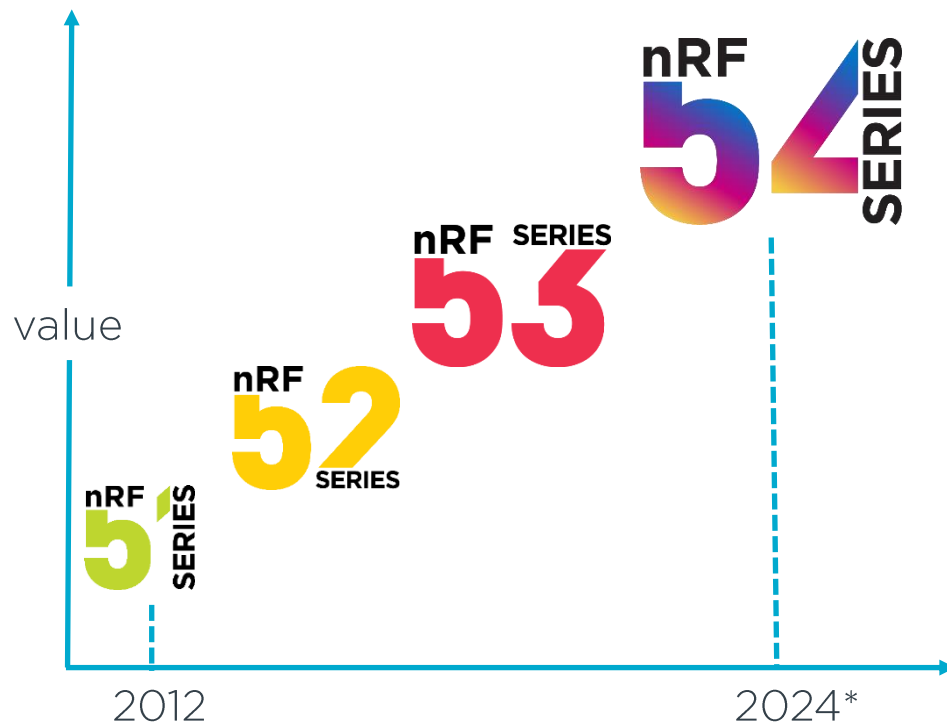
- Broad portfolio of ultra-low power SoCs
 - Multiprotocol products combining Bluetooth LE, Bluetooth mesh, ANT, NFC, Matter, Thread and Zigbee
- Leading the market on power consumption, performance and features
- Catering to all types of applications
 - From entry-level SoCs for cost constrained applications to high-end SoCs for complex IoT
- Major R&D efforts ongoing for development of next generation SoCs



Nordic 4th generation wireless SoCs

Setting a new standard in performance, efficiency
and security

Driving value through continuous innovation

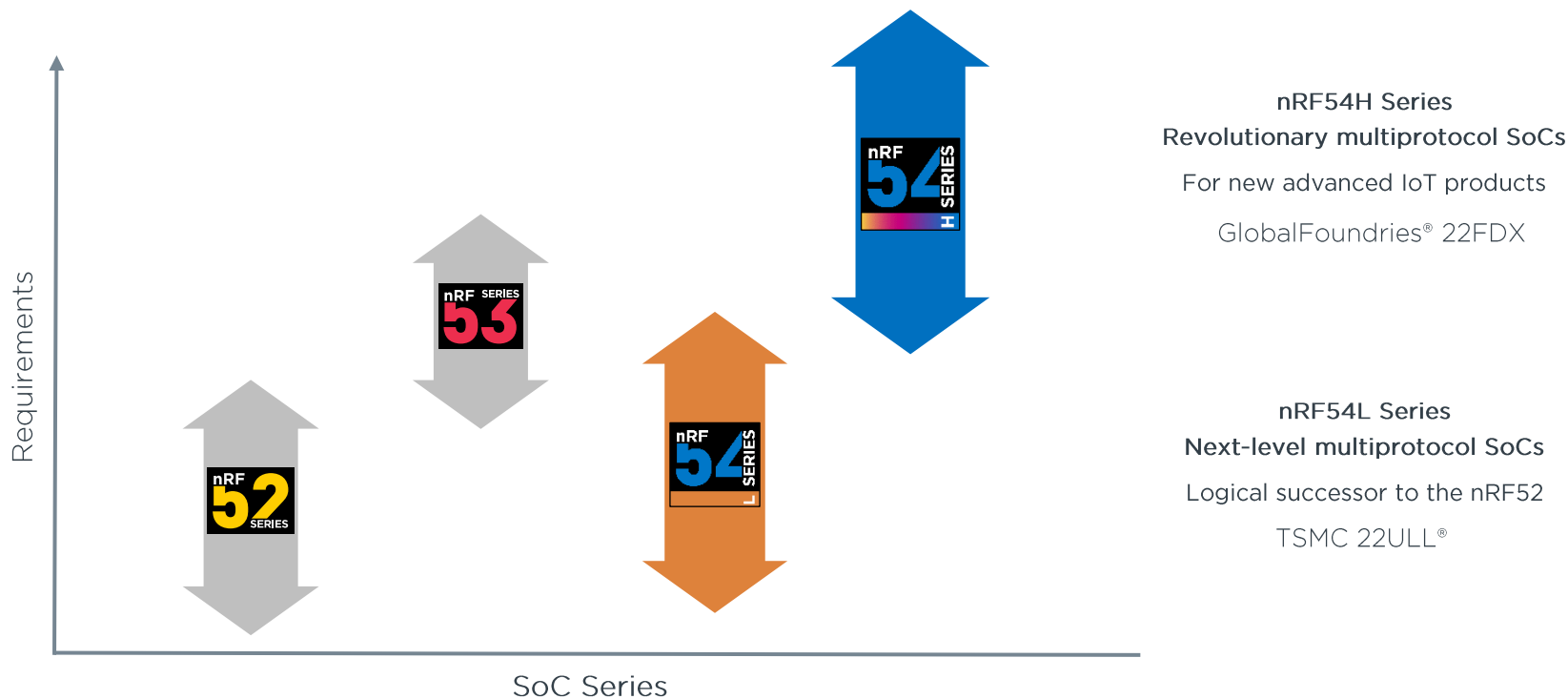


- New product families increases overall value for customers
- More features enables faster time to market and better end-products from our customers

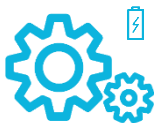
*Initial revenue by year end 2024

Nordic raising the bar once again

nRF54 - sampled both L and H to >200 customers by mid 2024



Cornerstones of the nRF54 Series



Higher processing power
lower power consumption

22nm

Smallest and most modern
process node for connectivity in IoT

nRF54 SERIES



More security integrated
ensuring its readiness for the next
generation of IoT



4th generation Nordic radio
equipped to support future Bluetooth
specification updates



5.4 LE Audio Mesh



2.4 GHz
4 Mbps throughput

Targeted applications



PC accessories

Gaming, VR, AR, and media controllers

Smart home and Matter

Medical devices

Industrial IoT



Advanced wearables

VR, AR, and advanced gaming controllers

Smart home and Matter

Medical and healthcare

LE Audio

Industrial

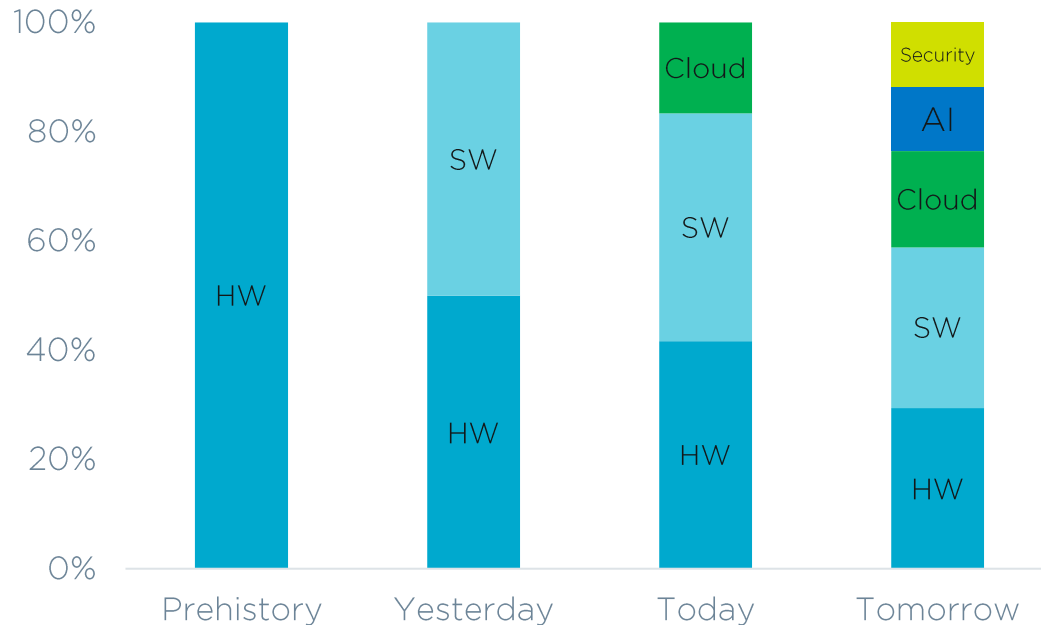
E-mobility

Long-range IoT and adjacent technologies

Early mover in next growth waves





Delivering on our customers' needs

Customer investment in product development



- Nordic is providing solutions to our customers reaching beyond ICs
- Investments in Software, Cloud, AI and Security is essential for the next growth wave

Broadening our technology space

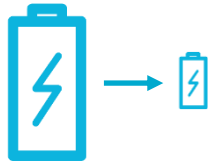
	Cellular IoT
	Wi-Fi
	Power management
	Cloud Services

Sound **investment criteria** across technologies, products, services and verticals

- Sizeable markets
- Growth above industry average
- Opportunity for healthy gross-margins
- Opportunity to grow market share
- Feasibility from technical and financial viewpoint and time to market

Cellular IoT: nRF91 Series – Ease of use

Lowest Power



Designed for low power IoT
Efficient HW, FW, protocols and
optimized cloud services

Verify with Power Profiler Kit II

Security Lifecycle



nRF Cloud Security Services
from blank to securely
connected device

Secure boot, authenticated
FOTA, secure key/data storage

Reduced cost of ownership



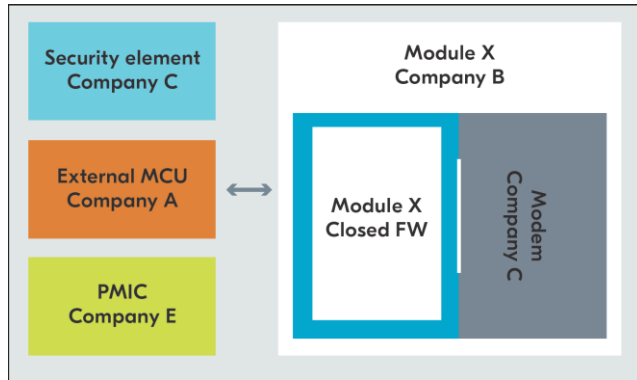
Single integrated hardware for
global deployment

Tools and SDK for faster time to
market

Lowers total cost and simplify supply chain

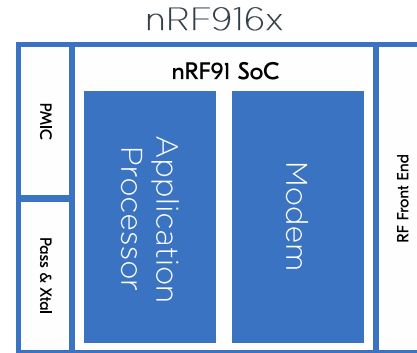
Others

Fragmented ownership



Nordic

Full solution ownership



Completely integrated

- Lower complexity
- Lower power
- Smaller size
- Total lower cost
- Simpler supply chain
- Support and maintained
- Globally Certified

Target Applications – Cellular IoT



Asset tracking

People/pet/pallet tracking and health management
Portable medical devices



Smart City

Waste management
Smart streetlights
Environmental management
Device maintenance
Smart parking



Smart metering

Water/electrical/gas metering
Agriculture

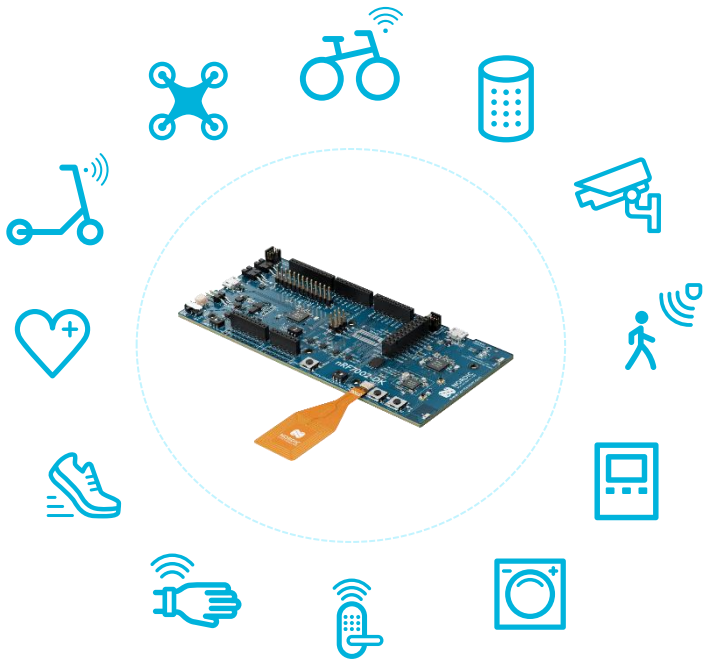



Industry 4.0

Predictive maintenance
Smart grid

Expanding into Wi-Fi

nRF70 Series - enabling IoT



- Wi-Fi 6 companion IC - 40nm node
 - Dual band, 2.4 GHz and 5 GHz
 - QFN 6x6mm package
 - ~US\$ 2 in high volumes
 - Customer projects within Smart Home/Matter, Building Automation and Asset Tracking and other verticals
-
-  Low Power - Efficient radio power saving schemes
 -  Robust performance - in dense congested environments
 -  Secure - Cutting-edge security protocols

Expanding the PMIC portfolio

Multi-function PMIC with unique system management features

Launched '21
nPM1100



Launched '22
nPM6001



Launched '23
nPM1300



Charging		No	
Power Rails (DCDC+Linear)	1	4+2	2+2
System Management Features			
Price			
Use Case	Bluetooth LE, cloT	Bluetooth LE, Wi-Fi, cloT	Bluetooth LE, cloT
Availability	In production	In production	In production

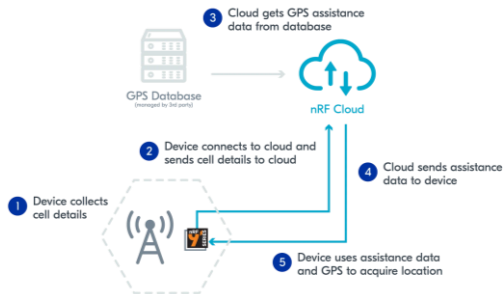
"I have been an earlier adopter for many of your parts over the years and would really like to put this PMIC in a design where the customer reaction is simply WOW. Congratulation for you and your team, you are definitely going to shake up the industry."

Customer email when nPM1300 was launched

Expanding into cloud-based services

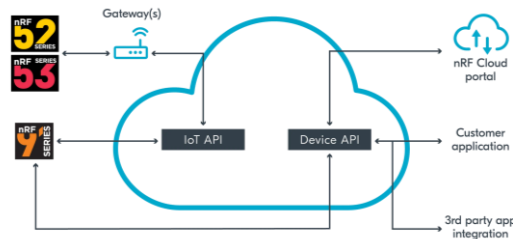
A new long term revenue stream for Nordic Semiconductor

Location Services



Initial services for nRF91 Series
 Assisted / Predictive GPS
 Cell-tower based location
 Significantly enhances battery life

Future Services



Also for short-range devices
 Firmware Over The Air updates
 Device lifetime management
 Other value added services

One-stop-shop



Out-of-the-box support on Nordic kits
 Tightly integrated, device to cloud
 Single sales point for customer
 «Ease of use»

Expanding existing technology

Nordic strong contributor to new 5G, ETSI DECT NR+ standard



DECT NR+ reinvents the familiar DECT technology standardized by ETSI three decades ago. Supporting highly reliable low-latency connection between large numbers of densely-packed devices, it's a scalable, cost-effective solution for enterprise IoT and machine-to-machine applications including industrial automation, sensor networks, logistics and smart buildings.

WORLD'S FIRST NON-CELLULAR 5G TECHNOLOGY, ETSI DECT NR+, GETS ITU-R APPROVAL

- Nordic main contributor to the physical layer and a key contributor to the medium access layer of the specification
- Leverage our cellular investments with initial solution being built around the nRF91 Series
- In partnership with Wirepas, a Finish massive IoT wireless solution SW specialist company.

Acquired 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)
- The acquisition obtained U.S. regulatory approval December 1, 2023



"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

IoT supporting sustainability

Nordic recognized by Time magazine and Statista

Named one of the "Worlds Most Sustainable Companies"

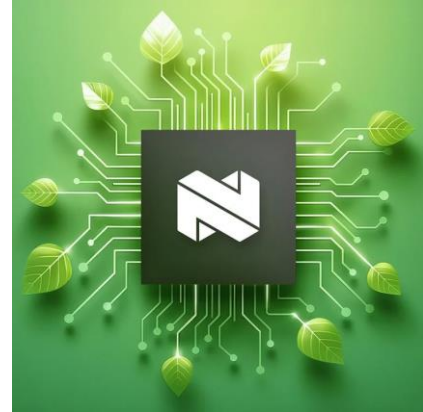
- TIME and Statista to recognize and reward companies that **prioritize sustainability** is designed to promote corporate responsibility and advance sustainable practices



Now using recycled plastic component packaging

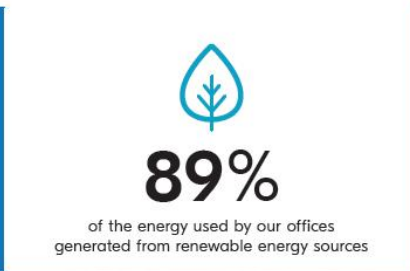
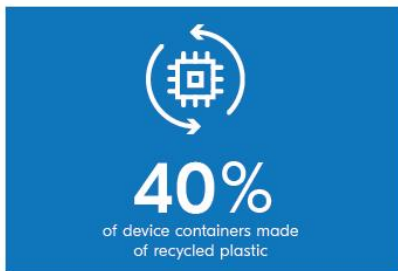
An important step in our sustainability strategy

- Nordic one of the first semiconductor companies to use component reels made from recycled plastic
- The switch to recycled plastic will reduce plastic waste by almost 15,000 kilograms per year



"Regarding ESG, we make an effort to walk our green talk"
Ole-Fredrik Morken, EVP of Supply Chain, Nordic Semiconductor

2023 ESG and people highlights



Awarded

A-



Awarded

B+



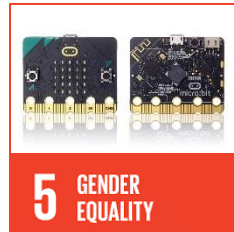
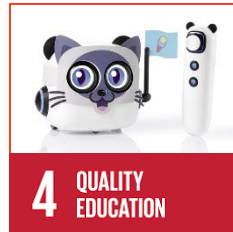
Received

**ESG Top-Rated
Companies list**



Sustainability depends on technology

Disruptive IoT projects can contribute immensely to UN SDGs



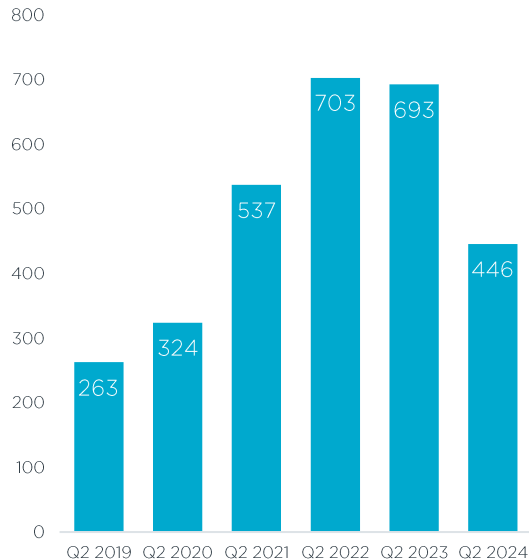
Key financials & Summary

Continuing a profitable growth journey

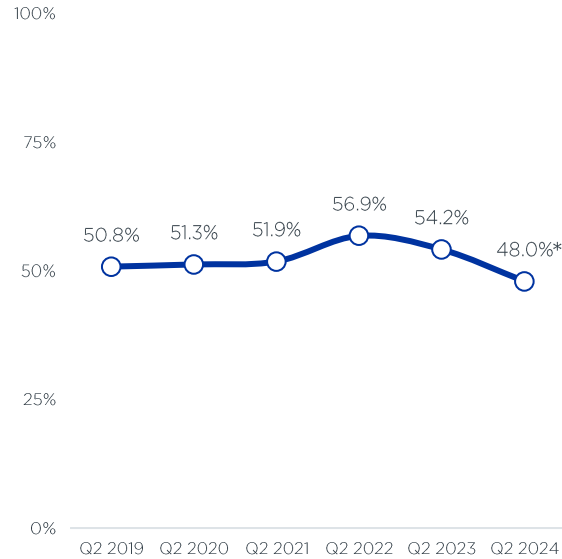
Financial performance – rolling 12 months

Earnings decline reflecting lower revenues and gross margin

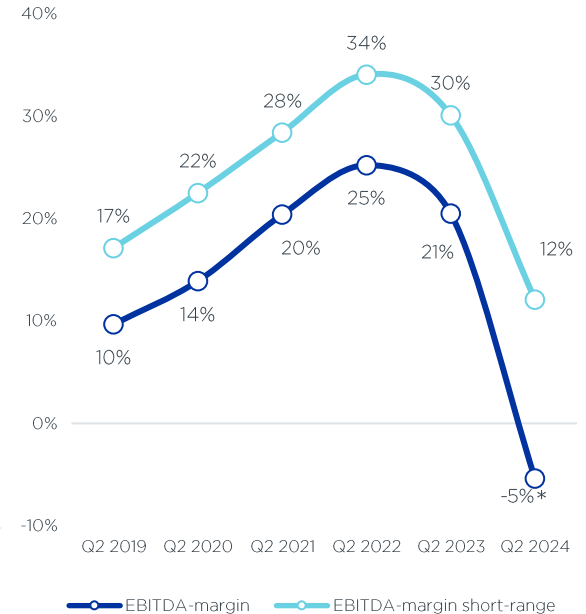
Revenue, last 12 months USDm



Gross margin, last 12 months, %



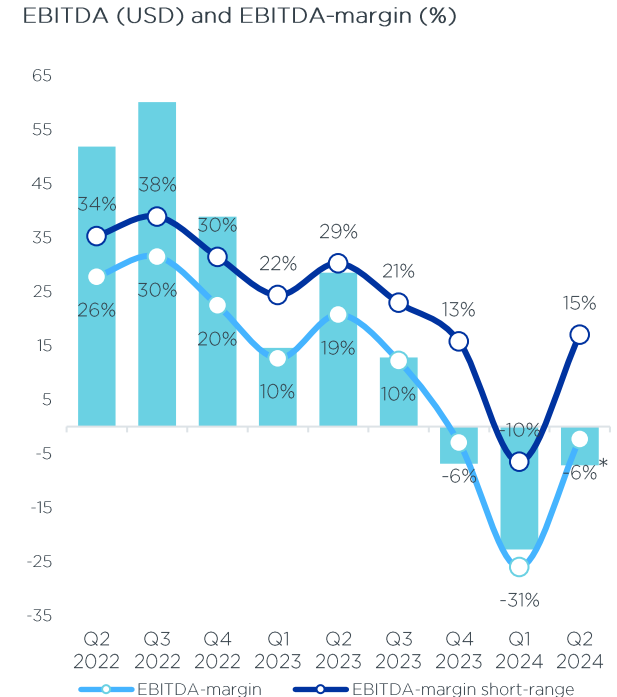
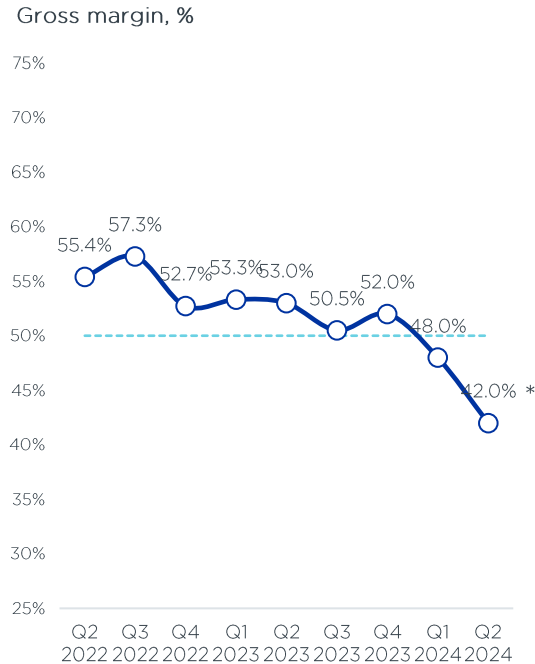
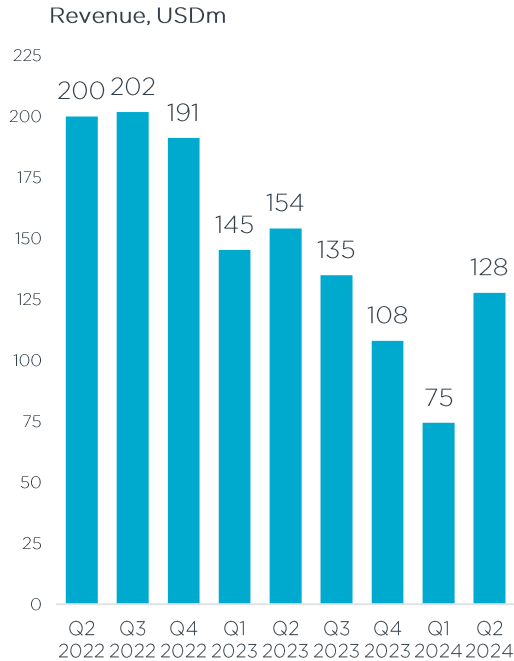
EBITDA-margin, last 12 months, %



*Includes a USD 10m writedown of Long-range components in Q2 2024

Financial performance – quarterly

Sequential improvement reflects a demand recovery

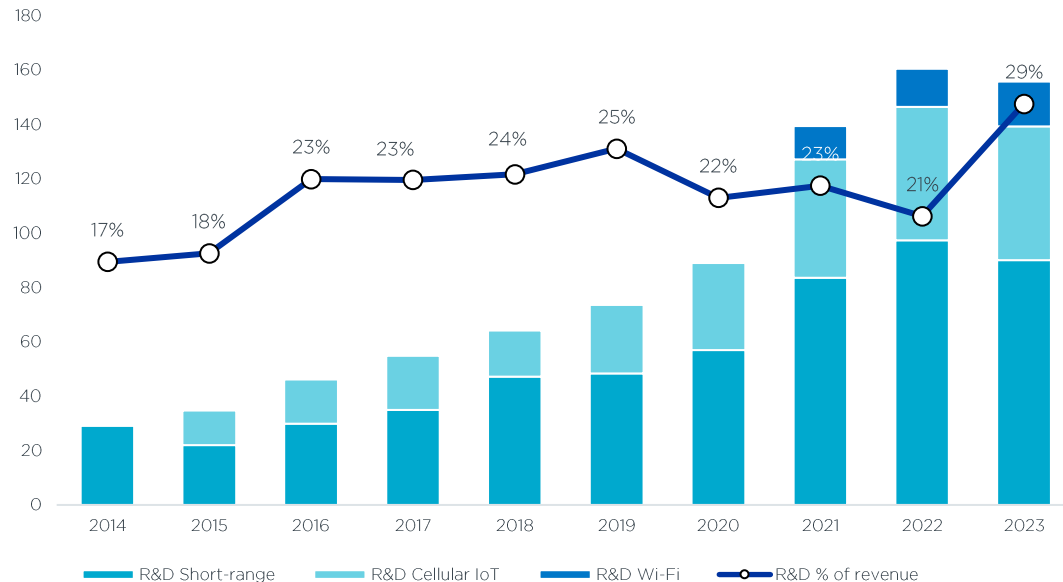


*Includes a USD 10m write-down of Long-range components in Q2 2024 (adjusted Gross Margin 49.8%, adjusted EBITDA-margin +2%)

Investing in innovation

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

R&D expenses* by technology, USDm

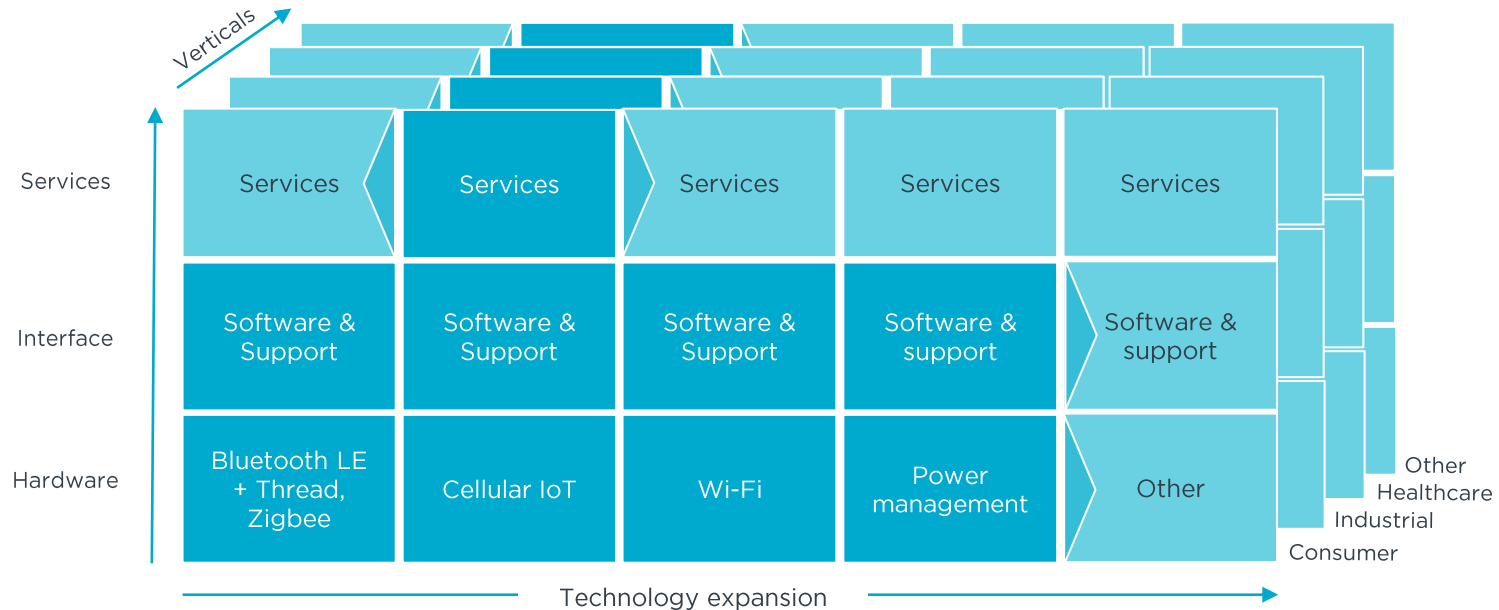


- R&D intensity increased sharply with declining revenue in 2023
- Implemented measures to reduce costs and reallocate R&D resources
- Focus on cost in 2024

- Recognized in P&L
- 2023 numbers are excluding restructuring cost

Expanding the opportunity pipeline

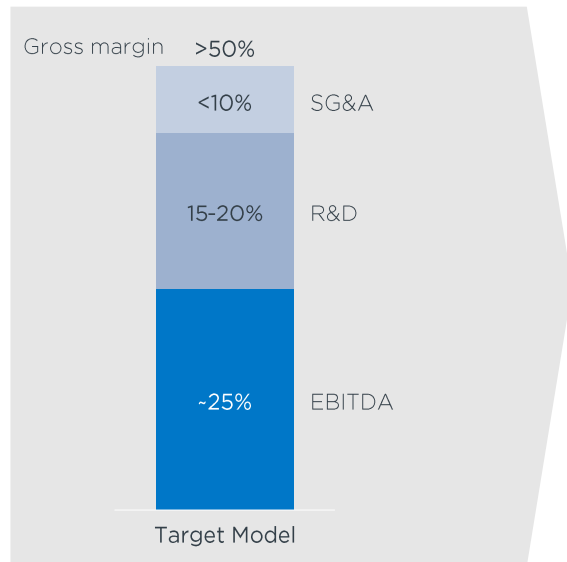
New technologies + value chain migration + more applications



Target operating model

Organization set up for significantly higher revenue levels

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

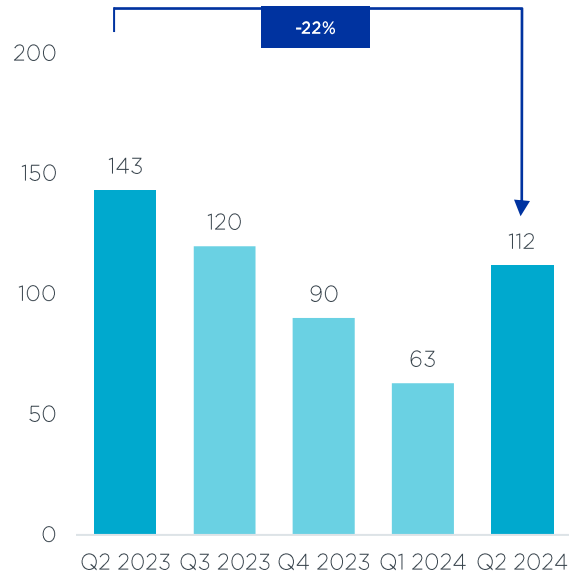
- Continued strong commitment to innovation

EBITDA

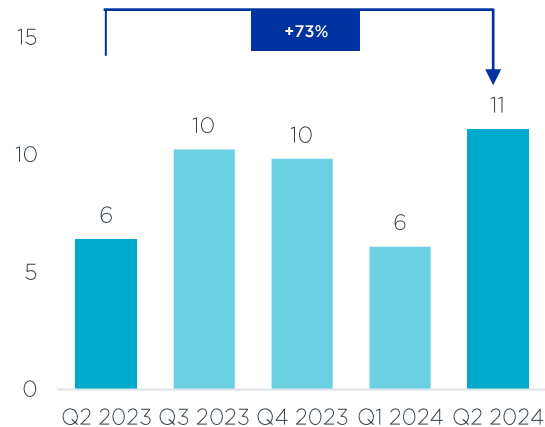
- High operational leverage - margin depending on volume growth

Revenue across technologies

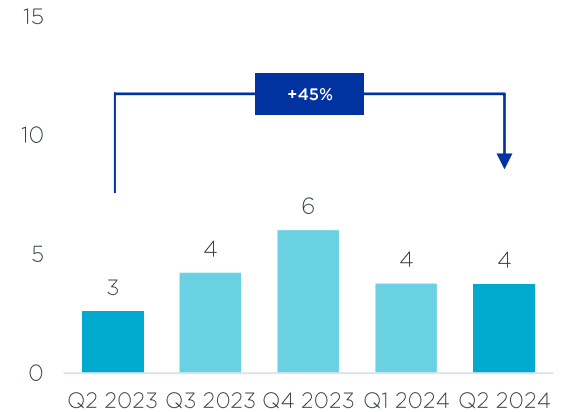
Bluetooth revenue (USDm)
Quarterly



Proprietary revenue (USDm)
Quarterly

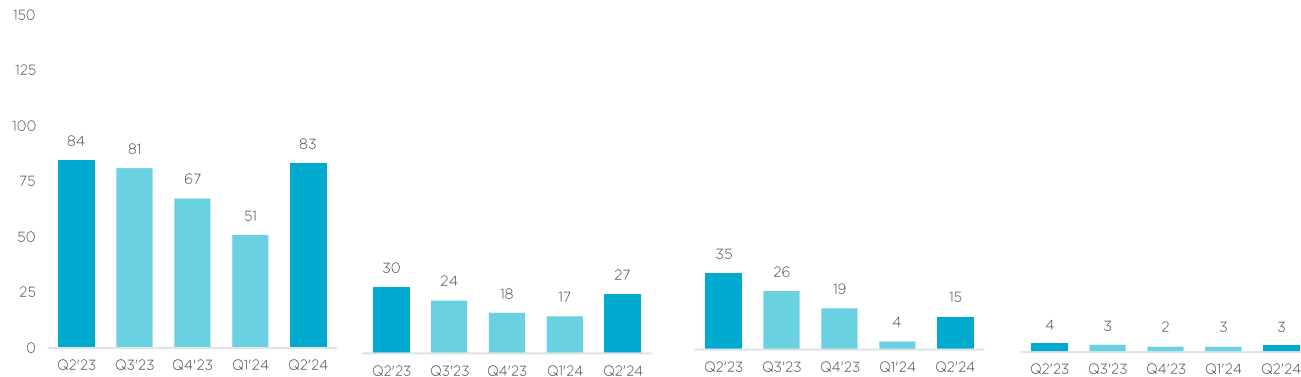
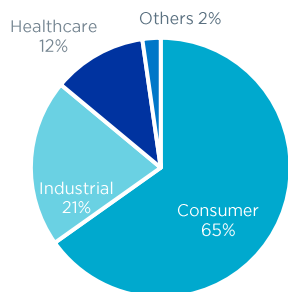


Cellular IoT revenue (USDm)
Quarterly



Revenue by markets

Group	Consumer		Industrial		Healthcare		Others		
USDm 127.9	USDm 83.0		USDm 26.6		USDm 14.9		USDm 2.9		
-16% y-o-y	+72% q-o-q	-2% y-o-y	+63% q-o-q	-11% y-o-y	+59% q-o-q	-57% y-o-y	+318% q-o-q	-23% y-o-y	+16% q-o-q



Revenue for the individual markets excludes ASICs and consulting revenue

Q3 - expecting return to year-on-year growth

Q3 2024 guidance

Revenue		Gross margin
USDm 150-170m		~50%
+11% to +26% y-o-y	+17% to +33% q-o-q	Unchanged from the underlying Q2 gross margin level

Welcome to Capital Markets Day in Oslo, Norway on Sept. 26

- Q3 revenue increase supported by improved underlying demand and seasonal effects
- Gross margin expected at ~50%, on par with the underlying level in Q2

Contact details

Ståle 'Steel' Ytterdal, SVP IR

Thomas Larsen , IR Manager

Please reach out to us on ir@nordicsemi.no