



Vegard Wollan | CEO

Driving growth,
restoring profitability



Global leader in wireless connectivity solutions

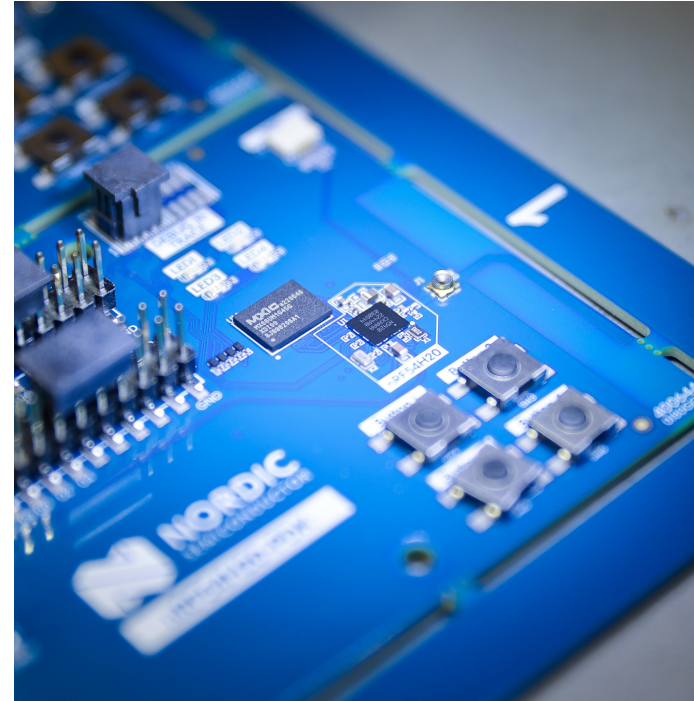
Simplifying lives through all things connected

Building on established strengths

40 years of innovation in ultra-low power wireless

Recognized leader in wireless connectivity

- Feature-rich, powerful, energy-efficient multiprotocol product range
- Unified software solutions
- World-leading engineering and support
- Dual go-to-market approach, engaging both key customers and the broad market
- Bringing leading-edge innovation to standard products
- Devoted customer base, high customer satisfaction



A complete connectivity solutions provider

Broad product portfolio



Wide range of connectivity technologies



Unified software and world leading tech support



nRF Connect SDK



Driving growth and restoring profitability

On our way towards realizing overarching goals

Clarified strategy

Sharpened priorities and improved engineering execution

Operational agility

Market adaptive, customer-centric, roadmap-focused

Capitalizing on innovation

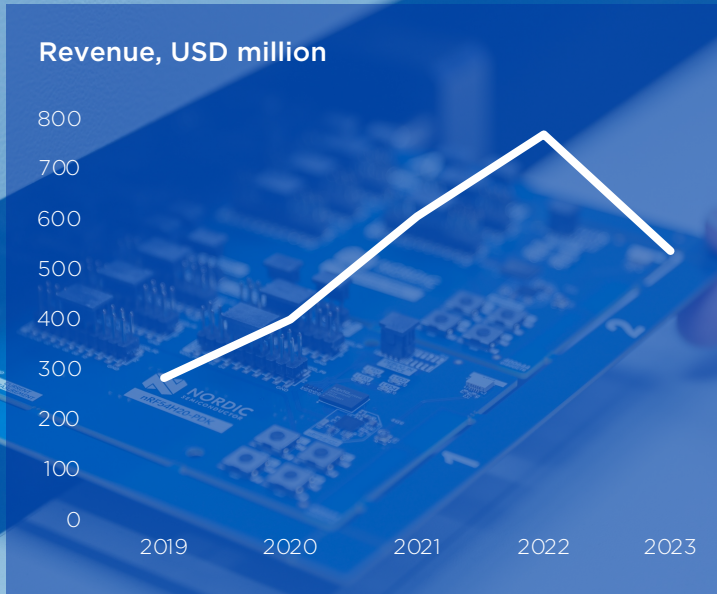
New product launches supporting growth and margins

Profitable growth outlook

Retaining clear market leadership in a recovering market

Acknowledging our challenges

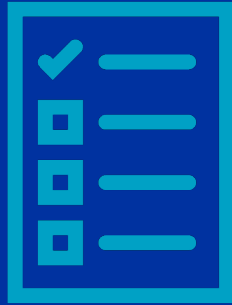
Market adaption, strategic focus, organization and rightsizing



- Too slow to adapt roadmaps to changing customer demands
- Inefficiently organized in some areas, failing to extract full value of engineering capabilities
- We have been set up for much higher volumes, with outsized cost base through market downturn

Launched Nordic 2.0

A change plan addressing three main purposes



Sharpened strategic
focus and priorities



Enhanced engineering
execution



Strengthened
accountability

Nordic 2.0 implications

Bringing strategic clarity and new ways of working



Strengthened organization

- Executive management team bolstered with seasoned semiconductor professionals
- Leadership with decades of experience

Mandate: Sharpen strategic focus and strengthen execution

Objective: Drive growth and restore profitability



Four new business areas with high level of autonomy and accountability

Four major trends defining our opportunity

Consumer Work, Play, Live



Staying connected, at work, at home, and on the go ++

Connected health disruption



Medical monitoring, drug delivery, health trackers ++

Industrial IoT disruption



Automation, asset tracking, infrastructure, agriculture ++

Machine learning at the edge



Secure real-time data delivery demands smart edge devices

Three keys to reach target level profitability

Drive growth

- Capitalize on upcoming product launches
- Sharpen focus on select growth segments

Support gross margins

- Transition to lower-cost production platforms
- Regain traction in broad market

Contain costs

- Continuous cost control
- Organized to handle significantly higher volumes

Operating target model

Gross margin >50%

SG&A <10%

R&D 15-20%

EBITDA >25%

Business units at very different stages

Different business maturities and development timeframes

Early-stage

~1% of revenue



Scale-up

~4% of revenue



Established

~95% of revenue



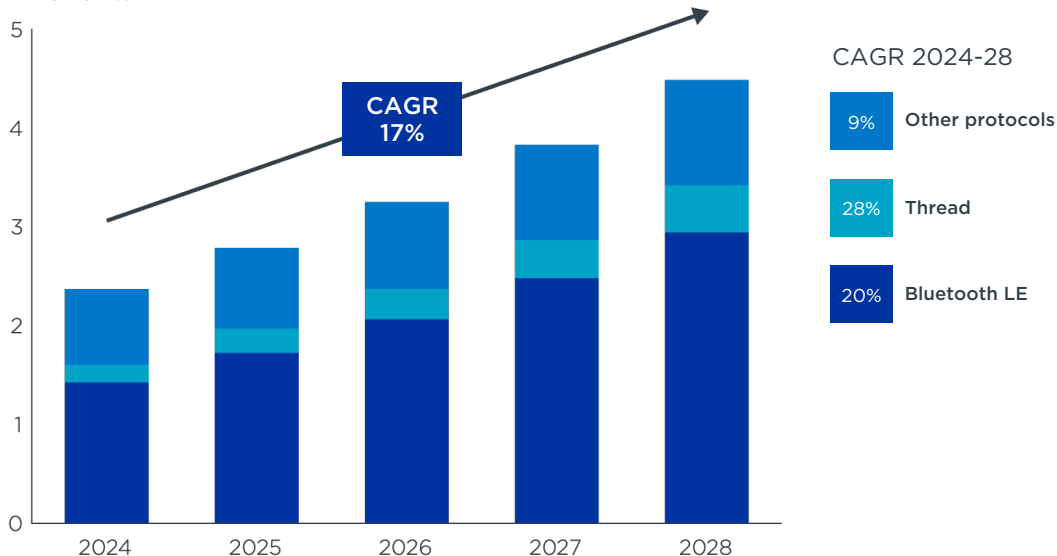
Innovation in existing roadmaps and new opportunities

Short-range

Healthy market outlook for our main engine

Serviceable markets across technologies*

Billion units



- Industry analysts expect 20%+ growth for Bluetooth Low Energy and Thread
- Allow for cyclicity and non-linear growth, depending on economic developments

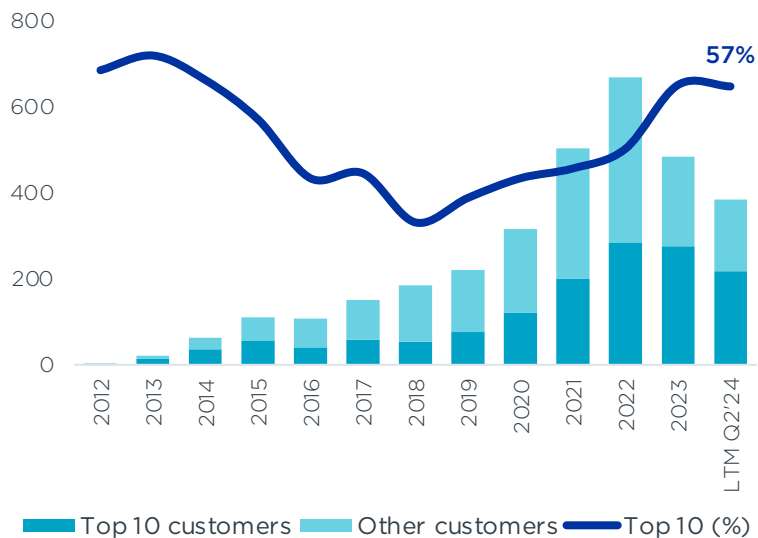
Source: Based on data from ABI, Bluetooth SIG, Omdia, TSR.

*Serviceable market (SAM) excludes all Bluetooth classic/dual mode devices, RF4CE and automotive.

Regaining traction in the broad market

- Dual customer approach targets both high-volume customers and broad market
- Developing products with global key customers
- No custom silicon – our innovations are available to broad market as standard products
- A key priority to regain traction in the broad market

Revenue composition and concentration

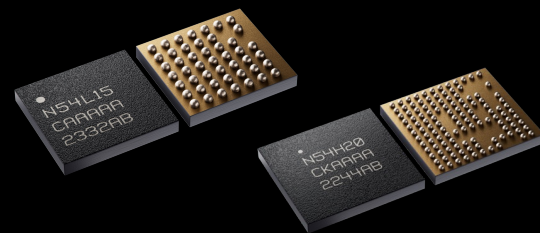


Defining new era with nRF54

Nordic's next generation SoCs

- Groundbreaking technology unlocking new applications and business opportunities
- Outclassing the competition on performance and power consumption!
- Enables a roadmap with launch of 2-4 new product families every year

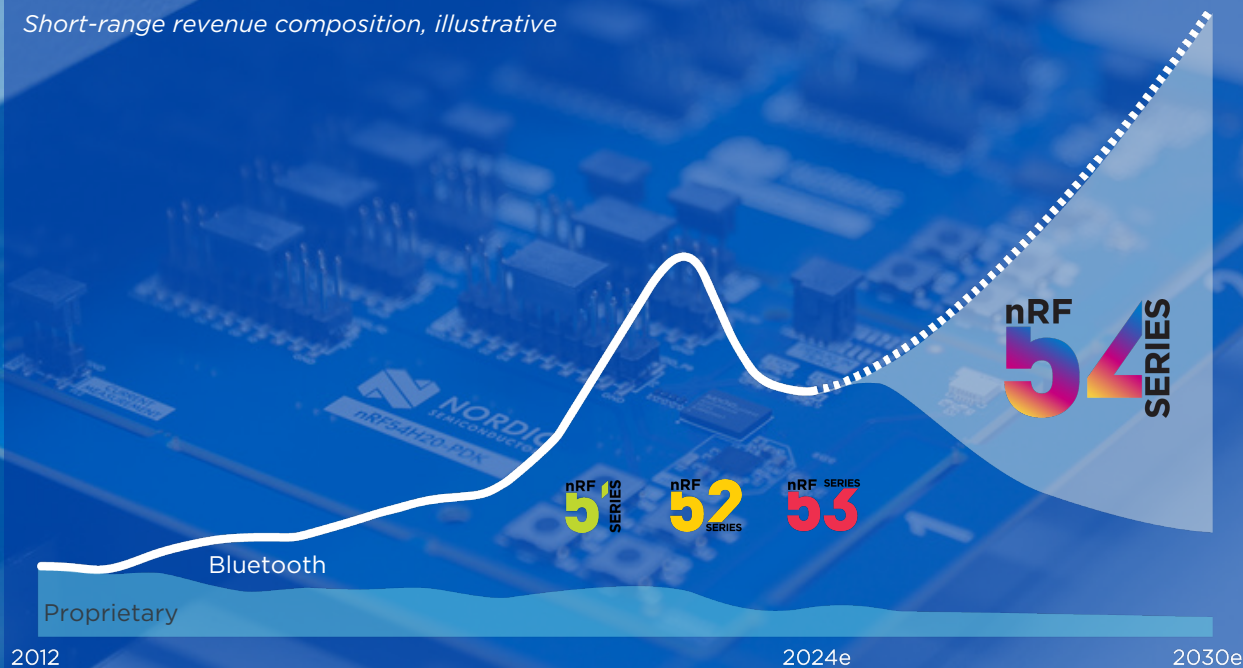
nRF
54
SERIES



Ramping nRF54 over the coming years

Allow time for customer design-ins and commercial scaling

Short-range revenue composition, illustrative



Short-range outlook

Ambition to grow faster than our markets over time, driven by new product launches

Modest growth with only limited effect of nRF54 in 2025

Growth set to accelerate from 2026 onwards

Long-range

Sharper focus on select target markets

Nordic aims to capture a significant share of our focus markets

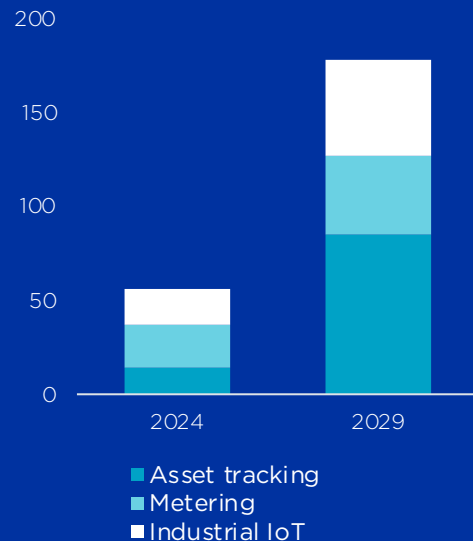
Asset tracking: Market set to increase sixfold over next five years

Metering: Cellular IoT set to become a more dominant technology

Industrial IoT: Remote sensing and control transitioning to Cellular IoT as coverage and price points improves

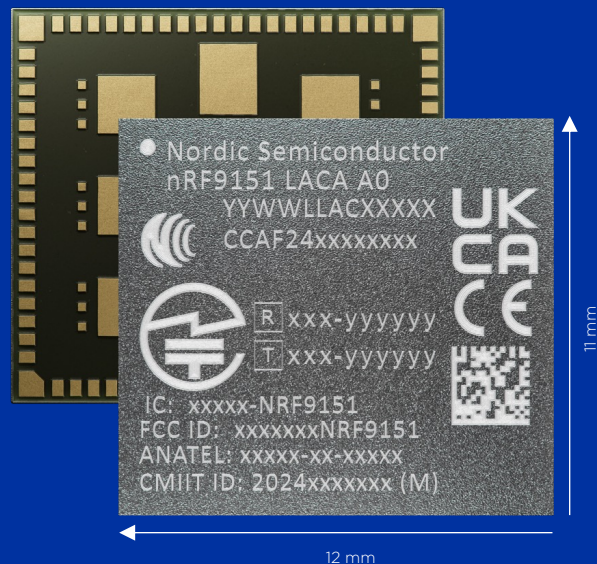
Select target markets

Units, million



Launch of nRF9151

Setting a new standard

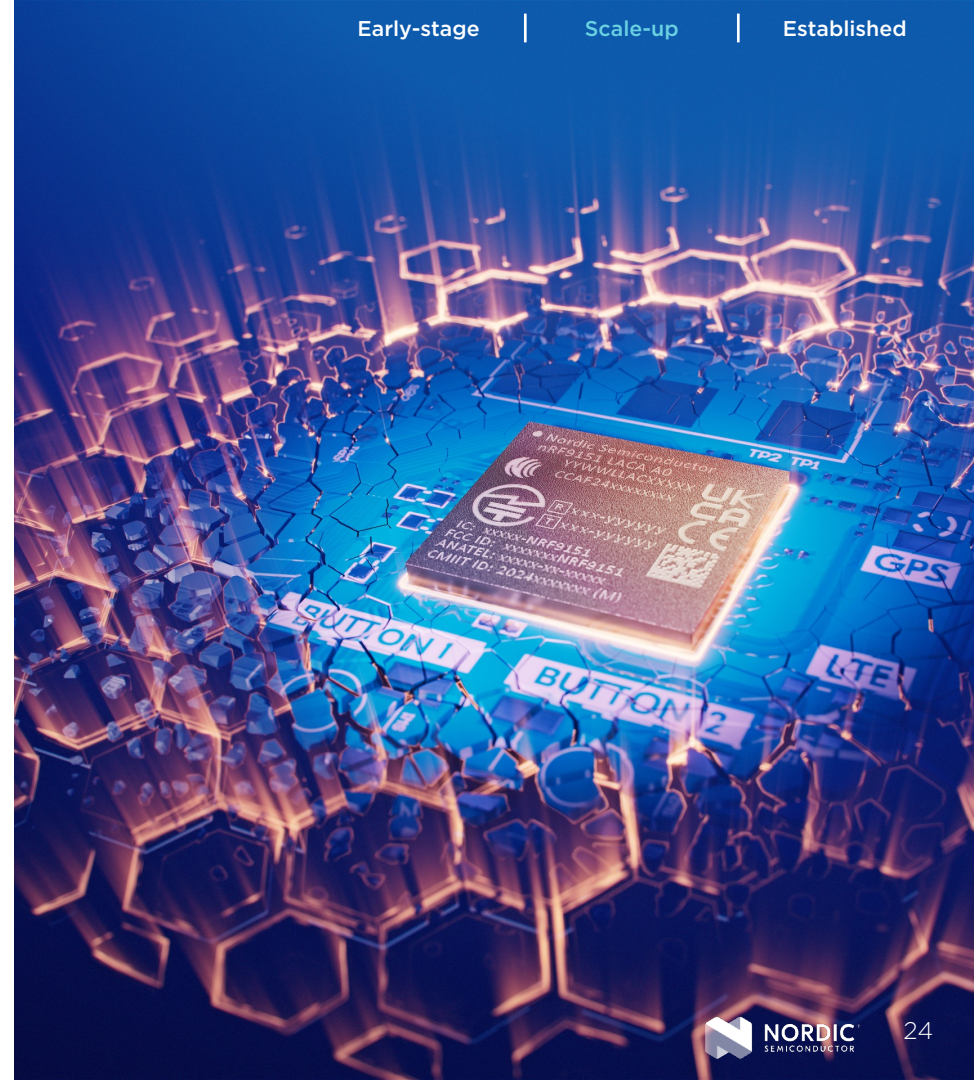


- Lower power, smaller size, and lower cost
- US tariff-free country of origin
- Adding satellite-capabilities, enabling back-up coverage over satellite
- Roadmap to further improvements in performance, features and cost

Target profitability in Long-range in 2028

What will it require?

- Establishing a revenue base >USD 100 million, through market penetration of asset tracking, metering and industrial IoT
- Successful roadmap execution and product introductions, to access larger parts of market, drive growth and strengthen gross margins
- Cost containment



Wi-Fi

Ability to differentiate will be key

Financial targets

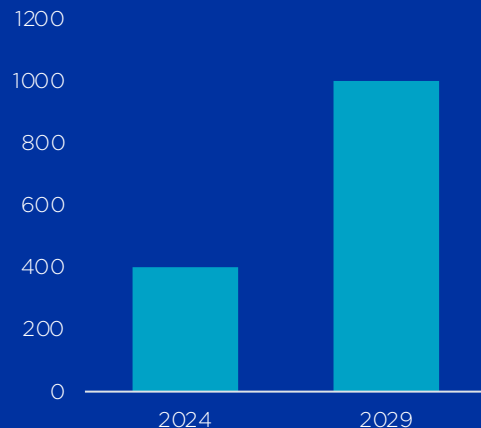
- Establish USD >50 million revenue base and reach profitability by 2028

Key success factors going forward:

- Increase customer conversion to nRF7000
- Launch nRF71 Series to capture the Wi-Fi SoC market for IoT - leveraging 22nm, 'best-in-class' power and radio, ample memory, advanced security and peripherals, and AI/ML accelerator

Select Wi-Fi target markets

Units, million



Target markets: Embedded Wi-Fi in Smart Home and Industrial IoT, Consumer/Wearables, Home Entertainment/ Smart Cameras

PMIC

End-to-end low-power wireless IoT



Financial targets

- Establish USD >50 million revenue base and reach profitability by 2028

Key success factors going forward

- Expand addressable market with portfolio expansion
- Increase conversion rates with existing customers
- Win designs with key customers
- Establish PMIC product line enabling control of entire energy path from battery to antenna

Connecting a more sustainable world

- Talent and innovation
- Low-energy connectivity
- Sustainable production
- Value chain partners for resilience



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Dual sourcing on modern 22nm nodes

Supply security is high on customers' agendas

- Particularly for critical applications like Healthcare

Secured dual sourcing with two leading wafer suppliers

- Future supply from both TSMC and Global Foundries from multiple geographical locations

Among the first to move to smaller 22nm nodes

- Eliminates supply constraint issues
- More transistors on the wafer, better performance and power efficiency



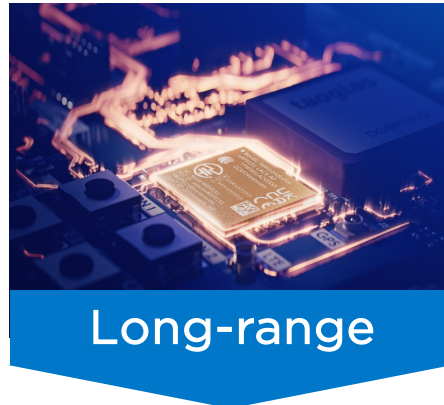
C.C. Wei, CEO TSMC (left), with Ole-Fredrik Morken, EVP Supply Chain, Nordic Semiconductor (right), Dresden, 20 August, 2024

Group level ambitions

Early-stage



Scale-up



Established



Group
level
ambitions

Deliver average annual revenue growth above 20% through the decade

Moving towards operating model profitability of ~25% EBITDA within five years

Our investment case

Improving returns - unlocking value creation opportunities

Clarifying strategy

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Clear market leader in a recovering market