

Nordic Semiconductor

- a global leading IoT enabler

ABG Sundal Collier - Nordic Opportunities Seminar
November 2023



NORDIC[®]
SEMICONDUCTOR

Simplifying lives through all things connected



Founded
1983

Employees
1,530 (~75% R&D)

Oslo listing
OSEBX:NOD

R&D in
Norway, Finland, Poland, US, UK, India, Sweden

Revenue in 2023 *based on midpoint guided Q4 revenue
555m USD*

- 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 services through nRFCloud

Dedicated to wireless connectivity

Broad portfolio - scalable solutions - unified software platform

Strong product and solutions portfolio...



Low-power integrated circuits (ICs)

+



Embedded software

+



Advanced development tools

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

Short-range IoT

Bluetooth LE, 802.15.4/
Thread, Zigbee, Matter and
2.4GHz RF SoCs



Medium-range IoT

Wi-Fi 6

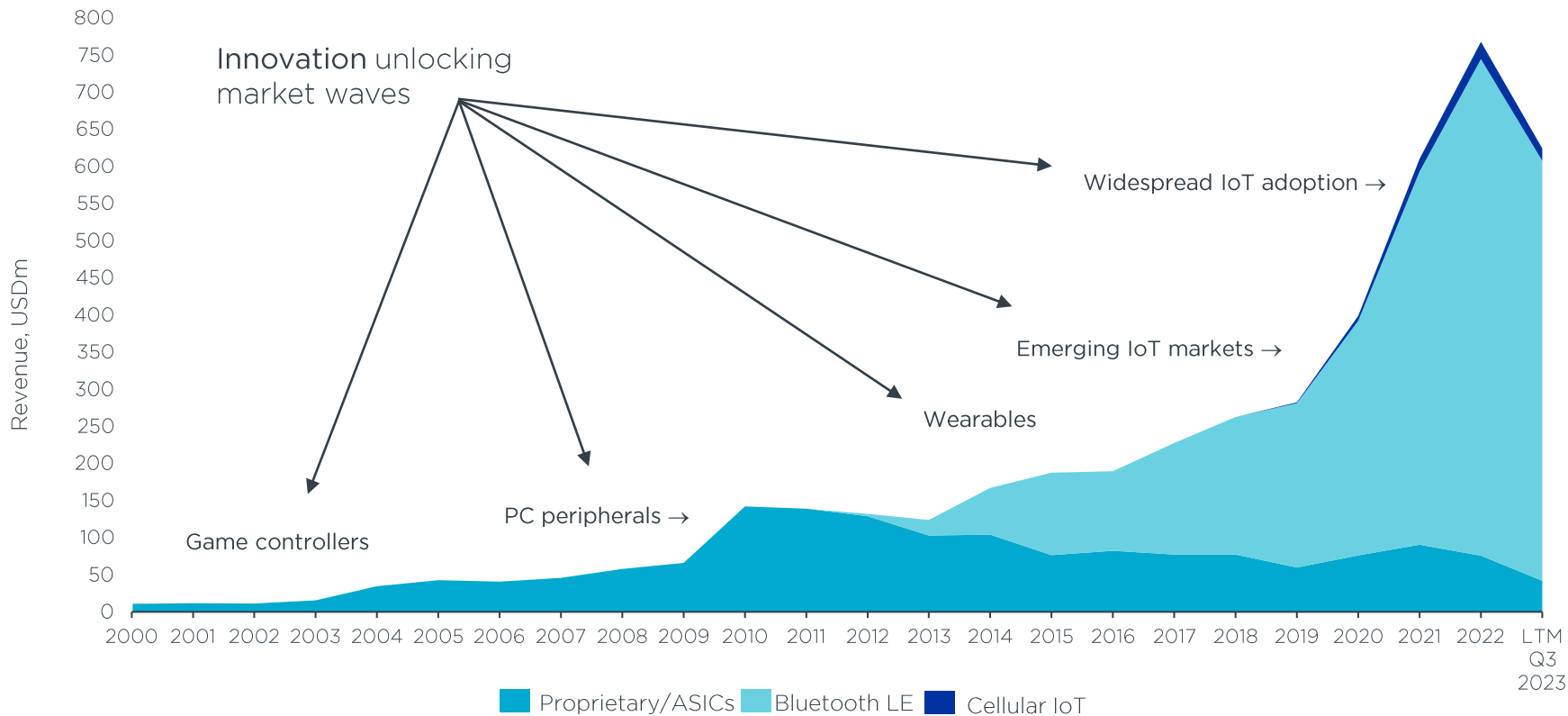


Long-range IoT

Multi-mode cellular
LTE-M/NB-IoT Modules
5G NR+



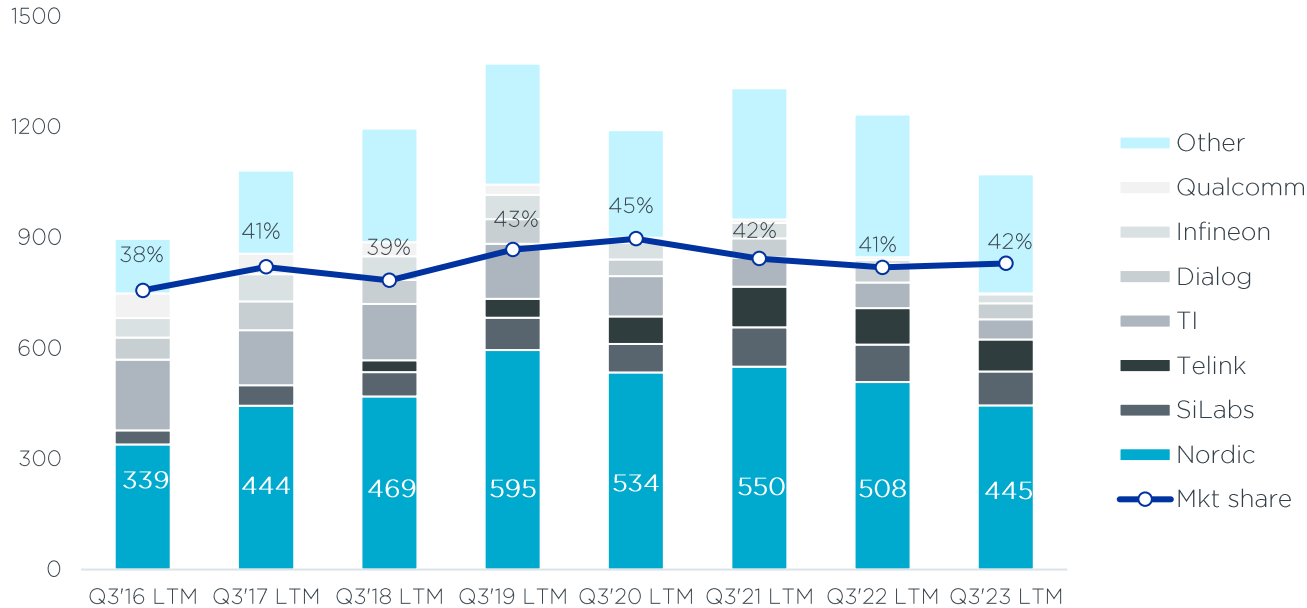
Nordic is on a long-lasting growth journey



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

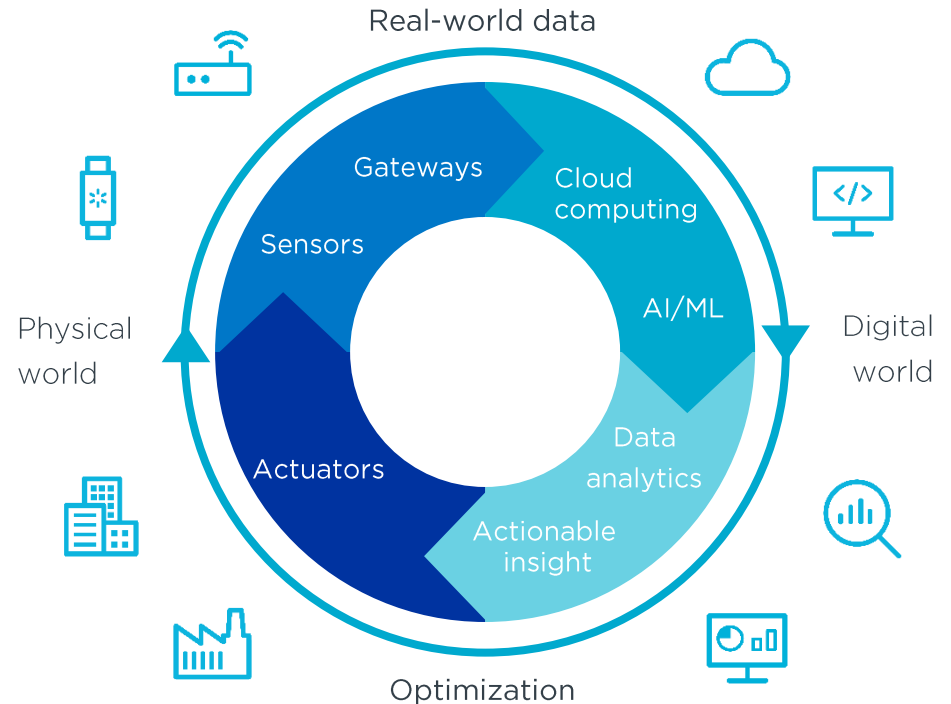
*Source: DNB Markets/FCC

IoT: Connect, Compute, Analyze and Act

IoT starts with connecting things

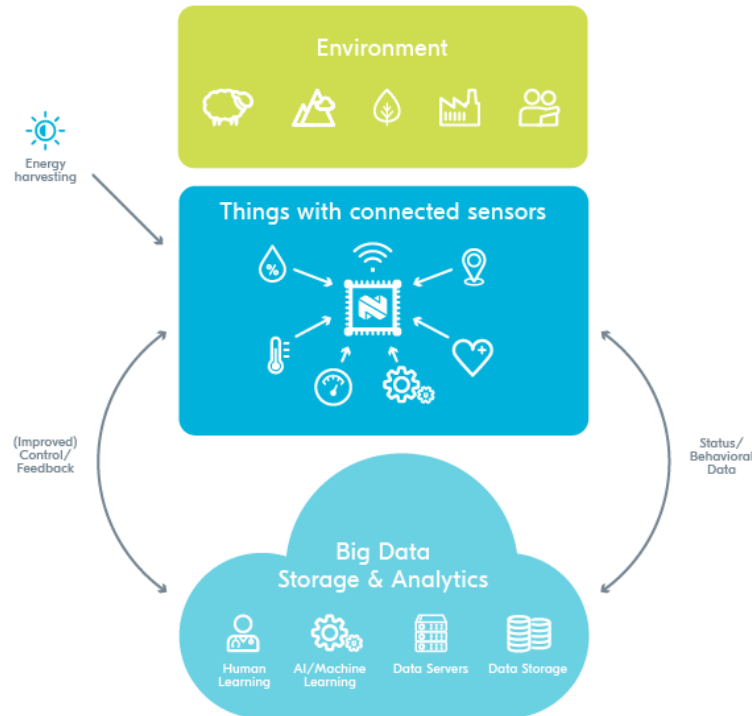
Bridging the physical and digital worlds requires:

- advanced connectivity solutions
- powerful low power compute
- accurate sensing capability



Sustainability thrives on IoT, big data & cloud

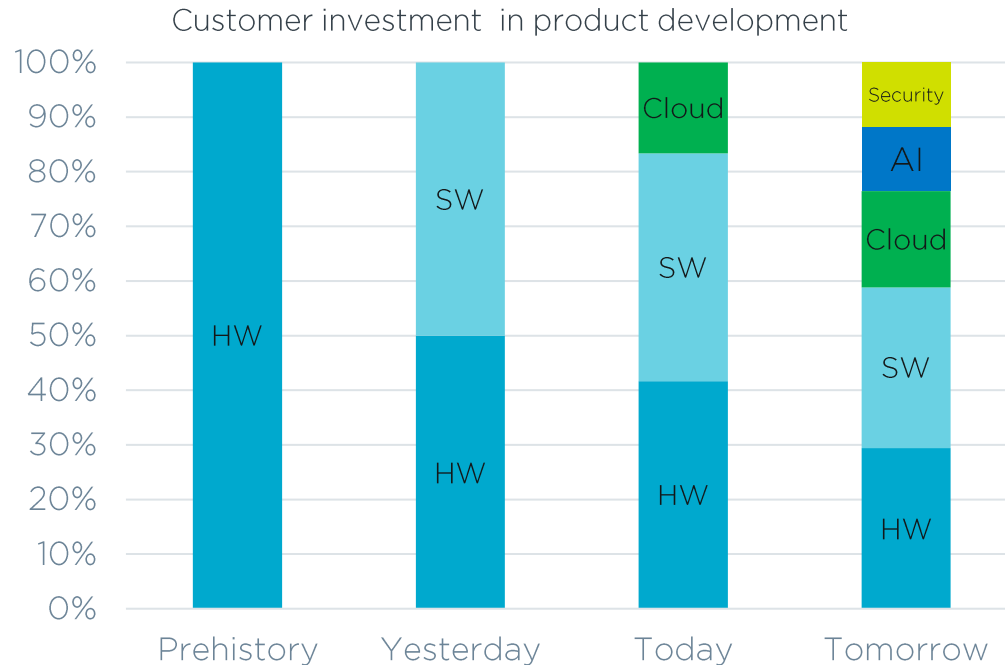
IoT is crucial to deliver on UN SDGs



Nordic is making 'things' more capable and efficient by:

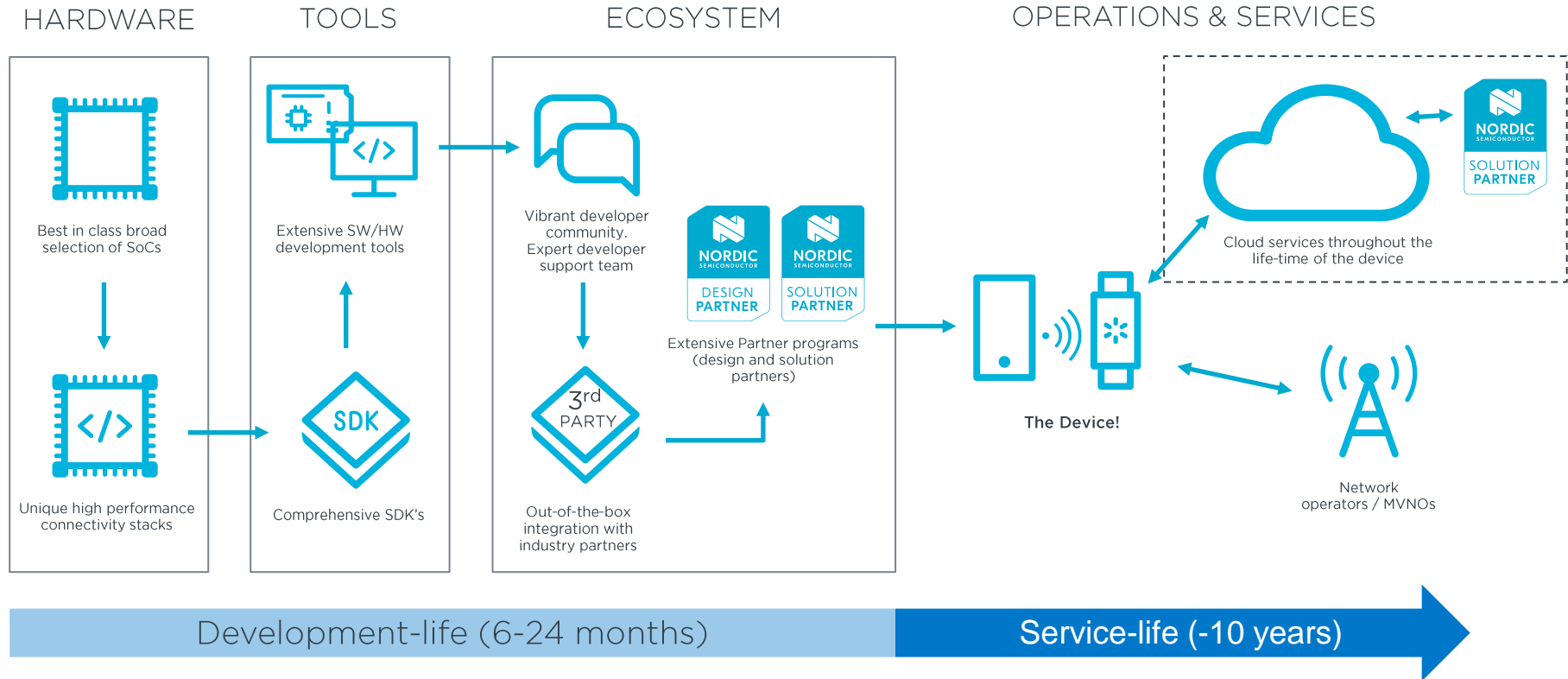
- Lowering power consumption
 - Increasing computational capability
 - Adding AI/ML Capability
 - Adding sensor capabilities
-
- Enabling a large variety of sustainable applications
 - Precision farming
 - Climate smart cities and communities
 - Smart mobility
 - Energy efficiency of buildings
 - Sustainable manufacturing and waste reduction
 - Extreme weather and climate impact modelling

Delivering on our customers' needs



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

Addressing the customer and the device journey



Nordic a company in continuous transition

A complete IoT solution provider

In the past

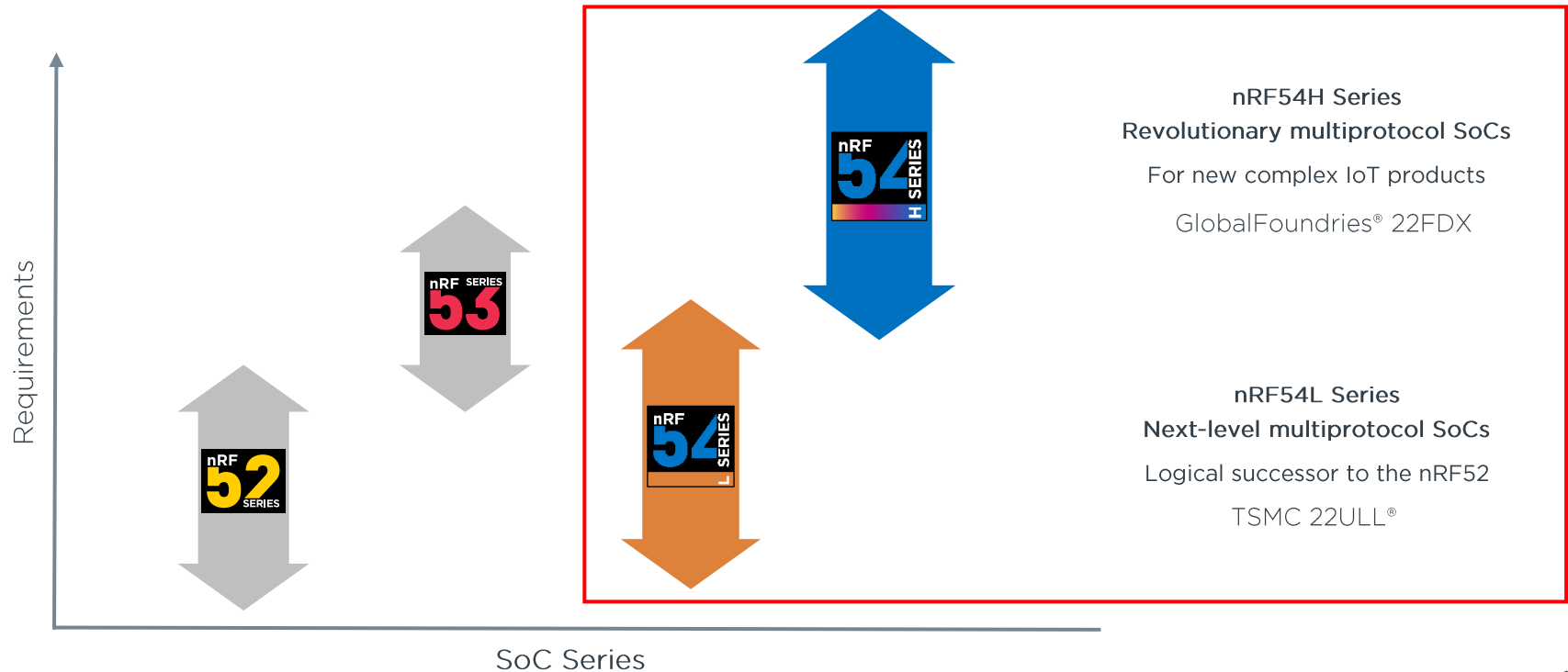
- Proprietary and BLE main revenue driver
- Broad portfolio of smaller customer
- High single source technology node dependency

Present

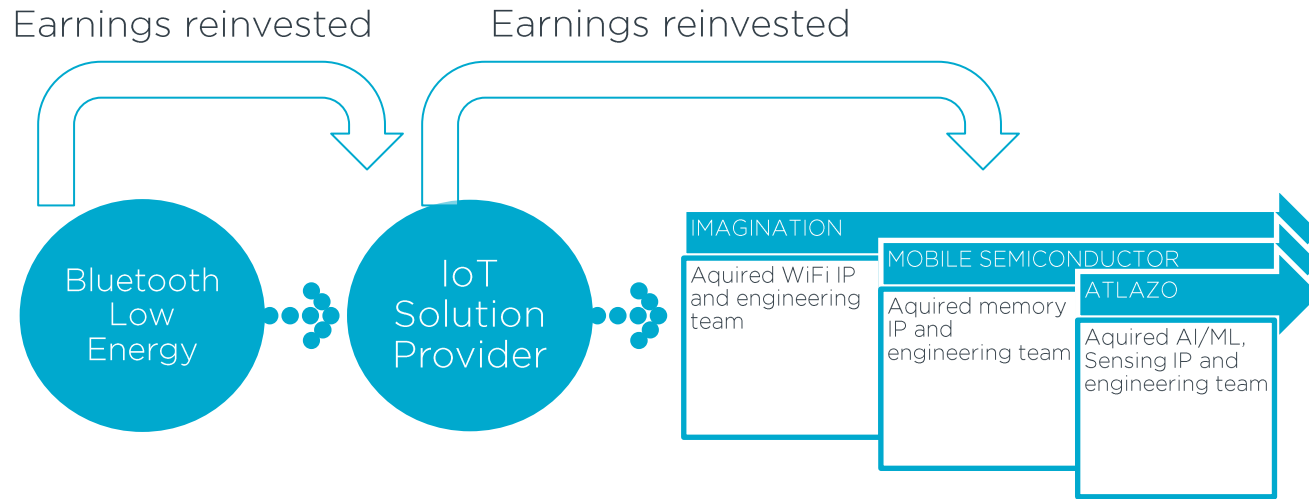
- Broad device portfolio with BLE, Cellular, PMIC, Wi-Fi, Cloud based services and AI/ML
- Strong Tier1 relationships while continue catering to broad market
- Strategic partner with key customers, shaping roadmap and IoT future
- Expanding into new technology nodes and new foundry partners

Nordic raising the bar once again

nRF54 - maintaining our market leading performance



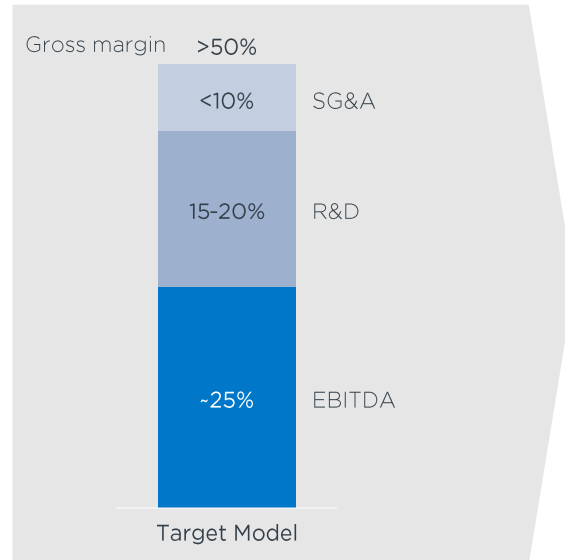
Nordic roadmap strengthen by strategic acquisitions



- Capitalizing on external opportunities together with organic growth
- Strong strategic fit complementing internal innovation
- Shaping the future of IoT

Expansion within target operating model

Target operating model



Gross margin

- Gross margin depending on technology and customer mix
- Lower gross margins 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 - margins depending on volume growth

Welcome to the Future



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