



Nordic at a glance

Investor Relations
April 2024



NORDIC[®]
SEMICONDUCTOR

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This presentation was prepared in connection with the Q1 results released on April 24, 2024. Information contained herein will not be updated. The following slides should also be read and considered in connection with the information given orally during the presentation.

A globally leading IoT enabler

Simplifying lives through all things connected



Founded
1983

Employees
1,407 (~75% R&D)

Oslo listing
OSEBX:NOD

Market Cap
~\$1.6bn

- 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

+

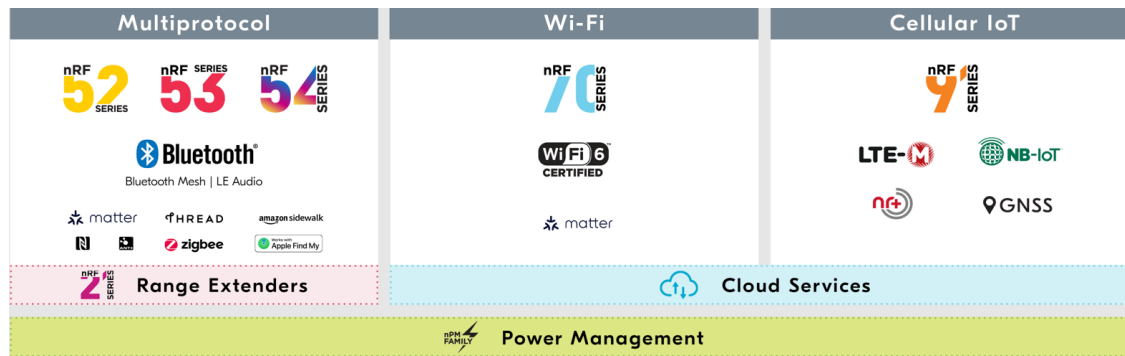


Advanced development tools

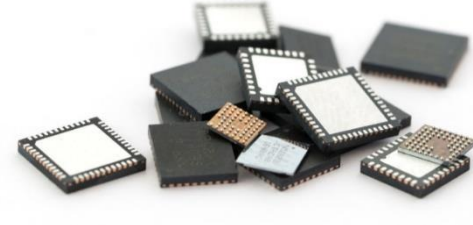
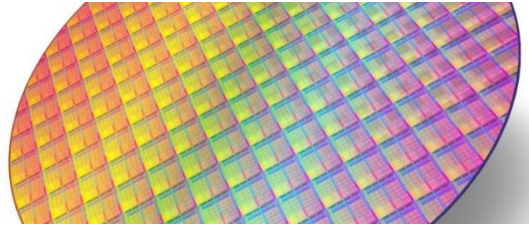
Short-range IoT

Medium-range IoT

Long-range IoT



Resilient supply chain

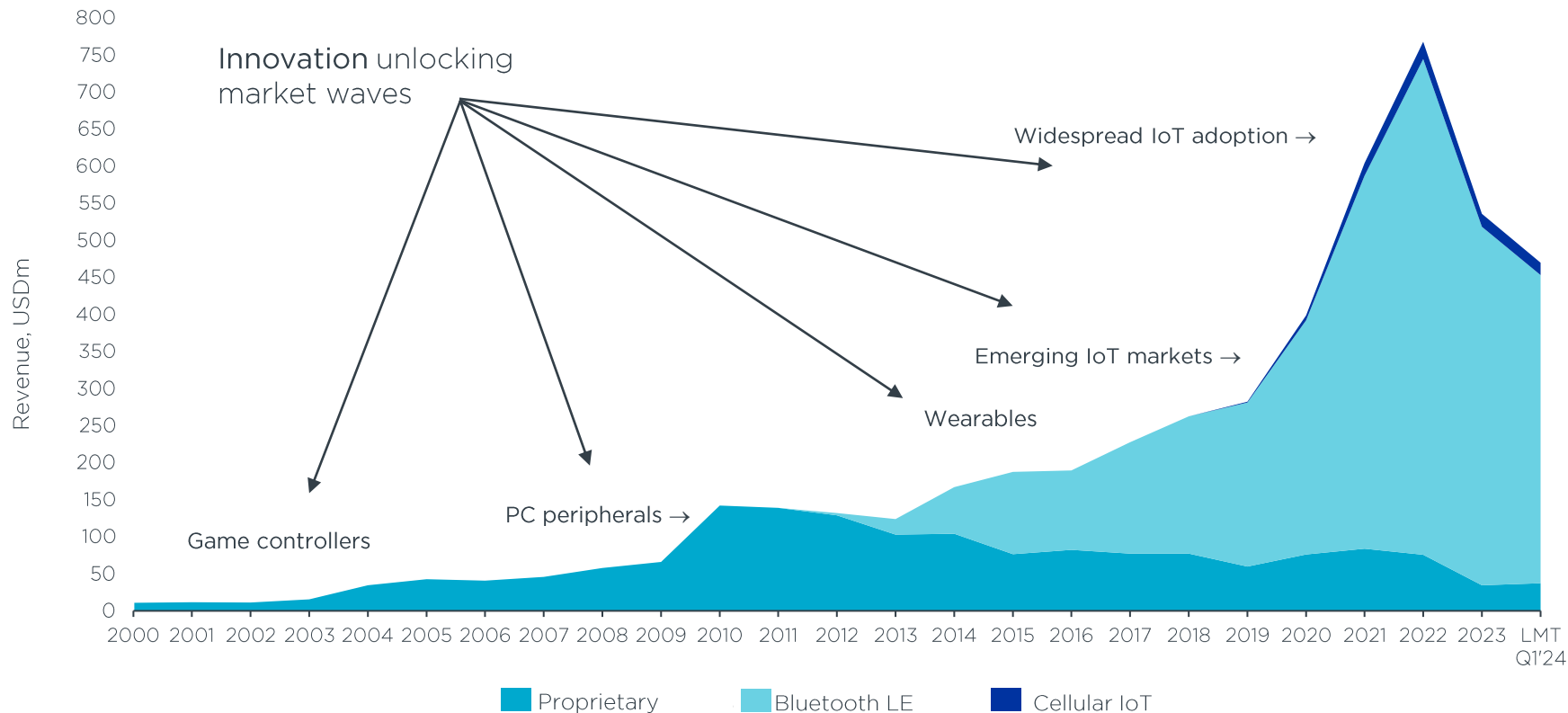


- Norwegian company
- R&D in Norway, Finland, Sweden, UK, Poland, India and USA
- All development in-house

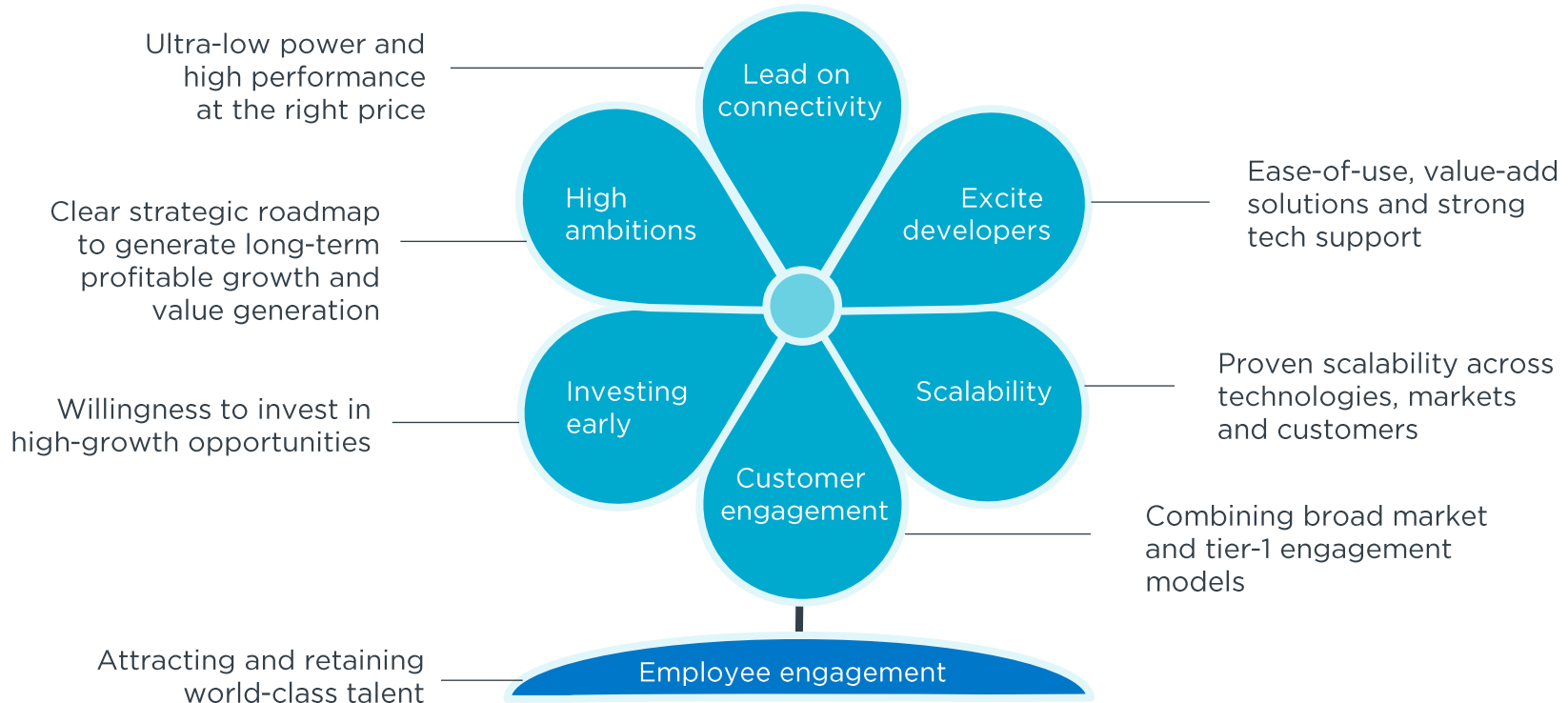
- Wafer production outsourced to TSMC and Global Foundries
- Facilities in Taiwan and Germany

- 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



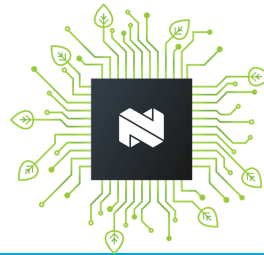
Our tech solutions are recognized globally



2023 U.K. Elektra Awards

'Internet of Things Product of the Year' category

Nordic's low power Wi-Fi 6 companion IC



2023 Financial Times and Statista

Europe's Climate Leaders

Environmental performance



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

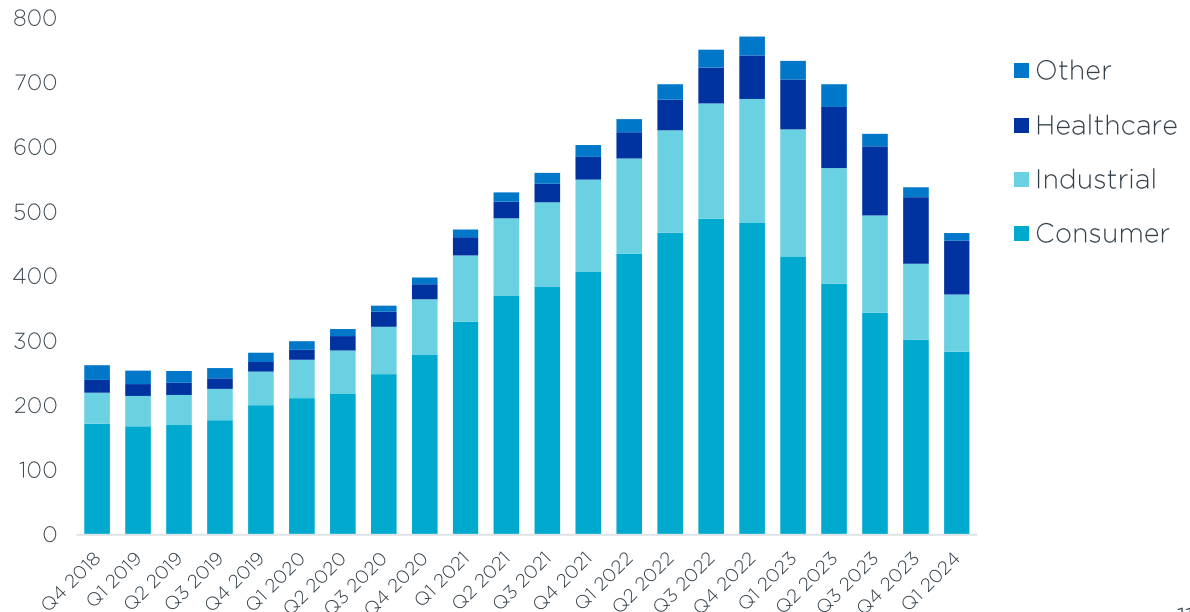
Market leader with strong growth

Revenue by end-user market

Deeper and more prolonged cyclical downturn than expected

- Weak demand in all markets through 2023
- Q1'24 revenue reflects that we have actively adjusted inventory in the distribution channel, these adjustments are now predominantly behind us
- Q1'24 Sell-through from distribution has been significantly higher than reported revenue

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

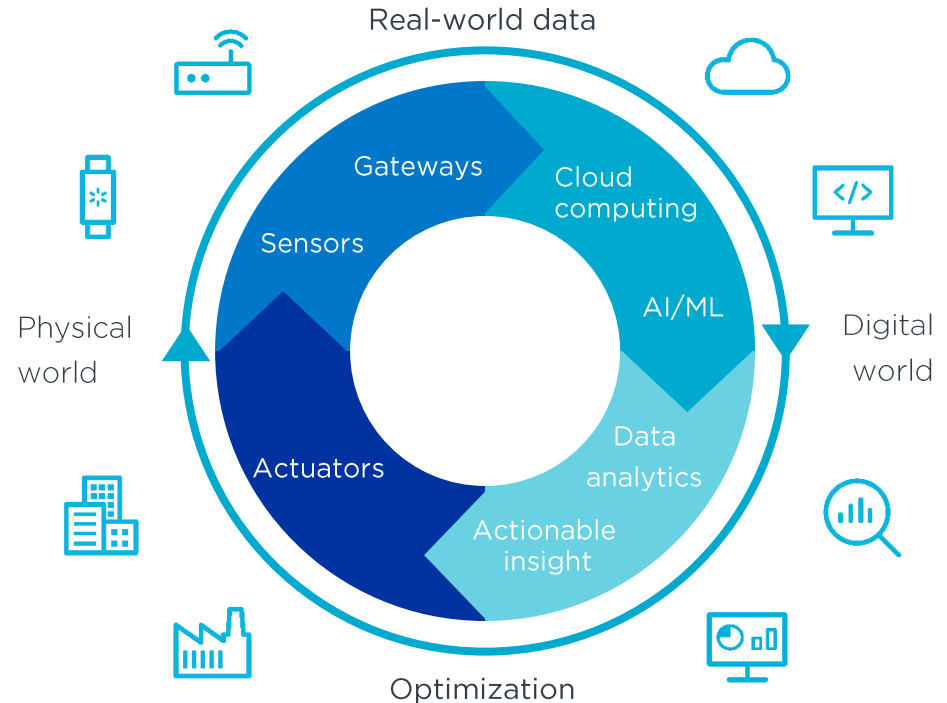
Markets	Verticals
Consumer	<ul style="list-style-type: none"> Mobile/PC HID Wearables Smart Home Gaming VR/AR Consumer Asset Tracking Consumer Health Audio Toys CE Remotes Wireless Charging Other
Healthcare	<ul style="list-style-type: none"> Drug Delivery Disease Monitoring Hearing Aids Other
Industrial	<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

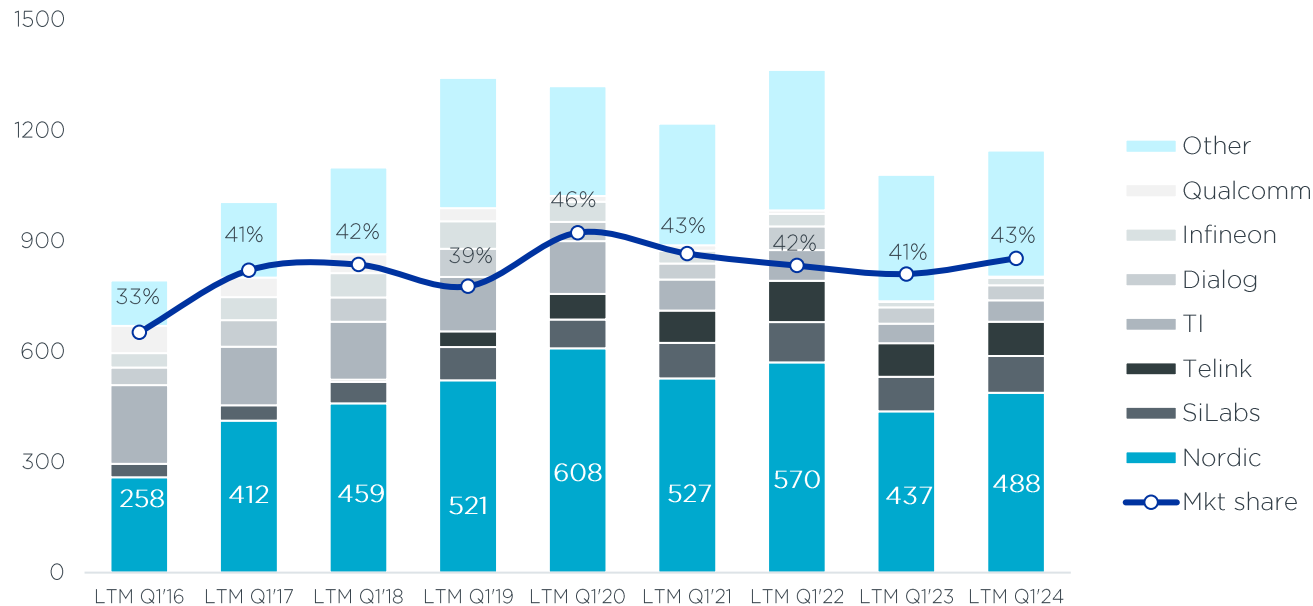
- Nordic leverages on leading broad market position and strong tier-1 relations built over many years
- Recently added support for Google's 'Find My Device', adding to already established support for 'Apple Find My'



Nordic gaining design win market share

Outpacing the total market

Bluetooth Low Energy end-product certifications, last 12 months



Nordic end-product certifications

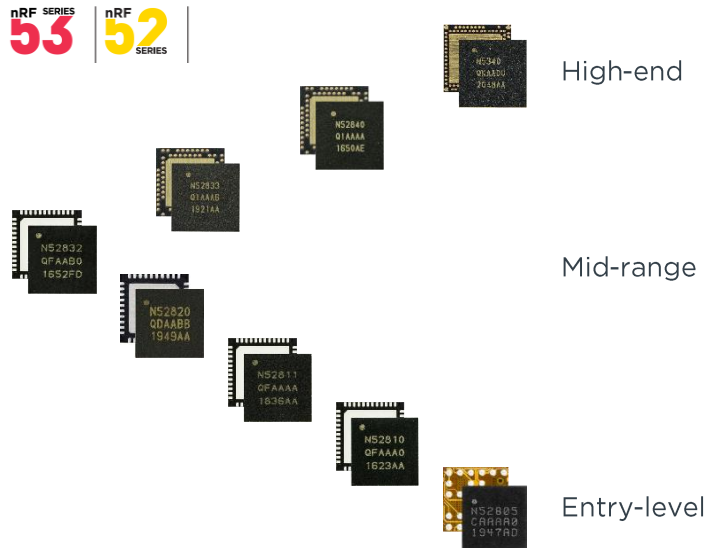
Q1'24
113 designs
 42% mkt share

LTM Q1'24
488 designs
 43% mkt share

*Source: DNB Markets/FCC

Successful short-range product strategy

Customer centric broadening of the portfolio



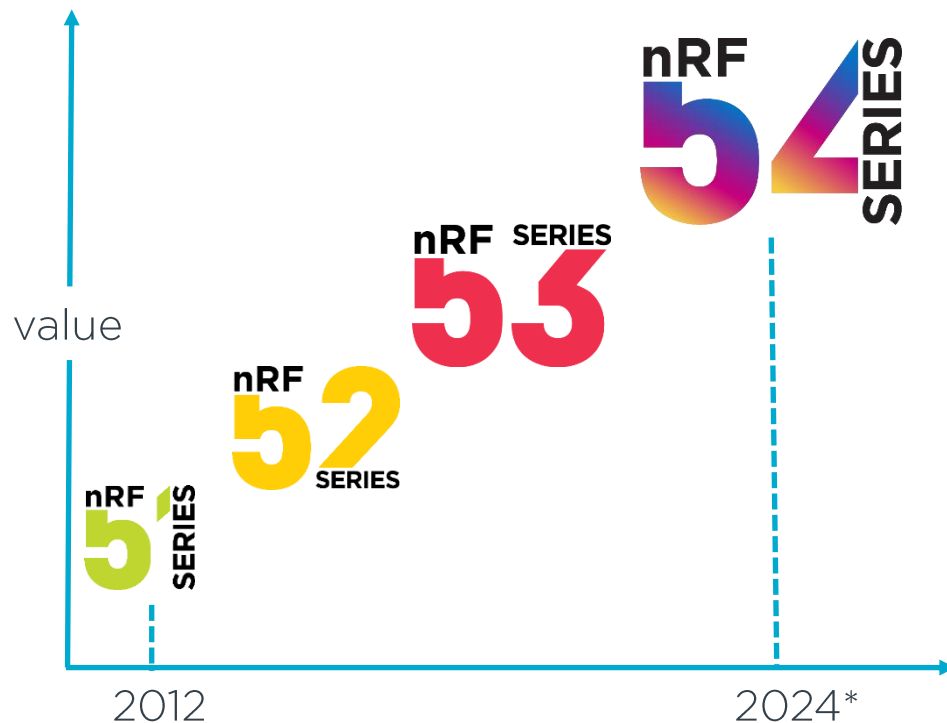
- Broad portfolio of ultra-low power SoCs
 - Multiprotocol products combining Bluetooth LE, Bluetooth mesh, ANT, NFC, Matter, Thread and Zigbee
- Leading the market on power consumption, performance and features
- Catering to all types of applications
 - From entry-level SoCs for cost constrained applications 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

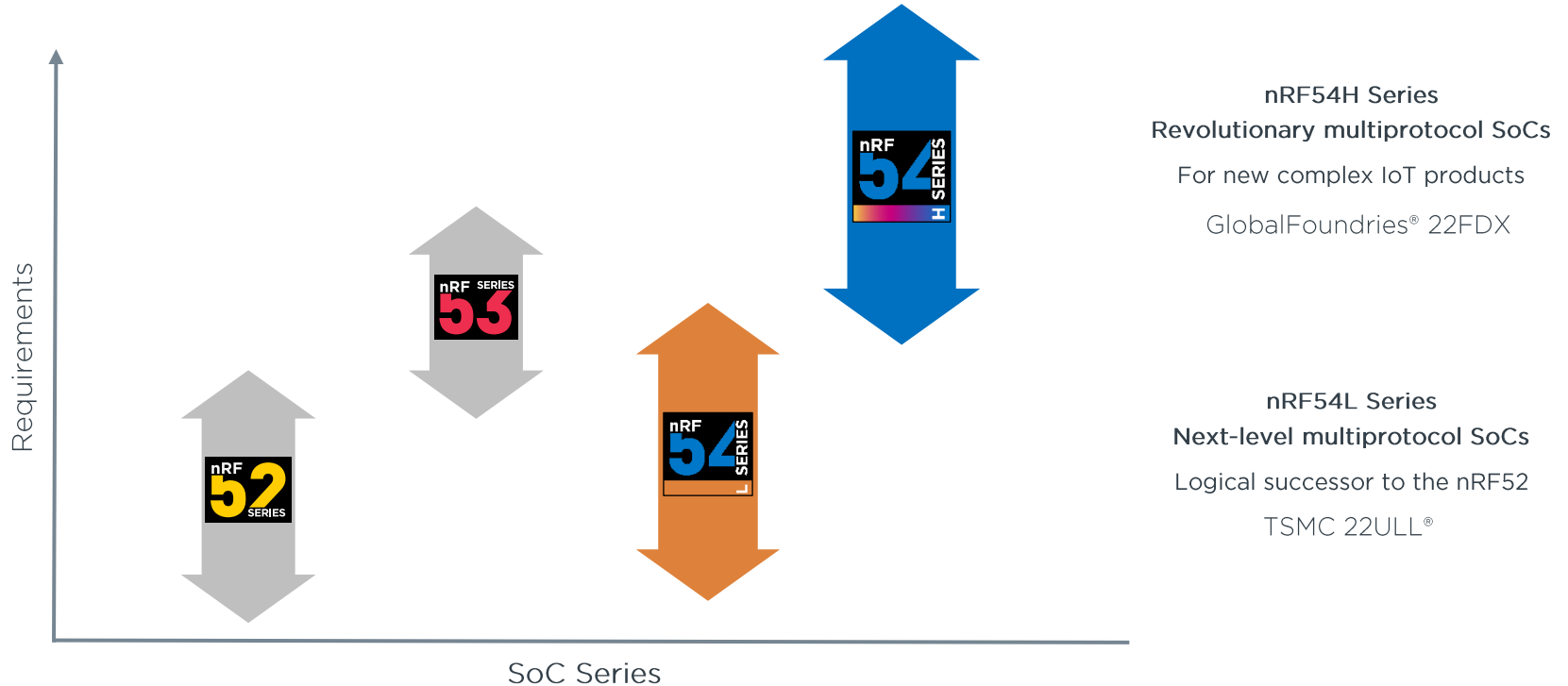


- New product families increases overall value for customers
- More features enables faster time to market and better end-products from our customers

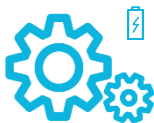
*Initial revenue by year end 2024

Nordic raising the bar once again

nRF54 - sampled both L and H to >100 customers by YE 2023



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

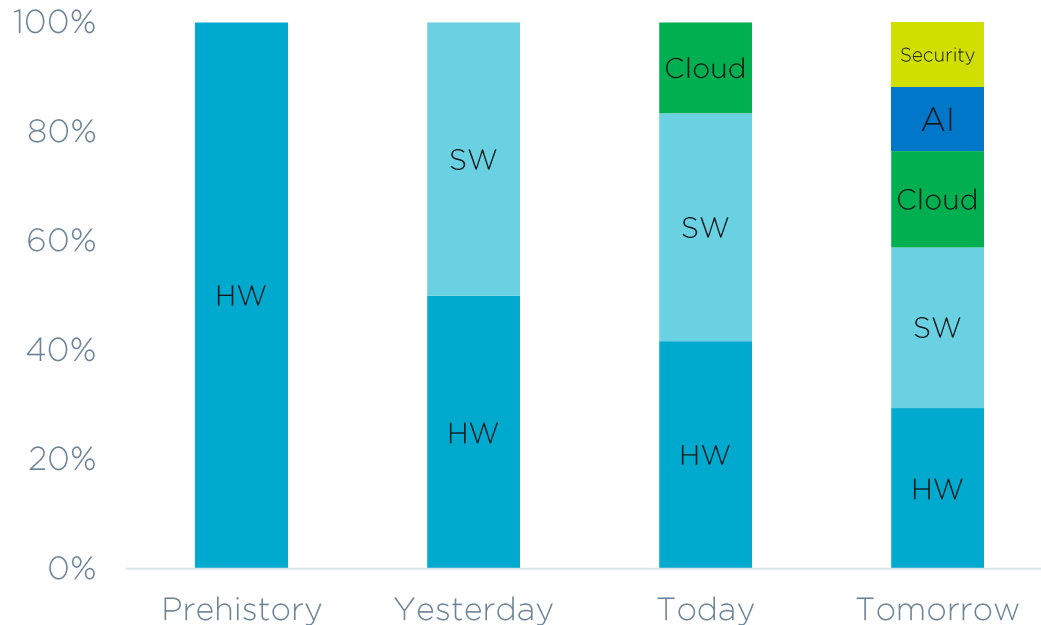
E-mobility

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

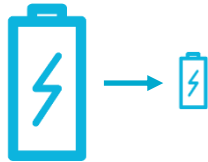
	Cellular IoT
	Wi-Fi
	Power management
	Cloud Services

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



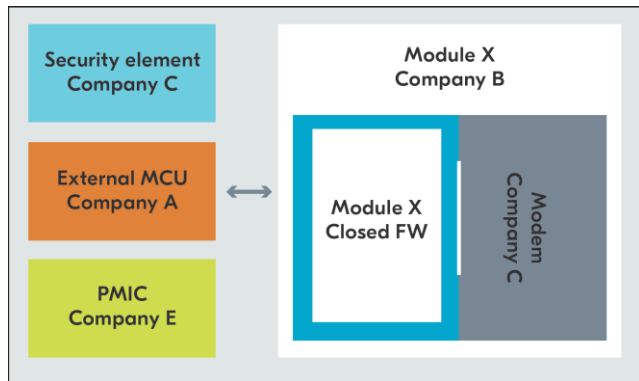
Single integrated hardware for
global deployment

Tools and SDK for faster time to
market

Lowers total cost and simplify supply chain

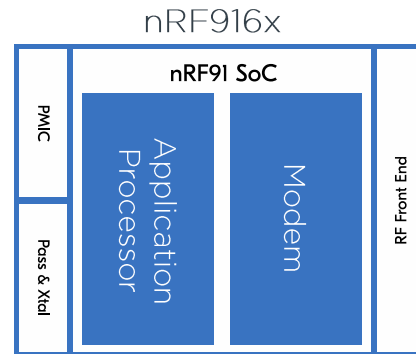
Others

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

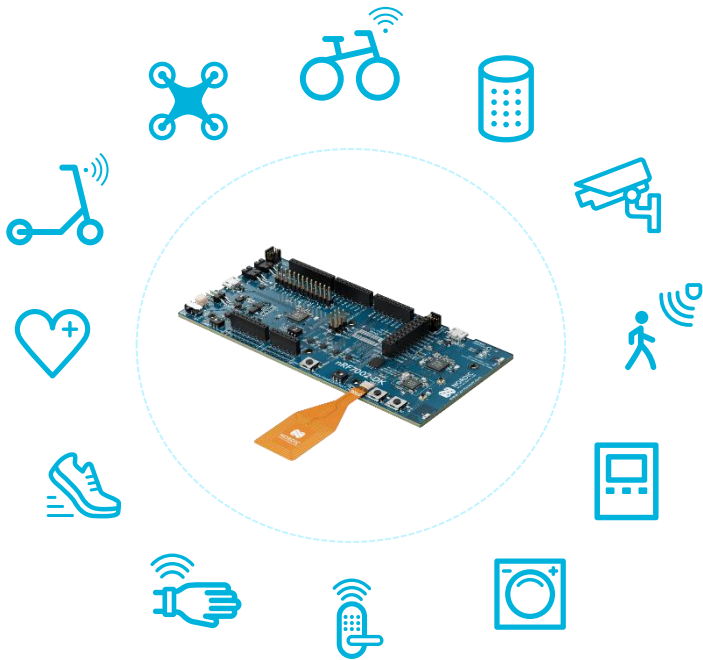


Industry 4.0

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

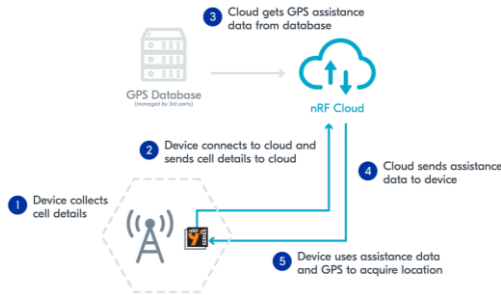
"I have been an earlier adopter for many of your parts over the years and would really like to put this PMIC in a design where the customer reaction is simply WOW. Congratulation for you and your team, you are definitely going to shake up the industry."

Customer email when nPM1300 was launched

Expanding into cloud-based services

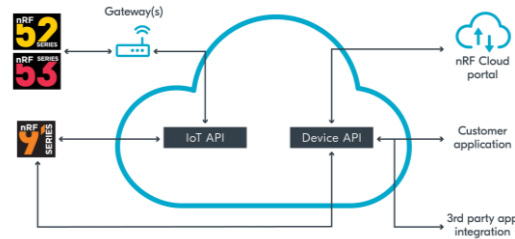
A new long term revenue stream for Nordic Semiconductor

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



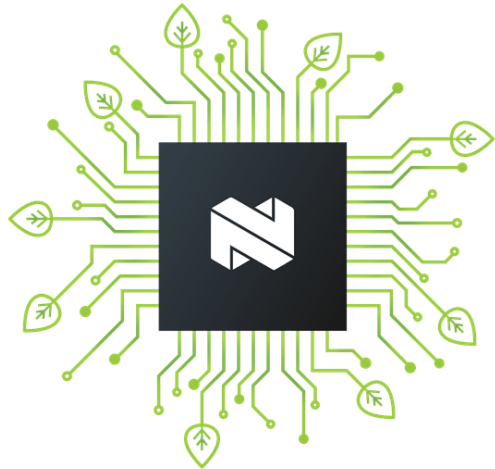
"This brings a new level of always-on AI/ML capabilities and technologies that will strengthen our core business"

Kjetil Holstad,
EVP Strategy and Product Management

IoT supporting sustainability

Nordic one of Europe's Climate Leaders 2023

Compiled by Financial Times and Statista

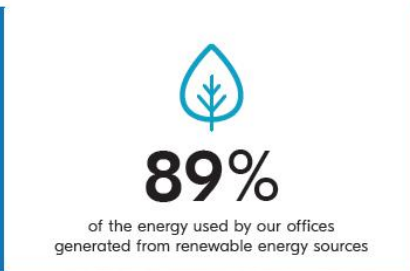
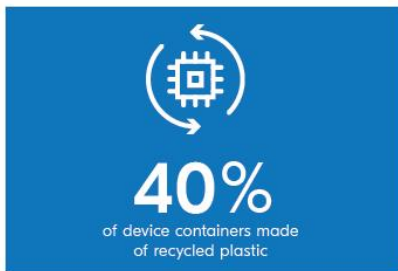


"I am honored to witness the recognition we have received for our dedication and initiatives toward promoting sustainable development"

Linda Petterson,
Former SVP Legal & Compliance, Chair of Nordic Semiconductor ESG Committee

- Nordic ranked number 26, making it the highest-ranked Norwegian company on the prestigious list of 500 companies
- The methodology for this list was tightened to reflect on companies' environmental performance:
 - reduction of core greenhouse gas emissions intensity over a five-year period
 - transparency on disclosing emissions that arise elsewhere within a company's value chain

2023 ESG and people highlights



Awarded

A-



Awarded

B+



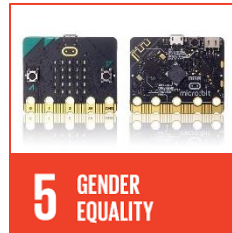
Received

**ESG Top-Rated
Companies list**



Sustainability depends on technology

Disruptive IoT projects can contribute immensely to UN SDGs



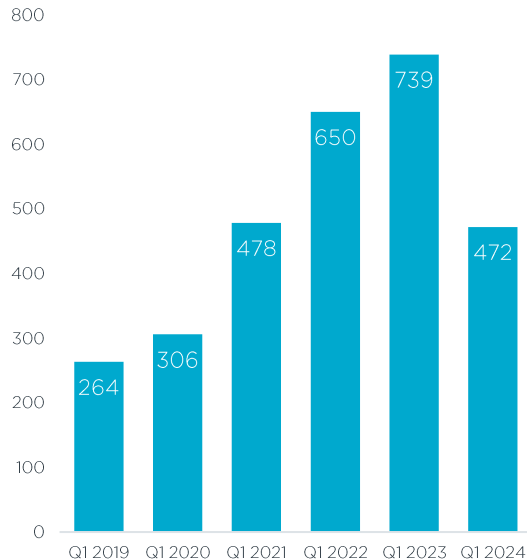
Key financials & Summary

Continuing a profitable growth journey

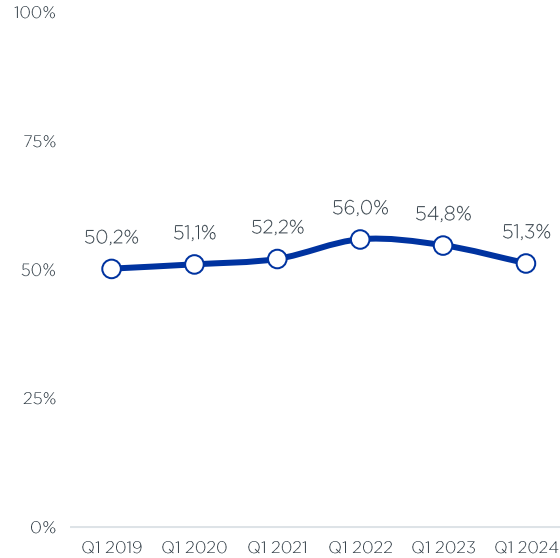
Financial performance – rolling 12 months

Weak results reflects lower revenues and gross margin

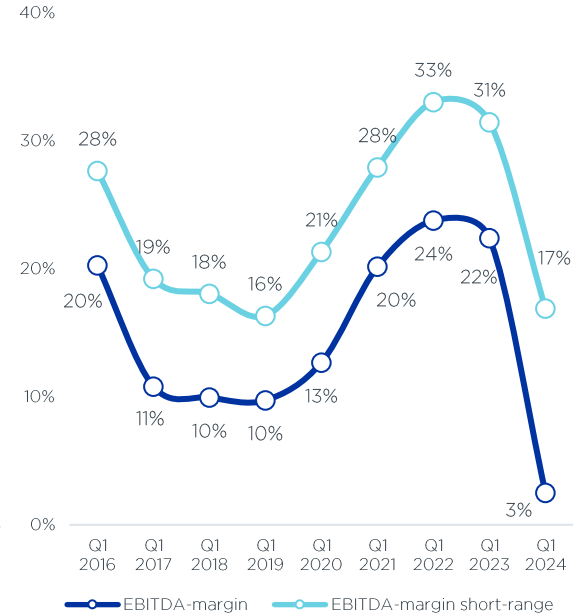
Revenue, last 12 months USDm



Gross margin, last 12 months, %

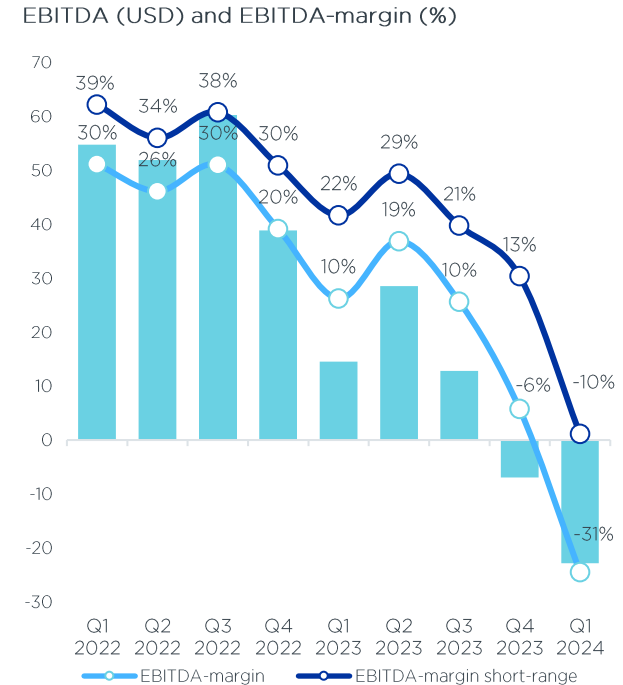
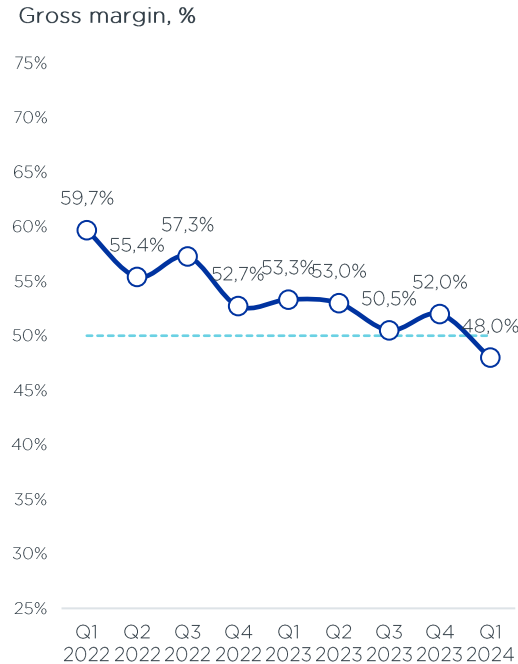
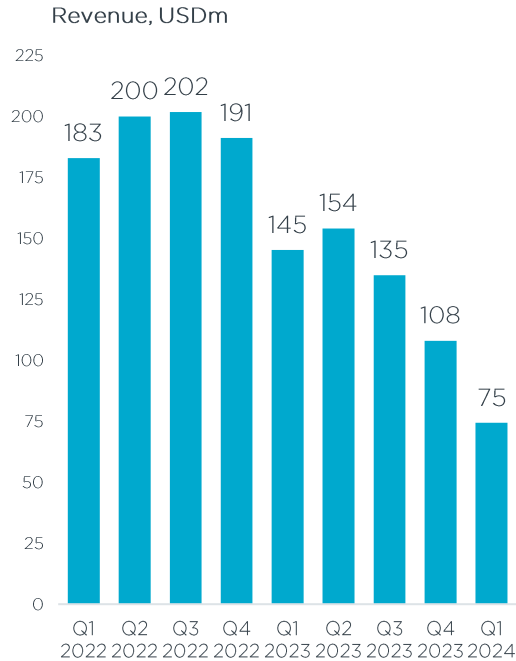


EBITDA, last 12 months, %



Financial performance – quarterly

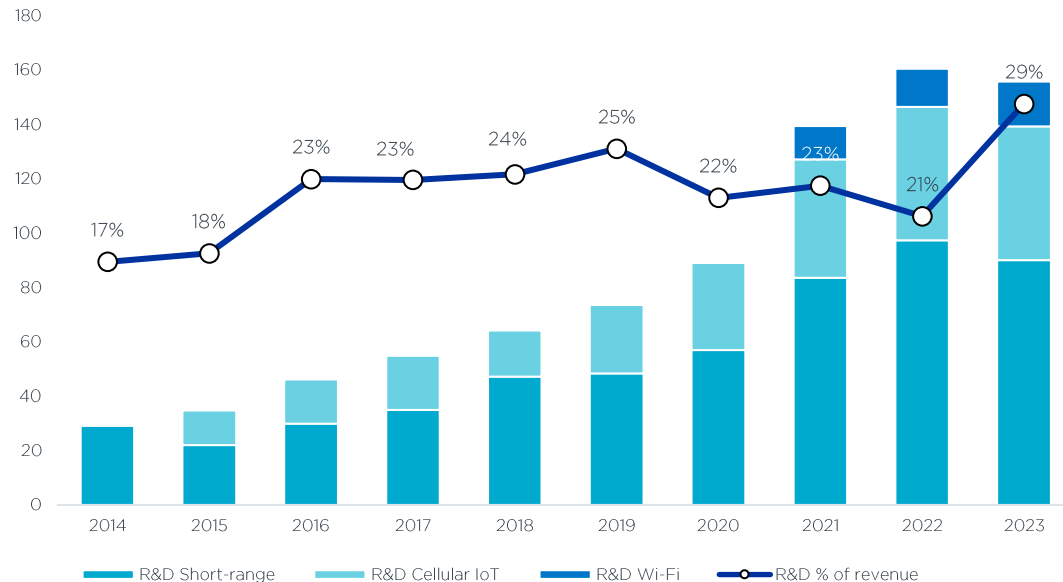
Weak results reflects lower revenues and gross margin



Investing in innovation

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

R&D expenses* by technology, USDm

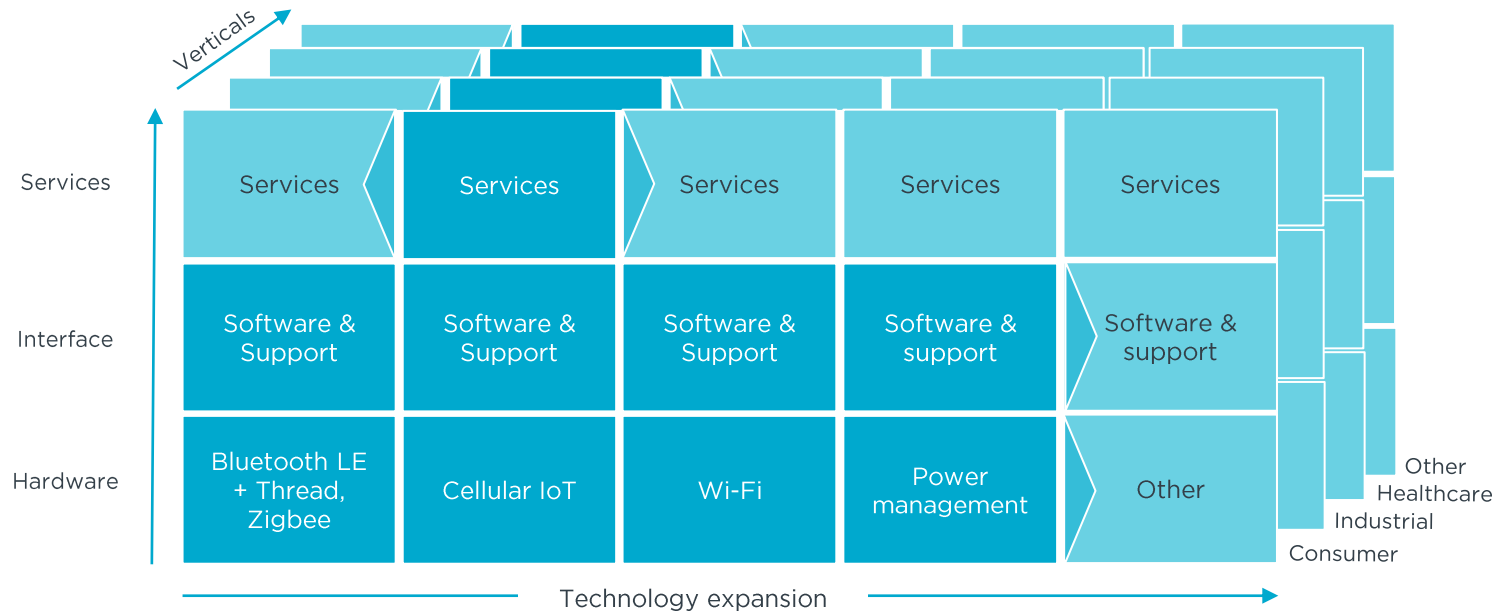


- R&D intensity increased sharply with declining revenue in 2023
- Implemented measures to reduce costs and reallocate R&D resources
- Focus on cost in 2024

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

Expanding the opportunity pipeline

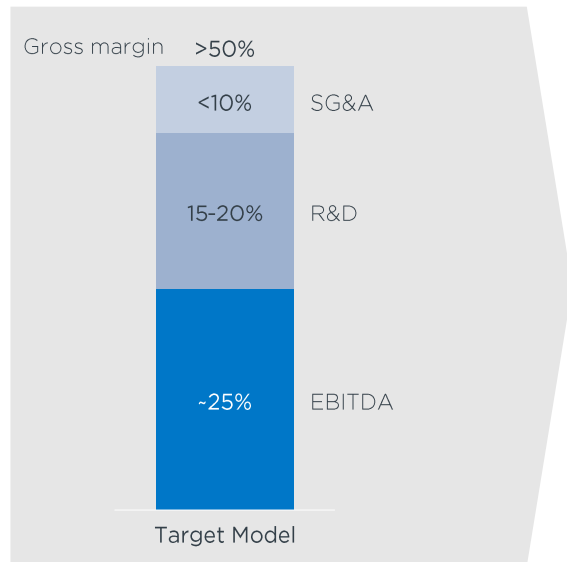
New technologies + value chain migration + more applications



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

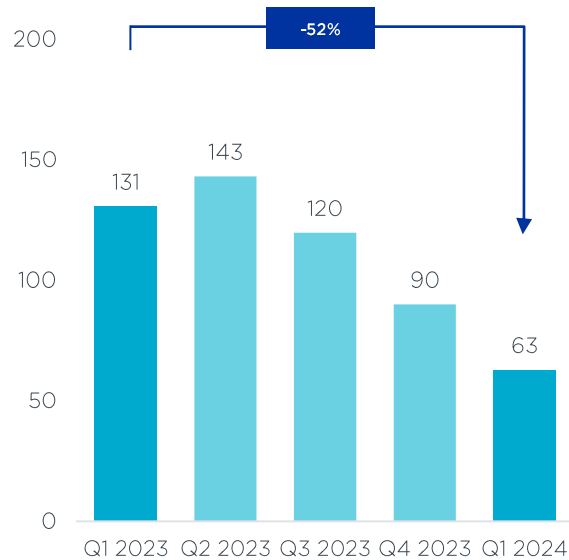
- Continued strong commitment to innovation

EBITDA

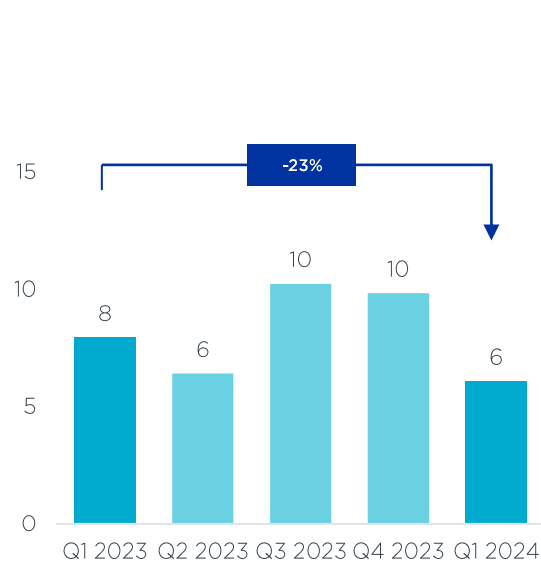
- High operational leverage - margin depending on volume growth

Revenue across technologies

Bluetooth revenue (USDm)
Quarterly



Proprietary revenue (USDm)
Quarterly

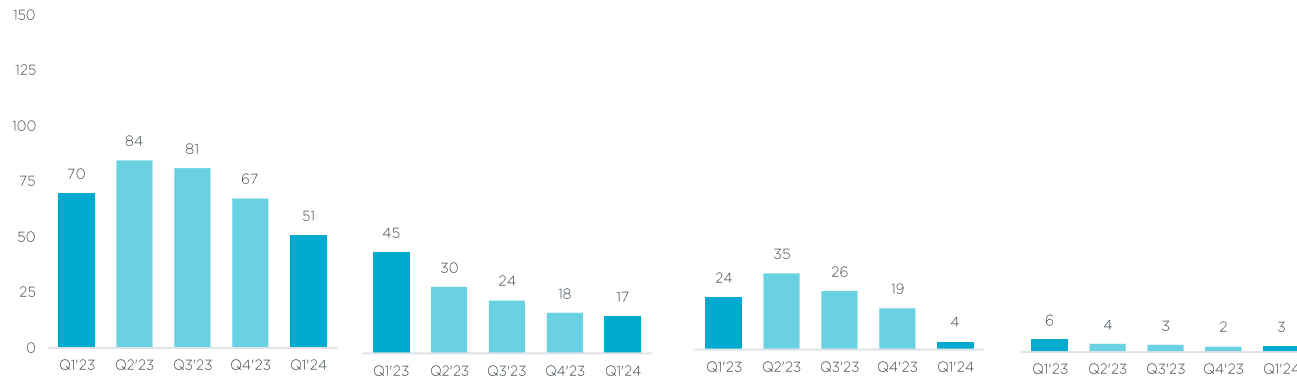
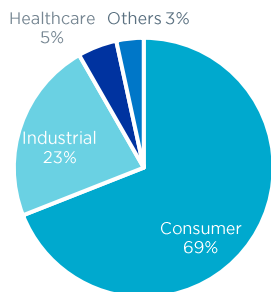


Cellular IoT revenue (USDm)
Quarterly



Revenue by markets

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



Revenue for the individual markets excludes ASICs and consulting revenue

Expecting return to sequential growth

Q2 2024 guidance

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

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

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

Contact details

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