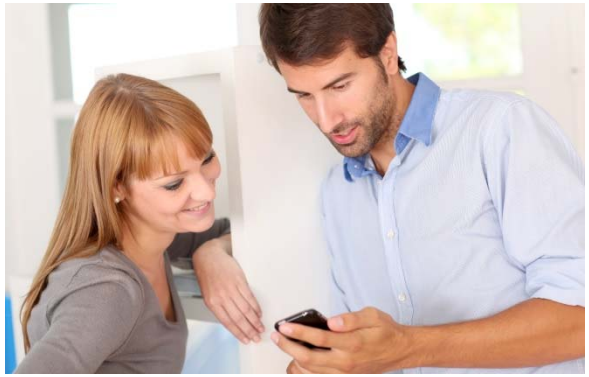
CAPITAL MARKETS DAY

NEW YORK, SEPTEMBER 15, 2014

NORDIC SEMICONDUCTOR

Capital Market Day - September 15th 2014



Wonderful Wireless World

- The next Big Thing is a trillion Small Things

NORDIC SEMICONDUCTOR

Agenda

- Introduction
  - Svenn-Tore Larsen (CEO)
- How will Nordic expand on our leading market position
  - Geir Langeland (Sales and Marketing Director)
- Nordics Competitive Position
  - Thomas Bonnerud (Director of Product Management)

Exploding interest in the «Internet of Things»

Wall Street Journal, 8-Jan-2014

"The Internet of Things attracted more excited pronouncements than almost any other topic at this week's Consumer Electronics Show."

TIME, 13-Jan-2014

"The Next Big Thing for Tech: The Internet of Everything"

CNBC, 7-Jan-2014

CES 2014: Wearable tech dominates

"Wearable technologies are this year's hottest tech niche, and gadget makers are scrambling to develop their own."

CBS, 7-Jan-2014

"Internet of things" all the rage at Consumer Electronics Show

Financial Times, 13-Jan-2014

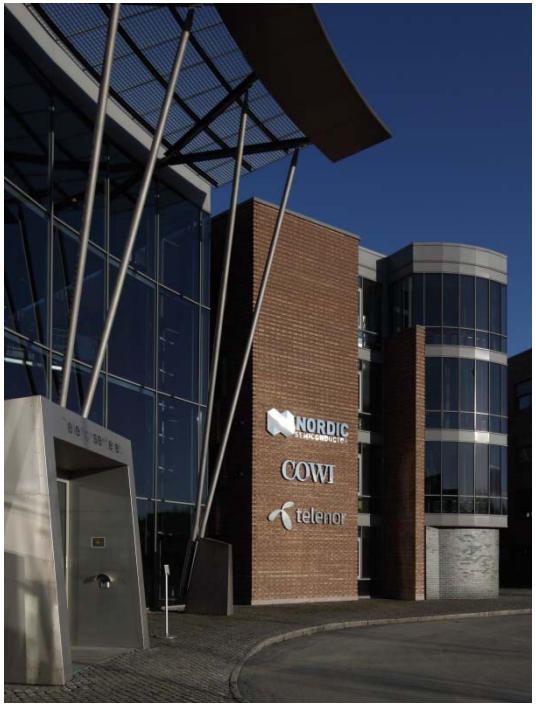
"Google has made a bold bet on the emerging 'internet of things' with the $3.2bn acquisition of Nest Labs"

NORDIC SEMICONDUCTOR

This is Nordic Semiconductor

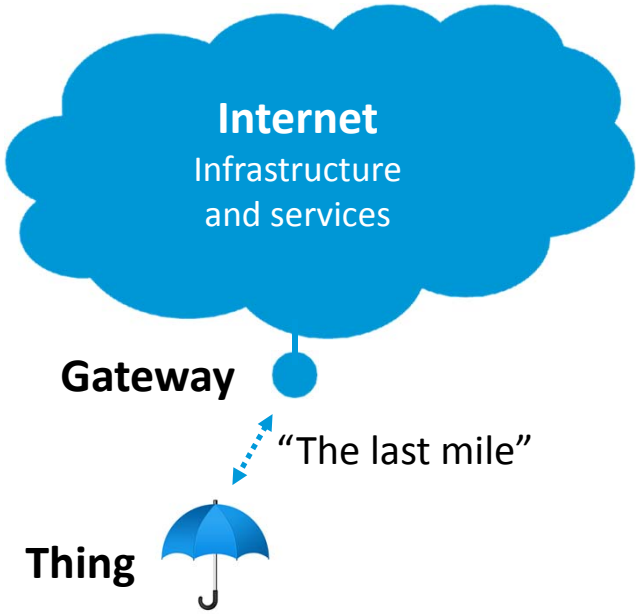
The market leader in ultra-low power wireless solutions

- Nordic Semiconductor is a leading developer of semiconductors for short-range wireless applications.
  - Founded in 1983, listed on OSE during 1996
  - Specializes in 2.4 GHz RF technology for ultra-low power wireless applications
  - Sold 200M semiconductor units during 2013
  - MUSD 124 revenue (2013)
  - Chairman of Bluetooth SIG / Key contributor to *Bluetooth*® Smart standard
- Organization of 250 people, of which 179 work in R&D
  - Headquarters in Norway, with offices in US, Europe, Asia
  - Fabless business model: TSMC manufactures wafers, Amkor / ASE are partners for assembly and test
  - Physical distribution handled via a global network of electronics distributors



NORDIC SEMICONDUCTOR

Connecting things to the internet



2013 –

- Internet is the biggest growth driver
- Connecting things to services
- "The last mile" connection to the gateway
- Things we wear, we carry, things around us
- Wireless is a key enabler
- Ultra low power is important
- Improving things and services
- Enabling new things and services
- The Internet of Things era for Nordic

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Smarter Things, Smarter Services

– Fundamental volume drivers in “Internet of Things”

Smarter Things with cloud services

- Improving existing things – enabling new
- Value add, differentiation and or cost savings
- Expanding the customer base
- Innovation shortening the replacement cycle

Smarter Services with Things

- Improving existing services – enabling new
- Value add, differentiation and/or cost savings
- Services driving volume of things

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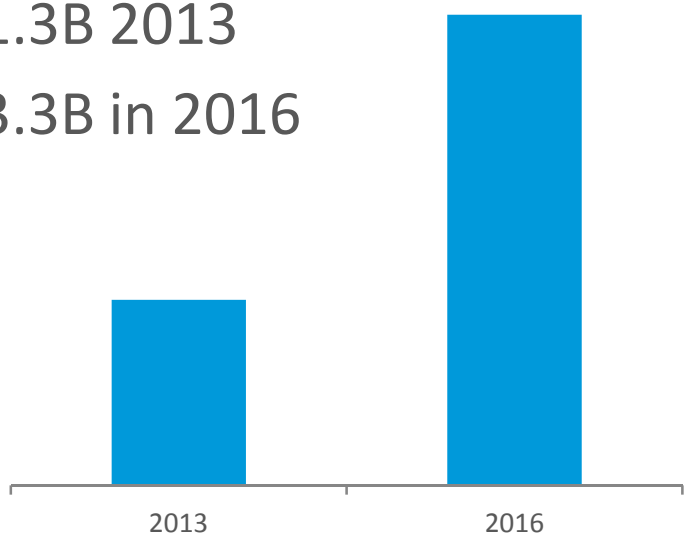
Bluetooth Smart –
Our entry point into the “Internet of Things”

Bluetooth Smart Ready devices

1.3B 2013

3.3B in 2016



- Things depends on gateways to the internet
- Gateway installed base is crucial
- Massive installed base of Bluetooth Smart
- Phone, tablets and PC can acts as gateways
- Apps acts as the bridge to the cloud service
- Same league as Wi-Fi and Cellular
- Dwarfing ZigBee and other technologies
- Lowest power, cost and smallest size
- Extremely attractive “last mile” option

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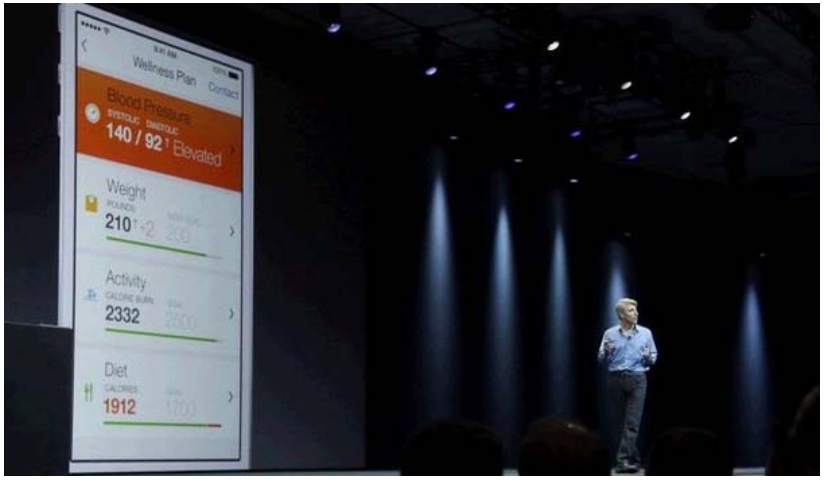
Internet connectivity - Driving growth in our core markets



- Sports and fitness
- Consumer health
- Connected toys
- Location beacons
- Smart watches

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You will be surrounded by Bluetooth Smart

NORDIC SEMICONDUCTOR

Internet connectivity - Creating a pull from new markets

- Home and building automation
- Industrial automation
- Automotive
- Smart Appliances
- Asset tracking and management
- Retail and POS systems

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Industrial market expected outgrow personal area sensors

- Several technologies will co-exist in industrial internet, such as Bluetooth Smart, Wifi, Zigbee and Radio Frequency Identification
- We believe Bluetooth Smart is the wireless standard of choice for the Internet of Things, especially for personal applications (Morgan Stanley Research September 2013)
- Industrial internet will contribute USD 70 trillion to world GDP (General Electric)
- Smart factories, smart buildings and smart grid will be the most prominent (Cisco, 2013)

Logistics

Production and manufacturing

Indoor location

Payment systems

Agriculture

NORDIC SEMICONDUCTOR

Nordic Semiconductor - Cutting the wire

The first

1 Billion nRF ICs

2003 to 2013

- Connecting things to PCs
- Connecting things to things
- All about things, not PCs or phones
- Cutting the wire
- Replacing legacy technologies
- Improving existing things
- 2.4GHz proprietary technology
- Ultra low power for prime cells

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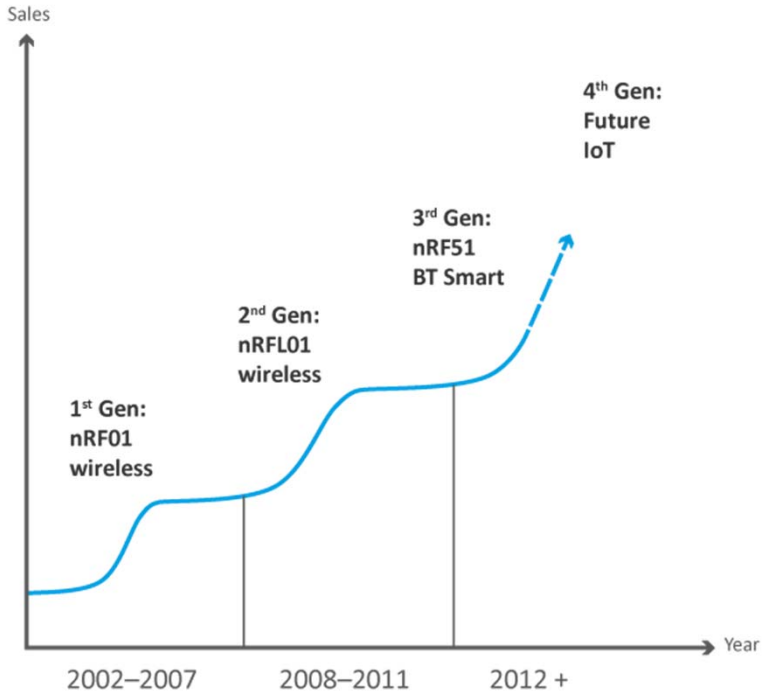
Preparing for the next billion(s) of units

The «Internet of Things» presents a vast long-term growth opportunity



- Current growth wave will be driven by *Bluetooth* Smart technology, where Nordic has been investing since 2006
- Future growth wave will be driven by Bluetooth Smart and complementary technologies within the «Internet of Things»
- Nordic creating new programs for the next generation of opportunities
  - Technology portfolio
  - Strategic partnerships / acquisitions
  - Intellectual property
  - Staffing
  - Incentive programs

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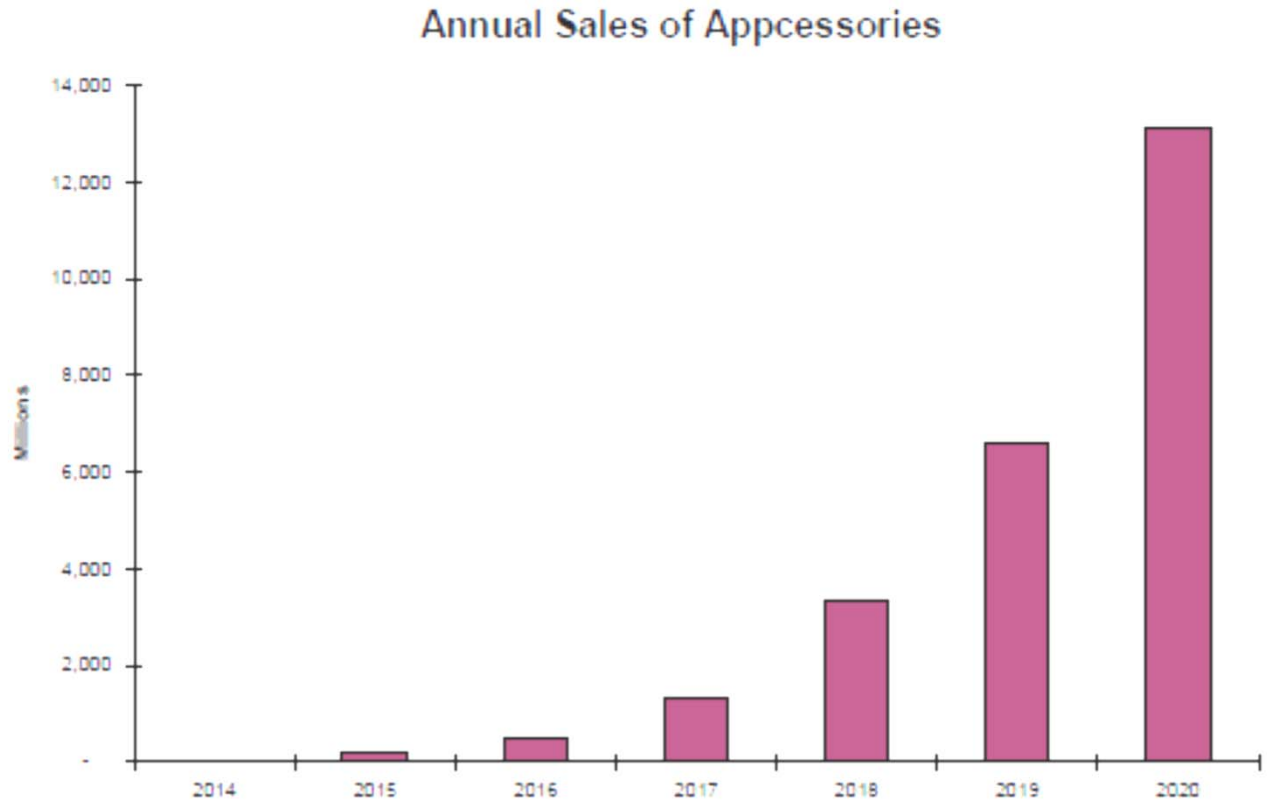
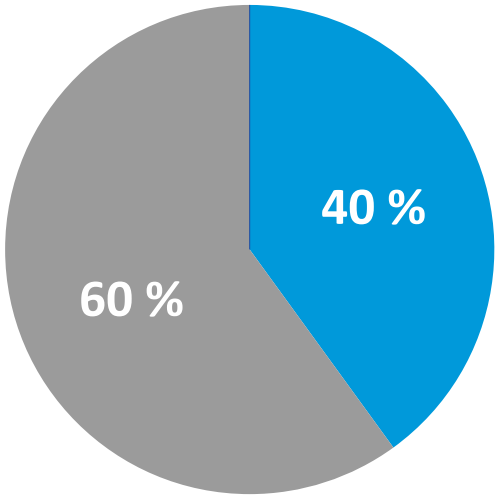
Our market is growing fast



Source: WiFore Consulting, 2013

Nordic's Target

- Nordic targeted to become the dominant semiconductor vendor in this marketplace:
  - More than 40% market share thru:
    - Technology Leadership
    - Customer Support
    - Application Knowhow
  - Nordic is setting the standard for the competition
  - Maintain margins



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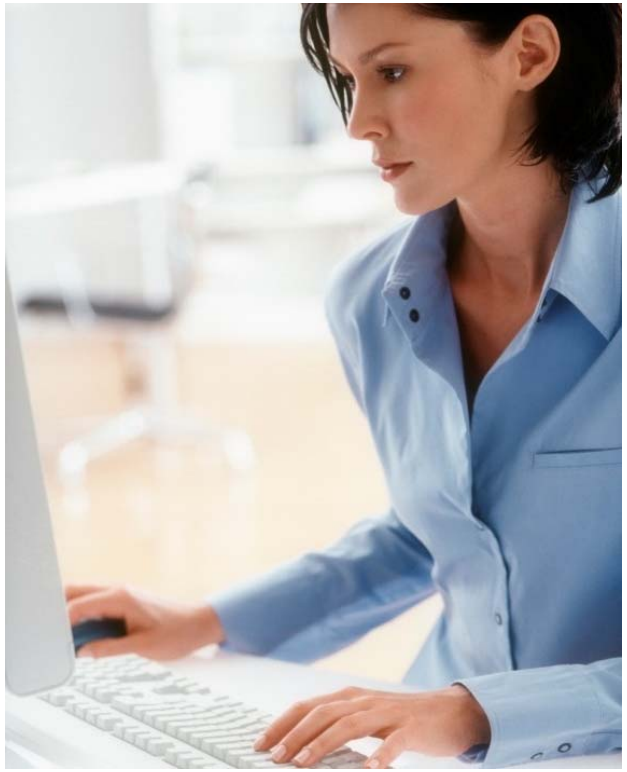
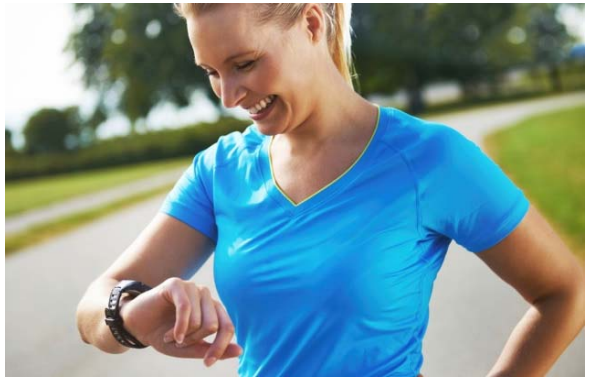
Nordic has a unique and established position

- Sole focus on ultra low power wireless
- Pioneer and leader with 2.4GHz since 2002
- Founding member of Wibree initiative
- First Bluetooth Smart solution in 2010
- Broad and leading customer base
- Visibility on customer needs
- Technology Leadership

NORDIC SEMICONDUCTOR

NYC September 15th 2014






How we will expand on our leading market position

Geir Langeland, Director of Sales and Marketing

NORDIC SEMICONDUCTOR

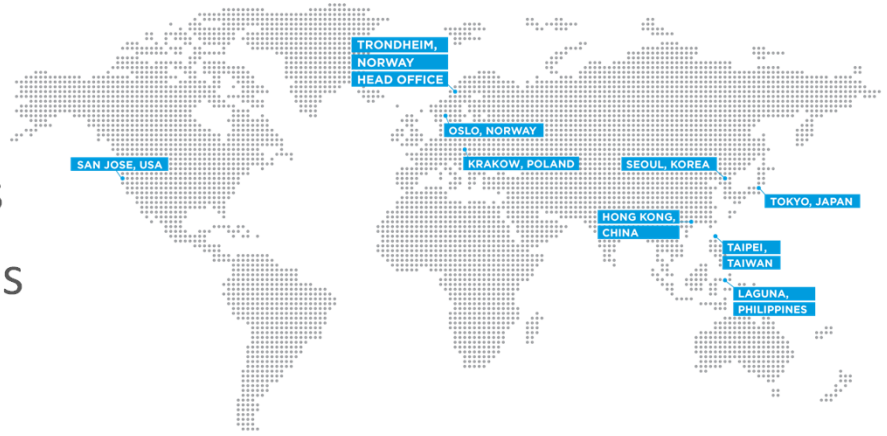
Agenda

- Overview
- Market catalysts
- Segments
  - Current
  - Emerging

NORDIC SEMICONDUCTOR

Small company – wide footprint

- Nordic uses standard semiconductor sales/distribution models
  - Scalability to track 1000's of customers
  - Extensive sales of small and affordable development kits through traditional distributors and online retailers
- Engage actively in hackathons, meetups, conferences, and exibitions
- Cooperation with ARM® through mbed and academic programmes
- Dedicated geographical FAE teams

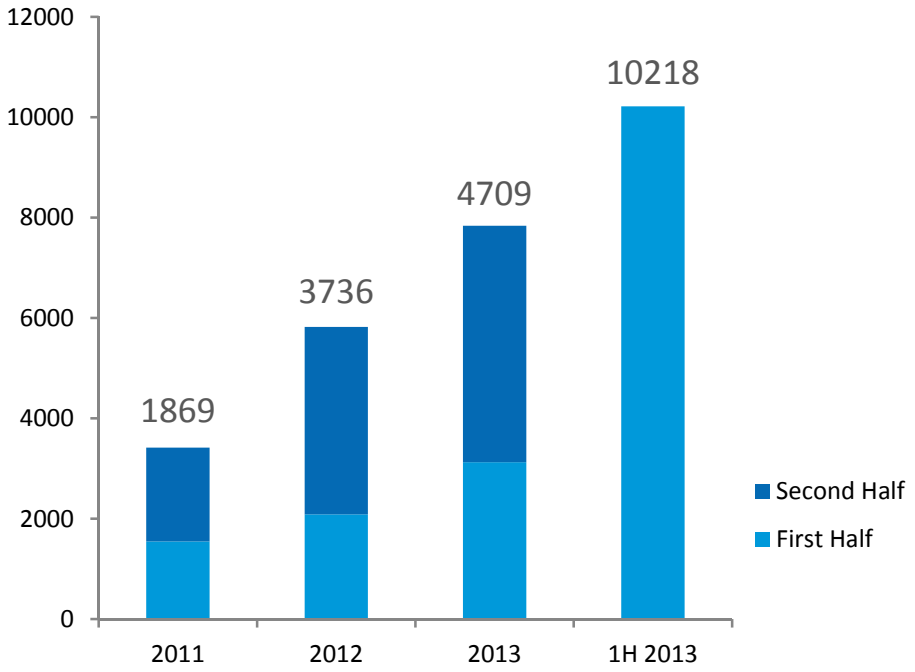


NORDIC SEMICONDUCTOR

Internet of Things is driving record sales of Nordic's development kits

Sales of development kits (units)

- Record high 10218 development kits sold in 1H 2014, with strong acceleration in Q2 2014
- Significantly more than all of the development kits sold last year
- Huge growth in demand for Bluetooth Smart development kits



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Market catalysts for new segments

- Samsung
  - S Health – health app that collects data from 3rd party devices
  - Simband – platform for cloud-sourced health tracking
  - Smart Home service – control home appliances, TV's, lights etc.
- Apple
  - HealthKit – health and fitness apps work together and share data
  - HomeKit – smart home control
  - WatchKit – smart watch app API
  - iBeacon – location services
- Google
  - Google Fit SDK – easier to build fitness apps and devices
  - Android Wear – smart watch development platform
  - Google owned Nest Labs one of founders of Thread Group
- Microsoft
  - HealthVault – cloud service for health data
  - Bing health and fitness app – app for health data

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HID

Mouse, keyboard, stylus, remote and gaming

MARKET

- Nordic dominant in proprietary
- Bluetooth Smart readiness in PCs, tablets, smart phones
- Expect TVs, set top boxes and game consoles to follow

NORDIC STRENGTHS

- Concurrent proprietary and Bluetooth Smart solution
- Cost effective single chip solution
- Ultra low power
- On chip flash for DFU – Device Firmware Update
- Mouse, keyboard & remote reference design

EARLY ADOPTERS IN SEGMENT

- Logitech
- Microsoft
- Philips
- SteelSeries

SPORTS

Running, biking, gym, team sports

MARKET

- Nordic dominant in proprietary and ANT+
- Natural migration to smart phone connectivity
- ANT+ and Bluetooth Smart major drivers
- Traditional and new customers emerge

NORDIC STRENGTHS

- Concurrent ANT+ and Bluetooth Smart
- Cost effective single chip solution for sensors
- Ultra low power
- On chip flash for DFU – Device Firmware Update

EARLY ADOPTERS IN SEGMENT

- Suunto
- Wahoo
- Adidas
- Garmin

NORDIC SEMICONDUCTOR

Adidas – Fit Smart

- Measures heart rate, calories, speed, pace, distance, and stride and sync with Bluetooth Smart Ready smartphones
- Eliminates the need for separate monitoring devices (heart rate-straps and pedometers)
- Nordic's multiple award-winning nRF51822 SoC enables the FIT SMART to run for up to five days on a single charge
- FIT SMART, SPEED_CELL, XCELL and SMART BALL – All products from Adidas myCoach with Nordic inside

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FOR IMMEDIATE RELEASE

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APPLICATION: SPORTS & FITNESS

adidas Fit Smart all-in-one wristband tracker measures heart rate, calories, speed, pace, distance, and stride in sync with Bluetooth Smart Ready smartphones

Employing Nordic Semiconductor nRF51822 Systems-on-Chips (SoCs) to provide real-time Bluetooth Smart wireless comms to the adidas miCoach app running on compatible iOS or Android Bluetooth Smart Ready smartphones, the adidas FIT SMART targets runners and fitness enthusiasts and eliminates the need for separate monitoring devices such as heart rate-straps and pedometers

Oslo, Norway – SEPTEMBER 12, 2014 – Ultra low power (ULP) RF specialist Nordic Semiconductor ASA (OSE: NOD) today announces that adidas has specified Nordic's multiple award-winning nRF51822 System-on-Chip (SoC) to provide the *Bluetooth*® Smart (formerly known as Bluetooth low energy) wireless synchronization to the adidas miCoach app running on any Bluetooth Smart Ready iOS or Android smartphones in the latest addition to the adidas miCoach digital fitness ecosystem: the adidas FIT SMART wristband tracker.

The adidas FIT SMART is a wrist-worn, real-time, wearable fitness tracker housed in a soft-touch silicon strap with a 17 x 11 LED matrix display, integrated accelerometer, and optical heart-rate sensor (mounted on the reverse of the display) that is designed to be an 'all-in-one' solution for runners, fitness enthusiasts, and athletes.

fit smart

Fitness trackers

Belt clip, wristbands, shoe pods

MARKET

- First major mobile accessory to adopt Bluetooth Smart
- Evolved from sports-related products for athletes to the broad consumer market for monitoring healthy lifestyle
- Data sharing across social networks
- Corporate, Insurance and government initiatives

NORDIC STRENGTHS

- Early solution for connectivity - nRF8001
- Small footprint - 3.6x3.8mm solution and minimum of external components with nRF51 Series
- On chip flash for DFU – Device Firmware Update
- Power consumption

EARLY ADOPTERS IN SEGMENT

- Fitbit
- Jawbone
- Nike
- Fitlinxx
- Garmin

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Beacons

Proximity, advertising, location

MARKET

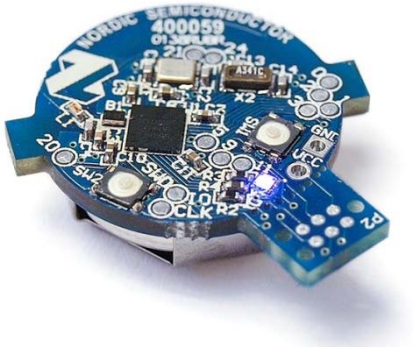
- 1st wave of proximity tags in 2013/14
- 2nd wave based on beacons for retail/info
- 3rd wave expected around positioning & payment

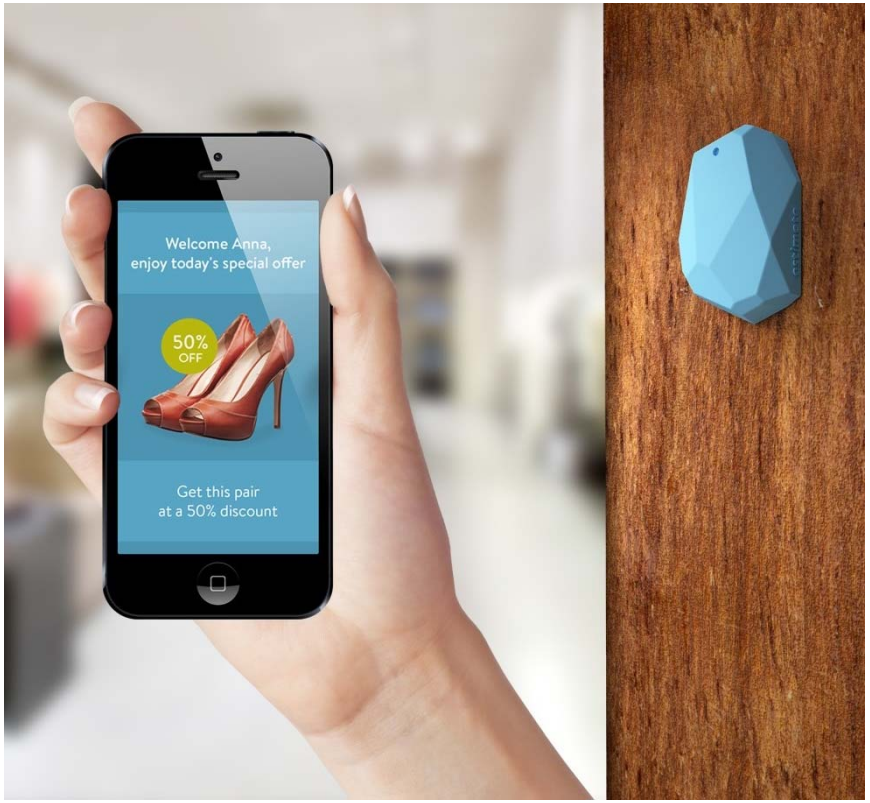
NORDIC STRENGTHS

- Single chip solution – nRF51822
- Power consumption
- Partner network for HW& SW solutions (ODM's)
- Nordic beacon reference design

EARLY ADOPTERS

- Sticknfind
- Tile
- Estimote
- Kontakt

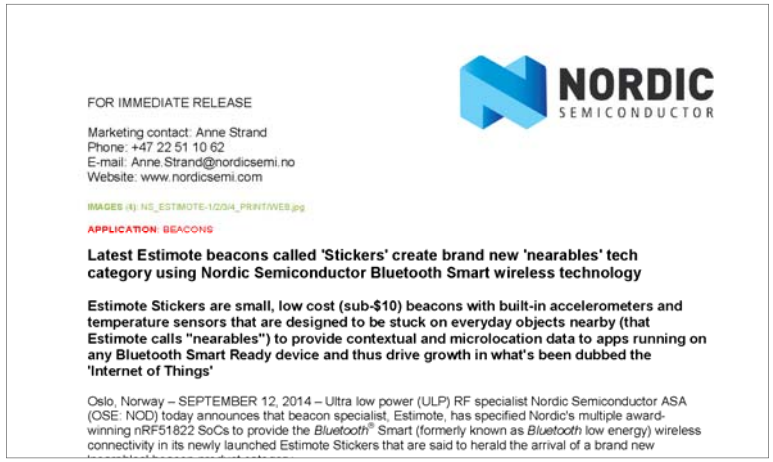




NORDIC SEMICONDUCTOR

Beacons -Estimote

- One of the most recognized beacon brands
- Low price points
- Wants to pioneer “Nearables” with new sticker beacon hardware
  - Tag objects
  - Location
  - Temperature
  - Motion



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APPLICATION: BEACONS

Latest Estimote beacons called 'Stickers' create brand new 'nearables' tech category using Nordic Semiconductor Bluetooth Smart wireless technology

Estimote Stickers are small, low cost (sub-$10) beacons with built-in accelerometers and temperature sensors that are designed to be stuck on everyday objects nearby (that Estimote calls "nearables") to provide contextual and microlocation data to apps running on any Bluetooth Smart Ready device and thus drive growth in what's been dubbed the 'Internet of Things'

Oslo, Norway – SEPTEMBER 12, 2014 – Ultra low power (ULP) RF specialist Nordic Semiconductor ASA (OSE: NOD) today announces that beacon specialist, Estimote, has specified Nordic's multiple award-winning nRF51822 SoCs to provide the *Bluetooth*® Smart (formerly known as *Bluetooth* low energy) wireless connectivity in its newly launched Estimote Stickers that are said to herald the arrival of a brand new

NORDIC SEMICONDUCTOR

Beacons - Kontakt.io

- Wide deployment
- OEM strategy - branding
- Cloud based platform
- Corporate customer focus eg:
  - Parking
  - Shop installations
  - Airports
  - Gas stations
  - Coffe shops

NORDIC SEMICONDUCTOR

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APPLICATION: BEACONS

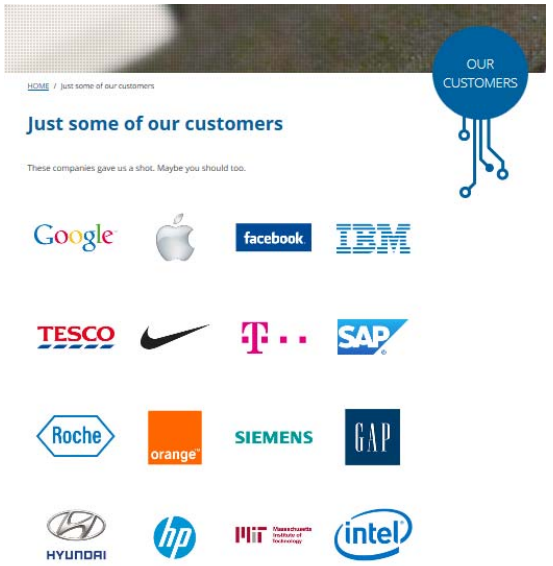
Cloud beacon platform eliminates need for hardware design and employs Nordic Semiconductor Bluetooth Smart wireless technology

The Cloud Beacon platform from Polish startup, Kontakt.io, is delivered pre-integrated to customers and is said to require only a simple hardware set-up procedure with each beacon then monitored via the cloud

Oslo, Norway – SEPTEMBER 12, 2014 – Ultra low power (ULP) RF specialist Nordic Semiconductor ASA (OSE: NOD) today announces that Polish startup, Kontakt.io, has specified the multiple award-winning Nordic nRF51822 Systems-on-Chips (SoCs) to provide the *Bluetooth* Smart® (formerly known as Bluetooth low energy) wireless connectivity in Kontakt.io's Cloud Beacon pre-integrated beacon hardware platform.

Kontakt.io says its Cloud Beacon platform will eventually include a wearable rubber wristband option (that will also incorporate Nordic wireless technology) for tracking people such as children in schools or while out on a school day trip, healthcare patients, and workers in manufacturing facilities for health and safety purposes.

In operation, Kontakt.io works with its customers to custom-build the beacon hardware infrastructure required for their particular application (right down to the beacon casing design, color, and logo branding). Kontakt.io says these beacons are then delivered as ready-to-go devices that are as easy to configure as sending an email from a web browser.



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Healthcare/Medical Monitors

Blood glucose & pressure, SPO2, weight, vitals

MARKET

- Long development cycles and FDA approvals
- Large potential due to diabetes epidemic and outpatient/elderly care
- Predominantly Bluetooth Smart technology for phone connectivity

NORDIC STRENGTHS

- Robust and relaiable SW framework
- 3.6x3.8mm solution with minimum of external components – nRF51822
- On chip flash for DFU – Device Firmware Update

EARLY ADOPTERS IN SEGMENT

- Lifescan
- iHealth Labs
- Nonin
- A&D Medical

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Toys and games

Remote control, gameplay with connectivity

MARKET

- Proprietary in traditional RC toys
- Bluetooth Smart technology used for connectivity
- Leading toy companies can generate revenue through new smart phone platform and still sell hardware as before

NORDIC STRENGTHS

- Proprietary and Bluetooth Smart roadmap
- Cost effective single chip solution for system
- On chip flash for DFU – Device Firmware Update
- Low power consumption

EARLY ADOPTERS IN SEGMENT

- ANKI
- Scalectrix
- Parrot
- Sphero

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SMART HOME AND INDUSTRIAL AUTOMATION

Sensors, security, light control, locks

MARKET

- Early adopters betting on Zigbee, WiFi, Zwave or proprietary
- New implementations trending towards Bluetooth Smart due to phone connectivity as well as low power and cost effectivity
- Large players starting to engage – creates momentum

NORDIC STRENGTHS

- Cost effective single chip solution for system
- Low power
- On chip flash for DFU – Device Firmware Update future proofs solutions
- Flexible architecture allows for advanced network topologies

EARLY ADOPTERS IN SEGMENT

- Nest
- Philips
- Belkin
- Honeywell

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WIRELESS CHARGING

Chargers for phones & wearables

MARKET

- Rezence™ (A4WP) standard uses Bluetooth Smart technology to control charge session
  - Spatial freedom and multiple devices
- First deployment expected in 2015

NORDIC STRENGTHS

- Cost effective single chip solution for system
- On chip flash for DFU – Device Firmware Update future proofs solutions
- Supports 8 devices charging at the same time

EARLY ADOPTERS IN SEGMENT

- Rezence™ (A4WP) backed by leading players
  - Samsung
  - HTC
  - Intel
  - LG

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MONITORS

Pet trackers, kids & babies

MARKET

- In its infancy now – spending on pets escalating
- Bluetooth Smart connectivity and low cost gps important for several of these applications
- New generation of baby monitors

NORDIC STRENGTHS

- Leading system architecture
- Power consumption
- On chip flash for DFU – Device Firmware Update future proofs solutions

EARLY ADOPTERS IN SEGMENT

- Tractive
- Whistle
- Mimo
- BeLuvv

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CONNECTED APPLIANCES

Refrigerators, coffee makers, dishwashers

MARKET

- Technology around for long time - expensive
- Early implementations predominantly WiFi
- Bluetooth Smart connectivity enables lower cost implementations

NORDIC STRENGTHS

- Cost effective
- Single chip solution for simple non display systems
- On chip flash for DFU – Device Firmware Update future proofs solutions

EARLY ADOPTERS IN SEGMENT

- Samsung
- Nespresso
- Whirlpool
- LG

NORDIC SEMICONDUCTOR

WEARABLES

Hearing aids, watches, clothing, jewelery

MARKET

- Emerging market enabled by new technology
- Bluetooth Smart enabeling unlimited oportunities
- Descrete convenience
- Fashionable technology

NORDIC STRENGTHS

- Small footprint - 3.6x3.8mm solution and minimum of external components with nRF51 Series
- On chip flash for DFU – Device Firmware Update
- Power consumption
- Low cost

EARLY ADOPTERS IN SEGMENT

- GN Resound
- Pebble
- Samsung
- Netatmo

NORDIC SEMICONDUCTOR

Connected Watch Connectedevice

- Classic analog watch with connectivity features
- Long battery life
- Leading developer of wearables and award-winning Bluetooth Smart watches.
- Mobile payment (mPayment) solutions for wearable devices
- Winning value proposition through enhanced convenience, durability and security
- Will decrease cost, complexity and risk of implementing wearable mPayment

NORDIC SEMICONDUCTOR CONNECTEDEVICE

Nordic Semiconductor and CONNECTEDEVICE Join Forces On Ultra-Low Power Wearable mPayment Solutions

The partners aim to deliver convenient and secure mobile payment solutions to consumers with Bluetooth® Smart enabled wearables

Oslo and Hong Kong, 11 September 2014 — Ultra-low power (ULP) RF specialist Nordic Semiconductor and wearables pioneer CONNECTEDEVICE jointly announce an extended cooperation on the development of mobile payment solutions for wearable devices. The two companies will work closely together to integrate Nordic's Bluetooth® Smart technology into CONNECTEDEVICE's mPayment-enabled wearable product range.

For other technology manufactures and industry players, this collaboration between Nordic and CONNECTEDEVICE will decrease the cost, complexity and risk of implementing wearable mPayment solutions through the combined strength of the two companies. Both flexible and robust, this complete solution promises to be a winning value proposition for wearables

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AUTOMOTIVE

Keyless entry, remote sart, infotainment, diagonistics

MARKET

- Currently dominated by proprietary low freq. keyless
- Bluetooth Smart creating new opportunities for integration with smart phone
- Use phone as remote, or remote to control phone e.g. GPS

NORDIC STRENGTHS

- Low power
- Single chip

EARLY ADOPTERS IN SEGMENT

- BlueID
- Bluetooth Keyless
- Cobra
- Automatic

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RF ID AND TRACKING

Fleet management, parcels, containers, access & presence

MARKET

- Today served by multiple wireless standards
  - Cellular
  - NFC
  - Sub 1 GHz
- Bluetooth Smart offers alternative with longer range and tablet/smart phone connectivity

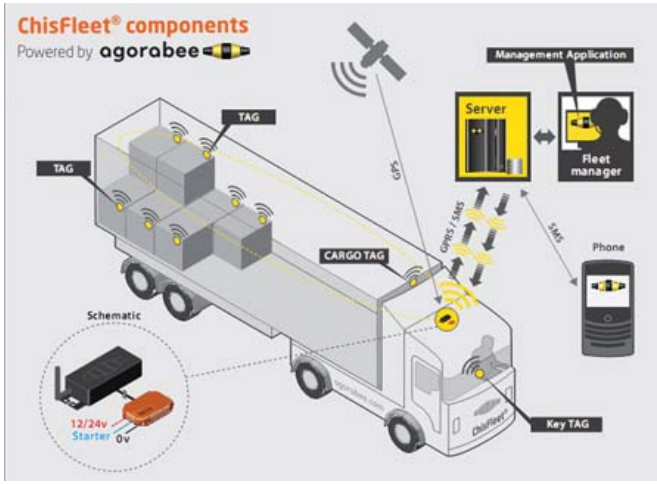
NORDIC STRENGTHS

- Wide selection of IC's
- Low power
- Single chip

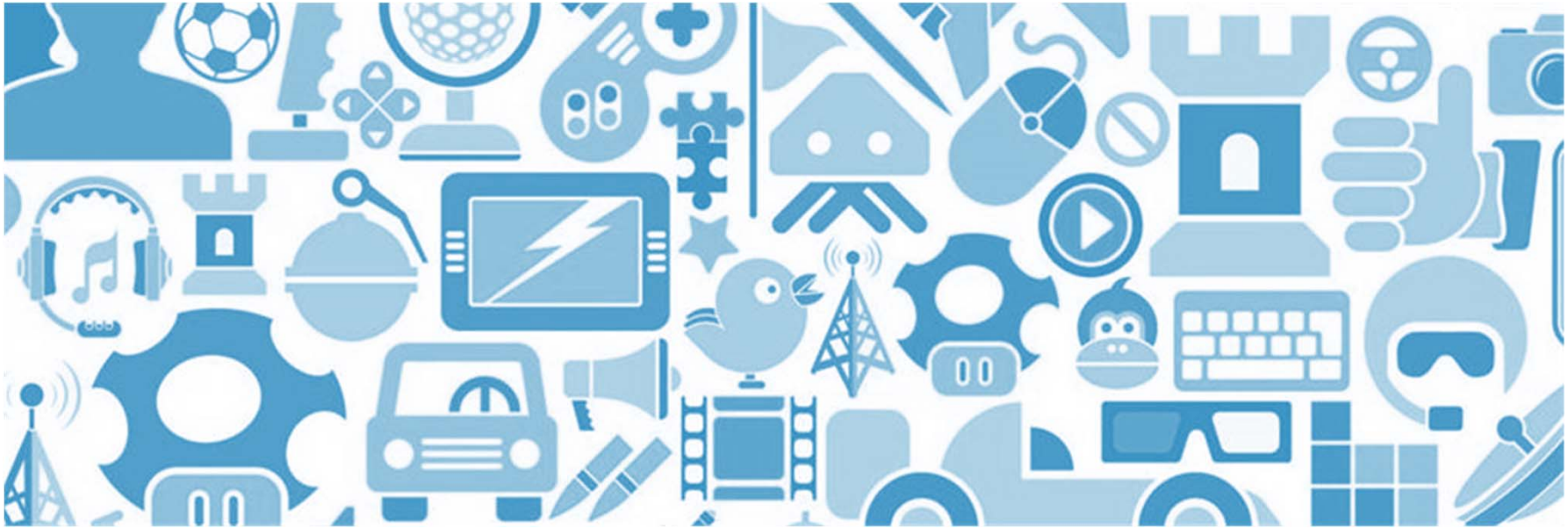
EARLY ADOPTERS IN SEGMENT

- AgoraBee
- mesh

//mesh



NORDIC SEMICONDUCTOR



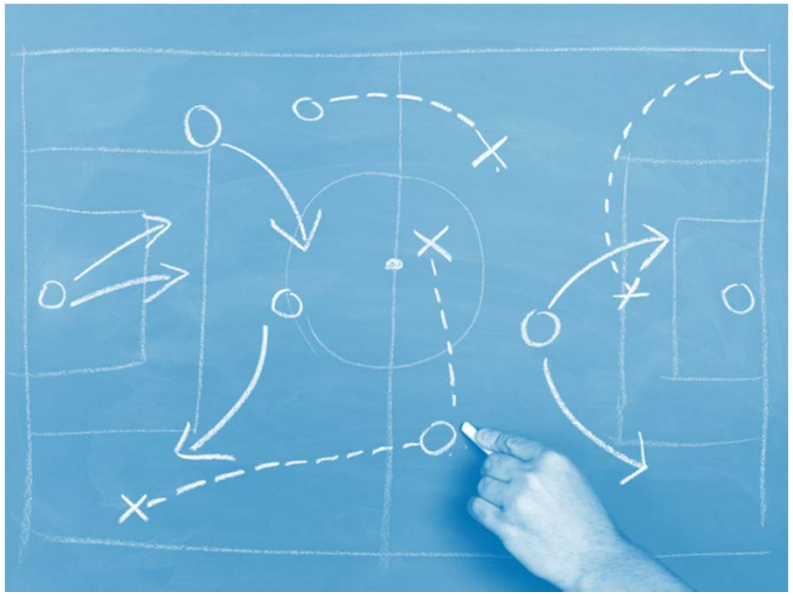
Competitive Edge

Capital Market Day, New York City, September 15 2014

Thomas Embla Bonnerud, Director of Product Management

NORDIC SEMICONDUCTOR

Introduction



Competitive landscape

Our history and current position

Customer selection criteria´s

Competitive differentiation

Products, services and company

How can we compete moving forward

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Competitive landscape

Selection criteria´s

Maturity and ease of adoption

Features, power and performance

Cost structure

Maintaining and strengthening our edge

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Very competitive landscape for Bluetooth Smart

Nordic first to market in 2010

All recognizing the opportunity

Big and established companies

Small and emerging companies

Connectivity and microcontroller

A handful left in 3-5 years

Nordic to remain the leading vendor

nRF51 Series was disruptive in 2012

- *Bluetooth*® Smart SoC
- Cortex-M Processor
- Embedded flash
- Protocol and application separation
- Over-the-air firmware updates
- Ultra low power and high performance

The new benchmark

.. on IC and software architecture

Ease of use

Level of integration – single chip

Developers love it

Our 2’nd generation Bluetooth Smart

Competitors still trying to catch up

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Customer selection criteria´s

Beyond the elevator pith

Customer engineers are key

8 key selection criteria's

Compare Nordic vs. competition

Diversified set applications and customers

Variation in priorities

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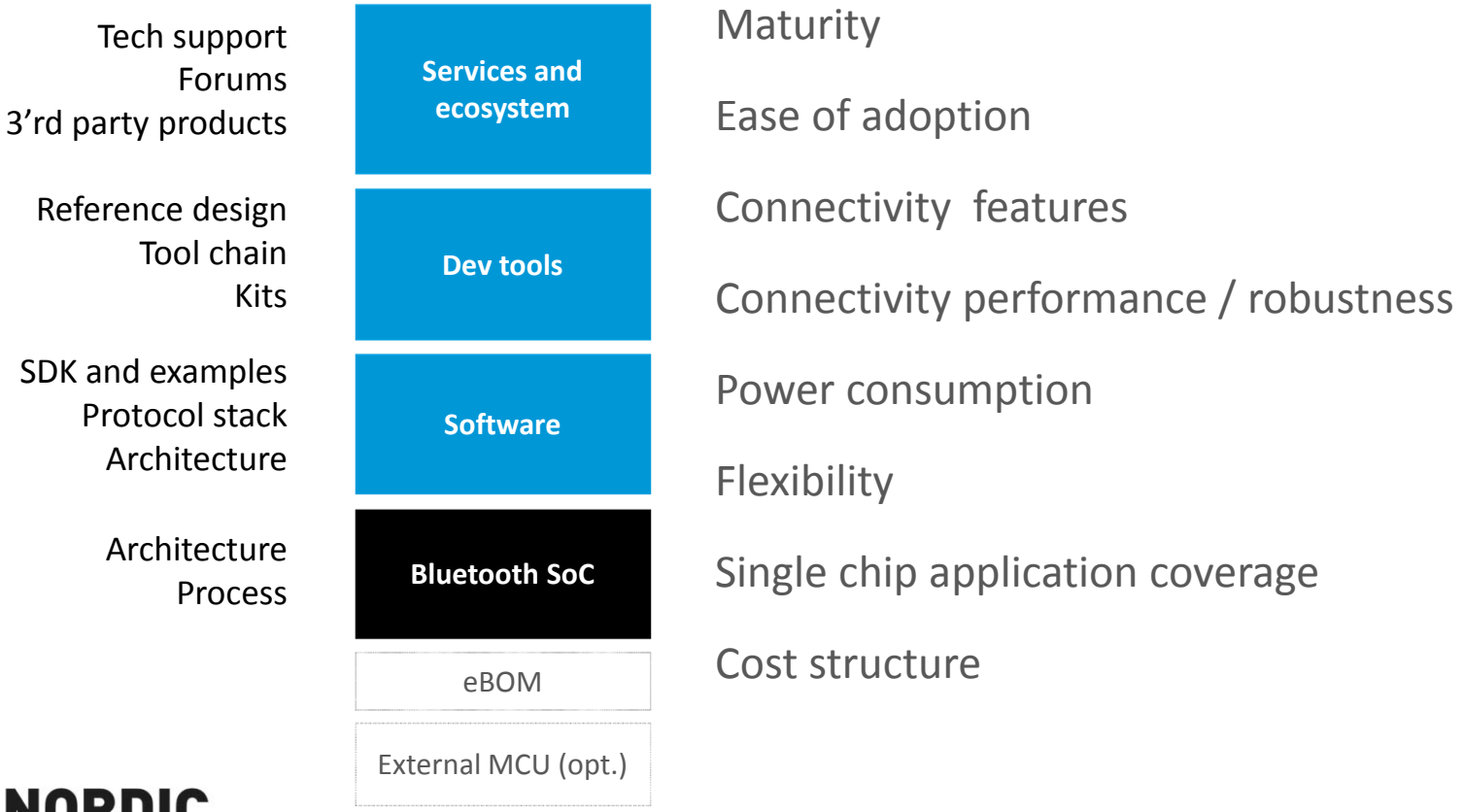
8 key criteria's and solution overview



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Maturity is #1 selection criteria

Immature solution = risk for customer

Known and unknown technical issues

Functional, performance and reliability

Development schedule and resourcing

End product features, performance

End product quality

Products are not mature at launch

IC revisions and firmware updates

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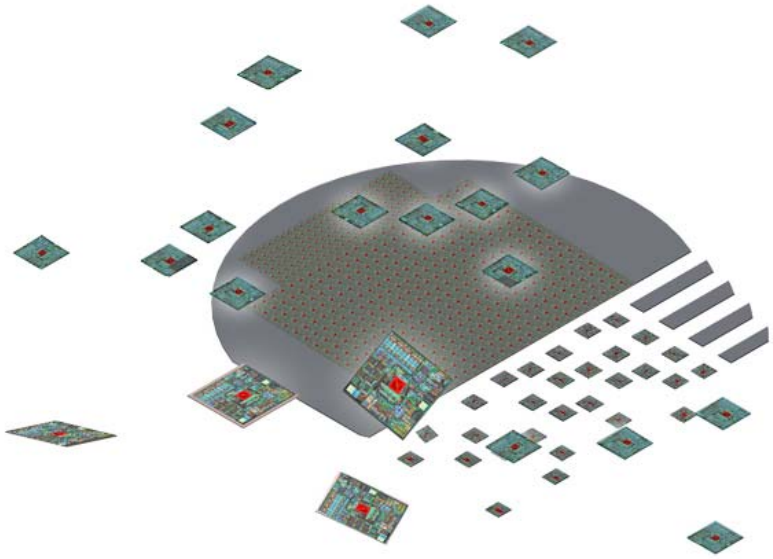
Maturity and Intel's 'Tick-Tock' model



IC architecture and process is fundamental

Defines features, performance and power

Major advancement require change

Change impacts maturity

'Tick-tock' - change one at the time

IC architecture often affect software

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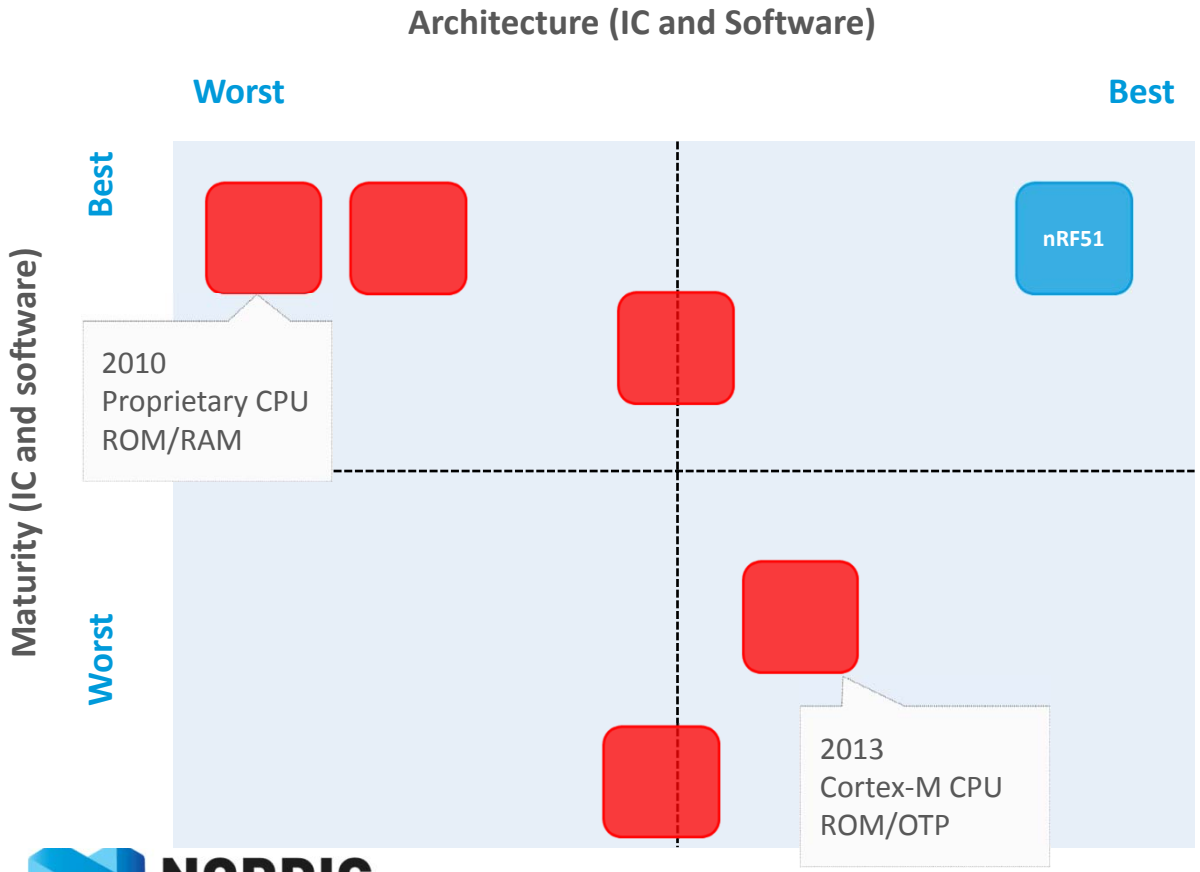
Maturity vs. architecture



IC and Software Maturity

- Known and unknown technical issues
- Functional, performance, reliability

IC and Software Architecture

- Processor, peripherals and memory
- Modular, stack/app separation
- Programming model
- Flexibility and application coverage

Nordic competitive edge

- Mature solution (2 years)
- Cortex-M Embedded flash
- Continuous improvement of software

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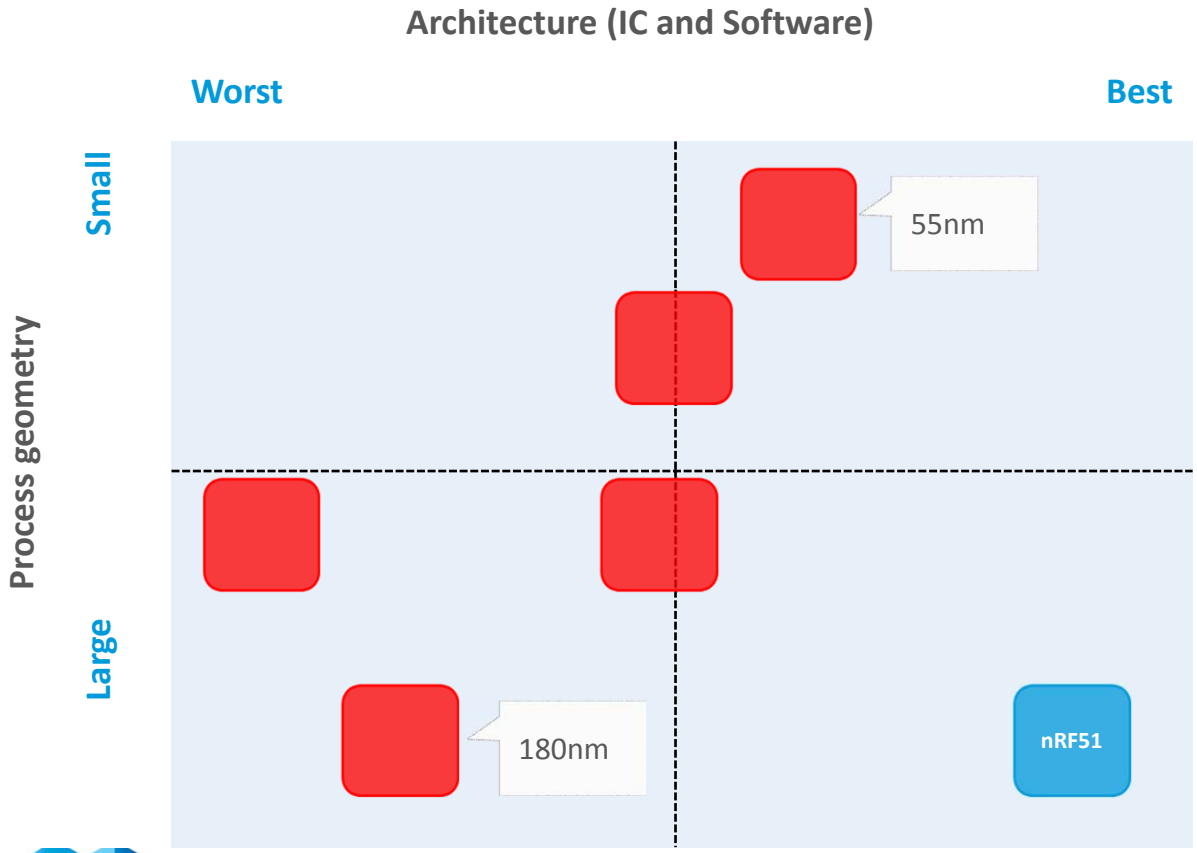
Process vs. architecture



Process geometry

- 180nm down to 55nm
- Affect size, performance,
- power and cost structure
- Smaller = $ and longer cycles

Nordic competitive edge

- Best in class architecture
- Mature process
- Competitive specs and cost
- Short revision cycles

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Ease of adoption is more important than ever

End product complexity increasing

Especially software

Design cycle shortening

Minimize development schedule

Minimize development resourcing

Best possible end product

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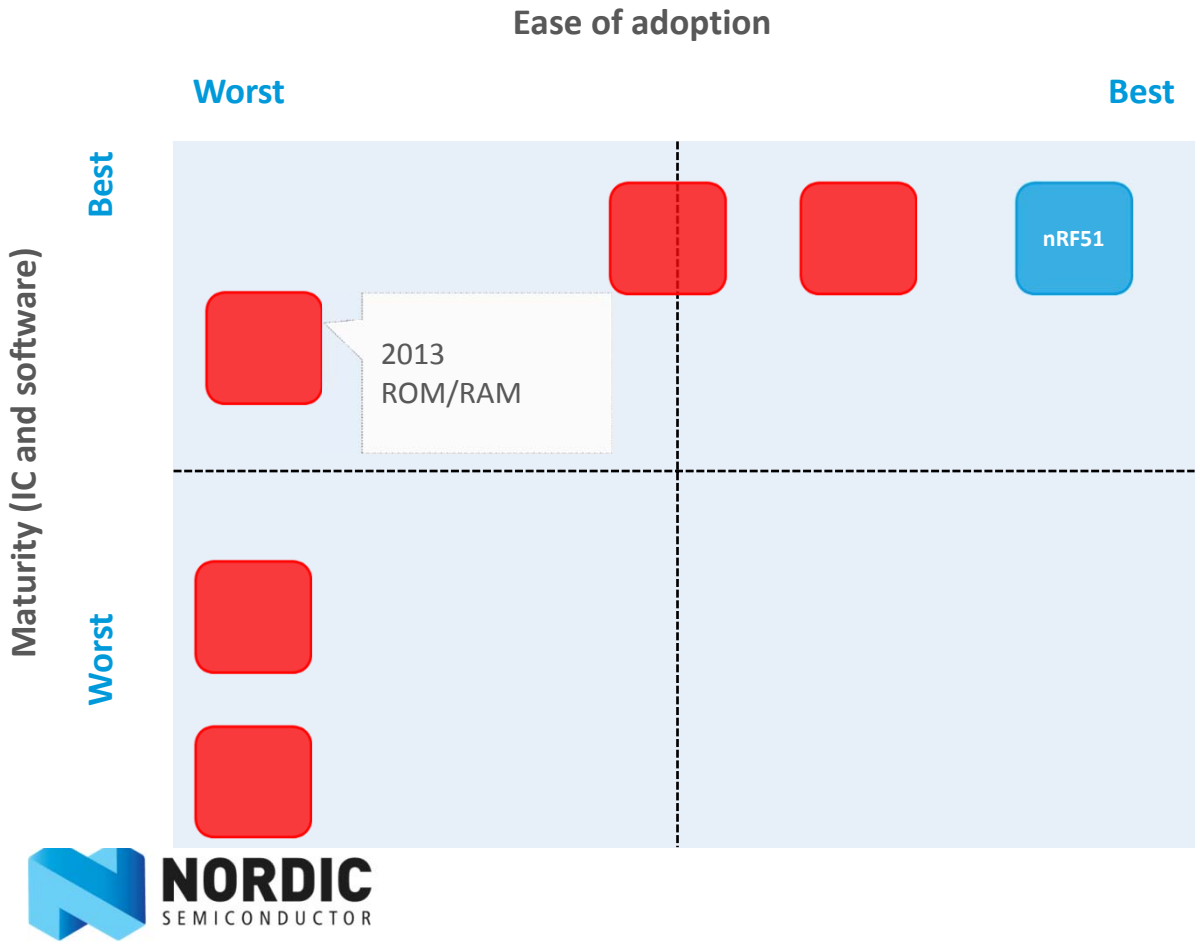
Maturity vs. ease of adoption



Ease of adoption

- Availability
- Software architecture
- Development tools
- Technical support and forums
- Feature rich SDK and examples
- 3´rd party ecosystem and community

Nordic competitive edge

- Industry standard tool-chains
- Software architecture
- Reference designs and SDK
- Embedded flash
- Distribution channel

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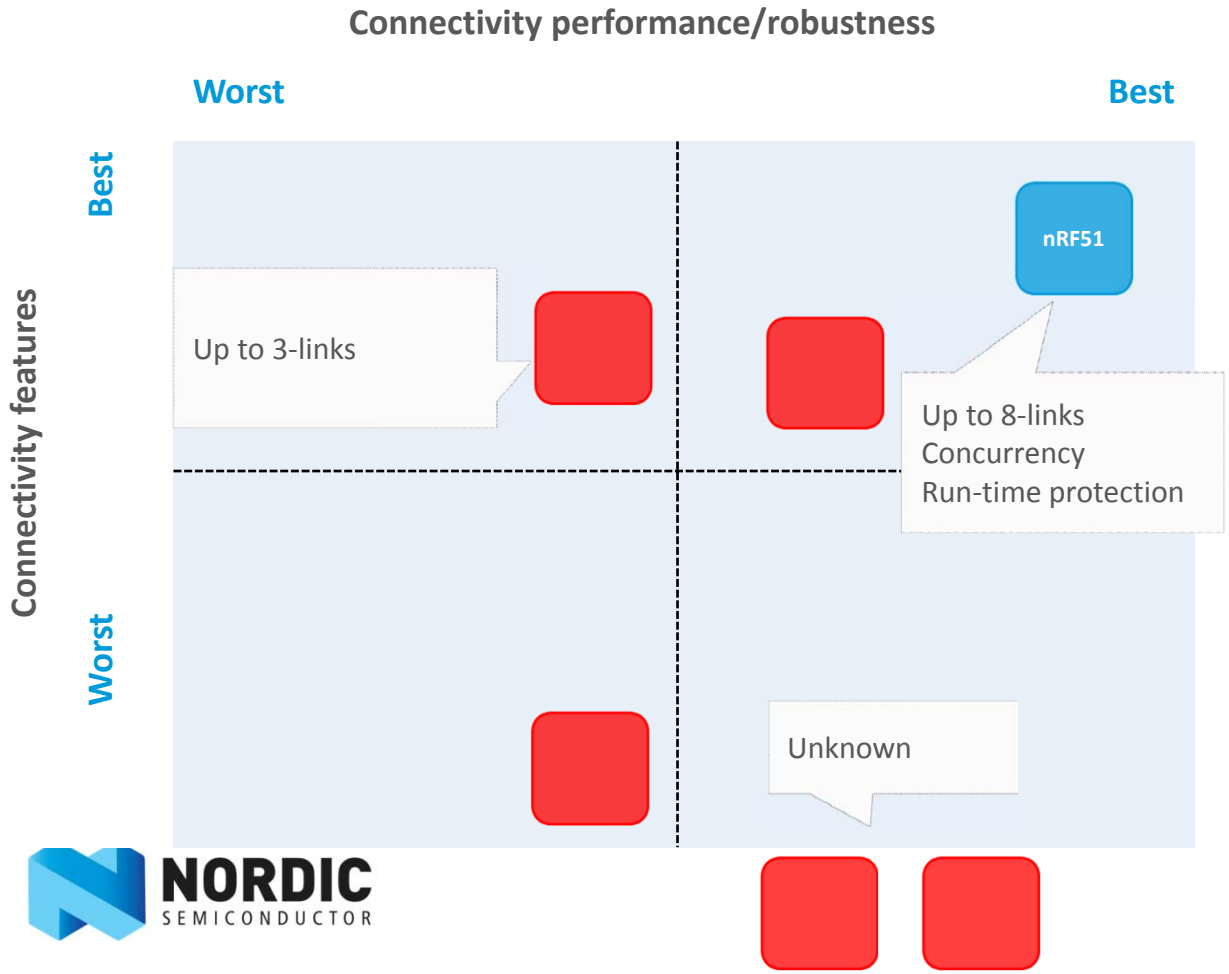
Connectivity features vs. performance/robustness



Connectivity performance/robustness

- Radio link budget and blocking
- Throughput and concurrency
- Run-time protected stack

Connectivity features

- Supported network topologies
- Optional Bluetooth features
- Proprietary features

Nordic competitive edge

- “software defined radio” + flash
- Continuous improvement
- Run-time protected stack

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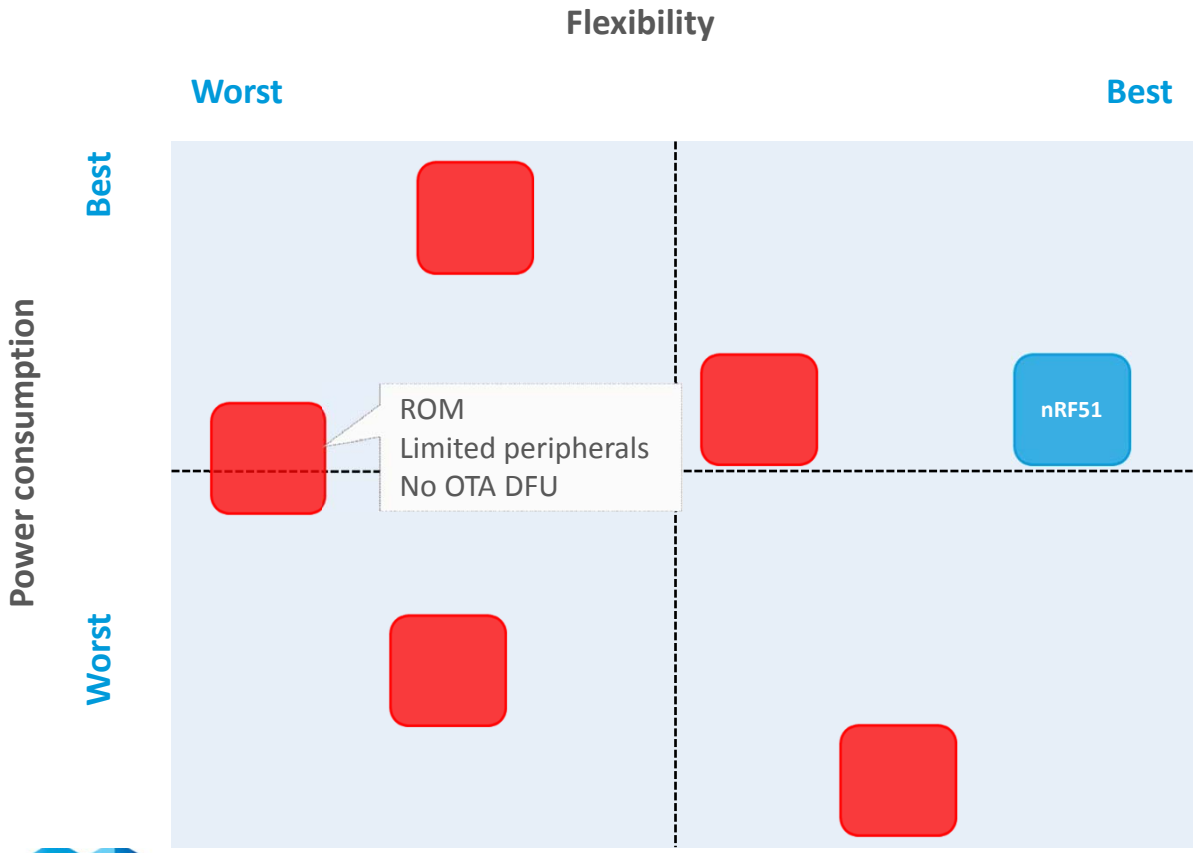
Power consumption vs. flexibility



Power consumption

- Overall average current
- Radio, processor and system
- Idle and active power

Flexibility

- Ability to adapt to application
- Power management, configurability
- Update / change firmware

Nordic competitive edge

- Embedded flash
- Over the air software update
- Advanced power management
- Dynamic pin mapping

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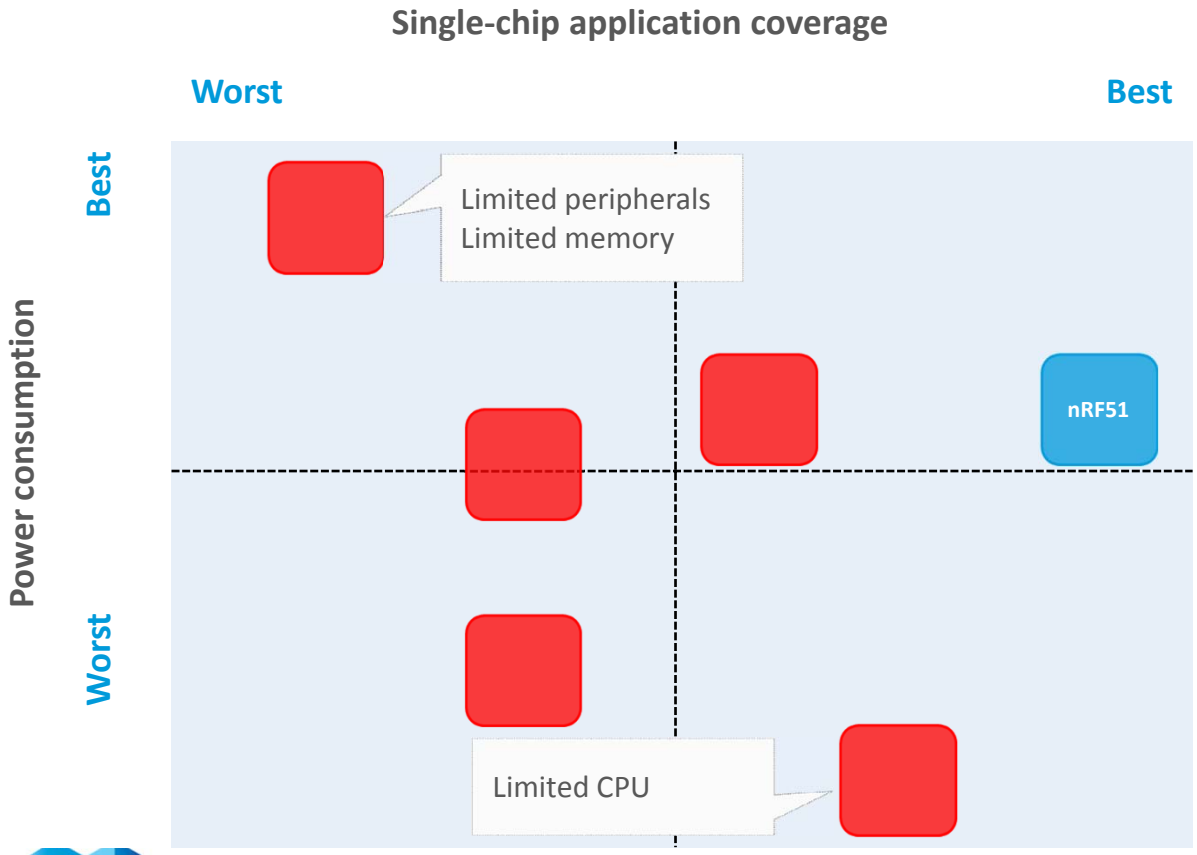
Power consumption vs. single chip application coverage



Single chip application coverage

- Need for external MCU
- Processing power
- Code and data space
- Peripherals
- I/O

Nordic competitive edge

- External MCU adds size, cost, power and complexity
- Single-chip is sticky
- Different stack variant with flash

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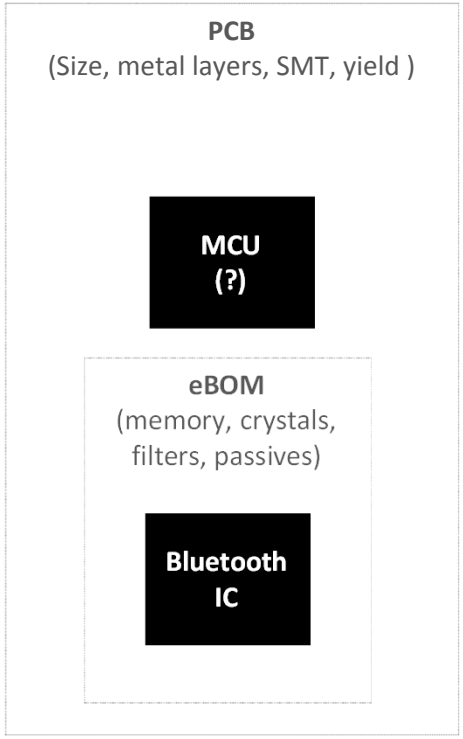
Lots of apple and oranges



Total bill-of-materials is key

More than the IC cost

Sometimes application dependent

Sometimes feature dependent

Cost of ownership

Software changes

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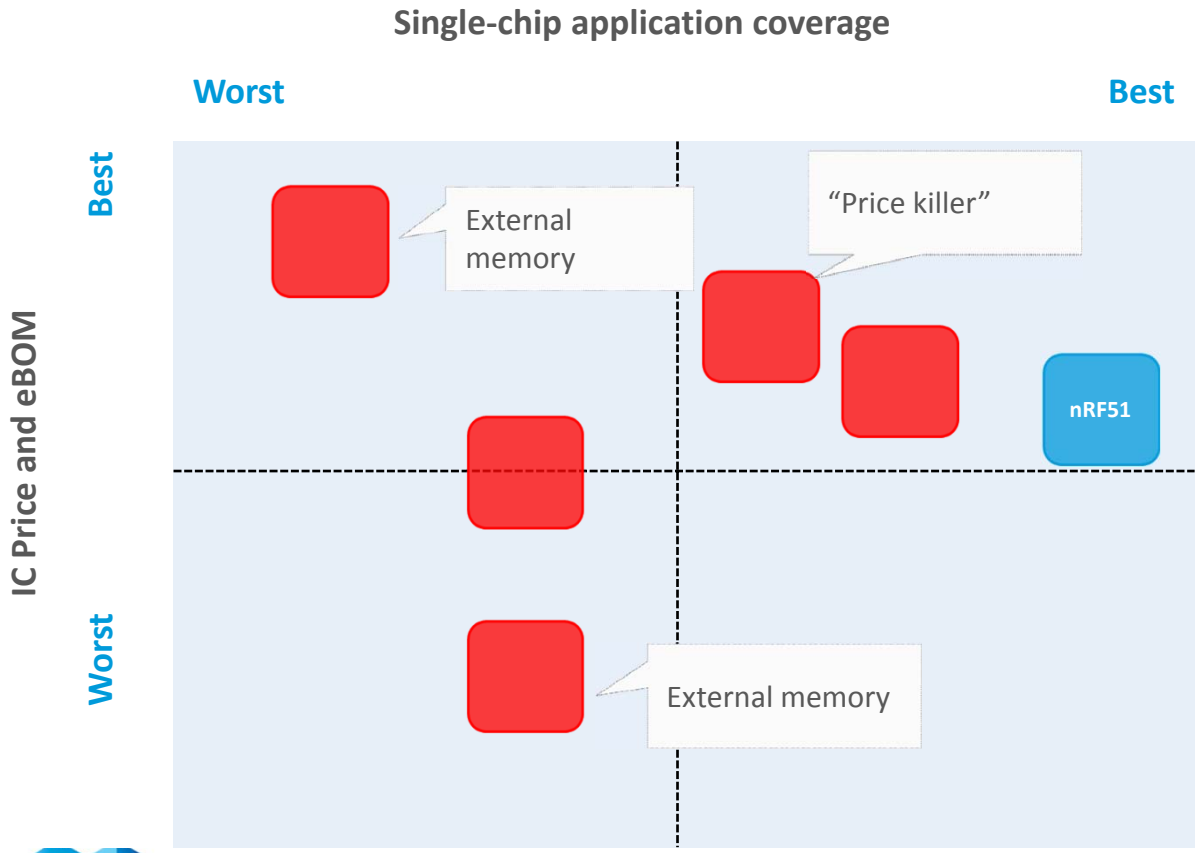
IC cost and eBOM vs single chip application coverage



IC cost and eBOM

- Market price for IC
- Required eBOM

Nordic competitive edge

- Competitive cost structure
- Best in class single chip coverage
- External MCU adds size, cost, power and complexity
- No need for external memory
- No need for 32kHz crystal

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Maintaining and strengthening our edge

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Strengthening our leadership moving forward

Established and leading position

Market and technology

Powerful and fine-tuned organization

Unique market insight

Rapid advancements on software

‘Tick’ next generation IC

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Powerful and fine-tuned organization

One of the biggest teams on Bluetooth Smart

Experienced, focused and dedicated

R&D, Tech support, FAEs and sales

Proven track-record > 15 years with RF

In-house software and IC design

Scalable - engineering talent in Scandinavia

Off the shelf business model

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Unique insight into customer/market needs

Broad and leading customer base

Long term relationships

Deep engagements

Connectivity and application

Short term and long term view

> 10 years market experience

Build the ‘right’ products

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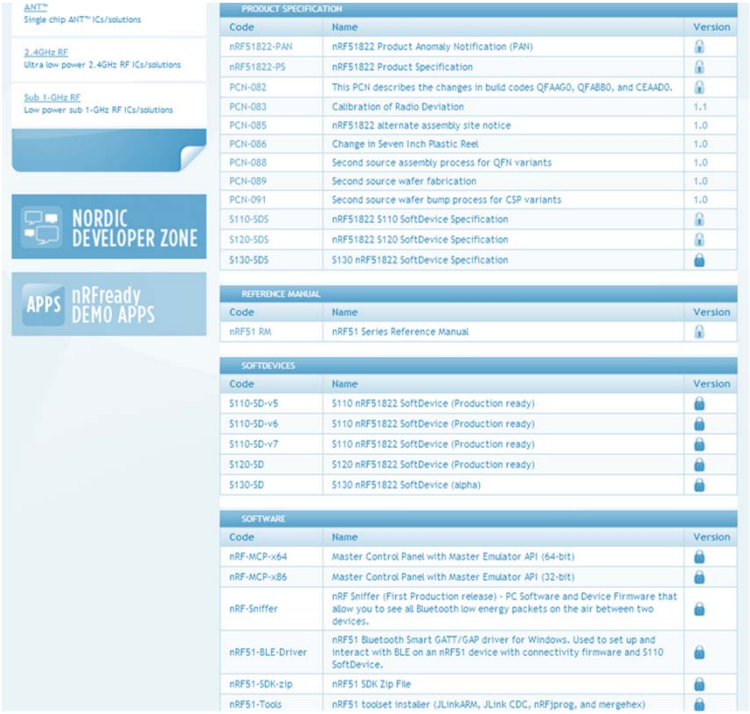
Continuous and rapid advancements on software for nRF51



Speed, speed, speed!

Features, performance and power

Single-chip application coverage

Flexibility and ease of adoption

Maturity

Enabled by flash and IC architecture

Competitors need to spin ROM

Competitors have IC constrains

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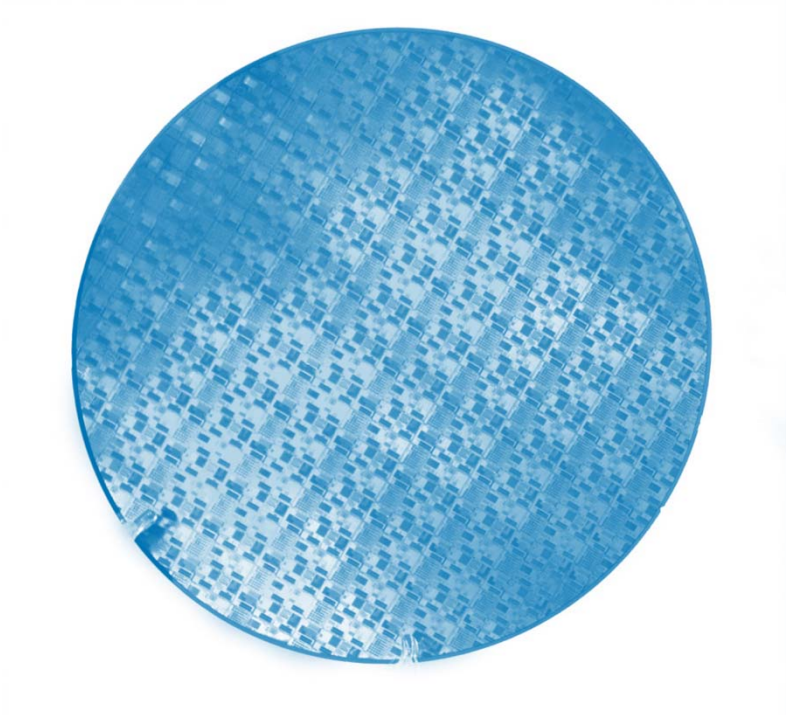
Unique position to ‘Tick’ next generation IC



3-4 years IC series to series cycle time

nRF52 - upcoming 3’rd generation series

Aggressive process scaling

Leverage current IC architecture

Power, performance, level of integration

Leverage and build on existing software

Minimize impact on maturity

Smooth migration for customer

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Summary

Market leadership, experience and insight

Deeply engaged with segment leaders

Leading technology platform

Powerful and fine-tuned organization

Strong and aggressive roadmap

Leverage current architecture and software

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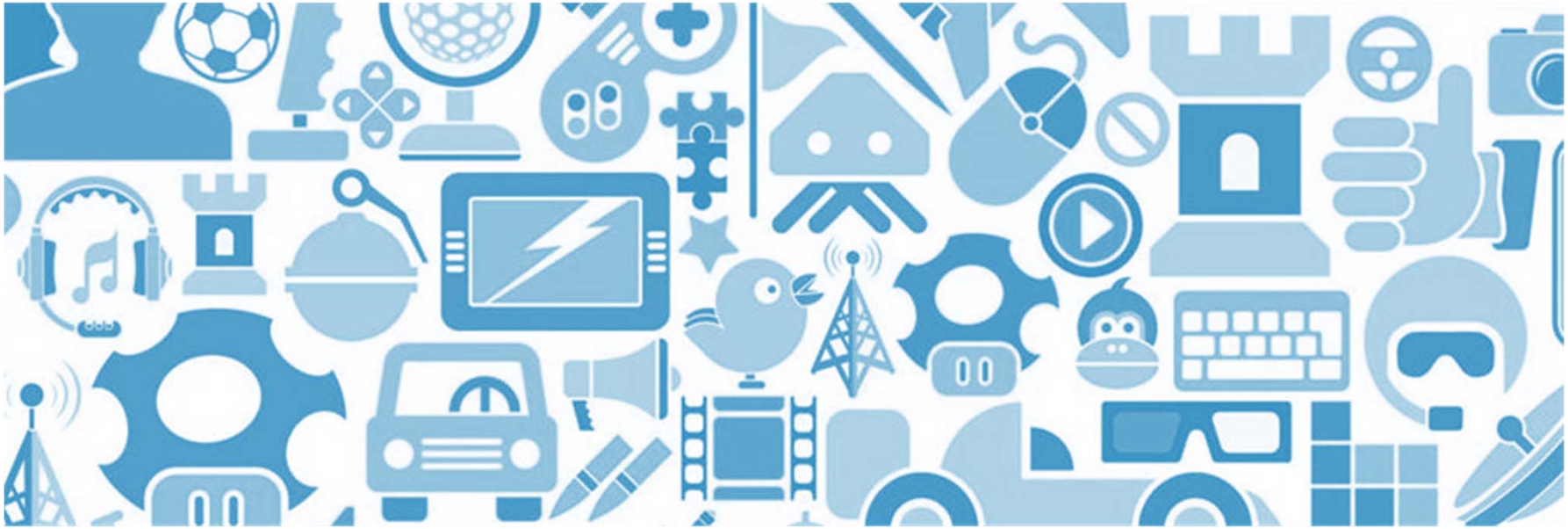

Competitive Edge

Capital Market Day, New York City, September 15 2014

Thomas Embla Bonnerud, Director of Product Management

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www.nordicsemi.com