

Analyst and investor brief

January 22, 2018, Oslo, Norway



Objective with our cellular IoT investment

Growth

Establishing a second growth vehicle

- In addition to our fast growing short-range IoT business
- Accelerate growth in revenue and profitability

Scale

Synergies with our short-range IoT business

- Market and customer base
- Product development
- Operations and supply chain

We are proud and excited!

Our nRF91 solution

Packs a lot of value

Highly differentiated

Forward looking

Time-to-market

Started only 3-years ago

Complex solution

Part of the first wave

Customers and partners share our excitement



Peder's brown bag with
nRF91 demo at CES

Demos and briefs at CES 2018

Customers and partners

Overwhelming positive feedback

Size, power and level of integrations

Strong customer demand

Lining up customer for our lead customer sampling program

Lead customer sampling program

Started
December 2017

Expanding in
H1 2018

High standards on
Customer experience

Existing customer
Long term relationship

Tens of customers
Balanced mix

Developing in parallel
Close and direct support

Simplified customer engagement model

Traditional model



- Module supplier does value add integration and solutions
- Module supplier often handle sales, marketing and support

Nordic model



- Nordic is one-stop shop for cellular IoT
- Building on Nordic's proven broad market engagement model

The nRF91 SiP is a high value solution



Same category as traditional cellular modules
Easy-of-Integration, ease-of-use and certifications

Additional value add integration
Application processor and Assisted GPS

Larger portion of 3rd party content vs. IC
Gross margin dynamics will be a mix of IC and module

Unique value proposal with nRF91 SiP

Size and power consumption

- Industries smallest and lowest power solution
- A “no compromise” attitude to performance

Value add integration and features

- Application processor and Assisted GPS
- Global operation and advanced system level security

Solution completeness and ease-of-use

- Software and development tools; including cloud
- Nordic support and developer community

Building a leading market position



Existing, solid and established suppliers

Loyal customer base in existing market verticals

New verticals driving market growth

Little or no previous exposure to cellular

Significant overlap with Nordic's existing customer base

Ideal fit with Nordic's proven broad market engagement model

Growing our position with the market

Aspiration to become one of the leading suppliers in cellular IoT

Business aspiration for cellular IoT

Short-term

(~2018)

- Secure design wins
- Production ready and certified solution
- Help and drive customer production ramp

Mid-term

(~2020)

- Surpass break even on a running basis; cellular IoT gross profits > cellular Opex on a running 12-months basis

Long-term

(~2022 →)

- Significant contribution to Nordic total revenue and profitability

Cellular IoT investment program

Short-term

(2018 -)

- Production ready solutions
- Incremental additions and improvements
- Phased regional roll-out
- Sales, marketing and support coverage

Medium to long-term

(→ 2020 → 2022)

- Expand and strengthen our nRF91 offering
- Next generation product offering

We done it before and we will do it again

2012 →

nRF5

Bluetooth made easy

Bluetooth for everything else

2018 →

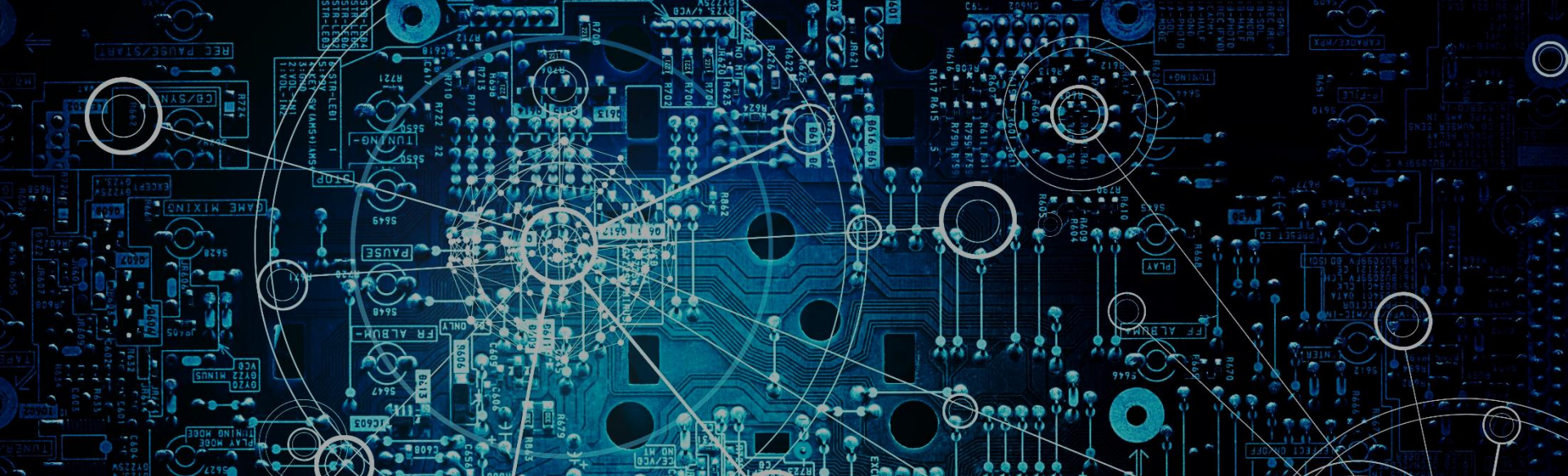
nRF91

Cellular made easy

Cellular for everything else

Thank you!

Q&A



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