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Fourth Quarter and Full Year 2023 Results

February 15, 2024

WE INVENT THE TECHNOLOGIES THAT MAKE LIFE BOUNDLESS

Disclaimers

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 21E of the Exchange Act. Such statements include information regarding our current beliefs, plans and expectations, including, without limitation, the matters set forth below. Words such as "believe," "anticipate," "estimate," "expect," "project," "intend," "plan," "forecast," "goal," "could," "would," "should," "if," "may," "might," "future," "target," "trend," "seek to," "will continue," "predict," "likely," "in the event," variations of any such words or similar expressions contained herein are intended to identify such forward-looking statements.

Forward-looking statements are made on the basis of management's current views and assumptions and are not guarantees of future performance. Although the forward-looking statements in this presentation reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements concerning our business, results of operations and financial condition are inherently subject to risks and uncertainties. We caution readers that actual results and outcomes could differ materially from those expressed in or anticipated by such forward-looking statements due to a variety of factors, including: (i) unanticipated delays, difficulties or accelerations in the execution of patent license agreements; (ii) the resolution of current legal proceedings, including any awards or judgments relating to such proceedings, additional or related legal proceedings, including appeals, changes in the schedules or costs associated with such proceedings or adverse rulings; (iii) our ability to leverage our strategic relationships and secure new patent license agreements on acceptable terms; (iv) our ability to enter into sales and/or licensing partnering arrangements for certain of our patent assets; (v) our ability to expand our revenue opportunities by entering into licensing arrangements with video streaming and other cloud-based service providers; (vi) our ability to enter into partnerships with leading inventors and research organizations and identify and acquire technology and patent portfolios that align with our roadmap; (vii) our ability to commercialize our technologies and enter into customer agreements; (viii) the failure of the markets for our current or new technologies to materialize to the extent or at the rate that we expect; (ix) our continued ability to develop new technologies and secure new patents, including the risk of unexpected delays or difficulties related to the development of our technologies; (x) risks associated with our capital allocation strategies, including risks associated with our planned dividend payments and share repurchases; (xi) changes in our interpretations of, and assumptions and calculations with respect to the impact on us of, the 2017 Tax Cuts and Jobs Act, as well as further guidance that may be issued regarding such act; (xii) risks related to the potential impact of new accounting standards on our financial position, results of operations or cash flows; (xiii) failure to accurately forecast the impact of our restructuring activities on our financial statements and our business; (xiv) the timing and impact of potential administrative and legislative matters; (xv) changes or inaccuracies in market projections; (xvi) our ability to obtain liquidity though debt and equity financings; (xvii) the potential effects that macroeconomic uncertainty could have on our financial position, results of operations and cash flows; (xviii) impacts from acts of terrorism, war or political or civil unrest, or any responses thereto, in the United States or elsewhere; (xix) changes in our business strategy; (xx) changes or inaccuracies in our expectations with respect to royalty payments by our customers and (xxi) risks related to our assumptions and application of relevant accounting standards, including with respect to revenue recognition.

You should carefully consider these factors as well as the risks and uncertainties outlined in greater detail in Part I, Item 1A, of our Form 10-K before making any investment decision with respect to our common stock. These factors, individually or in the aggregate, may cause our actual results to differ materially from our expected and historical results. You should understand that it is not possible to predict or identify all such factors. In addition, you should not place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. We undertake no obligation to revise or update publicly any forward-looking statement for any reason, except as otherwise required by law.

Industry Data

This presentation contains statistical data, estimates, and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. While we believe the industry and market data included in this presentation are reliable and are based on reasonable assumptions, these data involve many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP measures not based on generally accepted accounting principles. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. The non-GAAP measures used by us may differ from the non-GAAP measures used by other companies. For more information and for reconciliations between GAAP and these non-GAAP measures, see the appendix to this presentation.

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Q4’23 Highlights

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Recent Business Highlights

Q4 Financial Highlights

- ✓ Revenue of $105.5 million above midpoint of guidance
- ✓ Adjusted EBITDA[a] of $53.3 million above high end of guidance
- ✓ Diluted earnings per share of $1.41[b] above high end of guidance
- ✓ Return of capital of $47 million
- ✓ Increased share repurchase authorization to $300 million

Other Business Highlights

- ✓ Completed new license agreement with Samsung covering digital TVs and computer monitors
- ✓ Renewed license agreements with Panasonic
- ✓ Awarded injunction against Oppo, Realme and OnePlus by a German court
- ✓ Hired Ken Kaskoun as Chief Growth Officer
- ✓ Recognized by Forbes as one of America's 100 most successful mid-cap companies

a *Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations*
b Upside vs. guidance primarily driven by tax rate favorability

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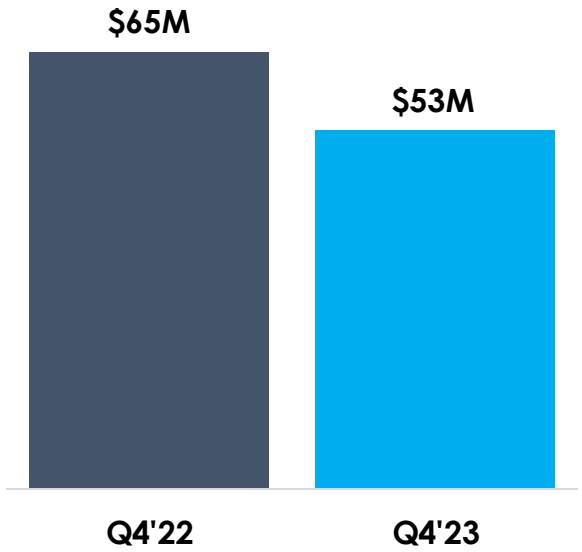
Q4’23 Results

Revenue
<10%>



Adj. EBITDA[a]
<18%>



Non-GAAP Diluted EPS[a]
<13%>



[a]*Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations*

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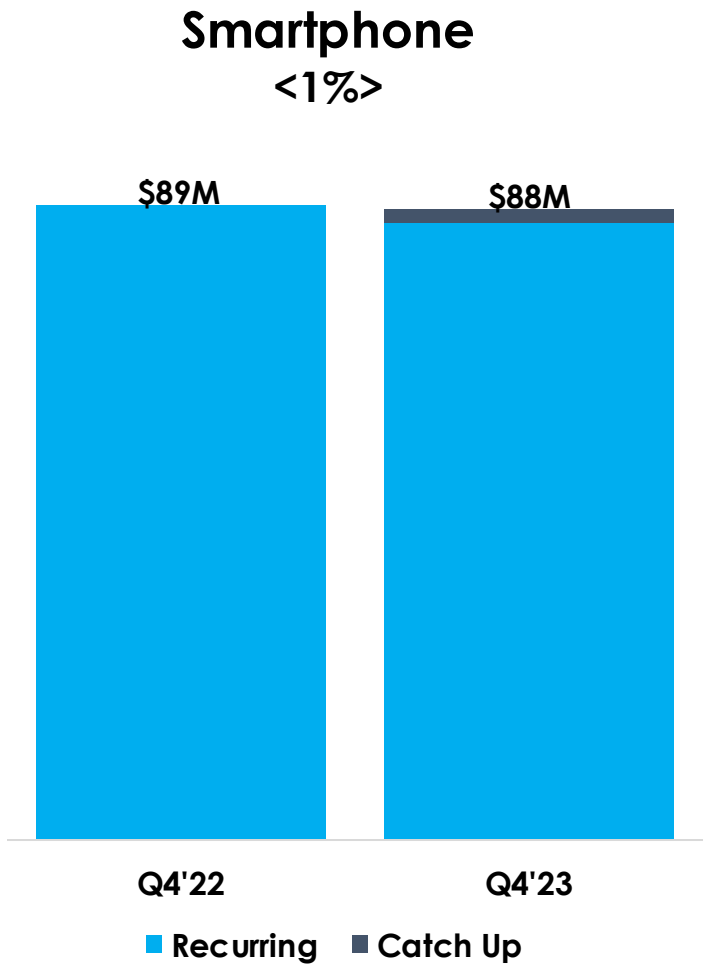
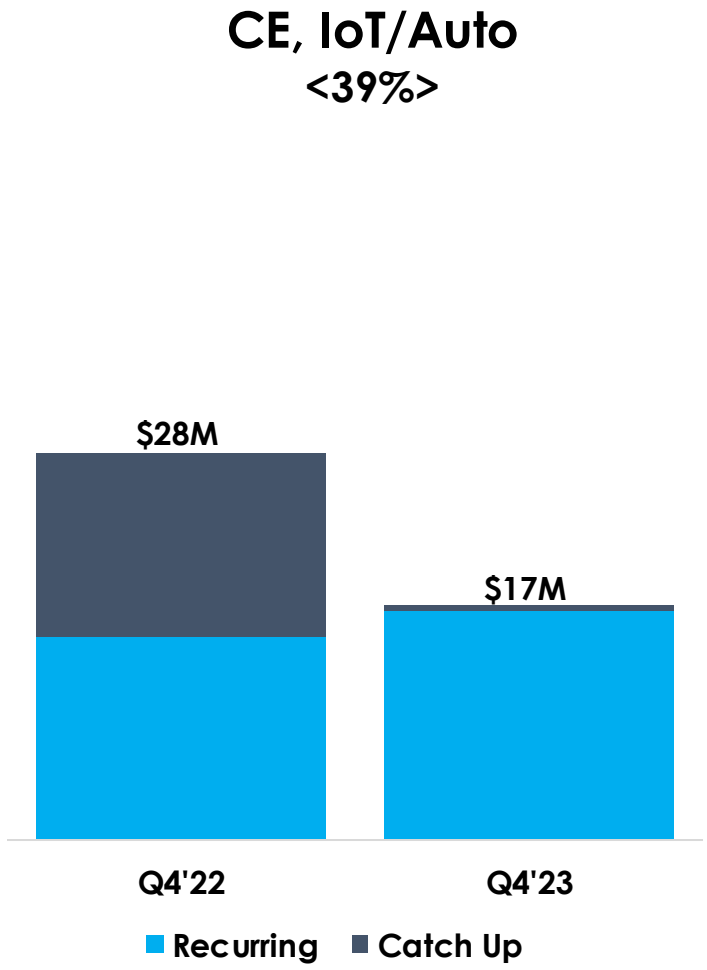
Q4'23 Revenue By Program





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Financial Results vs. Guidance

Quarterly Results and Guidance	Q4'23 Guidance	Q4'23 Results
Revenue	$102M - $106M	$105.5M
Operating Expenses	$77M - $79M	$80.2M
Net Income	$18M - $21M	$39.1M
Adjusted EBITDA[a]	$49M - $52M	$53.3M
Diluted earnings per share	$0.70 - $0.80	$1.41
Non-GAAP diluted earnings per share[a]	$1.17 - $1.29	$1.41

[a] Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations.

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FY23 Highlights

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FY23 Business Highlights

Financial

- ✓ Revenue of $550M with growth accelerating to 20% yoy
- ✓ Record recurring revenue of $408M
- ✓ Significant Adj. EBITDA[a] margin expansion, up 7ppt to 63%
- ✓ Record return of capital at $379 million

Licensing

- ✓ Entered into 8 new license agreements, including cellular and HEVC licenses with Lenovo, cellular agreement with TCL and two agreements with Panasonic
- ✓ Renewed 99% of the annual recurring revenue that expired from 2020 – 2022[b]

Patent Portfolio

- ✓ Record year for invention creation with new patent filings up 70% yoy
- ✓ IP portfolio > 30,000 granted patents and applications

Research & Development

- ✓ Multiple engineers elected to the leadership positions of Standard Development Organizations for wireless, video and AI technologies
- ✓ Named as one of the world's Top 100 most innovative companies, and Top 100 leaders in sustainable innovation

Leadership

- ✓ Hired Skip Maloney as new Chief People Officer
- ✓ Samir Armaly joined the Board of Directors

[a]Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations
b Excludes LG smartphone revenue due to LG exiting the smartphone market

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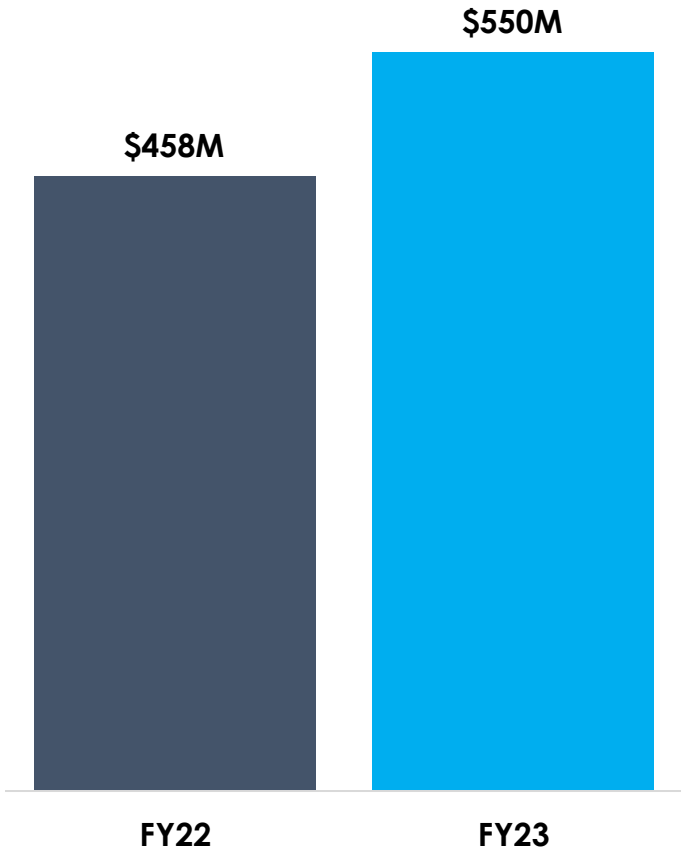
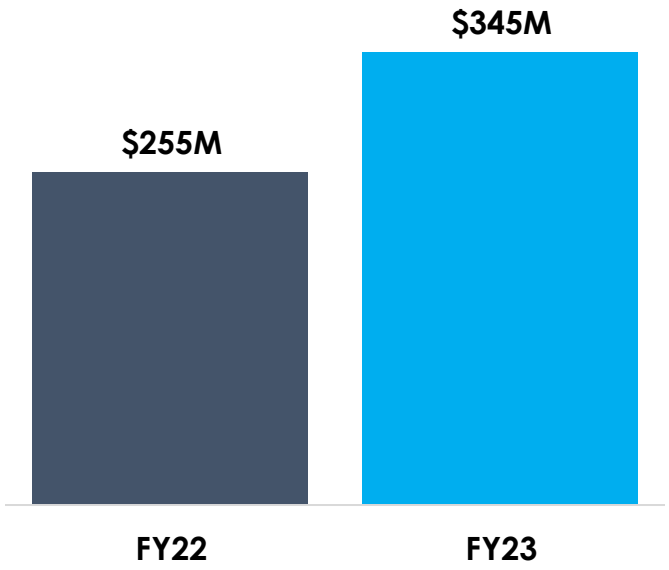
Full Year 2023 Results

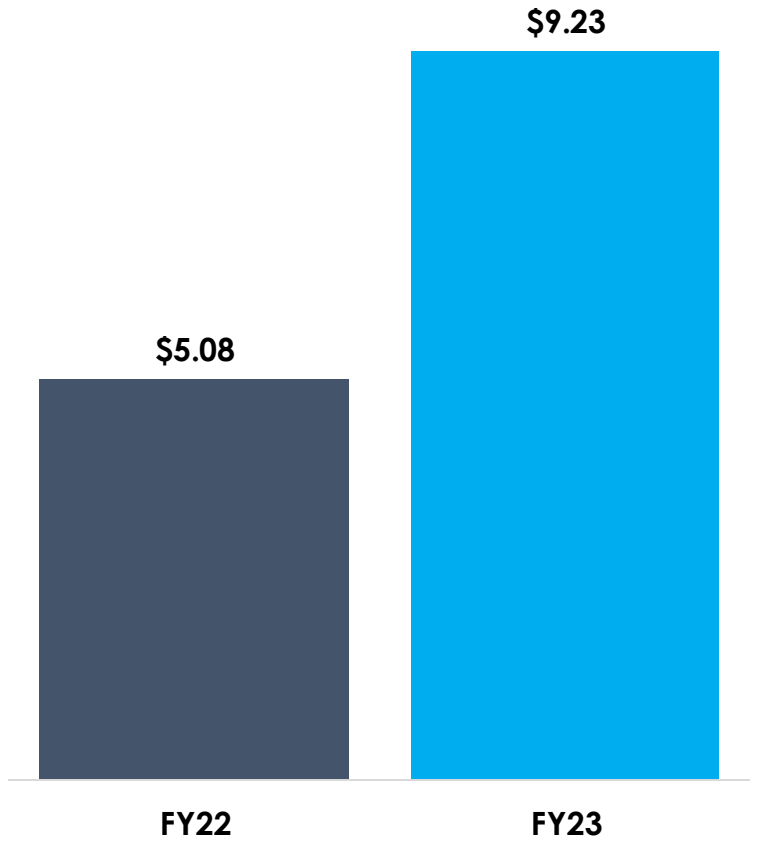
Revenue
+20%



Adj.EBITDA[a]
+36%



Non-GAAP Diluted EPS[a]
+82%



[a]*Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations*

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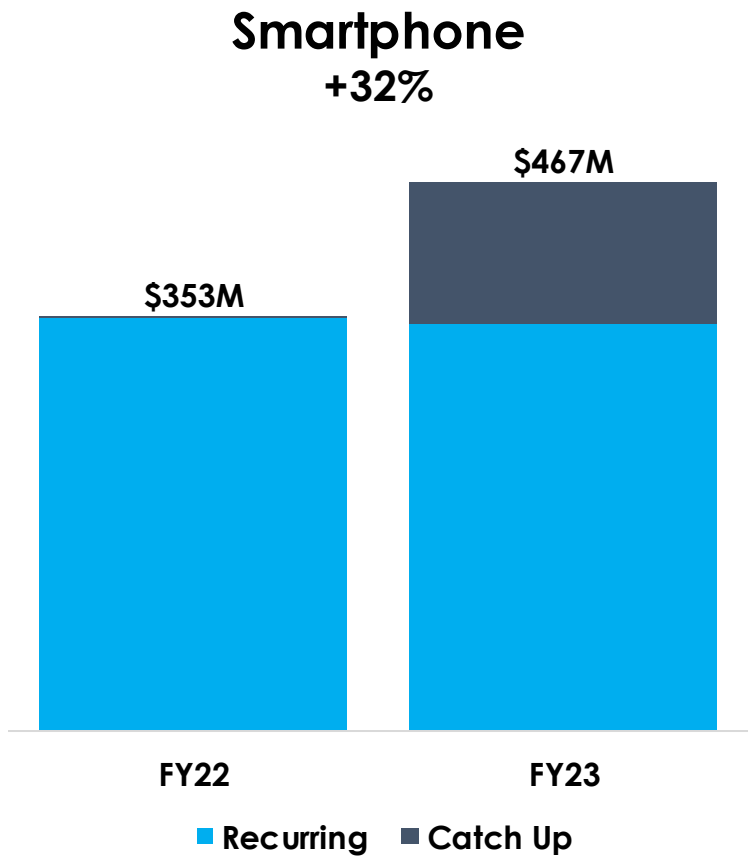
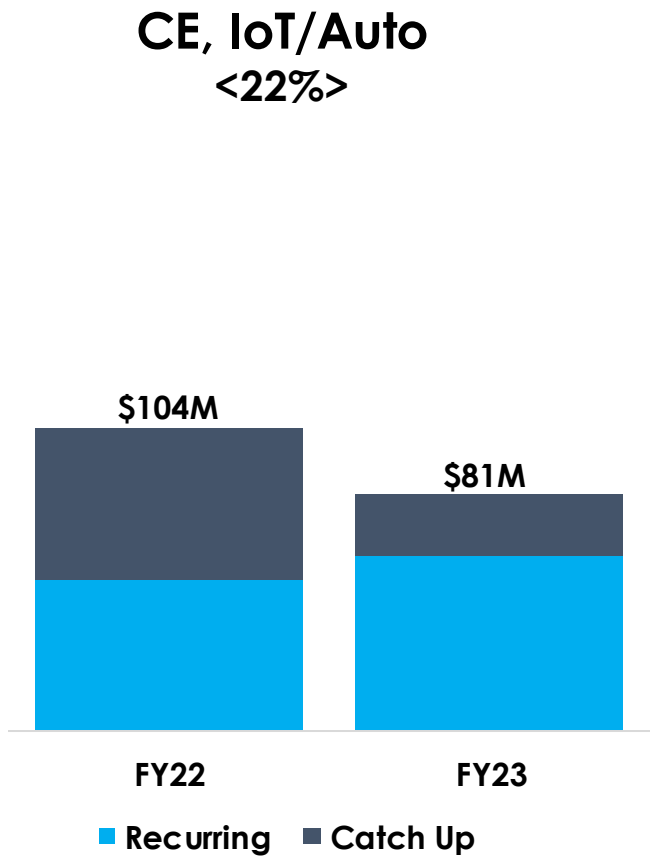
Full Year 2023 Revenue By Program





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FY24 Q1 and Annual Guidance

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Guidance

As of February 15, 2024

Quarterly Results and Guidance	Q1'24 Guidance	FY24 Guidance
Revenue	$245M - $255M	$620M - $670M
Adjusted EBITDA[a]	$116M - $131M	$310M - $345M
Diluted earnings per share[b]	$2.40 - $2.95	$4.95 - $6.15
Non-GAAP diluted earnings per share[a]	$3.02 - $3.58	$7.45 - $8.76

The table above presents guidance of the Company's current outlook for first quarter and full year 2024. The outlook for first quarter 2024 covers existing licenses and does not include any new agreements we may sign over the balance of the first quarter. The outlook for full year 2024 includes both existing licenses and the potential for new agreements over the balance of the year.

(a) Non-GAAP Measure / Please see appendix for GAAP to Non-GAAP reconciliations
(b) Based on 28.3 million weighted-average diluted shares as of January 31, 2024 and does not factor in any additional repurchases that may occur during the remainder of either period.

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Background on InterDigital

As of February 15, 2024

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Why IDCC?

Large Market Opportunity

$650M+ recurring revenue target in device markets. Expanding into greenfield of video streaming and cloud services opportunities

Deep Industry Expertise

Five decades of pioneering wireless and video innovation. Highest concentration of inventors

Differentiated Patent Portfolio

One of the strongest and highest quality patent portfolios in the world with > 30,000 patents across wireless, video and AI

Licensing Momentum

Experienced leadership team with long industry track record.
Over $2.5B of new contracts completed in past 3 years

Strong Financial Performance

Double-digit revenue growth, exceptional margins, robust return of capital

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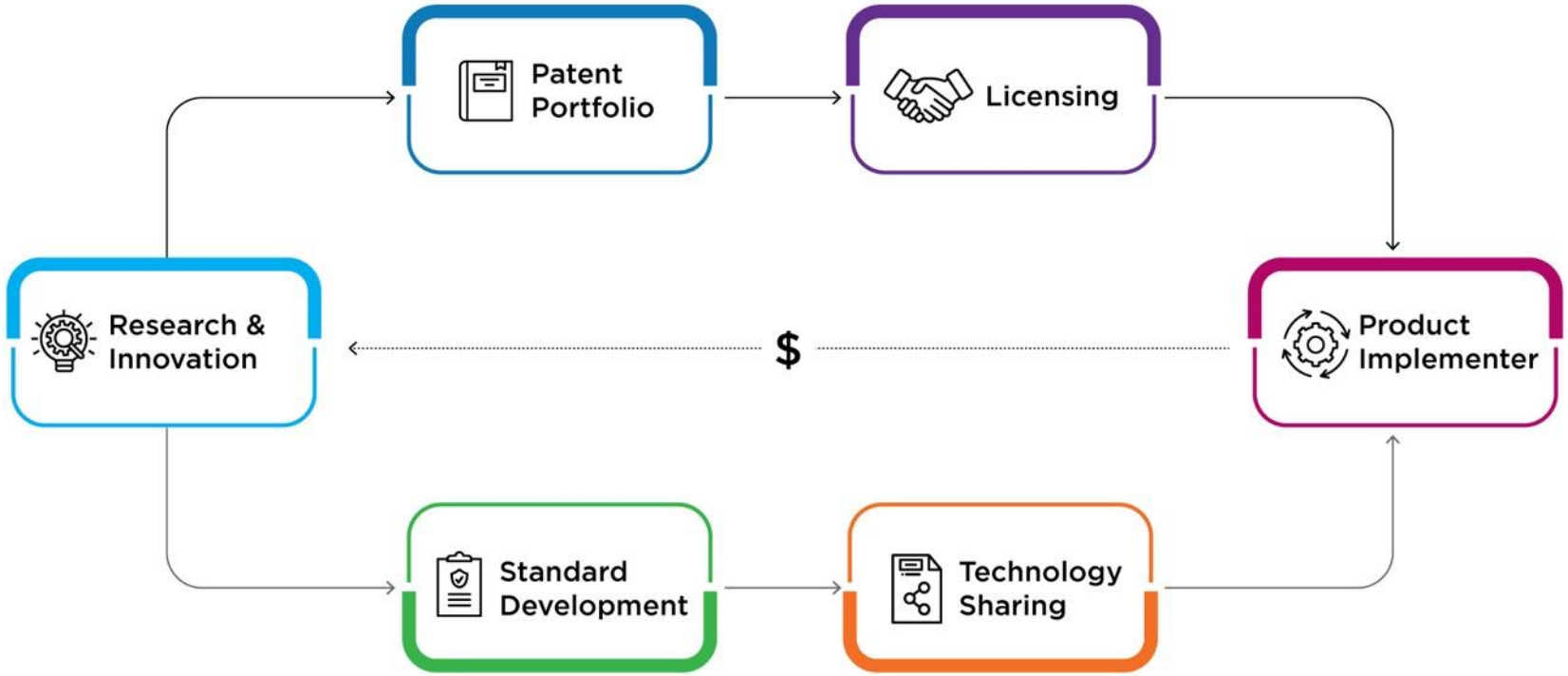
InterDigital Business Model

We are a foundational R&D company. We share our innovation through standard process and monetize our technology through IP licensing.



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Over Five Decades of Wireless & Video Innovation

Pioneering research integral to the evolution of **cellular wireless and video innovation** since 1972

We **reinvest ~half our recurring revenue** into research and portfolio development



Over half of our employees **are engineers**

Of our engineers…

~90% hold **advanced degrees**

~90% are **inventors**

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Management Team of Industry Veterans



Liren Chen

President & CEO

Previously SVP, Global Head of IP; Qualcomm Inc.



Richard Brezski

EVP, CFO

More than 20 years at InterDigital, CFO since 2012



Eeva Hakoranta

EVP, CLO

Previously SVP, Head of IP and Litigation & GC; Nokia Technologies



Rajesh Pankaj

EVP, CTO

Previously SVP & Head of Corporate R&D; Qualcomm Inc.

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>100 Leadership Positions in Wireless & Video Standards

Cellular & WiFi Standards



RAN2
Chair



CT
Vice Chair



ETSI Board
Member
ISAC ISG Chair



RIS ISG
Chair



PDL
Vice Chair



SAI
Vice Chair



Steering Committee
Board Member



SA Board of
Governers
Policy &
Procedures
C/SAB Chair



AIML TIG Chair



Internet WG
Vice Chair

Video Standards

JVT



NNVC
Co-Chair
NNVC
SW Chair



Beyond VVC
Co-chair of
Two AHG



Beyond VVC
Co-chair of
Two AHG



AI AHG
Co-chair
AI-PCC Chair



Haptic AHG
Chair



Steering Board
Member



TSAG Vice
Chair

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Recognized Global Innovation Leader

For the 2nd year in a row, LexisNexis recognized InterDigital amongst the **World's 100 Most Innovative Businesses**.

Innovation Momentum 2023: The Global Top 100, **"represents the world's leading patent owners with the highest innovation momentum."**



The 2023 Global Top 100

The Top 100 in alphabetical order,
the headquarter location, and its industry sector.

Patent Owner	HQ	Industry
Incyte	US	Pharmaceuticals
Infineon Technologies	DE	Semiconductors
Intel	US	Semiconductors
InterDigital	US	Technology R&D
Intuitive Surgical	US	Medical Technologies
Japan Tobacco	JP	Consumer Goods
Jazz Pharmaceuticals	IE	Pharmaceuticals
Johnson & Johnson	US	Pharmaceuticals
Johnson Controls	US	Conglomerates

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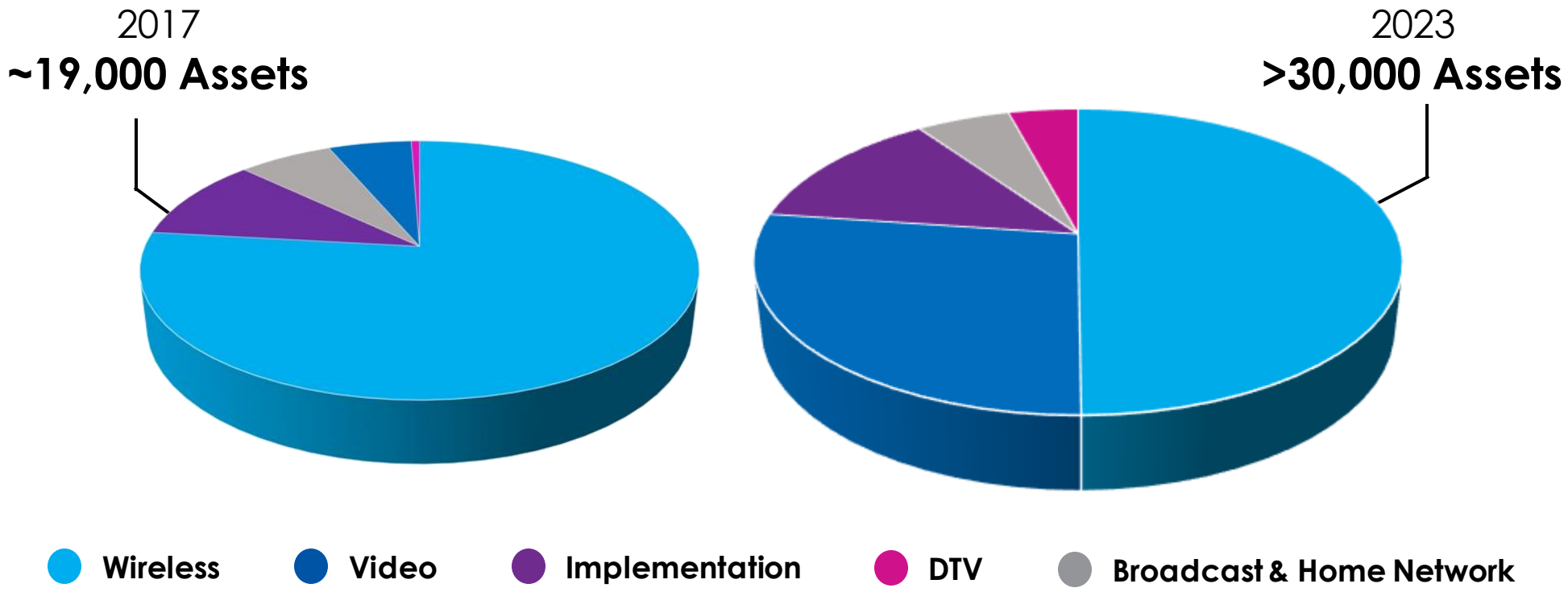
Increasingly Diverse Patent Portfolio

Our patent portfolio **grew >60%** between 2017 & 2023 with the **addition of video & DTV** related technologies and continuing growth of wireless assets



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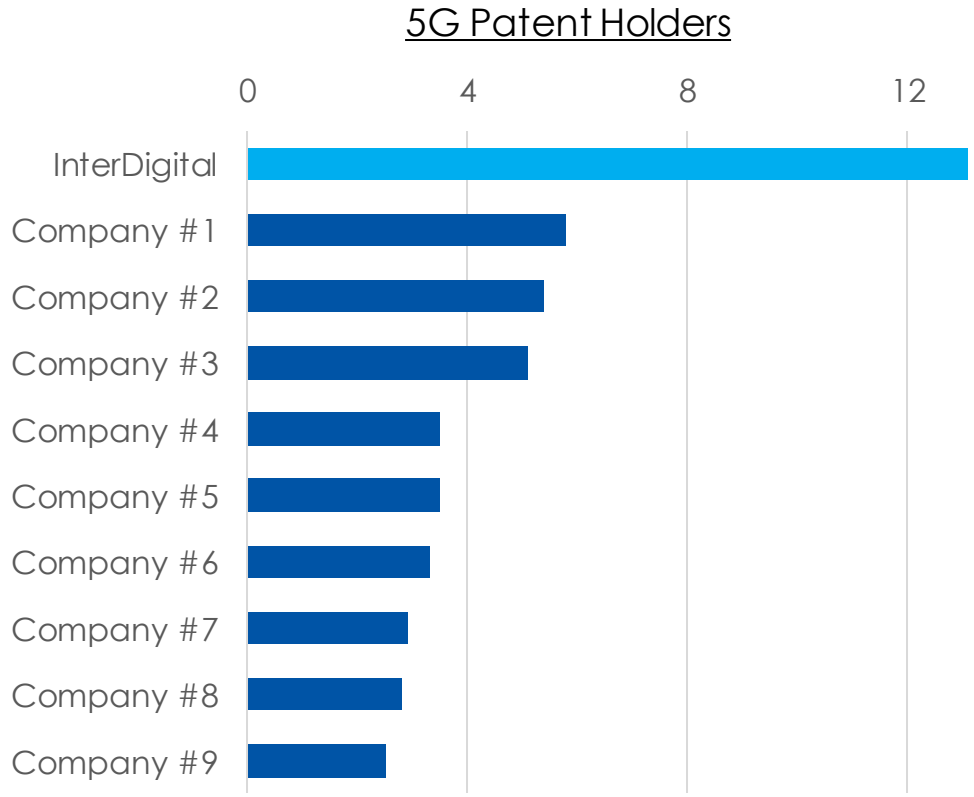
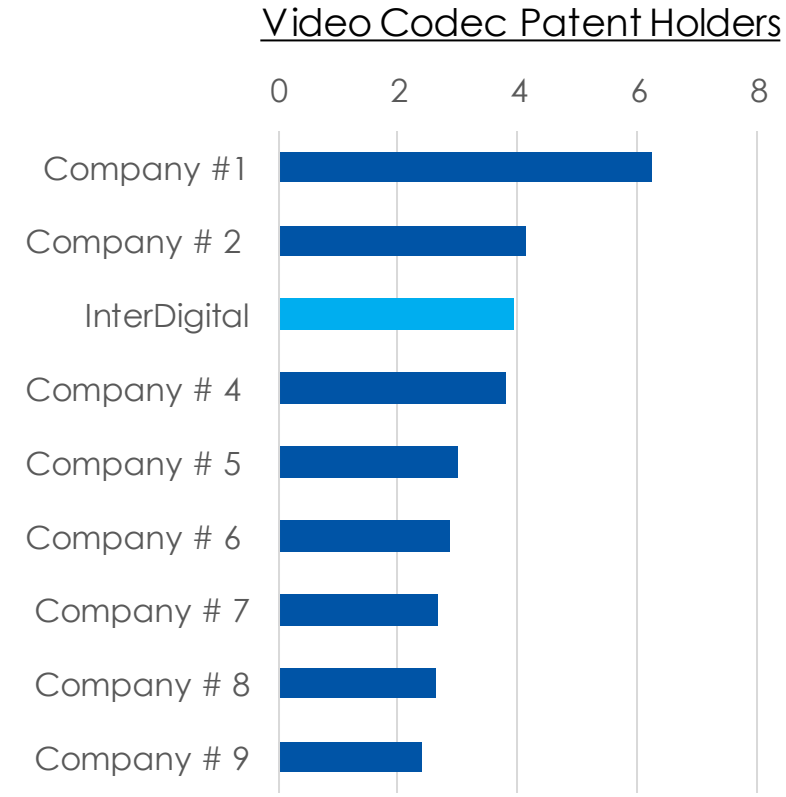
InterDigital Ranks Among the Highest in Patent Quality for 5G and Video Codec Patents[1]

LexisNexis® **Average Competitive Impact**





[1] LexisNexis PatentSight Feb 2024

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Our Licensing Principles

We have well-established licensing programs and lead the industry in transparency and fair licensing practices

We complete the vast majority of our licensing agreements through bilateral negotiations

On the rare occasions we had to enforce our rights in court, our patents have been repeatedly found to be valid, essential to standards and infringed

Our past enforcement actions have always resulted in license agreements

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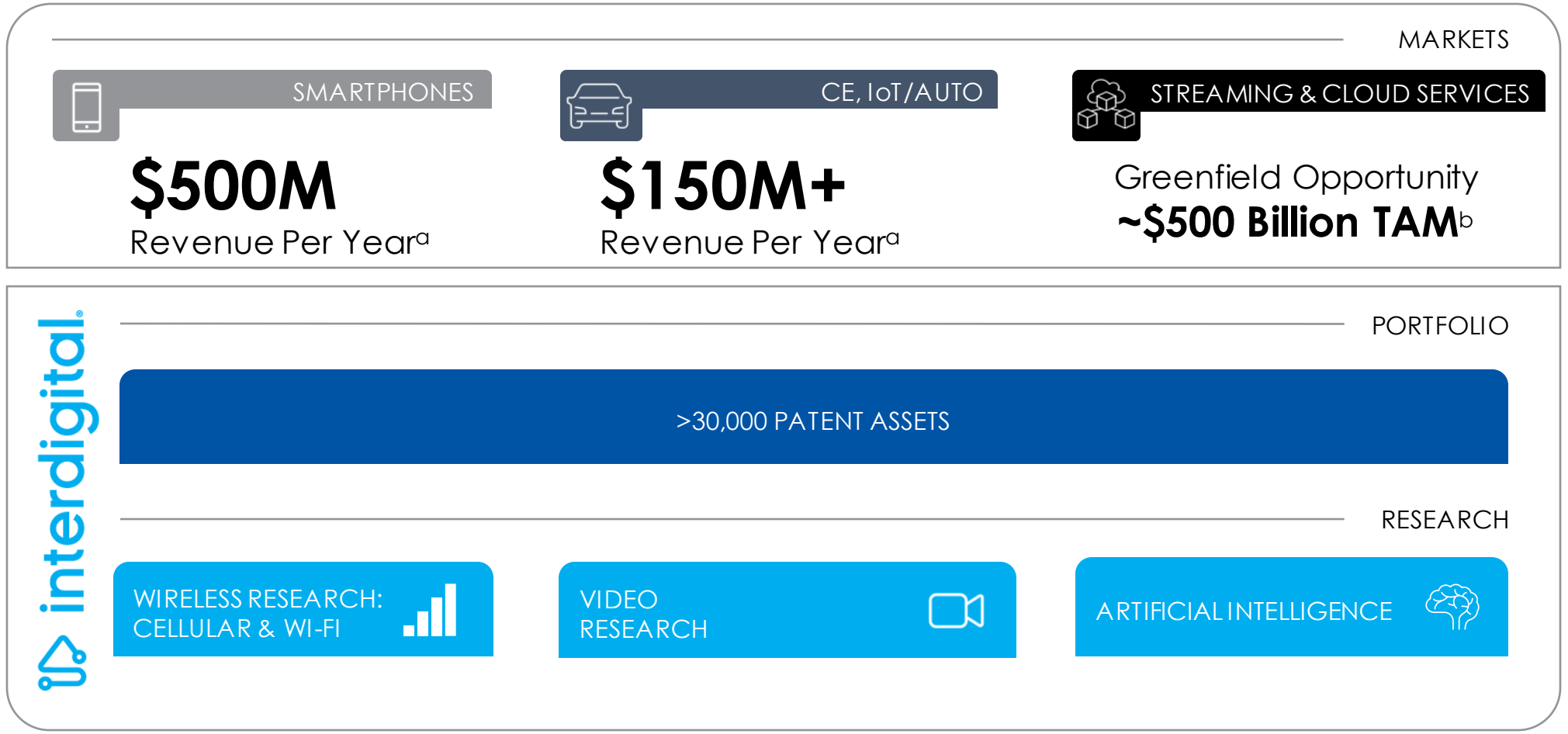
Target: $650M ARR; 60% Adj EBITDA Margin

+ Additional opportunity from Streaming and Cloud Services



[a] Annual recurring revenue target
[b] OMDIA

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Recent Progress Toward our Target

Over 30 licenses signed in past 3 years driving **> $2.5B** of contract value;

2021	2022	2023	2024
#1 Chinese Smartphone vendor	Largest license in company history	Licensee since 1995[a]	#1 Television vendor
Top-10 TV vendor	Major CE/IoT License	Court wins result in cellular and HEVC licenses	
	80% of connected car market under license		

SONY Panasonic NEC LG HUMAX SHARP FUNAI SEIKO TCL

a Currently in binding arbitration to set license rate

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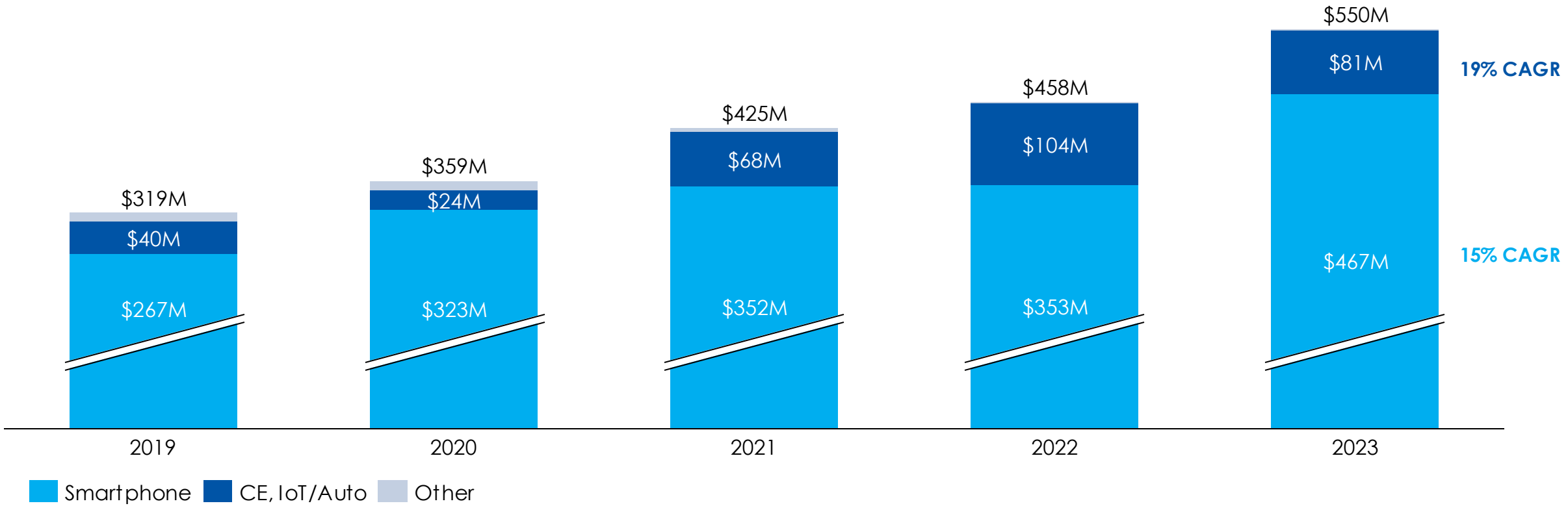
Revenue Growth

Double-digit growth in both Smartphone and CE, IoT/Auto licensing programs



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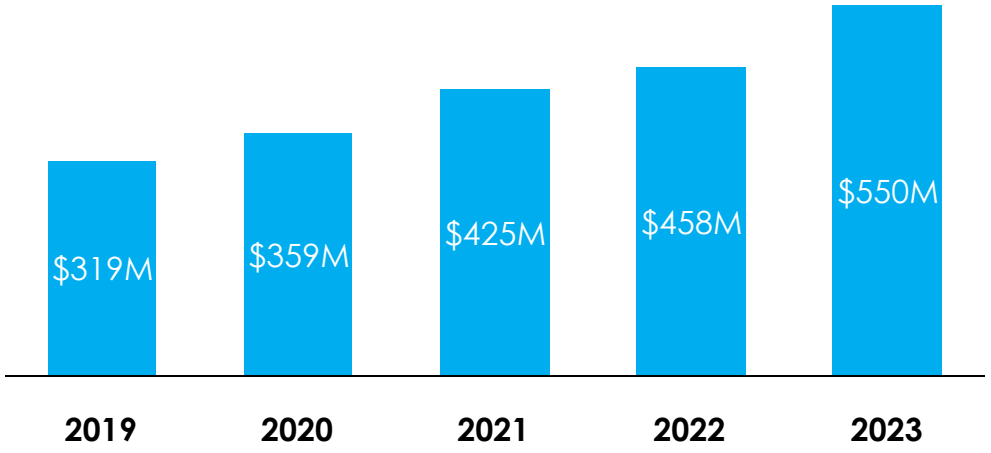
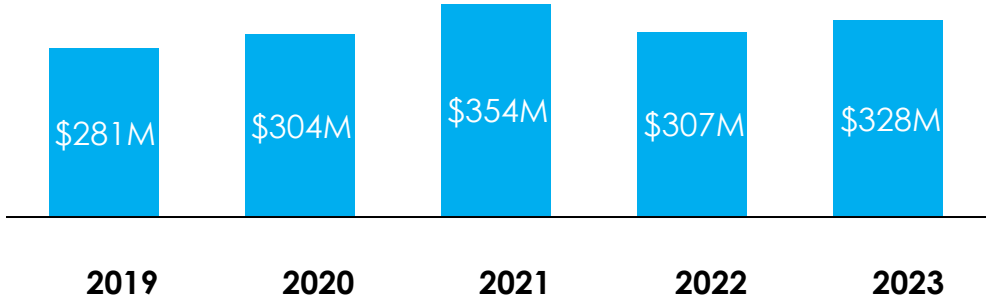
Revenue Growth and Cost Control drive Expanding Margins

Revenue *15% CAGR*

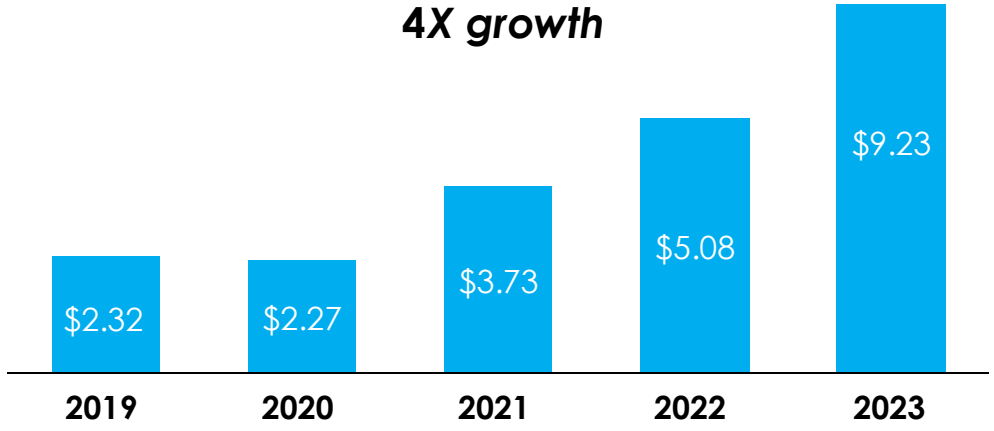


Expenses *4% CAGR*



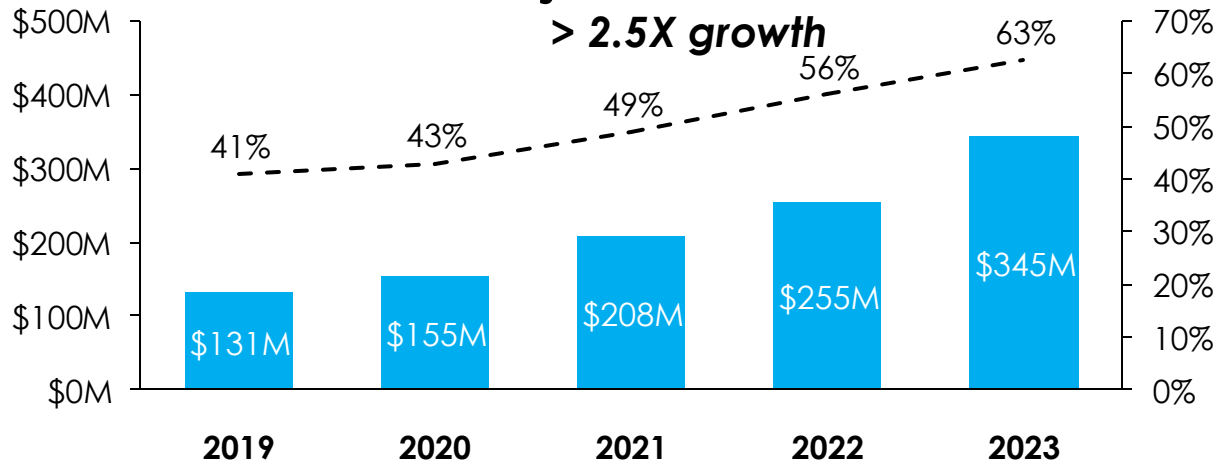
Non-GAAP Diluted EPS[a]

4X growth



Adjusted EBITDA[a]

> 2.5X growth



a Non-GAAP financial measure. Refer to non-GAAP reconciliation in appendix

Robust Return of Capital

Cash Returned to Shareholders

~$852M since 2019

Stock Buyback

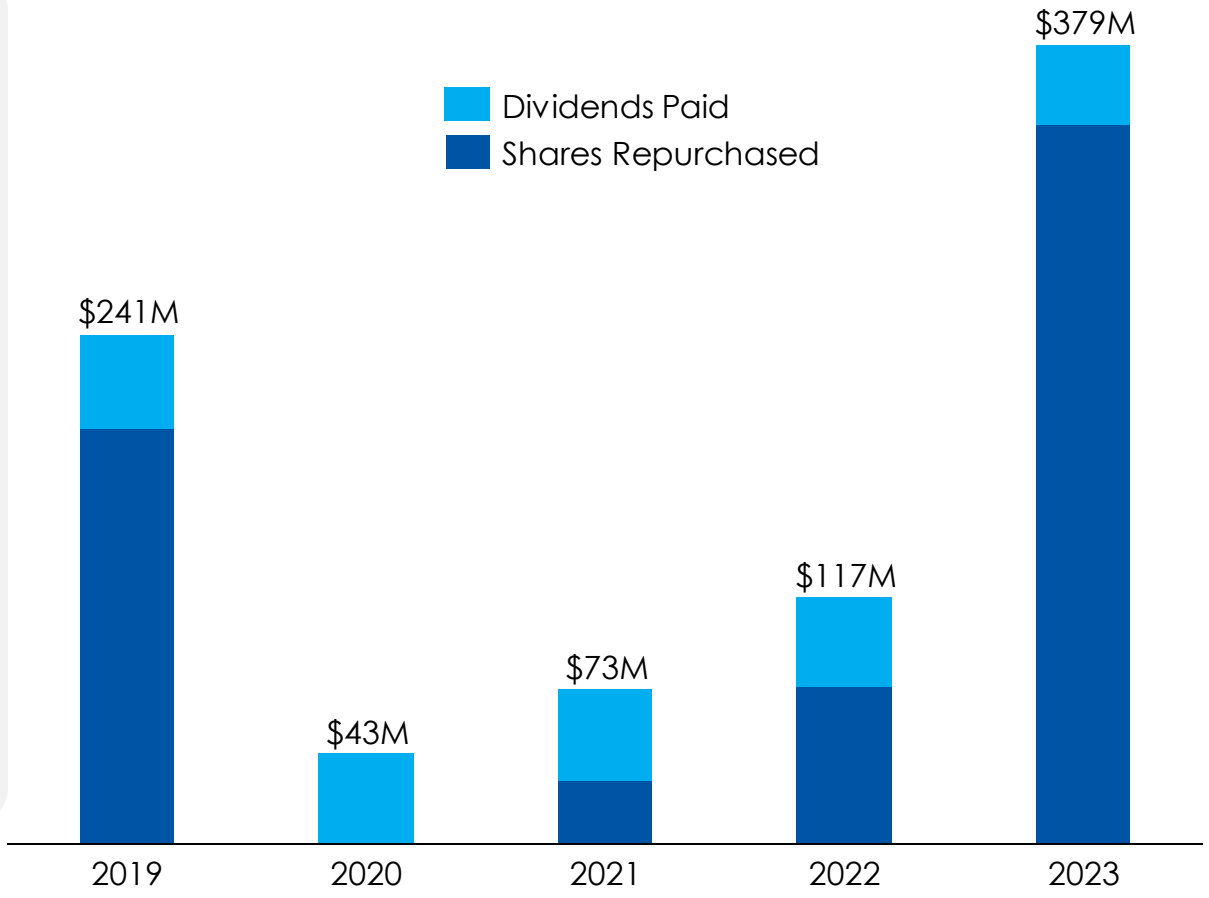
~$641M in share repurchases since 2019

~24% net reduction in basic share count

Dividends

~$211M in dividends paid since 2019

14% increase declared in Sep ‘23



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Appendix

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Non-GAAP Reconciliation

(In millions)	For The Year Ended December 31,					Three Months Ended,		Outlook		
	2019	2020	2021	2022	2023	Q4'23	Q4'22	Q4'23	Q1'24	Full Year 2024
Net income (loss) attributable to InterDigital, Inc.	**$ 21**	**$ 45**	**$ 55**	**$ 94**	**$ 214**	**$ 39**	**$ 32**	**$18 - 21**	**$68 - 83**	**$140 - 175**
Net loss attributable to non-controlling interest	(6)	(7)	(13)	(2)	(3)	-	-	-	-	-
Income tax (provision) benefit	11	(7)	15	26	24	(6)	8	4	22	40 - 50
Other expense & interest expense	12	24	14	33	(13)	(8)	(2)	1	1	5 - 15
Depreciation and amortization	77	81	78	79	78	19	20	19	18	73
Share-based compensation	8	10	29	22	36	9	7	7	7	42
Other operating items	9	9	30	3	10	-	-	-	-	-
Adjusted EBITDA	**$ 131**	**$ 155**	**$ 208**	**$ 255**	**$ 345**	**$ 53**	**$ 65**	**$49 - 52**	**$116 - 131**	**$310 - 345**
Adjusted EBITDA Margin	41%	43%	49%	56%	63%	51%	55%			
Other Operating Items										
Restructuring	-	-	28	3	-	-	-	-	-	-
Other non-cash charges	1	9	-	-	3	-	-	-	-	-
Non-Recurring Personnel-Related	-	-	2	-	-	-	-	-	-	-
Net Litigation Fee Reimbursement	-	-	-	-	8	-	-	-	-	-
Transaction related costs	8	-	-	-	-	-	-	-	-	-
Total Other Operating Items	**$ 9**	**$ 9**	**$ 30**	**$ 3**	**$ 10**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

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Non-GAAP Reconciliation

(In millions, except per share data)	Full Year 2019	2020	2021	2022	2023	Three months ended, Q4'23	Q4'22	Outlook Q4'23	Q1'24	Full Year 2024
Net income (loss) attributable to InterDigital, Inc.	**$ 21**	**$ 45**	**$ 55**	**$ 94**	**$ 214**	**$ 39**	**$ 32**	**$18 - 21**	**$68 - 83**	**$140 - 175**
Share-based compensation	8	10	29	22	36	9	7	7	7	42
Acquisition related amortization	41	44	42	42	41	10	11	10	8	33
Other operating items	9	9	30	3	10	-	-	-	-	-
Other non-operating items	3	(4)	(11)	13	(14)	(5)	3	-	-	-
Related income tax and noncontrolling interest effect of above items	(13)	(12)	(26)	(17)	(17)	(3)	(4)	(4)	(3)	(16)
Adjustments to income taxes	4	(21)	(2)	(2)	(16)	(13)	-	-	-	-
Non-GAAP net income	**$ 74**	**$ 70**	**$ 117**	**$ 155**	**$ 254**	**$ 37**	**$ 49**	**$31 - 34**	**$80 - 95**	**$199 - 234**
Weighted average dilutive shares - GAAP	31.8	31.1	31.3	30.5	28.1	27.6	30.0	26.5	28.3	28.3
Less: Dilutive impact of the Convertible Notes	-	-	-	-	0.5	1.2	-	0.1	1.8	1.6
Weighted average dilutive shares - Non-GAAP	31.8	31.1	31.3	30.5	27.6	26.4	30.0	26.4	26.5	26.7
Non-GAAP diluted earnings per share	$ 2.32	$ 2.27	$ 3.73	$ 5.08	$ 9.23	$ 1.41	$ 1.62	$1.17 - 1.29	$3.02 - 3.58	$7.45 - 8.76
Other Operating Items										
Restructuring	-	-	28	3	-	-	-	-	-	-
Other non-cash charges	1	9	-	-	3	-	-	-	-	-
Non-Recurring Personnel-Related	-	-	2	-	-	-	-	-	-	-
Net Litigation Fee Reimbursement	-	-	-	-	8	-	-	-	-	-
Transaction related costs	8	-	-	-	-	-	-	-	-	-
Total Other Operating Items	**$ 9**	**$ 9**	**$ 30**	**$ 3**	**$ 10**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Other Non-operating Items										
Fair value changes	3	(4)	(9)	2	(10)	(1)	3	-	-	-
Loss on extinguishment of debt	-	-	-	11	-	-	-	-	-	-
Other non-cash charges	-	-	(2)	-	(4)	(4)	-	-	-	-
Total Other Non-operating Items	**$ -**	**$ (4)**	**$ (11)**	**$ 13**	**$ (14)**	**$ (5)**	**$ 3**	**$ -**	**$ -**	**$ -**

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Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA margin are supplemental non-GAAP financial measures that InterDigital believes provide investors with important insight into the Company's ongoing business performance. InterDigital defines Adjusted EBITDA as net income attributable to InterDigital Inc. plus net loss attributable to non-controlling interest, income tax (provision) benefit, other income (expense) & interest expense, depreciation and amortization, share-based compensation, and other items. Other items include restructuring costs, impairment charges and other non-recurring items. Adjusted EBITDA margin is Adjusted EBITDA over total revenues. These non-GAAP financial measures used by the company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The presentation of these financial measures, which are not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. A reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure is provided above.

Non-GAAP net income, Non-GAAP diluted earnings per share, and Non-GAAP weighted-average diluted shares are supplemental non-GAAP financial measures that InterDigital believes provides investors with important insight into the Company's ongoing business performance. InterDigital defines Non-GAAP net income as net income attributable to InterDigital, Inc. plus share-based compensation, acquisition related amortization, depreciation and amortization, restructuring costs, impairment charges and one-time adjustments, losses on extinguishments of long-term debt, the related income tax effect of the preceding items, and adjustments to income taxes. Non-GAAP diluted earnings per share is defined as Non-GAAP net income divided by Non-GAAP weighted average number of common shares outstanding–diluted, which adjusts the weighted average number of common shares outstanding for the dilutive effect of the Company's convertible otes, offset by our hedging arrangements. InterDigital's computation of these non-GAAP financial measures might not be comparable to similarly named measures reported by other companies. The presentation of these financial measures, which are not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. A reconciliation of each of these metrics to its most directly comparable GAAP financial measure is provided above.

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