



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	966 011 726
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	NORDIC SEMICONDUCTOR ASA
Forretningsadresse:	Otto Nielsens veg 12 7052 TRONDHEIM

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kine-Elena Reigstad
Dato for fastsettelse av årsregnskapet:	05.05.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 24.06.2025



Resultatregnskap

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Total revenue	5	477 595 000	508 026 000
Sum inntekter		477 595 000	508 026 000
Kostnader			
Cost of materials	6	269 415 000	259 158 000
Payroll expenses	7/8/12 /22	73 026 000	61 443 000
Depreciation	6/13/1 2/14	27 989 000	33 710 000
Other operating expenses	9/13	176 714 000	174 914 000
Sum kostnader		547 144 000	529 225 000
Driftsresultat		-69 549 000	-21 199 000
Finansinntekter og finanskostnader			
Share of profit from associates	15	-260 000	
Financial income	10/25/ 26	22 078 000	9 361 000
Sum finansinntekter		21 818 000	9 361 000
Financial expenses	10/14/ 25/26	12 175 000	3 364 000
Net foregin exchange gains (losses)	10/25	-4 021 000	-1 361 000
Sum finanskostnader		8 154 000	2 003 000
Netto finans		13 664 000	7 358 000
Resultat før skattekostnad		-55 885 000	-13 841 000
Income tax expense	11	-8 106 000	2 116 000
Årsresultat		-47 779 000	-15 957 000
Actuarial gains (losses) on defined benefit plans		-132 000	-37 000
Income tax effect	11	29 000	8 000



Resultatregnskap

Beløp i: USD	Note	2024	2023
Sum resultatkomponenter for IFRS-foretak		-103 000	-29 000
Totalresultat		-47 882 000	-15 986 000
Overføringer og disponeringer			
Equity holders of the parent		47 882 000	15 986 000
Sum overføringer og disponeringer		47 882 000	15 986 000



Balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Capitalized development expenses	12	50 076 000	38 938 000
Software and other intangible assets	12	12 610 000	17 010 000
Utsatt skattefordel	11	12 181 000	4 948 000
Goodwill	12	249 000	249 000
Sum immaterielle eiendeler		75 116 000	61 145 000
Varige driftsmidler			
Right-of-use assets	14	43 288 000	45 527 000
Property	13/25/ 26	333 000	333 000
Fixture and fittings	13/25/ 26	1 180 000	1 504 000
Computer equipment and machinery	13/25/ 26	9 070 000	11 207 000
Office and lab equipment	13/25/ 26	4 746 000	5 453 000
Sum varige driftsmidler		58 617 000	64 024 000
Finansielle anleggsmidler			
Investering i datterselskap	1/15	13 799 000	13 629 000
Other long term assets	14/16	91 140 000	94 473 000
Sum finansielle anleggsmidler		104 939 000	108 102 000
Sum anleggsmidler		238 672 000	233 271 000
Omløpsmidler			
Varer			
Inventory	6	171 907 000	163 090 000
Sum varer		171 907 000	163 090 000
Fordringer			
Accounts receivable	17/25/ 26	1 037 000	983 000



Balanse

Beløp i: USD	Note	2024	2023
Other current receivables	16/18/ 25/26	123 914 000	128 785 000
Sum fordringer		124 951 000	129 768 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	19/25/ 26	185 632 000	267 553 000
Sum bankinnskudd, kontanter og lignende		185 632 000	267 553 000
Sum omløpsmidler		482 490 000	560 411 000
SUM EIENDELER		721 162 000	793 682 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	20	317 000	317 000
Beholdning av egne aksjer	20	-1 000	-1 000
Overkurs	20	235 448 000	235 448 000
Sum innskutt egenkapital		235 764 000	235 764 000

Opptjent egenkapital

Other components of equity		279 288 000	319 119 000
Sum opptjent egenkapital		279 288 000	319 119 000

Sum egenkapital		515 052 000	554 883 000
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Gjeld

Langsiktig gjeld

Pensjonsforpliktelser	22	578 000	403 000
Sum avsetninger for forpliktelser		578 000	403 000

Annen langsiktig gjeld

Borrowings	25/26	87 336 000	97 491 000
Non-current lease liabilities	14/25/ 26	38 956 000	42 127 000
Sum annen langsiktig gjeld		126 292 000	139 618 000



Balanse

Beløp i: USD	Note	2024	2023
Sum langsiktig gjeld		126 870 000	140 021 000
Kortsiktig gjeld			
Leverandørgjeld	24/25/ 26	22 903 000	15 403 000
Income tax payable	11/26	0	3 939 000
Public duties	24/26	4 577 000	4 579 000
Current lease liabilities	14/25/ 26	5 865 000	5 963 000
Other current liabilities	18/24/ 25/26	45 895 000	68 894 000
Sum kortsiktig gjeld		79 240 000	98 778 000
Sum gjeld		206 110 000	238 799 000
SUM EGENKAPITAL OG GJELD		721 162 000	793 682 000



Konsernets resultatregnskap

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Total revenue	5	511 415 000	542 869 000
Sum inntekter		511 415 000	542 869 000
Kostnader			
Cost of materials	6	269 446 000	259 157 000
Payroll expenses	7/8/12 /22	170 321 000	152 990 000
Depreciation	12/13/ 14	40 574 000	44 329 000
Other operating expenses	9/13	76 880 000	81 691 000
Sum kostnader		557 221 000	538 167 000
Driftsresultat		-45 806 000	4 702 000
Finansinntekter og finanskostnader			
Share of profit from associates	15	-260 000	
Financial income	10/25/ 26	11 177 000	9 726 000
Sum finansinntekter		10 917 000	9 726 000
Financial expenses	10/14/ 25/26	12 119 000	3 690 000
net foregin exchange gains (losses)	10/25	-3 819 000	-1 359 000
Sum finanskostnader		8 300 000	2 331 000
Netto finans		2 617 000	7 395 000
Resultat før skattekostnad		-43 189 000	12 097 000
Income tax expense	11	-4 685 000	4 447 000
Årsresultat		-38 504 000	7 650 000
Actuarial gains (losses) on defined benefit plans		-132 000	-37 000
Income tax effect	11	29 000	8 000



Konsernets resultatregnskap

Beløp i: USD	Note	2024	2023
Currency translation differences		-1 914 000	1 109 000
Sum resultatkomponenter for IFRS-foretak		-2 017 000	1 080 000
Totalresultat		-40 521 000	8 730 000
Overføringer og disponeringer			
Equity holders of the parent		-40 521 000	8 730 000
Sum overføringer og disponeringer		-40 521 000	8 730 000



Konsernets balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Capitalized development expenses	12	50 076 000	38 938 000
Software and other intangible assets	12	13 762 000	19 063 000
Utsatt skattefordel	11	13 097 000	5 872 000
Goodwill	12	10 880 000	10 891 000
Sum immaterielle eiendeler		87 815 000	74 764 000
Varige driftsmidler			
Right-of-use assets	14	52 357 000	54 670 000
Property	13/25/ 26	333 000	333 000
Fixture and fittings	13/25/ 26	2 393 000	3 202 000
Computer equipment and machinery	13/25/ 26	10 277 000	12 309 000
Office and lab equipment	13/25/ 26	8 952 000	13 251 000
Sum varige driftsmidler		74 312 000	83 765 000
Finansielle anleggsmidler			
Investments in subsidiaries and joint ventures	1/15	177 000	6 000
Other long term assets	14/16	91 140 000	94 473 000
Sum finansielle anleggsmidler		91 317 000	94 479 000
Sum anleggsmidler		253 444 000	253 008 000
Omløpsmidler			
Varer			
Inventory	6	171 907 000	163 090 000
Sum varer		171 907 000	163 090 000
Fordringer			
Accounts recievable	17/25/ 26	66 412 000	133 316 000



Konsernets balanse

Beløp i: USD	Note	2024	2023
Other current receivables	16/18/ 25/26	27 029 000	21 874 000
Sum fordringer		93 441 000	155 190 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	19/25/ 26	287 914 000	290 957 000
Sum bankinnskudd, kontanter og lignende		287 914 000	290 957 000
Sum omløpsmidler		553 262 000	609 237 000
SUM EIENDELER		806 706 000	862 245 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	20	317 000	317 000
Beholdning av egne aksjer		-1 000	-1 000
Overkurs		235 448 000	235 448 000
Sum innskutt egenkapital		235 764 000	235 764 000

Opptjent egenkapital

Other components of equity		334 002 000	366 313 000
Sum opptjent egenkapital		334 002 000	366 313 000

Sum egenkapital		569 766 000	602 077 000
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Gjeld

Langsiktig gjeld

Pensjonsforpliktelser	22	765 000	661 000
Borrowings	25/26	87 336 000	97 491 000
Sum avsetninger for forpliktelser		88 101 000	98 152 000

Annen langsiktig gjeld

Non-current lease liabilities	14/25/ 26	45 752 000	47 864 000
Sum annen langsiktig gjeld		45 752 000	47 864 000



Konsernets balanse

Beløp i: USD	Note	2024	2023
Sum langsiktig gjeld		133 853 000	146 016 000
Kortsiktig gjeld			
Leverandørgjeld	24/25/ 26	23 918 000	12 201 000
Income tax payables	11/26	1 799 000	5 640 000
Public duties	24/26	6 024 000	6 334 000
Other current liabilities	18/24/ 25/26	60 985 000	80 080 000
Current lease liabilities	14/25/ 26	10 361 000	9 897 000
Sum kortsiktig gjeld		103 087 000	114 152 000
Sum gjeld		236 940 000	260 168 000
SUM EGENKAPITAL OG GJELD		806 706 000	862 245 000



Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
22.08.2013

Vår dato
16.09.2013

Telefon
22078139

Deres referanse
Robert Giori

Vår referanse
2013/624564

NORDIC SEMICONDUCTOR ASA
Postboks 2336
7004 TRONDHEIM

Permission to prepare the annual accounts and directors' report in English language for Nordic Semiconductor ASA, org. nr. 966 011 726

Dear Mr Robert Giori

With reference to your letter of 22 August 2013, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns Nordic Semiconductor ASA.

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that Nordic Semiconductor ASA may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph.

The exemption requires that the information that the decision is based on, does not change significantly.

Background

Nordic Semiconductor ASA is listed on Oslo Stock Exchange. The company has already received authorization to publish information in English only pursuant to Section 5-13 of the Securities Trading Act. 80% of the shares were held by the Top 50 shareholders. The shareholders primarily consist of large institutions, major private investors with an international profile, or employees. Nordic Semiconductor ASA designs and sells integrated circuits ("microchips") and related intellectual property for use in short-range wireless applications. The customers are global vendors of electronics equipment. These customers include Logitech, Microsoft, Nike, Adidas, and many other global brands. Nearly all of the company's sales (over 99 %) are from customers outside of Norway, with approximately 80 % coming from Asian electronics manufacturers. The company has offices in the US, Hong Kong, Korea, Japan, Taiwan and the Philippines. The working language is English. The company operate within an international industry, where English is clearly the dominant language. The annual report and financial statements of the companies are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Postadresse
Postboks 9200 Grønland
0134 Oslo
skatteetaten.no/sendepost

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318

Sentralbord
800 80 000
Telefaks
22 17 08 60

**Permission to make the annual accounts and the directors' report in Norway in English language**

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be done in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that nearly all of the company's sales (over 99 %) are from customers outside of Norway. The company operates in a highly international branch, where English is the common languages used. Furthermore, the working language is English

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
Senior Adviser
Legal Department
Skattedirektoratet

Torstein Kinden Helleland



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**PROTOKOLL FRA
ORDINÆR GENERALFORSAMLING I
NORDIC SEMICONDUCTOR ASA**

5. mai 2025 kl. 10:00 ble det avholdt ordinær generalforsamling i Nordic Semiconductor ASA. Møtet ble avholdt som et videomøte fra lokalene til Nordic Semiconductor ASA på Skøyen, Oslo.

Styret var representert ved Birger Steen (styreleder) og Anita Huun (leder for revisjonskomiteén). Administrasjonen var representert ved Vegard Wollan (CEO) og Pål Elstad (CFO). Revisor (PwC) var representert ved Eivind Nilsen. Valgkomiteén var representert ved Viggo Leisner.

Dagsorden

1. Åpning av møtet ved styrets leder og opptak av fortegnelse over møtende aksjonærer (ingen avstemning).
2. Valg av møteleder og person til å undertegne protokollen.
3. Godkjenning av møteinnkalling og dagsorden.
4. Godkjenning av årsregnskap og årsberetning for 2024, herunder konsernregnskap og allokeringer ved årsslutt.
5. Vurdering av styrets rapport om Selskapets foretaksstyring (ingen avstemning).
6. Fullmakt til kjøp av egne aksjer.
7. Fullmakt til å a) utstede nye aksjer og b) utstede konvertible lån.
8. Valg av aksjonærvalgte medlemmer til styret.
9. Valg av medlemmer til valgkomiteén.
10. Godkjenning av godtgjørelse til styret, valgkomiteen og revisor.
11. Veiledende avstemning for styrets godtgjørelsesrapport for 2024.
12. Godkjenning av styrets erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte (Guidelines and Policy for Remuneration of Senior Executives) (12.1), og veiledende avstemning om langsiktig aksjebasert incentivordning for alle ansatte (12.2).



Docusign Envelope ID: 710C54C4-A0EA-42E5-AA2D-908174505D68



Sak 1. Åpning av møtet ved styrets leder og opptak av fortegnelse over møtende aksjonærer (ingen avstemning)

Styrets leder åpnet møtet. Fortegnelse over møtende aksjonærer ble tatt, både fysisk og ved fullmakt, som angitt i Vedlegg 1. 130 170 169 aksjer av Selskapets 192 781 600 aksjer (67,52%) var representert i møtet.

Sak 2. Valg av møteleder og person til å undertegne protokollen

Advokat Andreas Kildal ble valgt til møteleder og Pål Elstad ble valgt til å signere protokollen, med stemmer som angitt i Vedlegg 2.

Sak 3. Godkjenning av møteinnkalling og dagsorden

Innkallingen til generalforsamlingen og dagsorden ble godkjent med stemmer som angitt i Vedlegg 2.

Sak 4. Godkjenning av årsregnskap og årsberetning for 2024, herunder konsernregnskap og allokeringer ved årsslutt

Årsregnskapet og årsberetning for 2024, herunder konsernregnskapet og revisjonsberetning ble behandlet.

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Årsregnskapet og årsberetningen for 2024, herunder konsernregnskapet og allokeringer ved årsslutt, godkjennes. Videre er et konsernbidrag uten skatteeffekt til Nordic Semiconductor Norway AS på NOK 10 millioner godkjent"

Sak 5. Vurdering av Selskapets foretaksstyring (ingen avstemning).

CFO Pål Elstad henviste til styrets rapport om foretaksstyring til generalforsamlingen i årsrapporten til Nordic Semiconductor ASA for 2024.

Generalforsamlingen tok redegjørelsen til orientering.

Sak 6. Fullmakt til kjøp av egne aksjer

Styrets forslag om å gi styret fullmakt til å erverve egne aksjer ble behandlet.

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Styret gis fullmakt til på vegne av Selskapet å kjøpe Selskapets egne aksjer, og til å eie egne aksjer innen allmennaksjelovens grenser. Det maksimale antall aksjer som kan erverves skal ikke overstige en samlet pålydende verdi på NOK 192 000 (tilsvarende ca. 9,96% av Selskapets aksjekapital). Fullmakten omfatter også pantsetting av egne aksjer, jf. § 9-5 i allmennaksjeloven.

Fullmakten gis for tidsrommet frem til ordinære generalforsamling i 2026, og senest frem til 30. juni 2026.



Docusign Envelope ID: 710C54C4-A0EA-42E5-AA2D-908174505D68



Prisen pr. aksje som Selskapet kan betale for aksjer som erverves i henhold til denne fullmakten skal ikke være lavere enn aksjenes pålydende og ikke høyere enn NOK 350. Ved eventuelle endringer i aksjenes pålydende gjennom aksjesplitt eller aksjespleis skal prisen Selskapet kan betale for aksjene justeres tilsvarende.

Styret står fritt med hensyn til på hvilke måter erverv eller avhendelse av aksjer kan skje, herunder ved en eller flere transaksjoner gjennom handel på Oslo Børs. Aksjene vil kunne benyttes til de formål som Selskapets styre finner formålstjenlig."

Sak 7. Fullmakt til å a) utstede nye aksjer og b) utstede konvertible lån

Styrets forslag om å gi styret fullmakt til å a) utstede nye aksjer og b) utstede konvertible lån ble behandlet.

Sak 7 a) Fullmakt til styret til å utstede nye aksjer

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Styret gis fullmakt i henhold til allmennaksjeloven § 10-14 til å forhøye aksjekapitalen med inntil NOK 192 000 ved å utstede inntil 19 200 000 aksjer i Nordic Semiconductor ASA pålydende NOK 0,01. Aksjeeiernes fortrinnsrett til tegning etter allmennaksjeloven §10-4 skal kunne fravikes.

Tegningsvilkårene fastsettes etter nærmere beslutning av Selskapets styre.

Styret har fullmakt til å endre Selskapets vedtekter § 5 for å reflektere ny aksjekapital i Selskapet etter bruk av fullmakten.

Fullmakten gis for perioden fra vedtakets dato og frem til Selskapets ordinære generalforsamling i 2026, og senest frem til 30. juni 2026. Fullmakten gjelder både innskudd i penger og vederlag i annet enn penger. Styrefullmakten omfatter utstedelse av aksjer i forbindelse med fusjon."

Sak 7 b) Fullmakt til styret til å utstede konvertible lån

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Styret gis fullmakt til å treffe beslutning om opptak av ett eller flere lån som nevnt i allmennaksjeloven § 11-8 som gir kreditor rett til å kreve utstedelse av aksjer mot kontantbetaling eller mot motregning av krav (konvertible lån) med en samlet hovedstol på inntil NOK 3 milliarder (eller tilsvarende beløp i en annen valuta). Med forbehold om denne totale beløpsbegrensningen, kan fullmakten brukes mer enn én gang. Aksjonærenes fortrinnsretter etter allmennaksjeloven § 11-4 kan settes til side.

Selskapets aksjekapital kan økes med inntil NOK 192 000 som følge av kreditorenes rett til å kreve utstedelse av aksjer, forutsatt at det samlede antall aksjer som utstedes i henhold til denne fullmakten og fullmakten i punkt 7 A) ikke overstiger 10 % av Selskapets nåværende aksjekapital. Styret gis fullmakt til å endre § 5 i Selskapets vedtekter for å gjenspeile Selskapets nye aksjekapital når fullmakten benyttes.

Fullmakten gis for perioden fra vedtakets dato og fram til den ordinære generalforsamlingen i 2026, og senest til 30. juni 2026. Vilkårene for tegning skal fastsettes av styret."

Sak 8. Valg av aksjonærvalgte medlemmer til styret



Docusign Envelope ID: 710C54C4-A0EA-42E5-AA2D-908174505D68



Viggo Leisner, leder av valgkomiteen, presenterte valgkomiteens forslag om valg av styremedlemmer. Endre Holen presenterte et alternativt forslag.

Endre Holen ba deretter lederen av valgkomiteen om å utdype årsaken til reduksjonen i antall styremedlemmer og hvorfor færre medlemmer nå har spesifikk erfaring fra USA. Han ønsket også å vite om komiteen hadde gjennomført en omfattende rekrutteringsprosess for å identifisere den beste kandidaten, og om den hadde vurdert innspill om å opprettholde den nåværende styrets størrelse og styreleder. Lederen forklarte at flere store aksjonærer støttet et mindre styre for å forbedre effektiviteten i styrets arbeid, en grundig rekrutteringsprosess ble igangsatt i 2023, det foreslåtte styret har fortsatt tilstrekkelig ekspertise innen USA, og ulike tilbakemeldinger angående styrets størrelse og styreleder ble tatt i betraktning

Videre foreslo Endre Holen å endre valgkomiteens forslag for å beholde den eksisterende styrelederen som ordinært styremedlem, men dette forslaget ble trukket tilbake på møtet. Forslagene ble deretter vurdert, og generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"I samsvar med valgkomiteens forslag velges følgende personer som aksjonærvalgte styremedlemmer for en valgperiode på ett år frem til Selskapets ordinære generalforsamling i 2026:

- Dieter May, styreleder (gjenvalg, ny styreleder)
- Inger Berg Ørstavik (gjenvalg)
- Anita Huun (gjenvalg)
- Annastiina Hintsu (gjenvalg)
- Helmut Gassel (gjenvalg)"

Sak 9. Valg av medlemmer til valgkomiteen

Valgkomiteens forslag om valg av medlemmer til valgkomiteen ble behandlet.

Sak 9 a)

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"I samsvar med valgkomiteens forslag velges følgende personer som medlemmer av valgkomiteen for en valgperiode på ett år frem til Selskapets ordinære generalforsamling i 2026:

Fredrik Thoresen, leder (gjenvalg, ny leder)".

Sak 9 b)

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"I samsvar med valgkomiteens forslag velges følgende personer som medlemmer av valgkomiteen for en valgperiode på ett år frem til Selskapets ordinære generalforsamling i 2026:

Eivind Lotsberg (gjenvalg)".



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Sak 9 c)

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"I samsvar med valgkomiteens forslag velges følgende personer som medlemmer av valgkomiteen for en valgperiode på ett år frem til Selskapets ordinære generalforsamling i 2026:

Arne Græe (nyvalg)".

Sak 10. Godkjenning av godtgjørelse til styret, valgkomiteen og revisor

Forslaget om godtgjørelse til styret, valgkomiteen og revisor ble behandlet.

Sak 10 a) Godkjenning av godtgjørelse til styret

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Som styrehonorar for perioden fra den ordinære generalforsamlingen 2025 til den ordinære generalforsamlingen 2026, godkjennes følgende (fforårets tall i parentes):

<i>Styrets leder</i>	<i>NOK</i>	<i>750 000 +</i>	<i>(750 000)</i>
		<i>NOK 578 144 i</i>	<i>(NOK 523 388 i aksjer)</i>
		<i>aksjer</i>	
<i>Aksjonærvalgte styremedlemmer</i>	<i>NOK</i>	<i>325 000 +</i>	<i>(325 000)</i>
	<i>NOK</i>	<i>NOK 206 832 i</i>	<i>(NOK 184 926 i aksjer)</i>
		<i>aksjer</i>	
<i>Ansattvalgte styremedlemmer</i>	<i>NOK</i>	<i>172 486</i>	<i>(165 375)</i>

Den aksjebaserte delen av kompensasjonen skal betales etter den ordinære generalforsamling i 2025, og antall aksjer skal baseres på det beløp som skal betales i NOK (henholdsvis NOK 206 832 og NOK 578 144), med fradrag for skatt delt på sluttkursen på dagen for den ordinære generalforsamlingen.

En reisekompensasjon på NOK 12 000 (USD 1 103) vil bli gitt til styremedlemmer for reiser innenfor Europa. Videre, vil alle kostnader påløpt av styremedlemmene i forbindelse med deres deltakelse som medlem av styret eller noen av komiteene, bli refundert av Selskapet.

Nordic Semiconductor ASA har en policy om å kompensere medlemmer valgt av de ansatte for ansvaret, men ikke for arbeidet knyttet til styrevervet, da dette antas å være dekket av deres lønninger. Som godtgjørelse for perioden fra ordinær generalforsamling 2025 til ordinær generalforsamling 2026 for deltakelse i revisjonskomiteen vil aksjonærvalgte styremedlemmer motta NOK 23 000 (22 050) for styreleder og NOK 11 500 (11 025) per møte for medlem.

Som godtgjørelse for perioden fra ordinær generalforsamling 2025 til ordinær generalforsamling 2026 for deltakelse i kompensasjonskomiteen vil aksjonærvalgte styremedlemmer motta NOK 17 250 (16 538) (styreleder) og NOK 8 625 (8 269) (styremedlem) per møte.

Som godtgjørelse for perioden fra ordinær generalforsamling 2025 til ordinær generalforsamling 2026 for deltakelse i bærekraftskomiteen vil aksjonærvalgte styremedlemmer motta NOK 17 250 (16 538) (styreleder) og NOK 8 625 (8 269) (styremedlem) per møte.



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Deltakelse for individuelle styremedlemmer i ekstra møter med ad hoc-komiteer kompenseres med NOK 8 625 (8 269) per møte. Dette gjelder også for deltakelse i ekstra arbeidsgruppemøter for individuelle medlemmer i enten revisjonskomiteen, bærekraftskomiteen eller kompensasjonskomiteen. Maksimal betaling for ekstra arbeidsgruppemøter er NOK 86 250 (82 688) per styremedlem."

Sak 10 b) Godkjenning av godtgjørelse til valgkomiteén

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Som honorar til valgkomiteén godkjennes NOK 99,225 (66 150) for valgkomiteén leder, og NOK 66 150 (66 150) pr. øvrige medlemmer for perioden fra den ordinære generalforsamlingen 2025 til den ordinære generalforsamlingen 20265."

Sak 10 c) Godkjenning av godtgjørelse til revisor

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Revisors honorar som angitt i note 9 til årsregnskapet for 2024 godkjennes."

Sak 11. Veiledende avstemning for Styrets godtgjørelsesrapport for 2024

Styrets godtgjørelsesrapport for 2024 ble behandlet.

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Generalforsamlingen ga sin tilslutning til Styrets godtgjørelsesrapport for 2024."

Sak 12. Godkjenning av styrets retningslinjer og policy for godtgjørelse til ledende ansatte (Guidelines and Policy for Remuneration of Senior Executives) (12.1), og veiledende avstemning om langsiktig aksjebasert incentivordning for alle ansatte (12.2)

Styrets retningslinjer og policy for godtgjørelse til ledende ansatte og langsiktig aksjebasert incentivordning for alle ansatte ble behandlet.

Sak 12.1 Godkjenning av styrets retningslinjer og policy for godtgjørelse til ledende ansatte

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Generalforsamlingen godkjenner styrets retningslinjer og policy for godtgjørelse til ledende ansatte."

Sak 12.2 Veiledende avstemning om langsiktig aksjebasert incentivordning for alle ansatte

Generalforsamlingen fattet følgende vedtak med stemmer som angitt i Vedlegg 2:

"Generalforsamlingen ga sin tilslutning til styrets RSU program for alle ansatte."

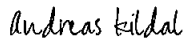


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Det forelå ingen andre saker til behandling. Møteleder takket aksjonærene for deltakelsen og den ordinære generalforsamlingen ble deretter hevet.

Oslo, den 5. mai 2025

DocuSigned by:

86E542F6F7794DD
Andreas Kildal

DocuSigned by:

BEDC4640E1B2425
Pål Elstad



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Vedlegg 1 / Appendix 1: Fremmøtte aksjonærer / Shareholders present

Totalt representert /
Attendance Summary Report
NORDIC SEMICONDUCTOR ASA
Generalforsamling / AGM
5 May 2025

11:07:41

Antall personer deltagende i møtet /	25
Registered Attendees:	
Totalt stemmeberettiget aksjer representert	130 170 169
/ Total Votes Represented:	
Totalt antall kontoer representert /	525
Total Accounts Represented:	
Totalt stemmeberettiget aksjer /	190 962 908
Total Voting Capital:	
% Totalt representert stemmeberettiget /	68,17 %
% Total Voting Capital Represented:	
Totalt antall utstede aksjer / Total Capital:	192 781 600
% Totalt representert av aksjekapitalen / % Total Capital	67,52 %
Represented:	
Selskapets egne aksjer / Company Own Shares:	1 818 692

Sub Total:	11	14	130 170 169
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<u>Kapasitet / Capacity</u>	<u>Registrerte Deltakere /</u> <u>Registered Attendees</u>	<u>Registrerte Ikke-Stemmeberettigede</u> <u>Deltakere / Registered Non-Voting</u> <u>Attendees</u>	<u>Registrerte Stemmer</u> <u>/ Registered Votes</u>	<u>Kontoer /</u> <u>Accounts</u>
Aksjonær / Shareholder (web)	9	0	328 332	9
Fullmektig / 3rd Party Proxy (web)			73	1
Gjest / Guest (web)	0	14		
Forhåndsstemmer / Advance votes	1	0	129 828 641	476
CEO med fullmakt / CEO with Proxy	1	0	13 123	39

0



Docusign Envelope ID: 710C54C4-A0EA-42E5-AA2D-908174505D68

Vedlegg / Appendix 2: Stemmeoversikt / Voting overview

NORDIC SEMICONDUCTOR ASA GENERALFORSAMLING / AGM 05 mai 2025

Som registreringsansvarlig for avstemmingen på generalforsamlingen for aksjonærene i selskapet avholdt den 05 mai 2025, BEKREFTES HERVED at resultatet av avstemmingen er korrekt angitt som følger:-

/

As scrutineer appointed for the purpose of the Poll taken at the General Meeting of the Members of the Company held on 05 mai 2025, I HEREBY CERTIFY that the result of the Poll is correctly set out as follows:-

Totalt antall stemmeberettigede aksjer / Issued voting shares: 190 962 908

	STEMMER / VOTES FOR	%	STEMMER / VOTES MOT / AGAINST	%	STEMMER / VOTES AVSTÅR / WITHHELD	STEMMER TOTALT / VOTES TOTAL	% AV STEMME- BERETTIG KAPITAL AVGITT STEMME / % ISSUED VOTING SHARES VOTED	IKKE AVGITT STEMME I MØTET / NO VOTES IN MEETING
2	129 955 123	100,00	364	0,00	629	129 956 116	68,05 %	150
3	129 955 560	100,00	364	0,00	192	129 956 116	68,05 %	150
4	130 069 734	100,00	364	0,00	97 921	130 168 019	68,16 %	2 150
6	130 104 790	100,00	376	0,00	62 853	130 168 019	68,16 %	2 150
7a	129 970 940	99,85	195 812	0,15	1 267	130 168 019	68,16 %	2 150
7b	130 151 381	99,99	15 613	0,01	1 025	130 168 019	68,16 %	2 150
8a	128 974 568	99,69	403 528	0,31	702 423	130 080 519	68,12 %	89 650
8b	4 953 943	6,76	68 345 161	93,24	56 868 915	130 168 019	68,16 %	2 150
9a	129 778 851	99,70	387 279	0,30	1 889	130 168 019	68,16 %	2 150
9b	129 778 751	99,70	387 279	0,30	1 989	130 168 019	68,16 %	2 150
9c	129 755 611	99,69	404 834	0,31	7 574	130 168 019	68,16 %	2 150
10a	130 147 493	99,99	18 284	0,01	2 242	130 168 019	68,16 %	2 150
10b	129 763 163	99,69	402 614	0,31	2 242	130 168 019	68,16 %	2 150
10c	130 088 096	99,94	78 431	0,06	1 492	130 168 019	68,16 %	2 150
11	121 491 564	93,34	8 674 347	6,66	2 108	130 168 019	68,16 %	2 150
12.1	123 833 446	95,26	6 158 733	4,74	175 840	130 168 019	68,16 %	2 150
12.2	127 419 748	97,89	2 747 791	2,11	480	130 168 019	68,16 %	2 150

Kai Roger Bamberg
DNB Bank ASA
Issuer services

ANNUAL REPORT 2024



Content

Message from the CEO

Nordic at a glance

Financial highlights

ESG highlights

Business units

Report from the Board of Directors

Group overview

Strategy and ambitions

Operational overview

Board of Directors

Executive Management

Financial

Risk management

Risk factors

Sustainability statement

General information

Governance

Strategy & business model

Our stakeholders

Financial statements

Income statements

Statement of financial position

Cash flow

Disclosures

Alternative Performance Measures

Responsibility statement

06 Audit opinion letter

07 Appendices

Board of Directors' report in relation to Norwegian Code of Practice for Corporate Governance
Statement of financial position

Material impacts, risks, and opportunities

Materiality assessment process

Environment

E1 Climate Change

E2 Pollution

E3 Water and Marine Resources

E5 Resource use and circular economy

EU taxonomy

Social

S1 Own Workforce

S2 Workers in the Value Chain

S4 Consumer and End products

Governance

G1 Business Conduct

Outlook

Concluding remarks



01	Message from the CEO	
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	>
05	Responsibility statement	
06	Audit opinion letter	
07	Appendices	>

Message from the CEO

- 01 Message from the CEO >
- 02 Nordic at a glance >
- 03 Report from the Board of Directors >
- 04 Financial statements >
- 05 Responsibility statement >
- 06 Audit opinion letter >
- 07 Appendices >



Message from the CEO

2024 was an exciting first year for me as CEO of Nordic Semiconductor. Throughout the year, we made solid progress across all fronts—organizational, operational, and financial. We are at the beginning of a nearly complete renewal of our product offerings across all business units, including the impressive nRF54 Series and the world's smallest cellular module, the nRF5400. These innovations, combined with our sharpened strategic focus, strengthen our foundation for sustained, profitable growth in the years ahead.

Joining Nordic, I knew I came to a company with a long and proud history as pioneers in low-power connectivity, a company with world-class engineers, and with a portfolio of products and solutions that have earned Nordic a globally leading position in the Bluetooth Low Energy market.

Having met with many of our employees, suppliers, partners, and customers over the past year, my confidence in these strengths has been reaffirmed repeatedly. We have built a strong network of relationships over many years, and this forms an invaluable platform to continue a positive development for many years to come.

However, coming in I also recognized that we needed to organize ourselves differently to sharpen our strategic focus and priorities to succeed across all our technologies. To this end we established four business units under new and dedicated leadership last year — Long-Range, Short-Range, Wi-Fi, and Power Management.

These four business units operate at very different stages of maturity and development timeframes. The Short-Range business unit accounts for around

95% of revenue, and it is clear that this established business requires a different management and operating model than the start-up business Long-Range or the early-stage businesses Power Management.

By organizing ourselves into four separate units, I believe we are sharpening the focus of our investments and capitalizing on our innovations and market opportunities to extract the maximum value from our R&D investments. This new organizational setup ensures accountability for our progress, with clear operational and financial targets for all business units, and we will be able to keep closer track of the

Despite the differences between our technologies, we are also several common themes in our new working. We are sharpening the value proposition of our products and solutions, and we have reorganized resources to enhance our engineering execution speed-up key product roadmaps for the most growth markets. This requires an organizational mindset that is market-adaptive, customer-deeply committed to the development and our product roadmaps.

01 Message from the CEO

02 Nordic at a glance

03 Report from the
Board of Directors

04 Financial statements

05 Responsibility statement

06 Audit opinion letter

07 Appendices

I am glad to see that the Nordic organization is embracing the changes. During the second half of the year, our teams delivered some very exciting product launches in both Long-Range and Short-Range technologies. A particular highlight was the launch of the long-awaited nRF54 Series at the Electronica fair in Munich.

Our nRF54 Series SoCs (Systems-on-Chip) define a new era in terms of performance, offering a giant leap forward in our offering and outclassing the competition. Compared to the nRF52 Series which currently dominates our revenue, the nRF54L Series offers more than twice the processing power with less than half the power consumption, while the even more advanced nRF54H Series is five times as powerful and around six times as energy efficient. These numbers outperform the best general-purpose MCUs or SoCs on the market today.

We are working together with many key customers and leading broad market customers who are developing new products powered by our nRF54 Series, and we are proud to see how our new products are being received by our customers. Going forward, we will launch 2-4 new product families every year under this product generation. This strategy will ensure we have the perfect product offering for both existing and new applications, further broadening our serviceable market.

While we need to allow for some time for customer design-ins and product ramps before we see the full effect in our numbers, it remains very clear that the nRF54 Series is going to be a very important growth driver for us in the years to come.

Last August, we launched the world's smallest and most energy-efficient cellular module – the nRF9151. This was an important step for our Long-Range product offering, and it is encouraging to see our customer's reception of this improved value proposition. We are at the beginning of an exciting and almost complete renewal of our product offering within all our business units.

Nordic has been through a tough couple of years with declining demand and revenue after the Covid-19 market boom. Our full year figures for 2024 showed a 6% revenue decline to USD 511 million, a slightly negative EBITDA, and a negative net result of USD 39 million. However, we saw a gradual recovery throughout the year and reported strong year-on-year growth and improving results in the second half of the year.

We are confident in a profitable growth outlook going forward and have set out to deliver annual revenue growth above 20% through the decade, while aiming towards an operating model profitability of around 25% EBITDA within five years. This will require us to capitalize on our product launches with a sharp focus on select growth segments, maintain gross margins through a transition to lower-cost production on the 22nm node platform, and contain operating costs through continuous cost controls.

While these goals are ambitious I am confident in the support of our shareholders, our Board of Directors, my executive management team and the entire Nordic organization as we work towards realizing our aspirations. Thank you for your continued support!

01	Message from the CEO	
02	Nordic at a glance	▼
	Financial highlights	
	ESG highlights	
	Business units	
03	Report from the Board of Directors	>
04	Financial statements	>
05	Responsibility statement	
06	Audit opinion letter	
07	Appendices	>

Nordic at a glance



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01 Message from the CEO

02 Nordic at a glance

Financial highlights

ESG highlights

Business units

03 Report from the Board of Directors

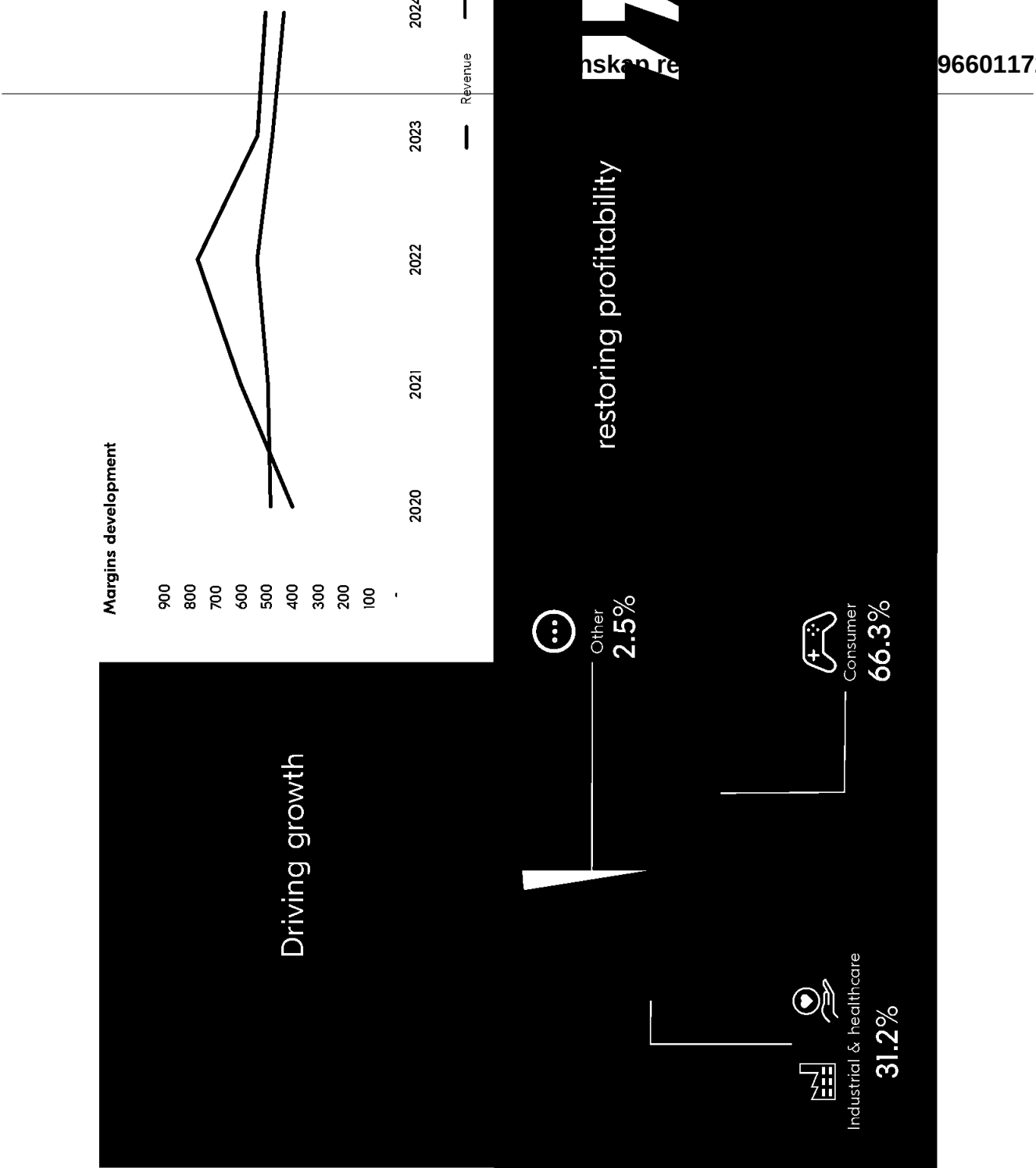
04 Financial statements

05 Responsibility statement

06 Audit opinion letter

07 Appendices

7





NORDIC

SEMICONDUCTOR

| ANNUAL REPORT
2024

01 Message from the CEO

02 Nordic at a glance

Financial highlights

ESG highlights

Business units

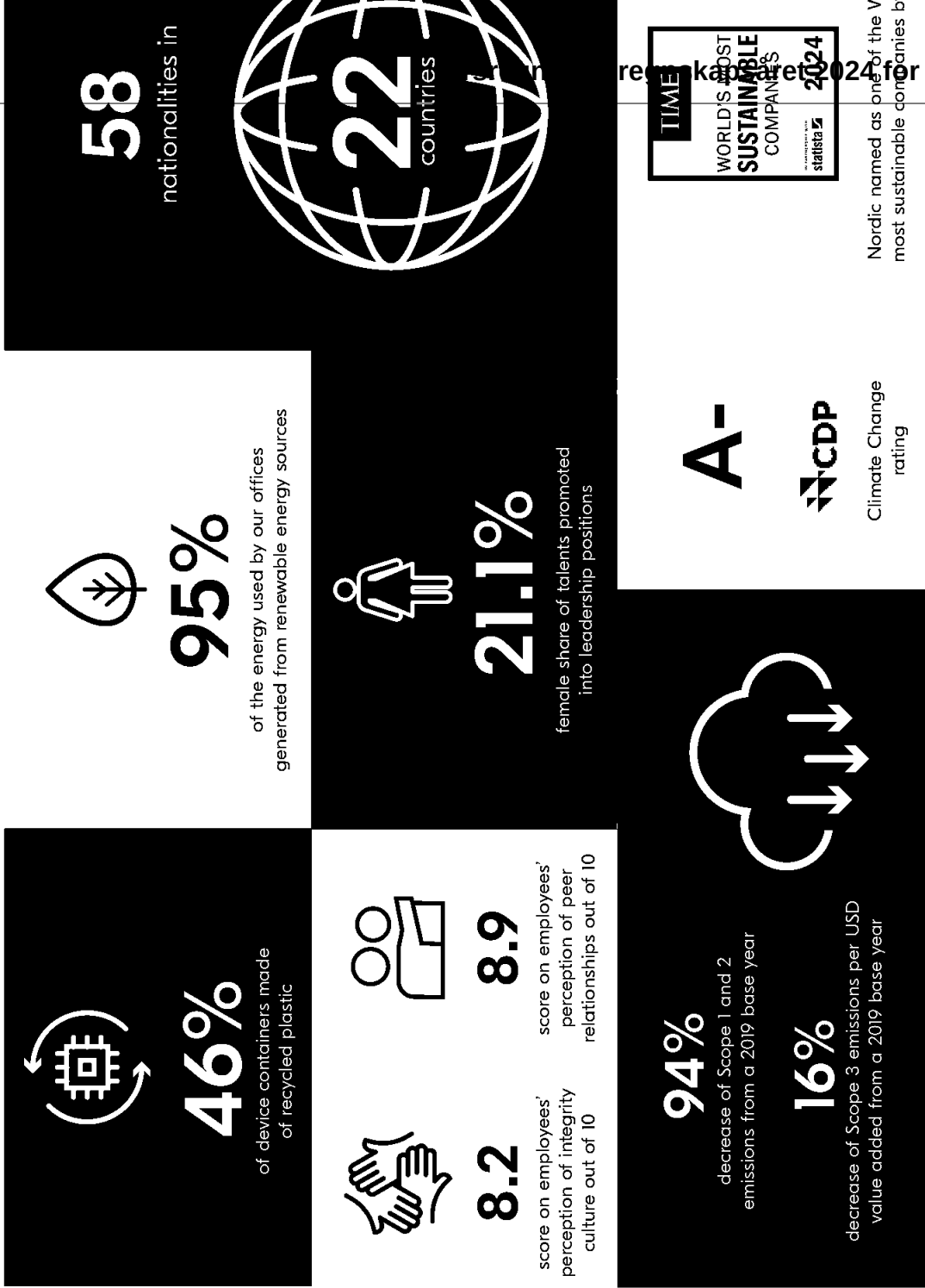
03 Report from the Board of Directors

04 Financial statements

05 Responsibility statement

06 Audit opinion letter

07 Appendices



01 Message from the CEO

02 Nordic at a glance

Financial highlights

ESG highlights

Business units

03 Report from the
Board of Directors

04 Financial statements

05 Responsibility statement

06 Audit opinion letter

07 Appendices

○ Long-Range

Early mover in new and growing market leveraging foundation from recognized solutions



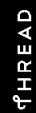
○ Wi-Fi

Early mover in new and growing market leveraging foundation from recognized solutions



○ Short-Range

Market leader with proven performance from recognized solutions



○ Power management

Providing solutions for optimal energy consumption and connectivity requirements



NORDIC
SEMICONDUCTOR

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>

Report from the Board of Directors

01 Message from the CEO >

02 Nordic at a glance >

03 Report from the Board of Directors >

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04 Financial statements >

05 Responsibility statement >

06 Audit opinion letter >

07 Appendices

11

Report from the Board of Directors

In 2024, Nordic reorganized its management and operations to reduce cost and improve focus on the delivery of innovative and quality products to the market. During this reorganization Nordic successfully launched the award-winning nRF54 series, long-range products and other major releases. As we enter 2025, Nordic is a leaner organization with enhanced capabilities to deliver top-tier products, while returning to year-over-year profitable growth.

Arsregnskap regnskapsår 2024 for 966011726

The Board of Directors bears the ultimate responsibility for the Group's governance, social, and environmental matters. Accordingly, the Board discloses information in accordance with Norwegian accounting act § 2-8 in the statement of social responsibility, which can be found in the Sustainability Statement, Environment, Social, and Governance chapters. Furthermore, the Board discloses the statement of governance in accordance with Norwegian accounting act § 2-9 in the appendices of the Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance. In addition, the table "Board members' attendance" in this appendix provides an overview of each member's participation in fulfilling these responsibilities.

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

02

Nordic at a glance

03

Report from the Board of Directors

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

05

Responsibility statement

06

Audit opinion letter

07

Appendices

12

Group overview

Nordic Semiconductor (Nordic or "the Group") is a fabless semiconductor company designing, marketing, selling, and supporting hardware products, embedded software, and cloud-based services enabling wireless connectivity solutions.

Nordic has been a pioneer in low-power wireless connectivity since its beginning in 1983 as an integrated circuit consultancy. Starting with proprietary 2.4GHz technology for PC accessories in 2002, Nordic has developed into a leading global supplier of Bluetooth® LE and multiprotocol solutions for short-range connectivity. The Group has also established a leading position in the emerging market for cellular IoT, and in 2020 expanded into next-generation Wi-Fi technology to cover the embedded Wi-Fi market. In addition to expanding into next-generation Wi-Fi technology, the Nordic has further diversified its portfolio by entering the Power Management Integrated Circuit (PMIC) market. This strategic move involves the development of new integrated circuits (ICs) designed to enhance power efficiency and management in electronic devices, aligning with the latest industry demands and technological advancements.

Nordic's product offerings include integrated circuits (ICs), Systems-on-Chip (SoCs), Systems-in-Package (SIPs), and software development tools. The Group sources components, assemblies and packages the products through world-class subcontractors in Asia, and distributes its products to branded electronics manufacturers through an extensive network of global and regional distribution partners.

Nordic Semiconductor ASA ("The Company") is the Group parent, headquartered in Trondheim, Norway. As of year-end 2024, the Group has offices in Trondheim and Oslo (Norway); Beijing, Shanghai, Shenzhen, and Hong Kong (China); Oulu, Espoo, Tampere, and Turku (Finland); Düsseldorf (Germany); Hyderabad (India); Tokyo (Japan); Manila (the Philippines); Krakow and Wrocław (Poland); Singapore (Singapore); Seoul (South Korea); Stockholm and Lund (Sweden); Taipei, Taoyuan, and Hsinchu (Taiwan); Bristol and Hatfield (UK); and Seattle and San Diego (USA).

Strategy and ambitions
Strengthening Nordic Semiconductor for the future

2024 has been a transformative year for Nordic, navigating the challenging semiconductor market and positioning the company for future growth. Under the new leadership of CEO Vegard Wollan, key strategic initiatives have been implemented to enhance operational agility, drive innovation, and capitalize on emerging market opportunities. While maintaining its leadership position in low power wireless connectivity solutions, Nordic has refined its approach to return to profitability, optimize product execution, and meet the evolving needs of key customers.

Establishment of business units for focused execution

One of the major structural changes in Nordic over the year has been to reorganize its previous R&D department into four dedicated business units: Short-Range, Long-Range, Wi-Fi, and Power Management. This aims to sharpen the company's strategic focus and enhance engineering execution under a new and strengthened executive management team. The team has reallocated resources to focus on high-impact roadmaps for delivering high-quality products for target growth markets, and implemented cost initiatives that will enable Nordic to regain profitable growth. This strategy, to drive growth and return to profitability was presented at the company's Capital Markets Day in September, where our operational and financial ambitions were further concretized for both the Group and the new business units.

The restructuring of the business units is based on their maturity and growth potential, with different operational and financial ambitions for its various products and addressable markets. The Short-Range business unit is the most mature and established unit, representing more than 95% of the company's revenues, with market-leading solutions and long-standing relationships with

a broad base of global customers. Leveraging relationships, its world-leading customer success common software, the company expects the groundbreaking nRF54 Series to be a driver over the years to come.

The Long-Range business unit has entered up phase, concentrating on expanding market penetration particularly in the asset tracking and industrial IoT markets. The successful launch of the nRF9151 SIP in August – the lowest-power IoT solution with industry-leading battery life performance – marked a significant step in strategy. Further investments are directed to product differentiation to support further growth in performance, features, and cost. Successful markets will enable the Long-Range business to establish the critical mass required to ensure and further secure the Group as a world-leading provider of low power wireless connectivity.

In contrast to the Short-Range and Long-Range units, the Wi-Fi and PMIC business units are in early stage, requiring a strong emphasis on early product development, early commercialization, and best-in-class products, and strong customer

By structuring the company around these business units and appointing new and experienced leaders to lead them, Nordic has improved autonomy, accountability, and sharpened its product focus. It has also enabled each business unit to become customer-centric for improved market response and shortened time-to-market. In summary, the Group is well poised to capitalize on a market rewin new business opportunities over the coming years, with exciting new product launches in its technologies.

Overall, the financial ambition for the Group is to deliver annual revenue growth of over 20% decade, and to move towards an operating around 25% EBITDA within five years.

Årsrapport 2024 | For 966011726

24.06.2025 kl 15:40

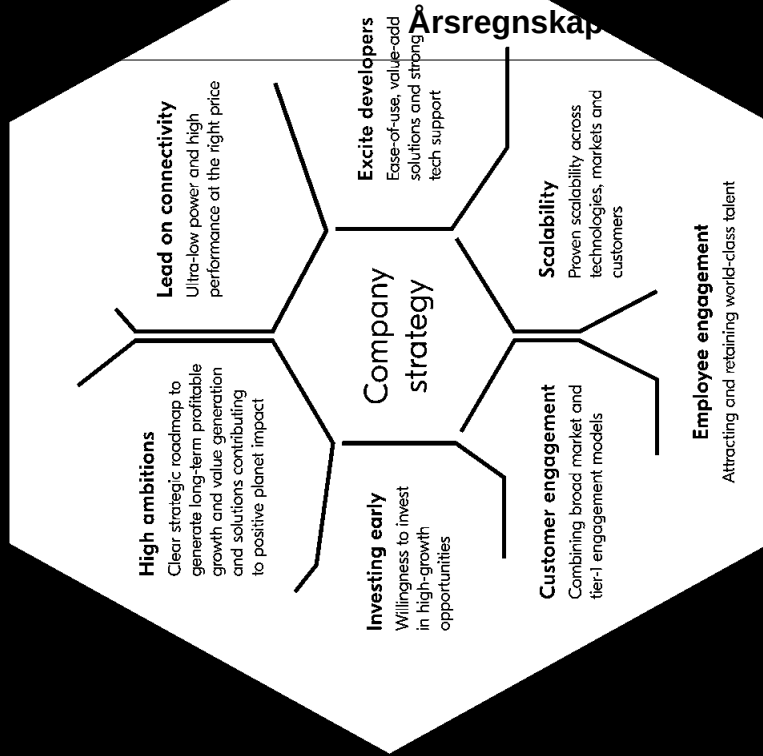
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Side 33 av 216

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>

Empowering a skilled and diverse workforce

The employees are the Group's greatest asset, and Nordic remains committed to maintaining a highly skilled, diverse, and inclusive workforce comprising a multitude of different nationalities. Developing and launching world-class products in the semiconductor industry requires both experience and cutting-edge competencies. With an average tenure of more than six years, the Group's global workforce of close to 1,400 people is well equipped for the task.



Connecting the world to a sustainable future

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

14

Operational review

Demand and market share

Nordic reported revenue of USD 511.4 million for 2024, a decrease of 6% from USD 542.9 million in the previous year. Revenue during the first half of 2024 was impacted by inventory adjustments and decreased 32% from the first half of 2023. Through the second half of 2024, Nordic saw improved demand from both larger key customers and smaller customers in the broad market, resulting in an increase of 27% from the second half of 2023.

The top ten customers have continued to show strong and consistent demand throughout the period, highlighting their critical role in the business and demonstrating the value of Nordic's strategic priorities and long-term relationships. Demand from broad market customers declined sharply in 2023; when looking at 2024, broad market customers showed a small decline.

In 2024, Nordic maintained a strong presence in the Bluetooth LE market, achieving a 35% share of new design certifications for the full year. This marks a decrease from the previous year, where Nordic held a 43%² share for the full year 2023.

The total number of new Bluetooth LE design certifications in 2024 was 1,260, with Nordic technology being incorporated into 437 of these designs. In comparison, the total certifications in 2023 amounted to 1,112 for the full year, with 483 featuring Nordic chips. Nordic is expanding its strong market presence and continues to excel in large-volume design applications. The company attributes its relatively low design win share to an increase in low-end designs, a segment where Nordic currently does not participate.

Product launches and technology advancements

Through 2024, Nordic continued to accelerate innovation through an ambitious product roadmap. The nRF54 Series was launched with the well-known nRF54L15 SoC to the broad market in November, accompanied by two new additions, the nRF54L10 and nRF54L05, allowing the company to support a wider range of Bluetooth LE and IoT applications with greater flexibility. By the end of the year, the multi-award winning nRF54H Series also saw its first volume shipments to early adopters. These fourth-generation ultra-low power wireless SoCs represent a significant leap forward, bringing

enhanced efficiency and exceptional performance while lowering power consumption, outstanding performance, and extending performance across the widest range of IoT applications. The first product to be fabricated using a 22-nm wafer process node, the nRF54 Series represents a significant advancement bringing key advantages such as improved performance and even lower consumption. This manufacturing process change, and Global Foundries, positioning the company as an additional supply chain resilience moving forward.

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¹ As reported by FCC and Bluetooth SIG data analyzed by DNB Markets

² As reported by FCC and Bluetooth SIG data analyzed by DNB Markets

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 35 av 216



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

15



The award-winning
nRF9151 SiP, the smallest
and lowest-power
System-in-Package (SiP)

Significant advancements were made in Nordic's cellular IoT offerings with the launch of key products that enhance the company's portfolio and enable developers with more versatile and efficient solutions.

One of the most notable launches was the winning nRF9151 SiP, the smallest and lowest-power System-in-Package (SiP) for LTE-M/NB-IoT NR+. This fully integrated, pre-certified SiP to simplify development across massive IoT to such as industrial automation, asset tracking, metering, and smart agriculture. It builds on the nRF9160 SiP while offering a reduced power peak power consumption, and a resilient chain. The nRF9151 also introduces future scalability. Non-Terrestrial Networks (NTN), further expanding global connectivity capabilities by enabling coverage over satellites. With integrated cloud robust security, and extensive development nRF9151 is positioned as a market-leading scalable IoT deployments, as the smallest, cellular IoT solution in the industry.

Complementing this launch, the Nordic ThingWorx later launched as a streamlined cellular IoT platform designed to accelerate development time-to-market. Leveraging the nRF9151 SiP, globally certified, battery-operated device LTE-M, NB-IoT, Wi-Fi SSID location, DECT, GNSS. It comes equipped with a range of environmental monitoring and mission tracking it ideal for prototyping asset tracking and applications. Seamless integration with nRF ensures quick connectivity, while developer and training resources provide a path for creating next-generation IoT products.

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>

As a leader in low-power dual-band Wi-Fi 6 IoT solutions, Nordic differentiates itself by supporting both 2.4GHz and 5GHz bands, unlike many competitors who offer single-band solutions. This enables optimized throughput and seamless Bluetooth coexistence while empowering efficient, battery-operated Wi-Fi applications. Proven for its robustness and efficiency, the solutions are designed for minimal memory usage while delivering Matter compatibility. Additionally, Nordic offers comprehensive device-to-cloud services, including location services, device management, and secure provisioning for Wi-Fi endpoints, providing a complete and reliable IoT ecosystem.

With a new Wi-Fi product series available in 2026, the priorities continues to be seamless coexistence alongside Nordic's complete product portfolio, securing key design wins, and building the foundation for long-term success in smart home, industrial IoT, and other IoT devices that require fast, reliable, and high-capacity wireless connectivity.

Nordic's PMICs deliver ultra-low power consumption through highly integrated power management solutions that simplify wireless system design, minimize BOM, and reduce board space. As a leader in power efficiency, Nordic's PMIC solutions optimize performance from the battery all the way to the antenna, ensuring seamless energy management. With its advanced features and compact design, the latest, multi-award winning nPM1300 PMIC sets a new standard in the industry. Nordic also ensures seamless hardware and software development with the availability of development kits and PC application software, ready to deploy and fully optimized for use with Nordic's nRF52, nRF53, nRF54, and nRF91 Series, providing a comprehensive and efficient power management ecosystem.

These launches highlight Nordic's commitment to delivering cutting-edge, low-power wireless solutions that cater to the evolving needs of the IoT market. With a strong focus on complete solutions, ease of use, and broad market accessibility, Nordic continues to empower developers with best-in-class technology solutions for a smarter, more connected world.

Targeting growth in megatrends

To drive sustained growth, Nordic has identified four key areas with substantial potential.

Hybrid work and play

The demand for seamless transitions between professional and personal life continues to rise. Nordic's solutions power next-generation wireless peripherals, advanced audio devices, and smart wearables that enhance productivity while enabling high-quality exercise and entertainment experiences. With the rise of remote and hybrid work models, low-latency, high-efficiency connectivity solutions are critical for everything from wireless keyboards and headsets to VR/AR applications. Nordic's position in enhancing wireless connectivity solutions to support remote productivity from home, work, and on-the-go is essential. This consumer market is our largest market area today, which Nordic still aims to prioritize.

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

17

Connected health

Healthcare is undergoing a digital transformation with remote patient monitoring and wearable health devices. This disruptive market segment is mainly driven by the large and growing markets for continuous glucose monitoring and drug delivery systems such as insulin injections. Nordic's ultra-low power wireless solutions ensure secure and energy-efficient connectivity, paving the way for enhanced patient outcomes and more accessible healthcare. This also includes Nordic's investments in edge AI, ref "Edge AI and ML" below, as smart healthcare devices require local computing and decision making instead of cloud-based processing, to save days to months of battery life.

Industrial IoT

Nordic is very well positioned, enabling scalable and reliable connectivity for asset tracking, smart metering, and industrial IoT in general. The need for smart manufacturing, predictive maintenance, and connected logistics, Nordic's low power Bluetooth LE, cellular IoT, DECT NR+, and Wi-Fi solutions offer scalable and reliable connectivity. Our technologies help businesses increase operational efficiency, reduce downtime, and create more resilient supply chains, and Nordic believes this market will be major growth drivers going forward.

Edge AI and Machine Learning (ML)

Nordic's ultra-low-power wireless connectivity solutions play a crucial role in enabling AI-driven and connected devices. While much of the AI focus is on high-performance computing or generative AI, there is an ongoing silent revolution when it comes to compute power in the edge node. Here, Nordic is a key player, enabling faster decision-making and lower power consumption at the same time. Sending data from an AI device to a host or the cloud would quickly consume batteries. By processing data locally or in the edge node, battery life is extended while also enhancing sensor performance and accuracy. Nordic believes that edge AI devices will continue to grow smarter, faster, and more powerful to address future challenges. The company is therefore actively investing in edge AI and ML, and these capabilities will be embedded across multiple products in Nordic's future product portfolio. With the previous acquisition of Atlazo, Nordic offers more energy-efficient AI solutions for applications such as wearable health monitoring and other smart devices within the consumer and industrial segments. This acquisition is positioning Nordic to meet the rising demand for powerful, intelligent edge solutions that operate at minimal energy levels. The new nRF54 Series is addressing exactly that. Starting from the previous generation nRF52 Series, Nordic increases computing performance by 2.5 times while being three times more energy efficient. Having four CPUs and an additional AI acceleration inside the nRF54 Series, Nordic is not just offering wireless connectivity, but also AI processing at the edge node.

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Nordic believes there is a huge opportunity in these focus markets, as some have not yet started their digital journeys. By focusing on these segments, Nordic aims to unlock new opportunities, broaden its reach, and sustain long-term revenue growth.

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 38 av 216



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

18

Sustainability and supply chain resilience

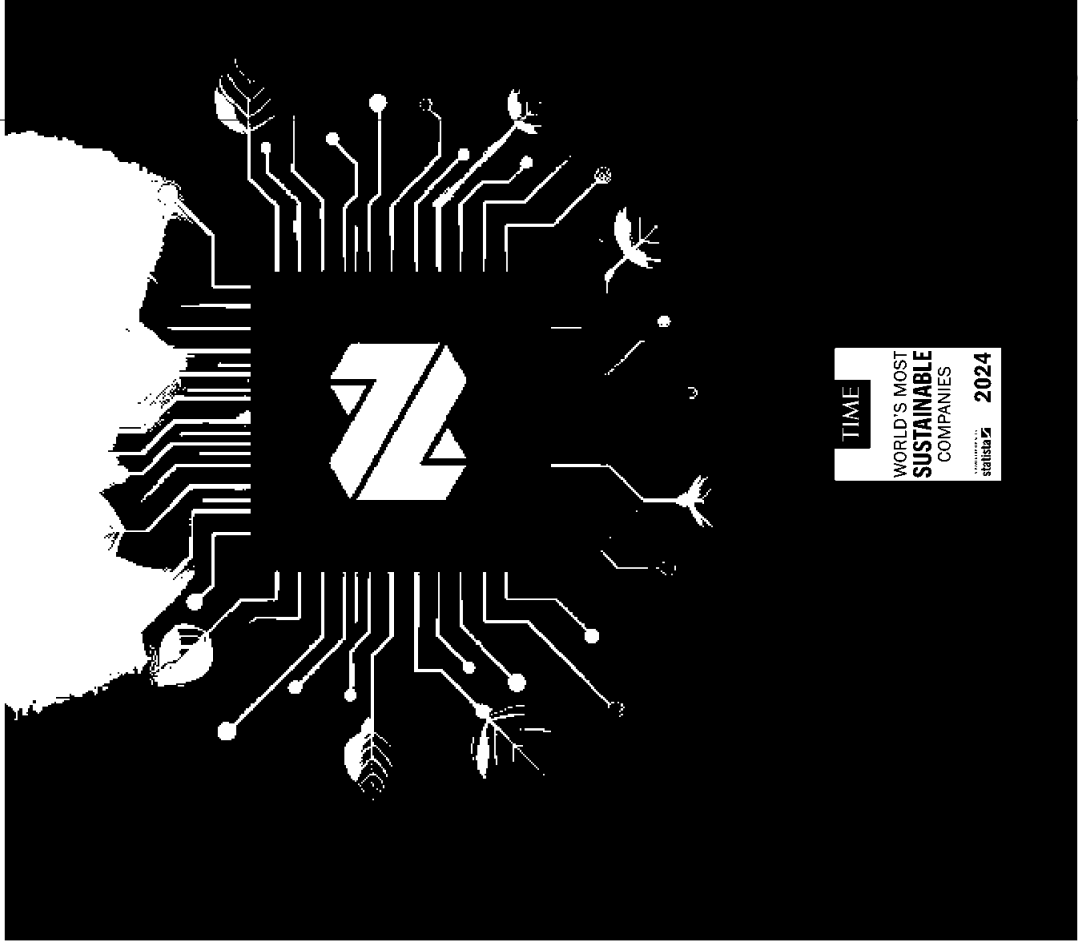
Sustainability remains a core focus for Nordic. The adoption of 22-nanometer wafer process technology for the nRF54 Series underscores our commitment to energy-efficient design, reducing power consumption and battery waste in IoT applications. Additionally, securing dual-source supply with TSMC and Global Foundries enhances our supply chain resilience, ensuring a stable and flexible manufacturing pipeline. The establishment of ESMC, a TSMC fab in Dresden, Germany, represents a key milestone in bolstering Europe's semiconductor ecosystem of which Nordic Semiconductor, as Europe's largest fabless semiconductor company, forms a vital part. This fab is slated to become a potential source for Nordic Semiconductor's products.

Nordic's further sustainability efforts in 2024, such as incorporating recycled plastic into component reels and setting validated targets for reducing greenhouse gas emissions, continue to strengthen the company's ESG profile. These initiatives contribute to Nordic's appeal to socially responsible stakeholders. Recognition on TIME magazine's list of the world's 500 most sustainable companies underscores this ongoing commitment to environmental responsibility.

A clear path forward

Nordic is on an ambitious growth journey, targeting 20% annual revenue growth through the decade. Our strategy is clear: we will continue to lead in wireless connectivity by advancing our product roadmap, strengthening customer engagement, and ensuring operational excellence, all while maintaining a sustainable footprint. Through focused innovation and execution, Nordic is well positioned to capitalize on future opportunities and reaffirm its leadership in the wireless IoT connectivity space.

Nordic actively engages with key standard-setting organizations to standardize communication protocols, aiming to increase competition and innovation in the industry. These include CSA, Bluetooth SIG, DECT Forum, Thread Group, Wi-Fi Alliance, and GSMA.





NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

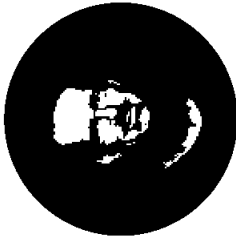
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Appendices

>

19

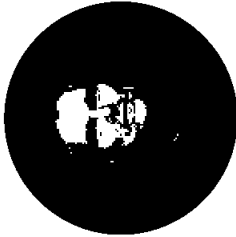
Board of Directors



Birger Steen | Chair, shareholder elected independent director
Chair of the Board since 2018 and board member since 2017. Member of the People & Compensation Committee.

Birger Steen is General Manager of NORSAR, a Norway based not-for-profit applying seismology, IoT and data science to the monitoring of global compliance with the Comprehensive Test Ban Treaty, as well as other applications. Over the last 30 years, he has served in leadership roles in the technology sector, including as SVP at Schibsted ASA, CEO of Scandinavia Online AB (publ), Vice President at Microsoft Corp., CEO of Parallels, Inc. Thematic Partner at Summa Equity and CEO of Freyr Battery, Inc. He holds an MSc from the Norwegian Institute of Technology, an MBA from INSEAD, and is a graduate of the Norwegian Defense School of Intelligence. Birger has also held non-exec positions at Pagero AB (Chair), Nordea Bank Abp (Chair of Operations Committee), Schibsted ASA, Cognite AS, and Pragmatl(C Semiconductor Ltd.

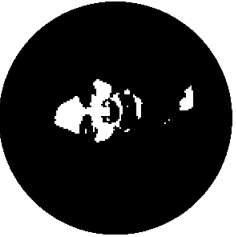
Board meeting attendance: 11, **PCC attendance:** 4, **AC attendance:** 7
Holdings in the company: 270,907 shares



Morten Dammen | Employee elected director
Board member since 2019, Member of the People & Compensation Committee.

Morten Dammen has a Master of Science in Electrical Engineering from NTNU in Trondheim. He has been employed at Nordic Semiconductor since 2001, with a seven-year break between 2008 and 2014. Morten is currently working as a Procurement Manager. Previously, Morten worked as a Group Manager at Q-Free AS. Morten has also been working in Q-Free AS for several years, in several positions from project manager to team management to VP R&D.

Board meeting attendance: 11, **PCC attendance:** 4, **AC attendance:** 7
Holdings in the company: 2,507 shares and 2,230 performance shares



Anja Dekens | Employee elected director
Board member since 2022, Member of the People & Compensation Committee.

Anja Dekens joined Nordic in 2020, and is currently working as a Project Manager. Prior to this, she worked as a Hardware Designer at IC developer NXP, and led the Digital Design Discipline team, responsible for the methodology used by a team of designers at Nordic. Anja studied Electrical Engineering at Karlsruhe University in Germany and NTNU in Trondheim, and holds a PhD from the University of Twente in the Netherlands.

Board meeting attendance: 11, **SC attendance:** 5, **AC attendance:** 7
Holdings in the company: 570 shares and 1,697 performance shares

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

20

Helmut Gassel | Shareholder elected independent director
Board member since 2024.

Helmut Gassel is a seasoned and experienced semiconductor executive with more than 30 years in the industry. He is currently Co-founder & Partner at Silian Partners SA and board member of Avnet. He held several leadership positions during his 27 year tenure at Infineon Technologies, including Board Member, Chief Marketing Officer - Member of the Management Board, Division President. Mr. Gassel received his degree as Dr.-Ing. Electrical Engineering at University of Duisburg-Essen and Diploma in physics from Ruhr University Bochum.

Board meeting attendance: 9 out of 9 possible
Holdings in the company: 764 shares

Annastiina Hintsa | Shareholder elected independent director
Board member since 2019, Chair of the People & Compensation Committee. Member of the Sustainability Committee.

Annastiina Hintsa is the CEO of Hintsa Performance in Finland, a company focusing on enhancing the performance and leadership of client companies, best known for working with Formula 1 teams. Ms. Hintsa also has experience at McKinsey & Co. and at the Bank of Finland.

Board meeting attendance: 11, SC attendance: 5, PCC attendance: 4
Holdings in the company: 5,683 shares

Anita Huun | Shareholder elected independent director
Board member since 2019, Chair of the Audit Committee.

Anita Huun is an experienced business executive. She currently serves as an Asset Manager at the Ministry of Trade, Industry and Fisheries (Nærings- og fiskeridepartementet). Previously, she worked as Commercial Director and CFO for Techstep, more than 20 years of experience in financial markets, and management. Prior to joining Techstep, she served as the CFO of Cappelen Damm, a publishing company, and CFO for Microsoft Norway. Huun's capital market experience comes from her role as an equity analyst, covering the Norwegian market for Handelsbanken Capital Markets. Furthermore, she had board experience from Link Mobility acquired by Abry Partners. She holds an MSc in Economics from the Norwegian School of Economics (NHH) and a specialization in Finance.

Board meeting attendance: 11, AC attendance: 7
Holdings in the company: 14,683 shares

Årregnskap regnskapsåret 2024 for 966011726

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 41 av 216

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

21

Snorre Kjesbu | Shareholder elected independent director
Board member since 2023.

Snorre Kjesbu is currently Senior Vice President & General Manager of Cisco Collaboration Devices. He is a global citizen leading a worldwide organization responsible for the collaboration devices business ranging from IP phones to immersive video systems. Prior to his return to Cisco, Kjesbu was Executive VP of Design, Creation and Fulfillment at BANG & OLUFSEN in Copenhagen. His résumé also includes SVP at Tandberg and being responsible for R&D on wireless communication at ABB. Kjesbu holds a Master of Science from the University of Bristol and has been a guest lecturer at the Stanford Network Research Center in Stanford University.

Board meeting attendance: 10
Holdings in the company: 7,425 shares.

Monika Lie Larsen | Employee elected director
Board member since 2024.

Monika Lie Larsen has close to 30 years of experience from various parts of the software industry, and has been with Nordic Semiconductor since 2016. As a Principal Project Manager, she is currently leading Nordic's Bluetooth LE protocol software development. She has previously worked for Q-Free ASA and held a position as employee elected board member there. Monika has a Master's degree in Computer Science and also a Master of Management, both from NTNU, Trondheim.

Board meeting attendance: 0 (was elected after last meeting was held in 2024)
Holdings in the company: 1,051 shares and 1,821 RSUs and 250 performance shares

Dieter May | Shareholder elected independent director
Board member since 2024.

Dieter May is a German business executive with more than 30 years' experience in high-tech industries spanning mobile products, large-scale cloud services, consumer services, semiconductor technology and non-executive board member roles. He is currently a non-executive director at Nanoco Technology and a non-executive director of leadership and board in the tech sector includes roles as Chairman of Board and CEO at OSRAM Opto Semiconductors, SVP Digital Products and Services at BMW, SVP Mobile Phone Services at Nokia, and VP & Semiconductors at Infineon Technologies. He holds a Master of Electrical Engineering from FAU Erlangen-Nürnberg.

Board meeting attendance: 8 out of 8 possible
attendance: 3 out of 3 possible.
Holdings in the company: 6,264 shares

Arsregnskap regnskapsåret 2024 for 966011726

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 42 av 216

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

22

Jon Helge Nistad | Employee elected director
Board member since 2017.

Jon Helge Nistad has a Master of Science degree in Electrical Engineering from NTNU in Trondheim. Jon Helge has been employed in Nordic Semiconductor since 2006, where he has gained experience in application development, embedded software design and project management. He is currently working as a senior engineering manager in Long Range BU Customer Success in Nordic Semiconductor.

Board meeting attendance: 11
Holdings in the company: 958 shares and 1,623 RSUs and 250 performance shares

Inger Berg Ørstavik | Shareholder elected independent director
Board member since 2017. Chair of Sustainability Committee. Member of the Audit Committee.

Inger Berg Ørstavik is a professor at the Department of Private Law, University of Oslo. She has previously been a partner at the law firm Schjødt AS and a member of the office of the Attorney General for Civil Service. She has a law degree from the University of Oslo, a LL.M. from Ruprecht-Karls-Universität in Heidelberg, Germany, and a Ph.D. from the University of Oslo. She has taught intellectual property law and commercial law at the University of Oslo and the University of Shanghai, China where she received her LL.M. in 2009. Mrs. Ørstavik has previously been Non-Executive Director of REC Silicon ASA.

Board meeting attendance: 11, SC attendance: 5
AC attendance: 7
Holdings in the company: 7283 shares

Årsregnskap regnskapsåret 2024 for 966011726

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 43 av 216

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

23

Executive Management

Vegard Wollan | Chief Executive Officer / President

CEO & President since 2024.

Mr. Wollan holds an M.S. degree from the Norwegian University of Science and Technology in Computer Science and Electrical Engineering, Trondheim. He was appointed Chief Executive Officer of Nordic Semiconductor from January 2024. Mr. Wollan started his career with Nordic VLSI, which later became Nordic Semiconductor. As one of the inventor team behind the AVR microcontroller technology, Wollan in 1996 joined Atmel as VP and General Manager of the Touch and MCU Business Unit. Atmel was acquired by Microchip Technology in 2016, and Wollan went on to establish MyWo. In 2021, MyWo was merged into TouchNetix, a global innovation leader in touch technologies, where Wollan was the CEO previous to joining Nordic Semiconductor. Vegard Wollan is based in Trondheim and Oslo, Norway.

Holdings in the company: 131,000 shares, 21,733 RSUs and 21,733 performance shares

Øyvind Birkenes | EVP BU Long-Ran

Member of the Executive Management Team

Mr. Birkenes has spent the last 10 years as of Airthings. He has led the Low Power Wireless semiconductor business of Texas Instruments for years and holds extensive management and engineering experience. He graduated from the University of Minnesota with a Master of Science in Electrical Engineering. Mr. Birkenes served as member of the Board of Directors in Nordic Semiconductor from 2019 and 2023. Øyvind Birkenes is based in Norway.

Holdings in the company: 9,540 shares and 5,000 performance shares

Ola Boström | SVP Quality

Member of the Executive Management Team

Mr. Boström holds a M.Sc. degree from Uppsala University and a PhD from the University of Illinois. Before joining the Quality department in 2006, Mr. Boström worked with various manufacturing and TCAD in the R&D department of STMicroelectronics. Mr. Boström has held several positions in the Nordic, including Product Engineering and Quality Assurance, before being in charge of the development and operation of a high-end Electrical/Physical lab in Trondheim. Ola Boström is based in Norway.

Holdings in the company: 597 shares and 6,594 performance shares

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 44 av 216

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

24

Pål Elstad | Chief Financial Officer / EVP Finance
Member of the Executive Management Team since 2014.

Mr. Elstad has held several senior financial positions, most recently as investor relations responsible for REC Silicon ASA and Head of Finance for REC Solar in Singapore. He joined Nordic as CFO in 2014. Mr. Elstad has extensive manufacturing and supply-chain experience from General Electric Healthcare. He holds a Bachelor of Economics degree from the Norwegian Business School (BI) and is a State Authorized Public Accountant (CPA). Pål Elstad is based in Oslo, Norway.

Holdings in the company: 50,945 shares, 12,543 RSUs and 12,543 performance shares

Kjetil Holstad | EVP Corporate Strategy / PMIC
Member of the Executive Management Team since 2019.

Member of the Executive Management Team since 2019, Mr. Holstad took on the corporate strategy role in July 2023. He holds a B.Sc degree in Electrical Engineering from the University of Oslo (UiO), and a Master's degree in Business Administration from the University of Jyväskylä (JYU) in Finland. He has 15 years in various technical and marketing roles related to MCUs and wireless technologies at Intel, Texas Instruments, and Analog Devices. He joined Nordic Semiconductor in 2015 as a Product Manager for the short-range connectivity business, before taking over all Product Management in 2019. Kjetil Holstad is currently EVP Strategy and Business Development. He is based in Oslo, Norway.

Holdings in the company: 17,479 shares and 11,311 performance shares

Joakim Färm | SVP BU Wi-Fi
Member of the Executive Management Team since 2024.

Member of the Executive Management Team since 2024, Mr. Färm holds an M.Sc. degree in Electrical Engineering from Chalmers Institute of Technology. He joined Nordic in 2008 and has held several positions within R&D, including digital designer, project manager, and program manager for various products in the Nordic portfolio. Mr. Färm's current position at Nordic is SVP BU Wi-Fi, and he served as interim SVP R&D before assuming his current role. Before joining Nordic, he worked for Nokia in Copenhagen, Denmark. Joakim Färm is based in Oslo, Norway.

Holdings in the company: 1,801 shares and 6,195 RSUs and 3,148 performance shares

Sonja Kusmin | SVP People & Culture
Member of the Executive Management Team since 2014.

Ms. Kusmin holds a Master's degree in Business Administration from the University of Jyväskylä (JYU) in Finland. She has held leadership roles in human resources planning, and administration at Nordic Semiconductor, Analog Devices, and National Semiconductor. She joined Nordic in 2014, she has worked on human resources and organizational development and is currently SVP People and Culture. Ms. Kusmin is based in Oulu, Finland.

Holdings in the company: 600 shares and 496 performance shares

Arsregnskap regnskap 2024 for 966011726

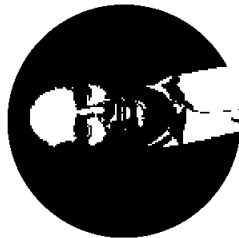
24.06.2025 kl 15:40

Brønnøysundregistrene

Side 45 av 216



01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>



Geir Langeland | EVP Sales and Marketing
Member of the Executive Management Team since 2005.

Mr. Langeland has a Bachelor of Engineering (Honours) degree in Electronics from University of Manchester Institute of Science and Technology (UMIST). He started as a Product Manager Standard Components in Nordic Semiconductor in 1999, before being appointed as a member of the Executive Management Team in 2005. Before joining Nordic, Mr. Langeland worked as Field Sales/Applications Engineer in Memec Norway, a leading global electronic components distribution company. Geir Langeland is based in Oslo, Norway.

Holdings in the company: 222,722 shares and 13,274 RSUs and 13,274 performance shares



Øyvind Strøm | EVP BU Short-Range
Member of the Executive Management Team since 2005.

Mr. Strøm holds a Master of Science degree in Technology from Delft University of Technology and a PhD in Architecture from the Norwegian University of Science and Technology. He comes with more than 20 years of experience from the semiconductor industry, he has held various global product- and business leadership roles. In 2000 Mr. Strøm joined Nordic Semiconductor, he headed the global microcontroller business, he held similar positions with Microchip Technology, their acquisition by Atmel in 2016. He joined the position as CEO of the Schibsted owned Sentinel Software. Øyvind Strøm is based in Oslo, Norway.

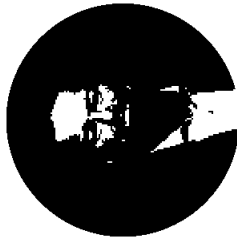
Holdings in the company: 6,000 shares and 5,000 performance shares



Ole-Fredrik Morken | EVP Supply Chain
Member of the Executive Management Team since 2010.

Mr. Morken joined the company as an Analog IC designer in 1994 and has since held numerous positions related to Project- and Supply Chain Management, including a brief employment for SensNor ASA in 1999. Mr. Morken holds a Master's degree in Electronics Engineering from Norwegian University of Science and Technology (NTNU). Ole-Fredrik Morken is based in Oslo, Norway.

Holdings in the company: 206,507 shares and 10,497 RSUs and 10,497 performance shares



Ståle "Steel" Ytterdal | SVP
Member of the Executive Management Team since 2001.

Mr. Ytterdal holds a Bachelor of Electronics Engineering and Business Administration from NKKI College Engineering in Oslo, Norway. He worked for Ericsson Standard Component before starting as Regional Sales Manager for Anatek and then in Hong Kong as Director of Sales & Marketing, establishing Nordic's presence in the region. He has held a position as Director of the Board of the Chamber of Commerce in Hong Kong from 2001. Between 2004 and 2019, Mr. Ytterdal worked as Director of Sales & Marketing in Norway. Mr. Ytterdal moved back to Oslo, Norway in 2019. He now has his base in Oslo, Norway.

Holdings in the company: 142,665 shares and 8,200 performance shares

Financial

Nordic reported revenue of USD 511.4 million for 2024. This corresponds to a decline of 5.8% compared to 2023, reflecting a cyclical downturn in the electronics industry among both consumer and industrial customers. Bluetooth® revenue declined by 7.0% to USD 449.8 million, while proprietary revenue increased by 9.1% to USD 37.6 million. The 2024 adjusted gross margin was 49.3% and adjusted EBITDA margin was 1.6%.



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

27

Review of the annual accounts

Nordic prepares consolidated annual accounts in accordance with IFRS (International Financial Reporting Standards) as approved by the EU, relevant interpretations, and the Norwegian Accounting Act. A summary of internal controls related to the accounting process can be found in the Corporate Governance section of this Annual Report.

The Group has identified gross margin, adjusted gross margin, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, short-range EBITDA margin, total operating expenses and cash operating expenses as Alternative Performance Measures in addition to the financial information, as prepared in accordance with IFRS as adopted by the EU. Please see the separate chapter on Alternative Performance Measures for further details.

Income statement

The Group classifies its revenues by technology. Short-range wireless components are split on end-user markets.

Revenue by technology	2024	2023	Change
USDm			
Bluetooth	449.8	483.9	-7.0%
Proprietary wireless	37.6	34.4	9.1%
Short-range wireless components	487.3	518.3	-6.0%
Cellular IoT	17.0	17.6	-3.4%
ASIC Components	2.5	4.7	-45.8%
Other	4.6	2.3	99.1%
Total	511.4	542.9	-5.8%

Total revenue decreased by 5.8% to USD 511.4 million in 2024, down from USD 542.9 million in 2023. This decrease reflects weak end-user demand and inventory adjustments at both end-customer and distributor levels.

Revenue from Bluetooth decreased by 7.0% to USD 449.8 million in 2024. Bluetooth accounted for 88% of total

revenue in 2024. The revenue decrease primarily reflects weak end-user demand and inventory adjustments at both end-customer and distributor levels.

Revenue from Nordic's proprietary products increased by 9.1% to USD 37.6 million in 2024. The increase comes as a result of a strong demand despite a structural shift as customers transition to Bluetooth Low Energy.

Revenue from cellular IoT decreased by 3.4% in 2024 to USD 17.0 million. Revenue from cellular IoT is distributed over a multitude of customers with new and innovative products. Cellular IoT revenue remains lumpy and exposed to individual customers' production and purchasing patterns. Cellular IoT revenues were also impacted by a reduction in inventories at distributors during the third quarter of 2024.

Sales of ASIC products decreased by 45.8% in 2024 to USD 2.5 million. Nordic is not designing new ASICs, hence future revenue depends on demand from existing customers and applications.

Short-range and cellular components by end-product markets

USDm	2024	2023	Change
Consumer	337.2	302.5	11.5%
Industrial	93.5	117.2	-20.2%
Healthcare	65.3	103.3	-36.8%
Other	12.9	15.2	-15.1%
Total	508.9	538.2	-5.4%

The Group reports on four end-user markets: Consumer, Industrial, Healthcare, and Other.

To avoid speculation about the performance of individual customers and protect the integrity of its customers and customer relationships, the company will change the reporting of its end-user markets with effect from the first quarter 2025. Industrial and Healthcare will be combined into one reporting unit.

Consumer revenue increased by 11.5% in 2024, primarily driven by strong demand from PC for home offices and gaming.

Industrial revenue declined by 20.2% in 2024 to USD 93.5 million. This decline is driven by a general downturn in the market.

Healthcare revenue decreased by 36.8% in 2024. The Group has identified the Healthcare market as a growth area. The Group continues to view a market with potentially disruptive growth and one of the key growth drivers for consumer and long-range products and solutions. Revenues are still dependent on a relatively small number of customers and are hence prone to variations across quarters.

Revenue in the Other markets decreased by 15.1% in 2024.

Gross profit

USDm	2024	2023	Change
Gross profit	240.0	283	-15.2%
Gross margin	47.3%	52.3%	-5.0%
Adjusted gross profit	240.0	283	-15.2%
Adjusted gross margin	47.3%	52.3%	-5.0%

Gross profit amounted to USD 240.0 million in 2024, down from USD 283 million in 2023. Hence, gross profit margin is 47.3% in 2024 from 52.3% in 2023.

After accounting for a USD 10 million write-down of long-range components made in Q2 2024, gross profit margin is 49.3%, in line with the long-term target and demonstrating the strong market-leading product portfolio. Despite a competitive market environment, demand from Nordic's customers has remained strong, and the company has achieved gross margin.

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 48 av 216

 ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
	Our group
	Financial
	Risk management
	Sustainability statement
	Environment
	Social
	Governance
	Outlook
	Concluding remarks
04	Financial statements
05	Responsibility statement
06	Audit opinion letter
07	Appendices

Operating expenses

USDm	2024	2023	Change
Payroll expenses	1703	1530	11.3%
Other OPEX	769	817	-5.9%
OPEX excl. D&A	2472	2347	5.3%
Depr. & Amort.	40.6	44.3	-8.5%
Total	2878	2790	3.1%

Operating expenses excluding depreciation and amortization amounted to USD 2472 million in 2024. This was an increase of 5.3% from USD 2347 million in 2023.

The increase in expenses is due to a combination of increase in variable compensation, salary adjustment following a year of flat development in 2023, and lower capitalization rate on development projects, offset by reduced number of employees from restructuring efforts and a dedicated cost focus on other operating expenses.

Measured by function, R&D accounted for USD 161.2 million of operating expenses in 2024 excluding restructuring costs, compared to USD 155.5 million in 2023. R&D intensity, measured as a percentage of revenue, increased from 29% in 2023 to 32% in 2024. This is primarily due to revenue fluctuations. Nordic has a strong commitment to innovation, and will continue to target a long term R&D investment level of 15%-20% of revenue in existing and new markets.

SG&A excluding restructuring cost increased to USD 82.8 million from USD 74.4 million in 2023. As a percentage of revenue, SG&A increased from 14% in 2023 to 16% in 2024 is due to both revenue fluctuations and cost development.

Total cash operating expenses amounted to USD 254.9 million in 2024, when adjusting for non-cash items, capitalized development expenses, equity-based compensation, and depreciation and amortization. This was an increase from USD 250.1 million in 2023.

Nordic capitalized USD 19.3 million development expenses in 2024, down from USD 22.0 million in 2023. Capitalization has decreased due to development stages of projects and resource allocations to projects. Equity-based compensation was USD 11.7 million in 2024, compared to USD 6.5 million in 2023. See the section on Alternative Performance Measures for more details.

EBITDA and operating profit

USDm	2024	2023	Change
EBITDA	(5.2)	490	NA
EBITDA margin	-1.0%	90%	-10.1 p.p.
Adjusted EBITDA	8.0	53.9	-85.2%
Adjusted EBITDA margin	1.6%	99%	-8.4 p.p.
Operating profit (EBIT)	(45.8)	4.7	NA
EBIT margin	-9.0%	0.9%	-9.8 p.p.

Earnings before interest, tax, depreciation, and amortization (EBITDA) amounted to USD (5.2) million, a decrease from USD 49.0 million in 2023. The corresponding EBITDA margin decreased 10.1 percentage points to -1.0%.

In 2024, Nordic wrote down USD 10.0 million Long Range related parts and recorded restructuring costs of USD 3.2 million. Correcting for these events, Adjusted EBITDA totaled USD 8.0 million equivalent to a margin of 1.6% in 2024. This compares to an Adjusted EBITDA of USD 53.9 million and a margin of 9.9% in 2023.

Depreciation and amortization amounted to USD 40.6 million in 2024, compared to USD 44.3 million in 2023.

Operating profit (EBIT) amounted to USD (45.8) million, compared to USD 4.7 million in 2023. The EBIT margin increased to -9.0% in 2024 from 0.9% in 2023.

Net financial items

USDm	
Net interest	
Net financial items	
Total	

Nordic had a net interest expense of USD 0 in 2024, compared to a net interest income of USD 0 million in 2023. In 2024, the net interest is in line with the bond issued in the fourth quarter of 2023. In contrast, there is minimal impact on net interest recorded in 2023 from the issued bond.

Profits and taxes

USDm	
Profit before tax	
Income tax expense	
Net profit after tax	

The Group recognized a tax gain of USD 4.7 million in 2024, compared to a tax expense of USD 2.0 million in 2023.

The parent company's statutory tax rate is 22%. The Group experienced a deficit which resulted in a tax loss. The lower tax rate, compared to the parent company's, was mainly due to currency gains and NOK tax return, which reduced the deficit to a taxable income.

Taxes payable amounted to USD 1.8 million in 2024, compared to USD 5.6 million in 2023.

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>

Cash and cash equivalents decreased to USD 287.9 million at the end of 2024, from USD 291.0 million at the end of 2023. To minimize the impact of currency fluctuations, the cash is primarily held in the Group's functional currency, USD, except for the cash and cash equivalents maintained in NOK to counterbalance the bond exposure in NOK.

In addition to cash at hand, Nordic has undrawn sustainability linked RCF of USD 200 million. In total, available cash amounted to approximately USD 488 million at the end of 2024.

Tight cash management is a key priority for the Group, as a strong financial position is required to realize the Group's strategic priorities and growth opportunities. The Board of Directors assesses the liquidity position as adequate given the Group's current activity level, investment plans, and business outlook.





01 Message from the CEO

02 Nordic at a glance

03 Report from the
Board of Directors

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04 Financial statements

05 Responsibility statement

06 Audit opinion letter

07 Appendices

Risk management

The Group's corporate level risk management framework aims to proactively identify and manage the risks that may impact our ability to deliver on our strategic objectives. The Executive Management Team (EMT) is accountable for managing risks and opportunities at a consolidated corporate level. Board of Directors oversee risk management through bi-annual reviews of important areas of exposure controls, as well as on an on-going basis in relation to specific projects or other matters of regular business.

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
32		

Risk	Influence	Impact
Strategic risks		
Cyclical nature of semiconductor industry	●	
Constraints in the supply of wafers	●	
Customer concentration	●	
Attraction and retention of key talent	●	
Competitiveness of Nordic products	●	
Trade tensions	●	●
Adverse global economic conditions and Geopolitical risks	●	●
Operational, Financial & Legal risks		
Product ramp	●	
Product liability warrant claims	●	
Product security	●	
Credit risk	●	●
Intellectual property rights	●	●
Information security and cyber risks	●	●
Acute physical events and natural disasters	●	●
Failure to comply with regulatory requirements	●	
Exchange rate and interest rate risk	●	

Nordic Semiconductor's risk framework

Framework

Nordic has a well-established corporate level risk framework to manage risks and opportunities that may impact the strategic objectives in a proactive and systematic manner. Risks are evaluated by the Executive Management Team and prioritized and priorities proportionate to identified risks and opportunities to reach target risk levels.

Process

The Board of Directors oversee risk management through biannual review of the Group's most important areas of exposure and internal controls, and on a regular basis in relation to the assessment of specific projects or other matters of regular business.

Categories

Nordic utilizes a methodology to assess risks within six categories: Strategic, Operational, Financial, Legal & Compliance, Climate & Environmental and Cybersecurity. The categories are used to assess the likelihood and impact of risks, as well as how Nordic may influence the risk, prioritizing appropriate risk mitigating measures.

100%	●	
75%	●	High
50%	●	Medium
25%	●	Low

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

33

Risk factors

In conducting business, the Group faces risks that may interfere with business objectives. It is important to understand the nature of these risks. Based on the information currently known to us, an overview of key risks is included below. Despite best efforts, risk mitigating initiatives may fail or prove to be inadequate in mitigating all risks. As Nordic's risks increase, decrease, and new risks emerge over time, the information in this section should be carefully considered by investors. For further details about the Environmental and Climate related risk, please refer to sections Sustainability statement of the Annual Report.

Theme	Risk	Response
Cyclical nature of the semiconductor industry	The cyclical nature of the semiconductor industry represents an inherent risk factor, characterized by periodic fluctuations in demand and supply that can significantly impact the financial performance and stability of companies operating within this sector. The semiconductor industry faces rapid technological shifts, swift product obsolescence, volatile pricing, evolving standards, short life cycles, and erratic supply and demand, contributing to its inherent instability. The semiconductor industry has experienced significant downturns at times, often in connection with or in anticipation of maturing product cycles of semiconductor companies and their customer's products, as well as declines in general economic conditions. Downturns in the semiconductor industry are typically marked by a decline in product demand, sharp drops in average selling prices, decreased revenues, underutilized production capacity, and increasing inventory levels. Nordic has historically experienced adverse effects on its results of operations and cash flows during such down turns, specifically in the form of decreased revenue because of reduced demand from end-customers and may experience such adverse effects in future downturns, which could be severe and prolonged. The Group's ability to reduce costs in periods of downturn through reductions in capital expenditures and research and development expenses or other means may be limited because of the need to maintain its competitive position.	Nordic maintains a strong balance sheet and sufficient liquidity to weather periods of demand. Additionally, Nordic is investing in research and development strategically ensure that the Group stays at the forefront of technological innovation, which can provide a competitive edge and potentially stabilize revenue streams during industry downturns. As a fabless company, Nordic can respond to the cyclical nature of the industry by leveraging its ability to adjust inventory levels more swiftly and with lower overhead costs compared to traditional manufacturers.
Adverse global economic conditions and geopolitical risks	Nordic's growth is dependent, in part, on demand for its customers' end products, primarily within the IoT, consumer, healthcare, and industrial sectors. Industry downturns that adversely affect the Group's customers or their customers, could also adversely affect demand for the Group's products. Additionally, global or regional economic slowdowns affecting business and consumer confidence generally could cause demand for semiconductor products to decline. Rising tensions and deteriorating military, political and economic relations between China and Taiwan could disrupt the operations of third-party foundries, assembly, and test subcontractors, which could severely impact Nordic's ability to manufacture the majority of our products and as a result, could adversely affect its business, revenues and results of operations. Globally, more than 50% of all semiconductor wafers are sourced from Taiwan, hence, increased tension between China and Taiwan can significantly impact the Group's customers' ability to manufacture their products and thereby reduce demand for Nordic products. In addition, there are also uncertainties in the global economy due to geopolitical risks related to the recent instability in the Ukraine region, including supply chain disruptions and delays, increases in energy prices globally, increased inflation and continued trade frictions. The conflict in Ukraine, as well as financial sanctions being imposed on Russia by governments including in the United States, the European Union and the United Kingdom, have caused increased volatility in financial markets, and have added to upwards pressure on prevailing energy and some commodity prices, including the availability of certain commodities (for example gases) that are crucial in the manufacturing of semiconductor wafers. The effects of the conflict in Ukraine, and any further escalation of hostilities, on the global economy is difficult to predict, however any of the foregoing could cause or contribute to a broader global economic downturn, which could affect global or regional demand for semiconductor products, which in turn could adversely affect the Group's business, financial condition and results of operations.	Nordic monitors the situation and seek current and potentially containing economic slowdown by close dialogues with both suppliers, credit risk management and operational cost control. Nordic is continuously monitoring potential implications of geopolitical risks, such as Russian invasion of Ukraine, the increased tensions between China and Taiwan and China and the United States respectively to mitigate potential Adding capacity amongst suppliers in Europe to reduce the effects of geopolitical tensions.

24.06.2025 kl 15:40

Brønneysundregistrene

Side 54 av 216

- 34

Årsregnskapet regnskapsåret 2024 for 966011726

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

35

Theme	Risk	Response
Competitiveness of Nordic products	The semiconductor industry is extremely competitive. Competition is based on product performance, structure, pricing, quality, product features, system-level design capability, engineering expertise, responsiveness, new product innovation, product availability, delivery timing and reliability, customer sales and technical support, product line-up, and customized design capability. Nordic is exposed to competition from existing companies and new entrants, mainly from China. Chinese competition increases as a result of China actively promoting its domestic semiconductor industry through policy changes and investment. In addition, the US Chips Act and EU Chips Act can result in competition from competitors with access to favorably priced products in the US and Europe. Nordic's competitors range from large, international companies offering a full range of products, to smaller companies specializing in semiconductor products. Such competitors may have greater financial, technological, personnel, and other resources than Nordic has in a particular market or overall, which may influence Nordic's business, scope of assignments and customer relationships in the future. Nordic expects competition in the markets in which it participates to continue to increase as existing competitors improve or expand their product offerings, or as new participants enter its markets, including those participants that had not historically engaged in such markets. For example, with Bluetooth LE being adopted across more than 25 identified market verticals, it is likely that more focused and specialized competitors gain market share, especially in verticals where Nordic's position is weaker. Furthermore, there is a risk that Bluetooth becomes unattractive compared to other technologies or is bundled with non-Nordic technologies. The largest immediate threat comes from various Wi-Fi standards tightly integrated with Bluetooth in combo chipsets. There are other wireless standards, such as Ultra-Wide Band, that may be a risk factor in the long term in some of verticals where Bluetooth plays a dominant role today. There is a risk that Nordic may not be successful in executing its strategy to capture the cellular IoT market opportunity in terms of scale, time, and volume. Nordic launched the nRF91 Series at the end of 2018, which is Nordic's first family of low power devices for cellular IoT. There is still a risk that cellular IoT will not be as successful as Nordic had hoped for, or that the market is skewed toward NB-IoT where simpler, lower cost devices dominate. Customers may also choose competing low power wide area network (LPWAN) technologies or cancel roll-out of products due to lack of LPWAN technologies. If the Group fails to keep pace with the rest of the semiconductor industry, it could lose market share in the markets in which it competes. Any such loss in market share could have a material negative impact on the Group's financial condition and results of operations.	Nordic continues to invest in developing products, software, hardware development, complementary products and services in investments in cellular technologies. The further developed its products to include additional low power, short-range standards, such as Zigbee and Thread, nRF52 Series and its new generation nRF54 Series and new Bluetooth LE. Nordic launched two new Bluetooth LE in 2024, both on 22nm process technology. The first revenue from nRF54 Series product was recognized in late 2024 and will significantly improve our product offering. Nordic's multiprotocol portfolio ensures Group is well positioned to benefit from seeking to improve compatibility across standards. Nordic is a part of the Bluetooth Special Interest Group (Bluetooth SIG), continuously developing the Bluetooth Alliance and the Board of Connectivity Alliance as a Promoter Member, the highest of membership in 2022. This allows the further shape the Alliance's continued interoperability between smart home devices of standards such as Matter, which will accelerate the mainstream adoption of home technologies. In relation to the cellular Wi-Fi chips with Nordic's acquisition from Wi-Fi chips with Nordic's acquisition. Imagination Wi-Fi assets Nordic has a roadmap to deliver low power combo 22nm platform. Nordic will continue to improve the trend market, keeping the product portfolio relevant. Including establishing the new RISC-V in

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 56 av 216

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

36

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 57 av 216

Theme	Risk	Response
Product ramp	There is a risk that Nordic is not able to ramp up production of new products according to customer demand, resulting in reduced or delayed market absorption of products, reduction in revenue growth, and/or high yield loss.	Given the timeables for some key product introductions, tight control over the New Product Introduction process is imperative, including assurance during high volume product ramp. In addition, Nordic has invested heavily in own failure analysis lab to solve any issues quickly as possible.
Trade tensions	Nordic has global upstream and downstream operations with customers worldwide. Political and trade tensions among a number of the world's major economies like the US, China and the EU are increasing, volatile and difficult to predict. This might lead to further implementation of tariffs and non-tariff trade barriers, including export control restrictions and license requirements, and sanctions against certain countries and companies. Trade restrictions might apply to Nordic's supply chain, our products, or affect Nordic's customers. Since 2022, the sanctions and export control limitations imposed on Russia and Russian entities by the EU, Norway, US and UK, and circumvention risks have increased significantly, and provide a complex framework for Nordic to operate in. The ongoing geopolitical and economic uncertainty, in particular but not limited to between the United States and China, and the unknown impact of current and future regulations of international trade and flow of products, may cause disruptions in the semiconductor industry and its supply chain. Such disruptions may increase production costs for the Group's end-customers and/or limit their ability to source certain components required for the production of their end-products, which may reduce demand for the Group's products and materially harm the Group's business, financial condition, and results of operations. In addition, trade tensions can increase protectionism in global trade that can limit the Groups ability to sell in certain regions. Some of the Group's products are partly assembled in China and increased tensions between the US and China can reduce the Group's ability to sell to US customers. During fiscal year 2024, the percentage of Nordic's revenue associated with end customers in China was around 10%.	Nordic seeks preparedness and robustness through close customer dialogues, dual sourcing of critical components, business contingency planning, and a strong balance sheet. Nordic monitors the developments and implications for our business operations. Nordic implements a sanctions & trade program, and continuously enhances the incl. monitoring, to ensure compliance and avoid circumvention of the increasingly regulations.
Acute physical events and natural disasters	The nature of our business as a fabless manufacturer means that Nordic is heavily reliant on semiconductor manufacturing in Taiwan, as well as testing and assembly in Asia. Acute physical events from climate change could affect our suppliers located in Southeast Asia where tropical cyclones and flooding, or natural disasters such as earthquakes, have the potential to damage production facilities and infrastructure. Such events could impact Nordic's delivery capability short-to-medium term. If a major incident occurs, it is unlikely that Nordic would have short-term access to sufficient capacity.	Nordic has established a short-to-medium-term strategy for reducing the risk of supply chain disruptions caused by natural disasters and other severe events. In the short term, we maintain a stock of water or finished products to address shortages. For medium-term risk mitigation, we utilize a second-sourcing strategy to spread against widespread supply disruptions. Nordic has partial insurance coverage. In the long term, we have contingency plans to reduce such risks.

Arsregnskap Regnskapsåret 2024 for 966011726

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

37

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 58 av 216

Theme	Risk	Response
Information security and cyber risk	Nordic relies heavily on information technology systems across its operations, including for procurement, research and development, sales, delivery, and other processes and transactions. The Group's ability to effectively manage its business and coordinate the production, distribution, and sale of its products depends significantly on the reliability and capacity of these systems. In addition, the Group may face attempts by others to gain unauthorized access through the Internet or introduce malicious software to its information systems and, if successful, expose the Group and any other affected parties to risk of loss or misuse of proprietary or confidential information or disruptions to the Group's business operations. The failure of the Group's information technology systems to operate effectively, transition to upgraded or replacement systems, guard against a material network breach in the security of these systems as a result of a cyberattack or other incident, or any other failure to maintain a continuous and secure cyber network, could result in delays in customer service or a worsening of the Group's relationships with customers, reducing efficiency in its operations, requiring significant capital investments to remediate the problem, or resulting in negative publicity that could harm its reputation.	Employing world-class data protection as a priority, in addition to reducing the risk of human behavior by providing regular training to all employees. Nordic has incident disaster recovery plans and backup routines in order to mitigate any effects of potential cyberattacks and seeks to maintain appropriate insurance coverage to support the management of potential threats and attacks. Nordic's strong focus on building stronger resilience in internal and externally systems, by identifying and mitigating vulnerabilities. A cyber risk assessment was conducted by the Incident Response team in 2024 and will be used as input for the work on mitigating identified risks. Nordic work on several data governance projects to address the risks related to data loss.
Credit risk	Nordic is exposed to credit risk pursuant to trade credit arrangements with its distributors and certain customers. The main counterparties are international distributors of electronic components. The Group has not historically suffered any significant credit losses pursuant to its trade credit arrangements with its distributors or customers, however if such distributors or customers were to experience financial difficulties or any deterioration in their ability to satisfy their obligations to the Group, the Group's cash flow could be materially and adversely affected.	Credit monitoring routines are integrated into the new credit lines, requiring security in the form of payment guarantees or advance payment requirements if needed.
Failure to comply with regulatory requirements	Nordic is subject to the regulatory regimes of each country in which it operates, including, among others, those relating to antitrust, anti-corruption, sanctions and export controls, corporate governance, labor, tax, customs and environmental regulations. Although the Group has internal controls and compliance systems to comply with such laws and regulations, there can be no assurance that such systems, and the Group's other efforts to promote compliance, will be effective. Any violation of the relevant regulations could result in criminal penalties, sanctions, significant fines, or mandatory suspension from certain business activities. It could also adversely affect the Group's reputation, business, and results of operations. The Group may also incur significant costs associated with enhancing its compliance functions as regulations and laws change in the countries in which it operates. For example, semiconductor production is known to cause pollution. Potential pollution of air, soil and water in upstream operations due to raw materials mining, smelting, and semiconductor manufacturing is strictly regulated by authorities and adherence to regulations is strictly monitored by the Group's customers. Failure to meet regulatory and/or customer requirement frameworks related to substances of concern may negatively affect market access and customer's interest towards the Group's products.	Nordic seeks to continuously enhance its compliance system and programs, internal controls and risk mitigating measures, including strengthening its culture of integrity.

Årsregnskap regnskapsåret 2024 for 966011726

Theme	Risk	Response
Intellectual property rights	Potential litigation and its impact The semiconductor and software industries have a history of major litigation over patents and other intellectual property rights. If our Group becomes involved in such disputes, this will likely have a negative impact on our business. It is not uncommon for third parties (including non-practicing entities) to claim that our products, our customers' products, or communication technologies or standards used in our industry infringe on their intellectual property. It also happens that we receive requests from customers requesting us to indemnify them against such allegations brought against them by third parties. Some of these claims have in the past led to the involvement of the Group in litigation. We have certain contractual obligations to defend and indemnify customers against certain infringement claims, which has led to our involvement in the past, and could result in our involvement going forward. Due to the complexities of these technologies, in combination with the unpredictable nature of litigation, there are no guarantees that we would prevail in such disputes. Contrary it could subject the Group to liability, invalidate our intellectual property rights, and harm our competitive advantage. Even if litigation is initiated by us, to protect our intellectual property, such actions could result in counterclaims or countersuits. Any litigation is likely to distract management, take up a lot of R&D resources, and be costly. Such intellectual property litigation could also force the Group to abruptly have to stop the manufacturing and sale of certain products or services, push us into a licensing arrangement with costly royalties, force already scarce R&D resources to be allocated to design-around or develop alternative technologies, and cause conflict with suppliers and device makers to enforce or defend against indemnification rights. Challenges in protecting our intellectual property Our competitive edge depends on our proprietary technology and know-how, and the technical progresses that we make going forward will be in very important to cement Nordic as the technical leader in ultra-low power IoT. Protecting our intellectual property is and will continue to be a crucial element to our success. Our intellectual property is safeguarded by a combination of patents, copyrights, trademarks, trade secrets, confidentiality agreements, and information security processes. As the technology leader, it is still expected that competitors will try to make unauthorized use of the Groups proprietary technology. Despite implementing safeguards, it is far from certain that such third parties are deterred, and there is a significant risk that our technology is duplicated or used by such unauthorized parties. Monitoring and enforcing intellectual property rights is quite challenging, especially given the complexity of the technologies. There is also no certainty that the Groups own pending applications will lead to issued patents, or that any issued patents will properly protect or give sufficient protection from competing products. In addition, there is the risk of patents being circumvented, or challenged and invalidated. Reliance on third-party technology Our products also integrate third-party technologies, including software. While we typically try to include indemnification clauses into these license agreements, liabilities are often limited in scope or otherwise unenforceable. Consequently, the Group could face costly infringement claims, even with regards to technology that we were not involved in the development of. In addition, if such licensed third-party technology does not perform as expected, this would have a negative impact on our sales and our reputation.	Nordic has designated processes for protecting its information and intellectual property including through contractual mitigation. Nordic participates in industry and standard setting groups to engage with the development and implementation of industry standards in



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

39

Theme	Risk	Response
Product security	There is a risk that released products have security vulnerabilities, and that Nordic does not meet all customers' expectations with regards to their preferred mitigating measures (which may vary from application to application). Although Nordic certifies products in accordance with security industry standards, there is a risk of loss of reputation and recognition due to cyberattacks in end products.	Nordic continues to invest in security and we continuously enhance our well-defined processes for incident management. Our Product Security Officer is working with standards on security and certifying Nordic products to relevant standards. Our Product Security Incident Response Team manages vulnerability reporting and follows up on our engagement with our external bug bounty program with HackerOne.
Product liability and warrant claims	The Group makes highly complex electronic components and, accordingly, there is a risk that defects may occur in its products that are not detected during the development and manufacturing process. Such defects can give rise to significant costs for the Group, including expenses relating to recalling products; replacing defective items; writing down defective inventory; delays in, cancellations of, rescheduling or return of orders or shipments; and loss of potential sales. In addition, the occurrence of such defects may give rise to product liability and warranty claims, including liability for damages caused by such defects. Moreover, since the cost of replacing defective products is often much higher than the value of the products themselves, the Group may at times face damage claims from customers in excess of its warranty obligations or the relevant sales amounts, including consequential damages. The Group also faces exposure to potential liability resulting from how its customers typically integrate the semiconductors it sells into numerous products, which are then in turn sold on the marketplace. These end products are often highly complex and may occasionally involve the use of the Group's product in ways not originally envisioned by it. In these cases, the Group's products can only be fully tested when deployed in the end products, and its customers may discover defects or errors only after the end products have been deployed. In addition, the Group may be named in product liability claims relating to such end products even if there is no evidence that the Group's products caused a loss. Product liability claims could result in large expenses relating to defense costs or damages awards. Such events could have a material negative impact on the Group's reputation, business, financial condition, and results of operations.	Nordic follows very high standards in testing and quality assurance. Investing in lab equipment and testers reduces time used on fault-finding and enables workarounds to be implemented and effectively screens production defects. Nordic aims to limit the contractual liability to an acceptable level in the industry and see insurance coverage.
Exchange rate and interest rate risk	Nordic operates globally and is exposed to foreign currency risk, as its sales revenue and direct production costs are almost entirely denominated in USD, whereas approximately 40% and 20% of its operating expenses were denominated in NOK and EUR, respectively, in 2024. Fluctuations in the exchange rates between the USD, NOK or EUR currencies may have an adverse effect on the Group. 10% change in USD/NOK exchange rates impact around USD 0.8 million in monthly cost.	Nordic keeps most funds in USD, but securities are also held in EUR to fulfill obligations. The bond portfolio is in EUR and is a natural hedge of the bond nominal value.

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>

Sustainability statement

The Sustainability Statement provides comprehensive information on Nordic's governance, performance, and approach to sustainability matters. It details the Group's material impacts on people and the environment, as well as the material effects of sustainability matters on our business activities. The statement is structured into four main sections: 1. General information; 2. Environmental information, including environmental taxonomy; 3. Social information; 4. Governance information.

41	Basis for preparation	53	Material impacts, risks and opportunities
42	Governance	62	Material assessment
49	Strategy & business model		
51	Our stakeholders		

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

41

Basis for preparation

ESRS 2 BP-1 General basis for the preparation of the sustainability statement

This sustainability statement covers the period from January 1, 2024, to December 31, 2024. It is Nordic's mandatory annual statutory sustainability reporting in accordance with sections 2-4 and 2-5 of the Norwegian Accounting Act following the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the EU Sustainable Finance Taxonomy.

The sustainability statement is prepared on the same consolidated basis as the financial statements for 2024. It includes the ultimate parent company, Nordic Semiconductor ASA, and its wholly owned subsidiaries, as specified in [Note 15 Subsidiaries](#). The basis for preparing sustainability information related to business relationships in non-consolidated entities, including the upstream or downstream value chain, is clearly identified as such.

The scope of our sustainability statement mirrors that of our financial statements, ensuring consistency and comprehensive coverage of our operations and activities. Our sustainability statement covers our own operations, as well as both upstream and downstream aspects of our value chain, encompassing suppliers, production processes, distribution, product use, and end-of-life considerations.

All data points found in the topical standards have been subject to a double materiality assessment (DMA). For a detailed description of the scope, methodology, and assumptions of our DMA process, see ESRS 2 IRO-1 below. The sustainability statement follows the categorization of time horizons as defined in ESRS 1, section 6.4: short-term (reporting period), medium-term (up to 5 years from the end of the reporting period), and long-term (more than 5 years).

No information corresponding to intellectual property, know-how, or the results of innovation has been omitted from the sustainability statement. No information has been omitted under the exemption provisions for impending developments or matters in the course of negotiation as provided for in Articles 19a (3) and 29a (3) of Directive 2013/34/EU.

The basis for calculations and presentation of sustainability metrics are described in the respective chapters.

ESRS 2 BP-2 Disclosures in relation to specific circumstances

No material prior period errors were identified during the reporting period.

This sustainability statement includes information to fulfill requirements under the Norwegian Accounting Act, including disclosures on equality and diversity guidelines and the 2024 requirement regarding central intangible resources that the business model depends on for value creation.

This report does not use incorporation by reference as defined in ESRS 1 section 9.1.

Use of transitional provision for value chain information

Nordic applies the transitional provision specified in ESRS 1 I0.2 no. 132 for reporting upstream and downstream value chain information. Our efforts to obtain value chain information include the distribution of environmental and human-rights questionnaires to suppliers; collection of greenhouse gas (GHG) emissions, water usage, and resource consumption data from key partners; ongoing supplier dialogue; and Responsible Business Alliance (RBA) audit implementation.

Obtaining complete value chain information from multi-tier supply chain complexity, lack of standard reporting systems, restricted downstream visibility, and varying supplier reporting capabilities.

To strengthen value chain information collection, we will enhance supplier assessment processes and implement a new sustainability rating platform to be implemented in 2025, develop downstream data collection, and support supplier sustainability reporting capabilities to implement improved data management systems.

For metrics disclosure, Nordic currently focuses on in-house available information, except for metrics derived from other EU legislation as listed in Appendix B.

Årsregnskap regnskapsåret 2024 for 966011726

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 62 av 216



ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

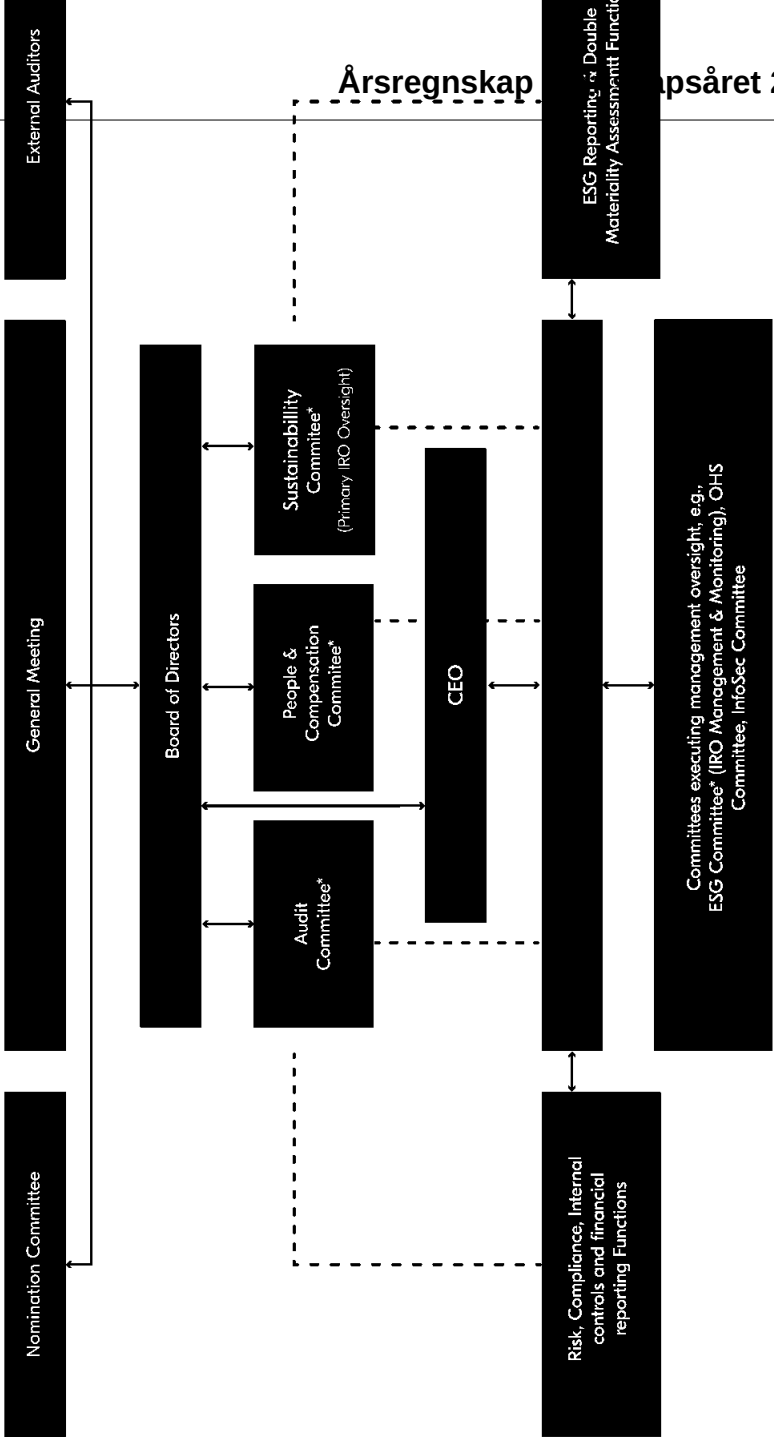
07

Appendices

>

42

Governance
ESRS 2 GOV-I The role of the administrative management and supervisory bodies



*Bodies with specific IRO oversight responsibility

 NORDIC SEMICONDUCTOR ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
	Our group
	Financial
	Risk management
	Sustainability statement
	Environment
	Social
	Governance
	Outlook
	Concluding remarks
04	Financial statements
05	Responsibility statement
06	Audit opinion letter
07	Appendices
43	

Nordic's governance structure consists of two main bodies:

- The Executive Management Team (EMT) serves as the combined management and administrative body responsible for operational control and internal governance
- The Board of Directors serves as the supervisory body

Management and administrative body (EMT)

The EMT consists of eleven executive members, all employed by Nordic. Members bring semiconductor industry expertise across global operations, R&D, sales, and finance. The current composition is one female (9%) and ten male (91%) members, changed from two female (20%) and eight male (80%) members at the start of 2024.

The EMT is responsible for day-to-day management and operational control, with processes and controls for sustainability matters. The EMT delegates specific oversight responsibilities to:

- Quality department: Environmental risk monitoring and management
- Supply Chain department: External manufacturing oversight and control
- People & Communication department: Workforce development monitoring

The EMT oversees sustainability matters through the ESG Committee, which includes all EMT members and meets at least quarterly. This committee maintains control procedures integrated with Nordic's overall control framework. Clear reporting lines are established from business units through EMT to Board committees, with regular reporting to the SC on sustainability performance and to the Audit Committee on control matters. The EMT proposes sustainability targets based on material IROs, which are reviewed and approved by the Board. Progress against these targets is monitored quarterly through the ESG Committee and reported to the Sustainability Committee.

Supervisory body (Board)

The Board consists of eleven members:

- Seven non-executive members (all independent, representing 64% of the Board)
- Four employee-elected members representing Nordic's workforce

Gender composition shows a female-to-male ratio of 0.83, with the following distribution:

- Total: Five female (45.5%) and six male (54.5%) members
- Non-executive members: Three female (43%) and four male (57%) members
- Employee-elected members: Two female (50%) and two male (50%) members

Board members possess diverse expertise relevant to our sector, products, and value chains, representing key intangible resources at the governance level. This includes individuals with extensive local and global expertise in semiconductors, technology, sustainability, finance, cybersecurity, AI, people, and leadership. To strengthen sustainability oversight capabilities, nine out of 11 Board members completed the Certificate of ESG Competence program "ESG for Boards" run by FutureBoards AS and DNV AS. This competence directly supports oversight of Nordic's material impacts, risks, and opportunities, particularly in semiconductor value chain sustainability and technology transformation. The Board accesses external experts for sustainability matters as well as other areas requiring specialized expertise when needed, as part of its general oversight responsibilities.

The Board maintains ultimate oversight through three subcommittees:

- Audit Committee (AC): Oversees financial reporting, audit, internal controls, and business conduct matters, including sustainability-related risks and controls within these areas. Reviews sustainability reporting assurance and monitors the effectiveness of IRO controls. Meets six times annually minimum.

- Sustainability Committee (SC): Oversees sustainability framework, governance, impact, risk and assessment, and ESG metrics. The SC exercises oversight role through bi-annual meetings and sustainability matters are reviewed and discussed bi-annually minimum.

- People & Compensation Committee (PCC): Oversees coherent remuneration policies and workforce topics. Meets quarterly.

ESRS 2 GOV-1-G1 The role of the administrative management, and supervisory bodies

The Board of Directors, through the AC, maintains oversight of business conduct matters, including compliance, anti-corruption, and trade compliance bi-annual updates from Nordic's Compliance unit on these topics and reports to the Board its activities and recommendations. The Legal department supports the business in maintaining appropriate business conduct through a robust governance framework aligned with external regulations and expectations.

Board members bring significant expertise in business conduct matters through their extensive experience in corporate governance, compliance, and risk management.

ESRS 2 GOV-2 Information provided by the business's administrative, management, and supervisory bodies

Information flow
Material impacts, risks, and opportunities are reported through:

Management and administrative body (EMT)

- Quarterly ESG Committee meetings
- Regular business line reporting from Quality Chain, and People & Communication departments



ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

45

ESRS 2 GOV-4 Statement on due diligence

The following table includes a mapping of the information provided in this Sustainability Statement regarding the due diligence process.

Core elements of due diligence		Pages in the Sustainability Statement	Does the disclosure relate to people and/or the environment	
a) Embedding due diligence in governance, strategy, and business model		ESRS 2 GOV-2, pages 43-44	People and environment	
		ESRS 2 GOV-3, page 44	People and environment	
		ESRS 2 SBM-3, pages 53-61	People and environment	
		E1-ESRS 2 SBM-3, pages 76-78	Environment	
		E2-ESRS 2 SBM-3, page 89		
		E3-ESRS 2 SBM-3, page 93		
		E5-ESRS 2 SBM-3, pages 95-96		
		S1-ESRS 2 SBM-3, pages 107-108	People	
		S2-ESRS 2 SBM-3, pages 117-118		
		S4-ESRS 2 SBM-3, pages 122-124		
b) Engaging with affected stakeholders in all key steps of the due diligence		G1-ESRS 2 SBM-3, pages 129-130	People and environment	
		ESRS 2 GOV-2, pages 43-44	People and environment	
		ESRS 2 SBM-2, pages 51-52	People and environment	
		ESRS 2 IRO-1, pages 62-66	People and environment	
		ESRS 2 MDR-P:	Environment	
		E1-2, page 78		
		E2-1, pages 89-90		
		E3-1, page 93		
		E5-1, page 96		
		ESRS 2 MDR- P:	People	
		S1-1, pages 109-110		
		S2-1, pages 118-119		
		S4-1, page 124		
		Topical ESRS:	People and environment	
		G1-1, pages 130-131		
		Topical ESRS:	People	
		S1-2, page 110		
		S2-2, pages 119-120		
		S4-2, pages 124-125		

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
46		

Core elements of due diligence		Pages in the Sustainability Statement	Does the disclosure relate to people and/or the environment
c) Identifying and assessing adverse impacts		ESRS 2 IRO-1, pages 62-66	People and environment
		ESRS 2 SBM-3, pages 53-61	People and environment
		E1-ESRS 2 SBM-3, pages 76-78	Environment
		E2-ESRS 2 SBM-3, page 89	
		E3-ESRS 2 SBM-3, page 93	
		E5-ESRS 2 SBM-3, pages 95-96	
		S1-ESRS 2 SBM-3, pages 107-108	People
		S2-ESRS 2 SBM-3, pages 117-118	
		S4-ESRS 2 SBM-3, pages 122-124	
		G1-ESRS 2 SBM-3, pages 129-130	
d) Taking actions to address those adverse impacts		ESRS 2 MDR-A:	People and environment
		E1-3, pages 78-79	
		E2-2, pages 90-91	
		E3-2, pages 93-94	
		E5-2, page 96	People
		ESRS 2 MDR-A:	
		S1-4, pages 111-113	
		S2-4, pages 120-121	
		S4-4, pages 125-126	Environment
		Topical ESRS:	
E1-1, page 76	People and environment		
Topical ESRS:			
G1-1, pages 130-131			
G1-3, page 131			
Årsregnskap regnskapsåret 2024 for 9660117			

Side 68 av 216

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	<
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
		48

ESRS 2 GOV-5 Risk management and controls of sustainability reporting

Integration with ERM framework

Sustainability-related risks are integrated into Nordic's overall Enterprise Risk Management (ERM) framework, controls, and assessments. In 2024, Nordic updated its double materiality assessment with assistance from external consultants, aligning it with the ERM process. The framework ensures a coordinated approach to proactively and systematically manage impacts, risks, and opportunities that may affect the Group's strategic objectives. Identified risks are prioritized based on risk scores and strategic importance.

Control structure and oversight

The controls implemented in the ERM process, including the involvement of internal subject matter experts and oversight by the AC and the Board of Directors, are fully applied to sustainability-related risks. This process includes routine evaluations to address potential issues, ensure consistency, and enhance the reliability of sustainability reporting.

Risk identification and management

Nordic's sustainability reporting is exposed to risks such as material misstatement due to incomplete, inaccurate, or inconsistent data from internal and external sources, as well as human errors. Risks are prioritized using a methodology that evaluates both likelihood and potential impact, with scores assigned based on predefined criteria, including financial, operational, and reputational factors. These risk scores, combined with strategic importance to Nordic's objectives, determine prioritization for action and resource allocation.

Key measures to mitigate these risks include:

- Data validation controls: Implementing automated and manual checks to ensure data completeness and consistency across reporting systems.
- Competence development: Providing targeted training to relevant personnel on sustainability metrics, reporting protocols, and data verification.

- Collaboration in the value chain: Working closely with suppliers and other partners to improve data availability and accuracy for upstream and downstream reporting.

Implementation and review process

Findings from the sustainability risk assessment are integrated into internal processes through cross-departmental collaboration and regular feedback loops. This ensures that identified risks are addressed and mitigation strategies are implemented at both operational and governance levels. Periodic updates on risk management findings are provided to the EMT, the AC, and the Board for review and oversight.

Future enhancement

Looking ahead, Nordic aims to further enhance its data capture and verification processes by adopting advanced digital tools and methodologies. These efforts are part of an ongoing commitment to ensure transparent, verifiable, and high-quality sustainability reporting.

For more information on the double materiality assessment, refer to the section [IRO-1: Description of the process to identify and assess material impacts, risks, and opportunities](#).

ESRS 2 SBM-I Strategy, business model, and value chain

Nordic integrates sustainability into its overall business strategy to enable us to drive innovation, foster long-term growth, and create value for all stakeholders.

■ Contributing to sustainable IoT solutions through our products

- Nordic will explore and develop these concepts further as part of our business strategy.

Nordic's sustainability goals focus on developing ultra-low-power connectivity solutions that enable IoT applications with environmental and social benefits.

Stakeholders and their expected outcomes include:

- Our main sustainability challenges include limited**

- Working with suppliers on renewable energy transition
- Enhancing our supplier assessment framework
- Developing even more energy-efficient products

Nordic is not active in the fossil fuel sector, chemicals production, controversial weapons, or the cultivation and production of tobacco. Nordic has identified that our customers' products have positive impacts on the environment and society. IoT solutions are, for example, used to optimize resource usage and improve data analytics in sectors such as energy, travel, healthcare, transportation, maintenance, manufacturing, agriculture, waste management, and smart cities. Nordic's ultra-low-power and low-power products save battery capacity in use and are well-suited for a wide range of applications. Nordic strives to continuously enhance its products' energy efficiency and capabilities.

Culture for innovation

As a fabless company, Nordic does not own any manufacturing facilities. Instead, we rely on a network of manufacturing partners for the upstream and midstream value chain, including chip fabrication and packaging. Our upstream manufacturing partners are located in Taiwan and the Philippines, with production facilities in China, Malaysia, and Singapore. Our tier 2 suppliers and deeper tier suppliers are located in China, Taiwan, the Philippines, Japan, South Korea, and the USA.

Nordic supports this value chain through technical assistance and software updates. We actively engage with our supply chain partners to address impacts related to climate, the environment and worker well-being, ensuring sustainability goals.

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01 Message from the CEO

02 Nordic at a glance

03 Report from the Board of Directors

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04 Financial statements

05 Responsibility statement

06 Audit opinion letter

07 Appendices

50

Nordic Semiconductor Business Model

Wireless Technology Portfolio

Product Portfolio

Bluetooth Low Energy

 Bluetooth

 HREAD

 zigbee

Cellular IoT

 LTE-M

 NB-IoT

 nRF

Low power Wi-Fi

 Wi-Fi

Multiprotocol solutions

 matter

Software development tools



Bluetooth Low Energy

52

53

54

Cellular IoT

91

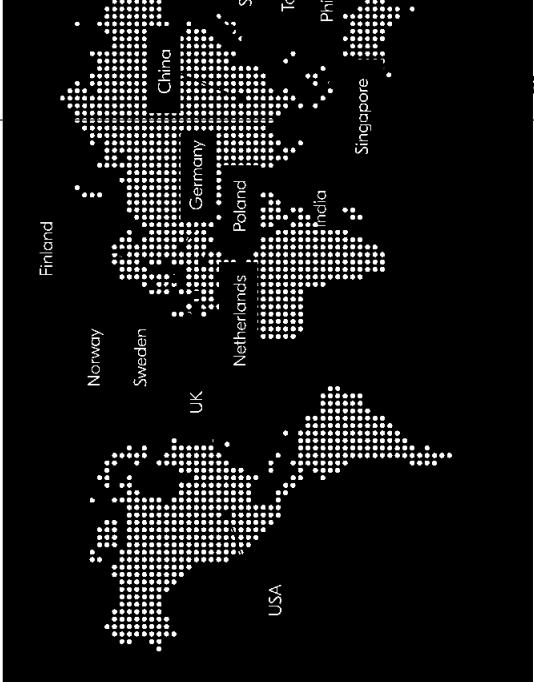
Low power Wi-Fi

70

Power management ICs



Global Presence



Value Chain



Design & development
(own operations)

- Hardware design
- Software development
- Technical support
- Development Tools



Manufacturing

- IC production
- SoC assembly
- Quality Control
- Testing



Distribution

- Global partners
- Logistics
- Regional Support
- Inventory Management



Customer support

- Technical support
- Customer service
- Documentation
- Training

For the headcount of employees by geographical area, please refer to section S1-6: Characteristics of the company's employees.

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24.06.2025 kl 15:40

Brønnøysundregistrene

Side 71 av 216



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

51

Our stakeholders

ESRS 2 SBM-2 Interests and views of stakeholders

A fundamental aspect of Nordic's sustainability strategy is actively engaging with stakeholders and creating opportunities for open communication. Interaction with stakeholders provides internal and external perspectives that inform our decision-making and the development of sustainable solutions to address stakeholders' needs while maintaining our position as a world-leading supplier of connectivity solutions. As detailed in our stakeholder engagement table below, we engage with four main stakeholder categories: Market, Society, Internal, and Owners. The table outlines how engagement is organized, its purpose, and outcomes for each stakeholder group.

Category	Key stakeholders	How engagement is organized	Purpose of engagements	How outcomes inform our business
Market	Suppliers Distributors Customers End-users Competitors Stock exchange Insurers & banks Value chain workers	Supplier meetings & surveys (annual + ad hoc) RBA questionnaire & audit (annual) Distributor daily interaction & quarterly reviews Customer meetings (1-2x./year) Membership forums for competitors Annual insurance negotiations Sustainability-Linked RCF	Gather information for due diligence Support ESG framework Enable product distribution Address customer requirements Discuss environmental risks Monitor sustainability KPIs	GHG data informs supplier selection and development Compliance results guide supplier management Distribution feedback shapes logistics planning Customer input drives product development Risk assessments direct mitigation investments KPI results determine management targets
Society	Local communities Industry associates NGOs Authorities Media Nature	Student fairs & workshops (1-2x./month) Industry forum participation Regulatory presentations Press releases & interviews Environmental impact assessments Resource use monitoring	Share company information Develop industry standards Ensure compliance Generate awareness Build relationships Protect natural resources Minimize environmental impact	Recruitment data shapes talent strategies Standards input guides product development Compliance requirements inform policies Media feedback influences communication strategy Environmental data guides resource management
Internal	Board of Directors Employee representatives Employees	Board meetings (calendar-based) Committee work Employee representative forums (monthly) Annual engagement survey Exit interviews	Strategic oversight Address workplace matters Monitor employee satisfaction Gather feedback	Board input directs ESG strategy implementation Employee feedback shapes workplace policies Survey results guide talent retention programs Exit data informs HR policy updates
Owners	Shareholders Analysts Rating agencies	Annual meetings (5-10) ESG reporting Annual rating reviews Regular analyst meetings	Meet ESG requirements Share performance data Guide decision-making Maintain transparency	Rating feedback shapes ESG priorities Shareholder input guides governance updates Analyst insights inform strategic planning Performance data drives investment decisions

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

52

Our current engagement includes the Double Materiality Assessment and Human Rights Due Diligence processes. From our comprehensive stakeholder engagement framework shown in the table above, we highlight the following key stakeholder perspectives that inform our strategy:

ESRS 2 SBM-2-S1 Workforce interests and views

Employees have expressed strong support for our zero-tolerance policy toward unethical behavior. They value positive peer relationships, as evidenced by the highest scores among all topics in our latest employee engagement survey. As a fabless semiconductor company, we recognize how our business model affects working conditions and development opportunities. These impacts are discussed through our monthly employee representative forums and regular performance reviews, ensuring we maintain an engaged and productive workforce. In 2025, we will introduce pulse surveys to enable more frequent and timely employee feedback.

ESRS 2 SBM-2-S2 Value chain workers' interests and views

Perspectives gathered through Responsible Business Alliance (RBA) audits and our structured human rights questionnaire emphasize the importance of fair labor practices and safe working conditions. Our fabless business model and sourcing strategies directly impact working conditions in our manufacturing partnerships. The questionnaire includes specific sections for different supplier categories, including logistics providers, with particular attention to vulnerable workers, such as migrants and workers requiring accommodation.

ESRS 2 SBM-2-S4 Consumers' and end-users interests and views

Feedback from surveys and dedicated meetings held 1–2 times per year helps us understand how our product development and market approach affect end-users, particularly regarding product sustainability and accessibility. Their input drives our environmental risk management and ensures the achievement of sustainability KPIs.

Our governance structure ensures stakeholder views inform our strategy and business model:

- The Board's Sustainability Committee reviews stakeholder feedback and ESG performance regularly, using these insights to guide strategic sustainability initiatives.
- The Board's Audit Committee ensures the integrity of ESG reporting and stakeholder communications, enabling transparent disclosure of how we address stakeholder concerns.

- The ESG Committee, comprising our full Board of Directors, oversees the integration of ESG into our business strategy and ensures stakeholder engagement across the organization and feedback into operational decisions.

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 73 av 216

NORDIC
SEMICONDUCTOR

ANNUAL REPORT
2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the
Board of Directors

>

04

Our group
Financial
Risk management
Sustainability statement
Environment
Social
Governance
Outlook
Concluding remarks

>

05

Financial statements

>

06

Responsibility statement

>

07

Audit opinion letter

>

07

Appendices

>

53

Material impacts, risks, and opportunities
ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

In 2024, Nordic conducted a comprehensive Double Materiality Assessment to align with ERSR requirements. The assessment involved stakeholder engagement, including employees, suppliers, customers, investors, and financial institutions, through direct consultations and detailed research. Nordic also evaluated financial risks and opportunities linked to sustainability matters.

The assessment identified impact materialities focused on environmental aspects (energy, pollution in the value chain, substances of concern, water, resource inflows/outflows, and waste), social elements (working conditions for our own workforce and value chain, equal treatment and opportunities for value chain), and governance (protection of whistleblowers). Double material topics emerged around climate change mitigation, equal treatment and opportunities for our own workforce, information-related impacts for consumers, corporate culture, and cybersecurity, while financially material aspects concentrated on climate change adaptation and corruption and bribery.

These material IROs and their connections to our business model, strategy, and decision-making are addressed in detail under the respective topical standards in this sustainability statement.

Current and anticipated effects on business model and strategy

Nordic's material impacts, risks, and opportunities influence how we develop and adapt our business model and strategy. Our focus on ultra-low-power connectivity solutions shapes our product development priorities, particularly in addressing climate-related impacts through energy-efficient designs. This strategic focus requires continued investment in technical talent and R&D capabilities to maintain our innovation capacity.

In our upstream value chain, addressing environmental and social impacts drives enhanced supplier assessment and engagement, particularly around renewable energy adoption, water management, and labor rights. We are strengthening our supplier due diligence processes and collaboration frameworks to support these efforts.

To address governance-related risks, particularly around cybersecurity and compliance, we maintain significant investment in security infrastructure and compliance programs. These investments support both our product development activities and our relationships with manufacturing partners.

These strategic adaptations and responses continue to evolve as we pursue opportunities in sustainable IoT solutions while addressing emerging sustainability challenges throughout our value chain.

Resilience analysis of strategy and business model

Nordic's ability to address material impacts and risks while capturing opportunities is analyzed through our comprehensive materiality assessment process. This analysis evaluates our strategic and operational readiness across key dimensions:

Our fabless business model demonstrates resilience through its flexibility in adapting to sustainability challenges. By focusing on design expertise while partnering with manufacturers, we can influence sustainability performance across our value chain while maintaining operational efficiency. This model allows us to:

- Concentrate resources on low-power innovation
- Work with multiple manufacturing partners to reduce dependency risks
- Adapt quickly to changing market demands

The analysis of our strategy's resilience considers the following:

- Technical innovation capabilities through our R&D investments

- Supply chain flexibility through our manufacturing partnerships
- Market adaptation through our product portfolio diversity
- Operational resilience through our cybersecurity investments

This resilience analysis is conducted annually as part of our materiality assessment process, incorporating stakeholder input and market analysis to ensure capacity to manage material impacts and pursuing opportunities.

Årsregnskap regnskapsåret 2024 for 966011726

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 74 av 216

 NORDIC SEMICONDUCTOR	ANNUAL REPORT 2024
01 Message from the CEO	>
02 Nordic at a glance	>
03 Report from the Board of Directors	>
Our group	
Financial	
Risk management	
Sustainability statement	
Environment	
Social	
Governance	
Outlook	
Concluding remarks	
04 Financial statements	>
05 Responsibility statement	>
06 Audit opinion letter	>
07 Appendices	>
54	

Nordic's Comprehensive Materiality Matrix				Environmental	Social	Governance	Company
Impact material		Double material					
Energy	Working conditions (Own workforce and value chain)	Protection of whistleblowers	Climate change mitigation	Equal treatment and opportunities for all (Own workforce)	Information-related impacts for consumers and/or end-users		
Pollution of air, water, and soil	Equal treatment and opportunities for all (Value chain)						
Substances of concern or very high concern	Other work-related rights (Value chain)						
Water							
Resources inflows							
Resource outflows related to products and services							
Waste							
Not material		Financial material					
Marine resources	Other work-related rights (Own workforce)	Animal welfare	Climate change adaptation				
Microplastics	Communities' economic, social, and cultural rights	Political engagement and lobbying activities					
Pollution of living organisms and food resources	Communities' civil and political rights	Management of relationships with suppliers, including payment practices					
Direct impact drivers of biodiversity loss	Rights of indigenous peoples						
Impacts on the state of species and the extent and condition of ecosystems	Personal safety of consumers and/or end-users						
	Social inclusion of consumers and/or end-users						

Location in Value chain					
Upstream	Own operations	Downstream			
	Emissions from office energy consumption In Nordic's own operations, GHG emissions are generated from purchased electricity and heating. As a fabless company, energy usage in our own operations is only related to office work. Although more than 90% of our purchased energy is renewable, a fraction of it remains derived from fossil fuels, leading to the depletion of non-renewable resources.	Actual negative impact	●	●	●
	Emissions from outsourced manufacturing operations The semiconductor manufacturing process is energy-intensive, particularly through electricity consumption, contributing to significant emissions. To address and mitigate production-related climate impacts, engagement and collaboration with our manufacturing suppliers to achieve GHG reduction targets are key. Many of our suppliers are already transitioning to renewable energy, but emissions from manufacturing are still significant. This is a critical area for Nordic to address, as the scale of these emissions is high, and reversing the impact is difficult due to the complexity of manufacturing operations.	Actual negative impact	●	●	●
	Reducing emissions with low-power IoT technology While our path to net zero is ambitious and challenging, it also presents opportunities for sustainable growth through product innovation, where low-power IoT technology has a remarkable role. Developing our IoT product portfolio with low-energy solutions lets us empower our customers to produce end devices with a reduced carbon footprint. For example, the use of smart lighting, powered by Nordic's technology, has enabled customers to reduce emissions and support their decarbonization efforts. Nordic's technology solutions, particularly those enabling better tracking and monitoring, could help customers design products that will reduce substantial CO2 emissions.	Potential positive impact		●	●
	Opportunities in climate-resilient products Growing climate adaptation needs across sectors present Nordic with significant revenue potential through specialized product development. Nordic can expand its market share and command premium pricing for products that help end-users manage climate risks. Nordic's existing technical expertise and customer relationships position it well to capture this growing market, with the potential for both increased sales volumes and higher margins. This opportunity is particularly relevant as regulatory and market pressures drive increased customer spending on climate adaptation.	Opportunity		●	●
	Financial risks from customer GHG expectations Nordic faces financial risks related to customer expectations and regulatory requirements regarding GHG reductions. If Nordic's products and supply chain fail to meet customer demands for reduced emissions or renewable energy sourcing, the company may lose business or face strained relationships with key customers. Additionally, failure to comply with obligations relevant to renewable energy targets could result in increased costs related to carbon taxes, reduced access to capital, and reputational damage. Nordic's ability to manage these expectations is critical to maintaining market share and customer trust.	Risk		●	●



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

56



E2 Pollution
Material impacts, risks, and opportunities

Location in Value chain	Value chain	
	Upstream	Downstream
●	Actual negative impact	●
	Air emissions in the production process Air pollution is generated during the semiconductor manufacturing process, particularly through the emission of volatile organic compounds (VOCs) during water processing. The scale of air emissions is moderate, and our suppliers are actively working to reduce and control emissions by adopting new technologies. However, due to the inherent nature of semiconductor manufacturing, eliminating these emissions remains challenging.	●
	Hazardous substances in products Certain hazardous substances, such as NMP, PFAS, boron oxide, and lead oxide, are present in Nordic products. Toxic characteristics of these substances pose potential risks to health and the environment, including pollution and harm to living organisms. While the quantities of these substances in products are relatively small, their characteristics, such as bioaccumulation and persistence, can lead to significant long-term health and environmental consequences.	●
●	Actual negative impact	●
	Air pollution from the transportation of products The use of fossil fuels in the downstream transportation of Nordic products generates harmful pollutants, including NOx, SO2, ozone, and particulate matter. While the company's products are lightweight and primarily transported by air, this still contributes to air pollution. The emissions are limited due to the lightweight nature of the products, but transportation remains a significant source of pollution in the value chain, both in the short and long term, due to the ongoing reliance on fossil fuels. The transportation of Nordic products downstream is done by the distributors and Nordic customers, and Nordic does not have the means to control that.	●

Arsregnskap regnskapsåret 2024 for 966011726



E3 Water & marine resources
Material impacts, risks, and opportunities

Location in Value chain	Value chain	
	Upstream	Downstream
●	Actual negative impact	●
	High water consumption in semiconductor production Nordic's suppliers use significant amounts of fresh water for cooling and cleaning during the semiconductor manufacturing process. This high level of water consumption contributes to the depletion of freshwater resources, particularly in regions with water stress. While suppliers have implemented water treatment and recycling mechanisms, the overall demand for water remains substantial. The semiconductor industry consumes approximately 1 liter of water per chip produced, leading to significant water usage, especially in areas that rely on groundwater sources.	●



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

57

 E5 Resource use & circular economy Material impacts, risks, and opportunities				Location in Value chain
		Upstream		
		Own operations		
		Downstream		
		Short-term		
	Årsregnskap regnskapsåret 2024 for 9660117			
		Actual negative impact	Raw material extraction Integrated circuits are manufactured using raw materials such as metals, silicon, and rare minerals. These materials are often extracted through global mining operations, which contributes to resource depletion and environmental degradation. Moreover, incorporating recycled materials into production is difficult due to the strict purity standards required for semiconductor manufacturing, which further deepens the reliance on virgin resources and accelerates the depletion of finite materials, such as rare metals.	
			Packaging materials contribute to resource depletion In Nordic's own operations and value chain, plastic and cardboard are the primary materials used for packaging and shipping products. Although a large portion of the packaging material is made from recycled or recyclable resources, the overall demand still contributes to the depletion of natural resources. A considerable amount of these materials is sourced globally, including regions like Asia, where resource extraction and production are more resource-intensive.	
			Waste from packaging material Handling waste from packaging equipment by Nordic's direct customers and distributors can have environmental impacts. Improper waste management, such as related to incineration, landfilling, or recycling, may lead to the release of pollutants. While some recycling efforts are in place, effective waste management and continued use of plastic packaging materials remain challenges.	
			Waste from production Waste is generated during the semiconductor manufacturing process from the use of materials and components. This waste includes offcuts and defective products, which the manufacturing suppliers manage through established recycling processes. Nevertheless, the production waste still contributes to Nordic's overall environmental footprint.	
			E-waste from end-user disposal Downstream customers assemble Nordic's components into final products. When end-users or customers improperly dispose of electronic waste (e-waste), hazardous chemicals might be released into the air and contaminate soil and water sources, especially if hazardous substances are incinerated or disposed of in landfills. While Nordic provides information on responsible waste handling through product data sheets, the company has limited control over how its products are disposed of at the end of their lifecycle.	

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
58		



SI Own workforce
Material impacts, risks, and opportunities

	Location in Value chain	
	Upstream	Downstream
		●
	Actual negative impact	●
	Actual negative impact	●
	Potential negative impact	●
		●
	Opportunity	

Organizational transformation processes
Nordic is currently undergoing a major transformation and has implemented changes in its organizational structure. While some measures are concentrated on specific areas and/or locations, the transformation process has affected our entire workforce. Negative impacts include short-term uncertainty about the future and concerns about job security, as well as more medium-term impacts such as the stress of transitioning to new roles and adapting to new teams, temporarily increasing workload during the restructuring processes.

Decentralized approach to skill development
As an engineering company, technical skill development is baked into our daily work, making upskilling agile and flexible. However, we recognize that our strong growth has created an increasing demand for structured learning opportunities for all. Given our size, a decentralized, needs-based approach may limit broader skill development and prevent equal access to learning and advancement opportunities. This can have both a short- and long-term negative impact on employee growth, daily work performance, and overall satisfaction, particularly affecting support-function employees and our people leaders.

Gaps in representation and equality
Headquartered in Norway, we have a diverse workforce located in different locations around the world. This diversity is instrumental in leveraging our innovation potential and long-term organizational success. However, we recognize that limited awareness and unconscious bias may affect the feeling of inclusion or create challenges in career advancement for underrepresented groups. These effects can have short-, medium-, and long-term impacts on employee well-being and commitment. These impacts are likely to particularly affect women, who are strongly underrepresented in our workforce.

Strategic talent development & career planning
Our staff's continuous learning is critical to boosting innovation and optimizing execution. Systematically developing talents and providing career opportunities support personal development and professional growth, which can promote employee satisfaction and job performance. This helps to reduce employee turnover and recruitment costs. Having talented people in key positions is expected to enhance business revenues by boosting innovation and driving operational excellence. Hence, recognizing, supporting, and investing in talent contributes to business growth and can improve financial performance in the long term.



ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

59

 S2 Workers in the value chain Material impacts, risks, and opportunities	Location in Value chain		Årsregnskap regnskapsåret 2024 for 966011726	
	Upstream			
	Own operations			
	Downstream			
Labor rights and safety risks in the upstream supply chain Workers in the furthest upstream segments of our supply chain, particularly in raw material extraction and early-stage processing, face risks to their rights and safety. In raw material production, several tiers removed from our direct suppliers, workers might be exposed to hazardous conditions, including heavy machinery, chemicals, toxic dust, and underground work. At these levels of the supply chain, workers face increased risks of insecure employment, long working hours, and inadequate wages, particularly in regions with developing regulatory frameworks. Child labor and forced labor are significant industry-wide concerns in raw material extraction and processing, especially affecting vulnerable groups like migrant workers in the mining and processing of materials like copper, tin, gold, plastics, and tungsten.		Potential negative impact		
Gender disparities in Tier 1 factories Based on industry assessments and supplier engagement data, semiconductor manufacturing facilities show gender distribution patterns where female workers predominantly hold operator positions, while engineering and management positions tend to be male-dominated. This gender disparity, combined with unequal training and development opportunities, increases the risk of discrimination and unequal treatment in these work environments, potentially affecting worker well-being and retention.		Potential negative impact		
Unsafe working conditions for transport workers Workers involved in the transportation of materials face occupational risks common to the logistics industry. These risks particularly affect third-party logistics providers and their subcontractors, with specific attention needed for temporary or contracted workers.		Potential negative impact		
Worker safety and forced labor risks in Tier 1 suppliers Workers in Tier 1 supplier facilities engage with safety considerations inherent to semiconductor manufacturing environments. This includes working with specialized equipment, materials, and chemicals in manufacturing environments. The semiconductor industry's global nature means the workforce often includes migrant workers, particularly in key manufacturing locations across Asia, requiring attention to accommodation and recruitment practices. Migrant workers can face negative impacts related to substandard housing conditions, including overcrowding, poor sanitation, and inadequate facilities. Where worker housing is provided, industry standards require these facilities to meet appropriate health and safety requirements, though monitoring and enforcement remain ongoing challenges.		Potential negative impact		

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

60

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 81 av 216

S4 Consumers and end-users Material impacts, risks, and opportunities	Location in Value chain		Årsregnskap regnskapsåret 2024 for 966011726	
	Upstream		•	
	Own operations		•	
	Downstream	•	•	
		Risk		
		Product security and end-user data protection risks Nordic's products provide connectivity in a wide range of IoT and connected devices. If there are vulnerabilities related to product security in the product design or technical architecture (e.g., weak encryption or unpatched firmware), this could expose users to cyberattacks or unauthorized access. As customers increasingly rely on Nordic's products for data-intensive applications, resilient product security to protect end-user data becomes particularly critical. A security breach could compromise user data, disrupt services, or result in legal liabilities. Ensuring robust security features is crucial to avoiding reputational harm, loss of customer trust, and potential regulatory action. The protection of end-user data privacy is especially critical, given increasing regulatory scrutiny and compliance requirements. This risk is covered by ESRS Disclosure Requirements as part of information-related impacts for consumers. Enhancing sustainability for customers with low-energy products Nordic's products and applications for ultra-low and low-energy connectivity and computing enable sustainable applications in various sectors, including agriculture, health, and resource management. By offering better tracking and measuring systems, these solutions improve access to data, reduce costs, and enhance resource efficiency. This benefits end-users and customers in both environmental and operational ways. The global scalability of these applications not only helps drive customer satisfaction and sustainability efforts but also presents significant market opportunities as demand for energy-efficient IoT solutions continues to grow, aligning with our strategic focus on sustainable innovation.		
		Potential positive impact and Opportunity		



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

61



G1 Business conduct
Material impacts, risks, and opportunities

	Location in Value chain		
	Upstream	Own operations	Short-term Downstream
		Risk and Potential negative impact	
	Cybersecurity risks across the value chain Cybersecurity incidents, including both external attacks and internal breaches, pose significant risks to Nordic's operations and data security. These incidents may lead to unauthorized access to sensitive information, data loss, intellectual property theft, and the potential publication of confidential data. For employees, such incidents can severely impact their ability to perform daily tasks due to system inaccessibility and create stress around data privacy. The consequences of breaches could include reputational damage, financial loss due to fines and litigation, regulatory penalties, and loss of customer trust. Additionally, there is a high risk of business disruption and the need for substantial resources to manage investigations and enhance cybersecurity measures. Both external cyberattacks and insider threats are significant risks. This risk and potential negative impact are covered through entity-specific disclosures.		
	Building a strong and transparent corporate culture A strong and transparent corporate culture at Nordic fosters a sense of belonging and trust among employees. By establishing clear policies on business conduct and promoting corporate values, such as integrity and ethical behavior, the company enhances employee engagement, workplace efficiency, and retention. A cohesive corporate culture, particularly after organizational changes, contributes to robust governance and compliance, ensuring employees align with the company's mission and values while driving higher levels of engagement and productivity.	Opportunity	
	Protecting whistleblowers from retaliation risks Retaliation against whistleblowers can have serious negative consequences for the individuals involved, including psychological stress, workplace isolation, career impediments, and potential economic hardship. Such retaliation can also create a culture of fear that deters others from reporting issues or concerns within the company, potentially leading to increased anxiety and stress among employees who witness misconduct.	Potential negative impact	
	Corruption risks in global operations and partnerships Nordic operates globally, including in jurisdictions with perceived medium and high corruption risk. There are inherent risks related to public or private corruption and bribery linked to Nordic's operations, which need to be mitigated. Corruption incidents, or the suspicion of such, could result in reputational damage, financial penalties, and lost business opportunities. Both internal misconduct and corruption involving third-party partners could lead to substantial fines and project delays.	Risk	
	Mitigating reputational damage through corporate culture development A lack of a safe, transparent corporate culture could result in reputational damage, high employee turnover, and difficulties in attracting and retaining talent. Additionally, a negative corporate culture may lead to reduced innovation, fewer new ideas, and longer project timelines, impacting overall business efficiency and growth.	Risk	

Materiality assessment process

ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities

Nordic conducted a double materiality assessment (DMA) from May to September 2024 using a hybrid approach that combined top-down and bottom-up assessments. The process followed four main phases, integrating stakeholder input throughout. The sustainability statement addresses the CSRD and ESRS requirements for topics identified as material through this assessment.

Our assessment is based on several key assumptions, including the stability of current regulatory requirements, predicted market conditions, and the reliability of Responsible Business Alliance (RBA) audit data for Nordic corporate group, including wholly and majority-owned affiliates. We conduct annual revisions of this assessment, supplemented by regular reviews to monitor implementation progress and identify emerging risks.

Phase 1 - Identification of sustainability matters

Our identification of sustainability markets. Our identification process begins with a comprehensive document analysis of internal and external sources, including RBA questionnaires, regulatory requirements, and market analyses. We consider impacts across our entire value chain, from our own operations (office locations, R&D facilities, and direct activities) to our business relationships (manufacturing partners, suppliers, and distributors).

In our assessment, we pay particular attention to areas of heightened risk. This includes our manufacturing operations in Asia and Europe, with a specific focus on Taiwan and the Philippines, where GHG emission- and water-intensive processes are concentrated. We also closely examine our relationships with Tier 1 suppliers and critical component manufacturers while maintaining thorough oversight of human rights considerations throughout our global supply chain.

Phase 2 - Stakeholder engagement and assessment

Our engagement process involves structured consultation with internal experts who are responsible for different stakeholder groups. For value chain workers, we incorporate insights from RBA audits to ensure a comprehensive understanding of working conditions and human rights considerations.

Phase 3 - Materiality analysis

Our materiality analysis employs a dual approach to assess both impact and financial materiality. For impact materiality, we evaluate issues based on their severity, considering scale, scope, and irremediability, along with the likelihood of occurrence. We apply a materiality threshold of 9 on a 25-point scale for non-financial impacts, giving special consideration to human rights impacts regardless of their likelihood.

In our assessment process, we explicitly consider how our identified impacts and dependencies may lead to risks and opportunities—for example, our dependency on supplier manufacturing processes influences both our environmental impacts and potential business risks from supply chain disruptions.

For financial materiality, we utilize our Enterprise Risk Management (ERM) framework scales with financial impact thresholds based on revenue percentages, combined with likelihood assessment on a 1-5 scale. The effects we assess include direct financial impacts (revenue, costs), operational impacts (supply chain disruption, production), and reputational impacts (market position, stakeholder relations). When prioritizing sustainability risks relative to other business risks, we consider not only the ERM thresholds but also strategic alignment, stakeholder concerns, and regulatory compliance requirements.

Phase 4 - Validation and integration

The final phase involves integrating our findings into our ERM process with systematic documentation. The Executive Management Team (EMT) addresses sustainability-related topics through day-to-day operations. Oversight is provided through a three-

...the committee structure, with specific responsibilities assigned to each Board committee: the Sustainability Committee sets the overall agenda for sustainability work, the Audit Committee oversees ESG related control systems, and the People and Compensation Committee manages workforce-related aspects. The committee maintains regular meeting schedules and formal documentation processes.

Input parameters and process evolution

Our 2024 assessment builds upon our 2022 assessment, which introduced double materiality principles, though it predates full CSRD alignment. This 2024 assessment enhances this foundation by incorporating more systematic stakeholder engagement documentation and enhanced resource dependencies.

The material IROs identified through this project were described in ERS 2 SBM-3, with more details on relevant topical ERSs in this report.

ESRS 2 IRO-1-EI Description of the Process to assess material climate-related IROs

As described in ERS 2 SBM-3, Noranda's process for identifying and assessing material climate risks is based on the concept of the TMA. While standard ERS 1 time horizons are used to describe our sustainability statement for our climate risk assessment we have adopted timeframes to align with our business plan to ensure effective integration with our strategic operational processes: Short-term (0-3 years) is aligned with our annual operational and financial planning cycle; medium-term (3-5 years), and strategic planning period; and long-term (5+ years) taking into account long-term market chain developments.



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

63

Identification and assessment of GHG emissions
Nordic conducts systematic screening of GHG emissions sources across our operations and value chain to identify both direct and indirect emissions that contribute to our total GHG impact. This process includes evaluating Scope 1, 2, and 3 emissions:

1. Scope 1 and 2 emissions: We monitor emissions from our own operations, including office energy consumption and heating, which contribute to Scope 2 GHG emissions.
2. Scope 3 emissions: In the upstream supply chain, significant emissions arise from energy-intensive production processes at supplier facilities. Like other fabless semiconductor companies, most of our wafers are manufactured in locations where the availability of renewable energy is currently limited. Suppliers have their own plans and targets for renewable energy usage, energy saving, and carbon reduction. Through regular assessment, we identify emissions drivers, including electricity usage and reliance on non-renewable resources in the production of key components.

Physical climate-related risks

Using the TCFD framework, Nordic assesses physical climate-related risks in terms of how our assets and value chain activities might be exposed to climate hazards.

Our risk assessments focus on identifying vulnerabilities across our operations and supply chain:

1. Identification of climate hazards: Short-, medium- and long-term climate-related hazards, including extreme weather events, water scarcity, and supply chain disruptions, are evaluated based on regional data and exposure levels specific to key supplier locations, considering scenarios aligned with limiting global warming to 1.5°C. This can especially affect our manufacturing suppliers located in Southeast Asia. These locations are susceptible to events like droughts and floods.

2. Assessment of exposure and sensitivity: Our assets and supplier operations are evaluated for their sensitivity to identified hazards, considering factors such as geographic vulnerability and infrastructure resilience. The TCFD framework helps us determine the likelihood, magnitude, and duration of potential hazards, allowing us to prioritize resilience-building efforts where vulnerabilities are highest. Our key suppliers also have their own business continuity plans and contingency measures to minimize potential risks and emergencies.

Although we have not yet conducted a scenario analysis, our physical risk assessments provide valuable insights into areas of vulnerability, guiding our supplier standards to mitigate risks and support supply chain resilience.

Transition risks and opportunities

Nordic's assessment of transition risks and opportunities is also guided by the TCFD framework, focusing on regulatory and market changes that may impact our operations and value chain. While we have not yet conducted a formal scenario analysis, our risk assessment considers key drivers of transition risk:

1. Identification of transition events: Our assessment identifies regulatory changes, customer expectations, and technological advancements as primary transition drivers. The demands from customers for our products being produced with renewable energy are increasing. Engagement and close relationships with manufacturing suppliers are of high priority to meet customer expectations. Short-, medium- and long-term timelines are defined in alignment with Nordic's strategic planning.
2. Assessment of exposure and sensitivity: We assess how Nordic's business model, product lines, and supply chain activities may be sensitive to transition risks, including regulatory developments and market shifts. A significant part of Nordic's outsourced production is in Taiwan, where renewable energy is

limited and involves significant costs. A focus on demand for Nordic's products produced with renewable energy causes not meeting customers' expectations for operations and their use of renewable energy.

3. Climate-neutral economy alignment: Our assessment has identified that significant effort is required to align our value chain with neutral economy:

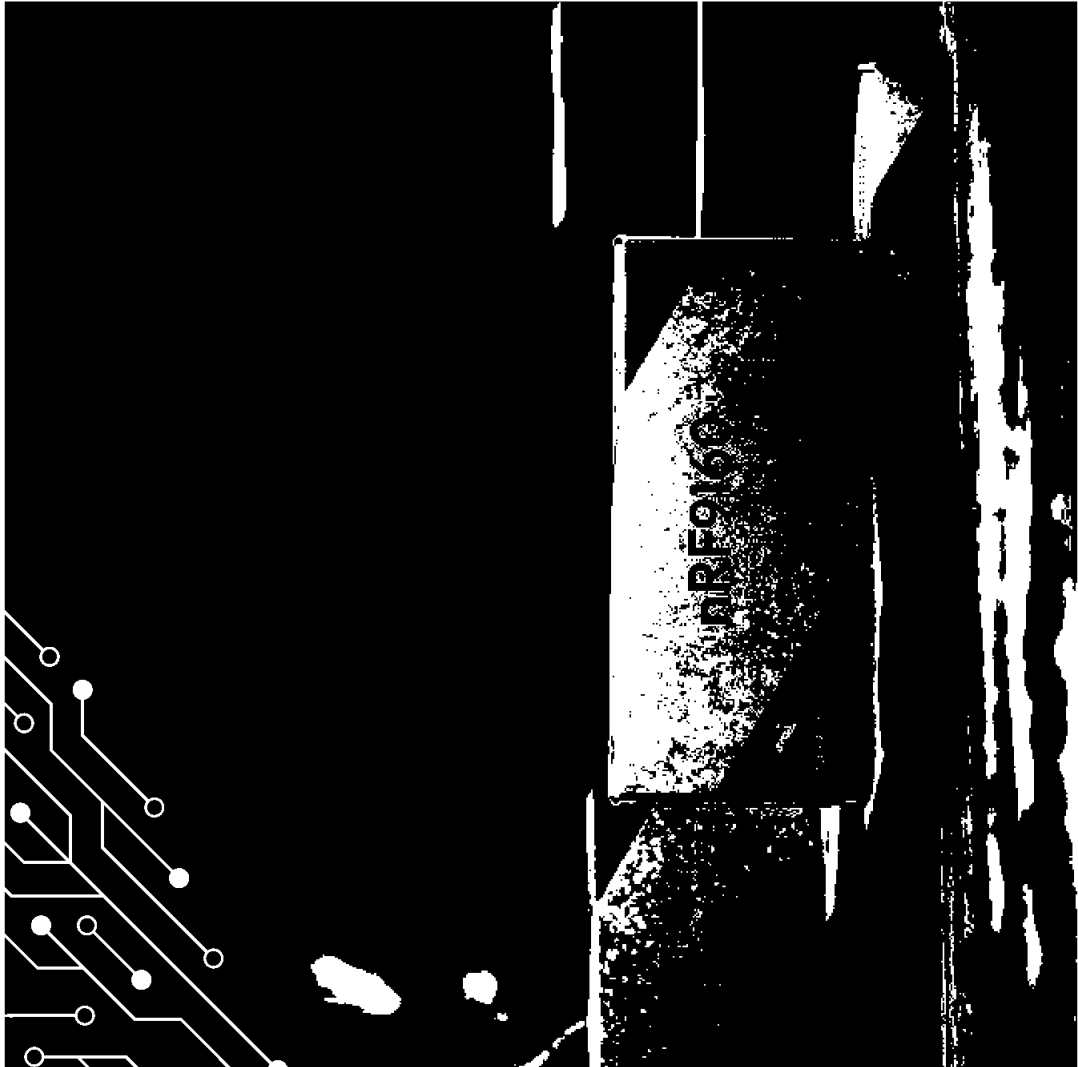
- Current dependency on non-renewable energy in manufacturing locations, particularly in Europe
- Need for substantial investment in renewable infrastructure by our suppliers
- Technology transitions required for energy production processes

Strategic integration and next steps

Nordic uses the TCFD framework to assess related physical and transition risks. The findings from our current risk assessments are reviewed by EMT and the Board of Directors. This ensures identified climate risks and opportunities are integrated into our ERM processes and plan to scenario analysis into our risk assessment for the future, considering a range of scenarios in line with TCFD guidance. This will enhance our ability to assess physical and transition risks in line with ERS requirements.

Moving forward, we plan to enhance our standards to prioritize suppliers aligned with sustainability targets and to explore production opportunities that support decarbonization efforts. By embedding climate considerations into our value chain and incorporating scenarios for the future, Nordic aims to build resilience, seize emerging opportunities, and reduce potential in a changing climate landscape.

 NORDIC SEMICONDUCTOR	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
64		



ESRS 2 IRO-1-E2 Description of the process to assess material pollution-related IROs

As described in ESRS 2 SBM-3, Nordic is committed to managing pollution-related IROs across its operations and value chain. Our annual materiality assessment follows established environmental management standards and includes all pollution-related sub-topics, such as air, water, and soil pollution, hazardous substances, and microplastics.

Screening methodologies and assumptions

To identify actual and potential pollution-related impacts, we conducted a comprehensive screening of our sites and business activities across our value chain. The methodology incorporates RBA and other relevant standards to ensure a thorough evaluation of the impact on both human health and the environment. Significant pollution impacts are primarily at our manufacturing suppliers' sites, which are screened as follows:

- Air emissions and water and soil pollution from manufacturing processes, assessed using data and regulatory thresholds.
- Hazardous substances management in semiconductor fabrication, evaluated against industry standards and legal requirements.
- Microplastics from packaging and components measured against emerging regulations.

Stakeholder engagement

Nordic values transparency and engages in regular consultations with our suppliers to understand pollution-related concerns and potential for improvement. This feedback informs our materiality assessment and helps shape our management strategies.

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ESRS 2 IRO-1-E3 Description of the process to identify and assess material water and marine resource-related IROs
As described in ESRS 2 SBM-3, Nordic has established processes to identify and assess material impacts, risks, and opportunities related to water and marine resources in our operations and value chain.

Screening methodologies and focus areas

conducting site-specific environmental risk assessments. We conduct regular screening of our site locations and supply chain activities to identify potential impacts and dependencies on water and marine resources. This screening process utilizes the WWF Water Risk Filter, which uses river basins as a standard level for risk assessment. Through the integration of river basin-level and operational risk assessments, the WWF Water Risk Filter enables us to identify areas at the facility level for both our offices and key supplier sites, where we have identified material impacts and risks through our materiality assessment.

Key areas of focus include:

- **Water use:** Evaluating surface and groundwater consumption, including withdrawals, discharge practices, and water recycling rates in manufacturing processes. These primarily relate to freshwater availability for supplier manufacturing processes and water quality requirements for production and testing.
- **Marine resources:** Assessing the extraction and use of marine-based materials and our interface with marine ecosystems in coastal manufacturing locations.

Geographic and sector assessment

Our assessment has identified several geographically material areas for water management. These include manufacturing facilities in water-stressed areas of Taiwan, production sites with significant water withdrawal in the Philippines, and operations near marine ecosystems in Singapore. Within our value chain, semiconductor manufacturing presents material water consumption concerns, while electronics assembly and testing facilities require careful management of water quality and discharge.

Community engagement

Community engagement
Nordic has not yet conducted consultations with communities affected by our water-related activities. However, we recognize the importance of community input and plan to incorporate such input in future assessments where relevant.

Following our DMA process, Nordic has reviewed potential biodiversity and ecosystem-related impacts, risks, and opportunities across our operations and value chain. Based on this comprehensive assessment, no material IROs were identified under E4 (Biodiversity and ecosystems).

Assessment process

Through our DMA process, we examined direct impact drivers across Nordic's value chain, including:

- Climate change impacts from energy use
- Land use changes at operational sites
- Resource consumption in semiconductor manufacturing
- Potential pollution sources

Our assessment considered effects on both species populations and ecosystem conditions. We evaluated both transition risks, such as potential regulatory changes and market shifts related to biodiversity protection, and physical risks from ecosystem degradation that could affect our supply chain. We also evaluated systemic risks by considering how large-scale biodiversity loss and ecosystem collapse could affect the semiconductor industry's supply chain, particularly through disruption of essential ecosystem services and natural resource availability. Additionally, we considered opportunities, primarily potential competitive advantages from compliance with stricter local regulatory demands.

We evaluated our own operations, primarily office locations, and our value chain activities. For upstream impacts, we focused on supplier manufacturing processes and their interface with local ecosystems.

Our downstream lifecycle impacts our dependence on water supply for production.

In our assessment, we assume to have limited biodiversity impact from office operations (potentially greater impact from supplier manufacturing processes).

Community engagement

Community engagement
Nordic has yet to conduct community engagement or consultations with stakeholders on biodiversity related matters.

ESRS 2 IRO-1-E5 Description of the process to identify, assess and assess material resource and circular economy related IROs

At Nordic, we have implemented a systematic assessment process using supplier documents, review and internal data analysis to identify risks, and opportunities related to resource scarcity, circular economy across our operations and supply chain. While we do not currently utilize Environmental Footprint methods or Material Flow Analysis, we employ manual assessment of material data and supplier environmental reports to evaluate

Screening methodologies

Our Phase 1 assessment identifies interfaces and data flows between systems. The nature by reviewing material composition and supplier environmental practices across our operations. In Phase 2, we evaluate environmental impacts and dependencies by analyzing:

- Resource inflows (metals, silicon, rare minerals)
- Resource outflows and waste generation
supplier facilities
- Resource consumption patterns
- Material efficiency in our value chain

This process integrates with our assessment
ESRS E1-E4.



ANNUAL REPORT
2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

<

Community engagement and stakeholder consultations
We conduct stakeholder engagement primarily through annual environmental surveys with manufacturing suppliers. As of today, Nordic has no direct consultation with communities on this subject.

Outcomes of the assessment
Our assessment has identified that Nordic's business model requires specific non-renewable resources for semiconductor manufacturing. Key challenges are concentrated in our upstream value chain, where complex materials present recycling difficulties and waste management challenges.

ESRS 2 IRO-1-G1 Description of the process to identify and assess material business conduct and corporate culture-related IROs
Nordic uses four key criteria to identify and assess business conduct impacts, risks, and opportunities:

- **Location assessment:** We evaluate each operating region for regulatory requirements, corruption risks, and cultural factors. This assessment occurs at least annually and during entry into new markets. High-risk locations trigger enhanced due diligence and monitoring requirements.
- **Activity analysis:** Core business activities undergo regular risk reviews focusing on data handling, supplier relationships, and anti-corruption. Activities are rated based on risk level and materiality thresholds, with high-risk activities requiring additional controls.
- **Sector evaluation:** We assess semiconductor industry-specific risks through bi-annual reviews of intellectual property protection, technology transfer requirements, and regulatory compliance. This includes monitoring emerging industry standards and regulatory changes.
- **Transaction structure review:** Contracts and partnerships undergo systematic, risk-based evaluation against established criteria for ethical and compliance risks. This includes an assessment of payment terms, partner due diligence, and contractual safeguards.

These criteria are integrated through our risk assessment matrix, where multiple risk factors trigger elevated review requirements. Material findings inform our control framework and policy updates.

ESRS 2 IRO-2 Disclosure requirements in ESRS covered by the business's sustainability statement

Process for determining material information
Our materiality determination uses specific thresholds to identify which impacts, risks, and opportunities (IROs) are material for reporting purposes. We apply a threshold of 9 on a 25-point scale, which requires at least moderate severity in one factor for a topic to be considered material and included in our sustainability statement. This threshold helps identify what ESRS defines as "material impacts" (referred to as "most significant impacts" in some other frameworks).

For impact materiality, the scoring combines severity factors (scale, scope, and irremediability) with likelihood, each rated 1-5. Human rights impacts receive special weighting, regardless of likelihood, to reflect their severity. For financial materiality, we utilize our ERM framework scales with financial impact thresholds based on percentages of annual revenue.



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

68

List of material DRs	
ESRS 2 IRO-1-E4	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, and opportunities
E5- Resource use and circular economy	
E5-ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model
ESRS 2 IRO-1-E5	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities
E5-1	Policies related to resource use and circular economy
E5-2	Actions and resources related to resource use and circular economy
E5-3	Targets related to resource use and circular economy
E5-4	Resource inflows
E5-5	Resource outflows
S1- Own workforce	
ESRS 2 SBM-2-S1	Interests and views of stakeholders
S1-ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model
S1-1	Policies related to own workforce
S1-2	Processes for engaging with own workforce and workers' representatives about impacts
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns
S1-4	Taking action on material impacts on own workforce, approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S1-6	Characteristics of the undertaking's employees
S1-7	Characteristics of non-employees in the undertaking's own workforce
S1-9	Diversity metrics
S1-13	Training and skills development metrics
S1-15	Work-life balance metrics
S1-16	Remuneration metrics (pay gap and total remuneration)
S1-17	Incidents, complaints, and severe human rights impacts
S2- Workers in the value chain	
ESRS 2 SBM-2-S2	Interests and views of stakeholders
S2-ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model
S2-1	Policies related to value chain workers
S2-2	Processes for engaging with value chain workers about impacts
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns
S2-4	Taking action on material impacts on value chain workers, approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S4- Consumers and End-users	
ESRS 2 SBM-2-S4	Interests and views of stakeholders
S4-ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

69

List of material DRs	
S4-1 Policies related to consumers and end-users	
S4-2 Processes for engaging with consumers and end-users about impacts	
S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	
S4-4 Taking action on material impacts on consumers and end-users, approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	
S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
G1 - Business Conduct	
G1-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	
ESRS 2 GOV-1-G1 The role of the administrative, management, and supervisory bodies	
ESRS 2 IRO-1-G1 Description of the processes to identify and assess material business conduct and corporate culture-related impacts, risks, and opportunities	
G1-1 Business conduct, policies and corporate culture	
G1-3 Prevention and detection of corruption and bribery	
G1-4 Incidents of corruption or bribery	

NORDIC
SEMICONDUCTOR

ANNUAL REPORT
2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the
Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

70

ESRS 2 Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislations					Pillar 3 reference		Benchmark regulation reference	EU climate law reference	Material / Not material
Disclosure requirement and related datapoints		SFDR reference		Pillar 3 reference		Benchmark regulation reference		EU climate law reference	
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)		Indicator number 13 of Annex 1	Indicator number 13 of Table #1			Commission Delegated Regulation (EU) 2020/1816, Annex II			Material
ESRS GOV-1 Percentage of board members who are independent paragraph 21 (e)						Delegated Regulation (EU) 2020/1816, Annex II			Material
ESRS 2 GOV-4 Statement on due diligence paragraph 30		Indicator number 10 of Annex 1	Indicator number 10 Table #3 of Annex 1						Material
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i		Indicator number 4 of Annex 1	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk		Delegated Regulation (EU) 2020/1816, Annex II			Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii		Indicator number 9 of Annex 1	Indicator number 9 Table #2 of Annex 1			Delegated Regulation (EU) 2020/1816, Annex II			Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii		Indicator number 14 of Annex 1	Indicator number 14 Table #1 of Annex 1			Delegated Regulation (EU) 2020/1818, Article 12(i) Delegated Regulation (EU) 2020/1816, Annex II			Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv						Delegated Regulation (EU) 2020/1818, Article 12(i) Delegated Regulation (EU) 2020/1816, Annex II			Not material
ESRS EI-1 Transition plan to reach climate neutrality by 2050 paragraph 14							Regulation (EU) 2021/1119, Article 2(i)		Material
ESRS EI-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)				Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity		Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2			Material
ESRS EI-4 GHG emission reduction targets paragraph 34		Indicator number 4 of Annex 1	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics		Delegated Regulation (EU) 2020/1818, Article 6			Material

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NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

71

Disclosure requirement and related datapoints				SFDR reference		Pillar 3 reference		Benchmark regulation reference	EU climate law reference	Material / Not material
ESRS EI-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1									Not material
ESRS EI-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1									Material
ESRS EI-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1									Not material
ESRS EI-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1			Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)					Material
ESRS EI-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1			Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)					Material
ESRS EI-7 GHG removals and carbon credits paragraph 56								Regulation (EU) 2021/1119, Article 2(1)		Not material
ESRS EI-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66								Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS EI-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS EI-9 Location of significant assets at material physical risk paragraph 66 (c).				Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.						Not material
ESRS EI-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).				Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral						Not material



ANNUAL REPORT
2024

01
Message from the CEO
>

02
Nordic at a glance
>

03
Report from the Board of Directors
<

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04
Financial statements
>

05
Responsibility statement

06
Audit opinion letter

07
Appendices
>

72

Disclosure requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material / Not material
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69					Not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			Delegated Regulation (EU) 2020/1818, Annex II	Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
E4-ESRS 2 SBM-3 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
E4-ESRS 2 SBM-3 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
E4-ESRS 2 SBM-3 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable land/ agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans/ seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2 SBM2-5J Risk of incidents of forced labor paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				Not material
ESRS 2 SBM2-5J Risk of incidents of child labor paragraph 14 (g)	Indicator number 12 Table #3 of Annex 1				Not material



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

73

Disclosure requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material / Not material
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Not material
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material
S2-ESRS 2 SBM-3 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex I				Material



ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

74

Disclosure requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material / Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (f)		Material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (f)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (f)		Material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material, but disclosed
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material

Environment

Nordic acknowledges the environmental impact of its business operations and products on the planet and society. Environmental responsibility and sustainability are integral to our long-term success. Through the production of world-class, energy-efficient solutions, we contribute to a low-carbon, climate-resilient economy.

76	<u>E1 Climate Change</u>
89	<u>E2 Pollution</u>
93	<u>E3 Water and Marine Resources</u>
95	<u>E5 Resource and use of circular economy</u>
99	<u>EU taxonomy</u>





EI Climate change

El-I Transition plan for climate change mitigation

In 2024, Nordic began formulating a transition plan for climate change mitigation. Nordic will continue working on the transition plan in 2025, ensuring it is embedded in and aligned with our overall strategy and annual business and financial planning.

Nordic is not excluded from the EU Paris-aligned Benchmarks, as the company does not engage in activities that would lead to exclusion, including controversial weapons, tobacco production, violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises, or deriving significant revenue from fossil fuel activities.

Impacts, risks, and opportunities

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

		Location in value chain				Time horizon		
		Upstream	Own operations	Downstream		Short-term	Medium-term	Long-term
Emissions from office energy consumption			●		Actual negative impact	●	●	
Emissions from outsourced manufacturing operations		●			Actual negative impact	●	●	●
Reducing emissions with low-power IoT technology				●	Potential positive impact	●	●	●
Opportunities in climate-resilient products				●	Opportunity		●	
Financial risks from customer GHG expectations				●	Risk		●	

Strategy

In response to climate change and global warming, we are committed to reducing our impact on the environment and conducting business in a way that supports the transition toward a more sustainable future.

Our strategic ambition is to reduce environmental impact, take responsibility for the contribution to climate change across our organization and the whole value chain, and effectively and systematically manage our climate-related risks and opportunities. Through our targets that have been validated by the Science Based Targets initiative (SBTi), our strategic ambition is to reduce Scope 1 and 2 GHG emissions already by 2030 and shift towards net-zero GHG emissions by 2050. To give towards these targets, we continue positioning ourselves as a renewable energy leader, together with our outsourced manufacturing partners, to encourage them to reduce their own emissions and climate impact. We will continue collaboration with customers to develop low-power solutions to the customers, to address climate change challenges.

Nordic's strategy for climate change mitigation is coherent with the principles of limiting warming to 1.5°C, in line with the Paris Agreement and the EU's climate goals. The emissions reduction targets are further explained in section El-4: Targets related to climate mitigation and adaptation.



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

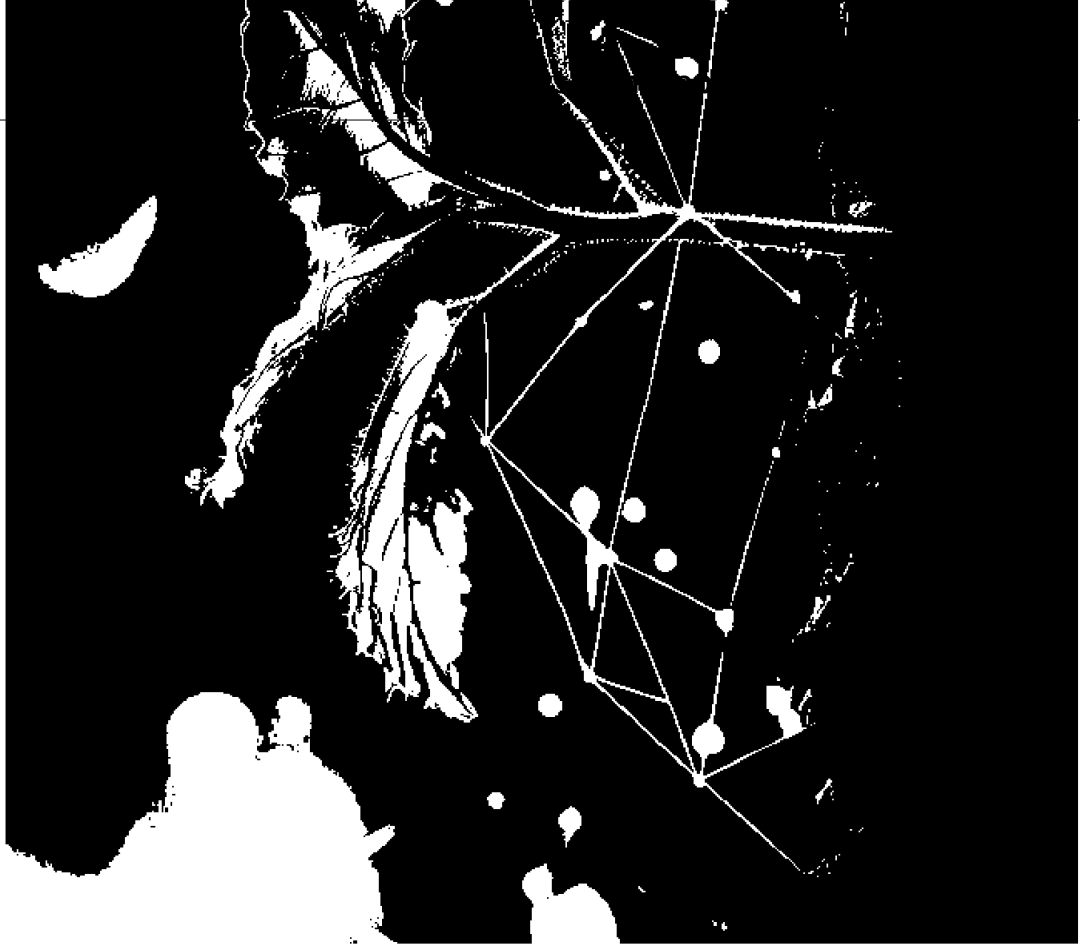
77

We have not yet conducted a formal scenario analysis to assess climate-related physical and transition risks. However, alongside the risk assessment carried out as part of our Double Materiality Assessment, the TCFD framework, based on scenario analysis, addresses the resilience aspect. To strengthen our climate-related vulnerability management capabilities and ensure that our business model remains resilient and adaptable to the evolving challenges posed by climate change, we aim to complete the scenario analysis and resilience analysis in the future.

Nordic's process for identifying and assessing material climate-related impacts, risks, and opportunities is based on the double materiality principle.

Climate change remains the most significant environmental aspect for Nordic and its stakeholders. Semiconductor manufacturing is energy-intensive. In our global operations, Nordic recognizes the impact and risks of energy dependency and the contribution of GHG emissions to climate change. As a fabless semiconductor company, climate change represents a low risk for Nordic's own operations, but manufacturing suppliers are faced with challenges and risks from climate change. These come both in the form of physical risks (such as extreme weather conditions) or transitional risks (such as legislative requirements), depending on manufacturing location.

Climate-change-related risks and opportunities are identified and assessed through Nordic's Enterprise Risk Management (ERM) process.



Through our materiality assessment, we have identified the climate-related material impacts, as detailed in the table above. The ICFD disclosure on pages 87-88 provide details on Nordic's climate-related risks and opportunities for climate change mitigation and adaptation.

Emissions from office energy consumption

As a fabless company, energy usage in our own operations is mainly related to office work. In Nordic's own operations, GHG emissions are generated from purchased electricity and heating. Although more than 90% of our purchased energy is renewable, there is still a fraction that is derived from fossil fuels. This impact directly connects to our fabless business model, driving our strategic decision to transition to renewable energy for all offices in coming years and focus on lowering climate impact through energy efficiency in office buildings. Today, more than 50% of Nordic's employees work in offices that have green building certifications, like BREAM and LEED, demonstrating our business model's adaptability to climate challenges.

Emissions from outsourced manufacturing operations

The semiconductor manufacturing process is energy-intensive, particularly through electricity consumption, and contributes to significant emissions. This impact is inherent to our tabless business model, which relies on external manufacturing partners. Our strategy is to address and mitigate production-related climate impacts to be engaged with our main manufacturing suppliers and, in collaboration with the suppliers, define GHG emission reduction targets. Many of our suppliers are already transitioning to renewable energy, but emissions from manufacturing are still significant. Due to the complexity of manufacturing operations, reversing the impact is difficult, requiring long-term strategic planning and value chain collaboration.

Reducing emissions with low-power IoT technology

While our path to net zero is ambitious and challenging, our product innovation also presents opportunities for sustainable growth. This potential positive impact is central to our business strategy and R&D decisions.

Developing our IoT product portfolio with low-energy solutions enables our customers' end devices to have solutions that reduce their carbon footprint. For example, smart lighting, powered by Nordic's

technology, has enabled customers to reduce emissions and support their decarbonization efforts. The scale of avoided emissions is considered to be substantial, contributing positively to global GHG reductions.

Nordic's technology solutions, particularly those enabling better tracking and monitoring, could help end-users reduce tons of CO2 emissions, demonstrating the resilience of our business model in supporting climate transition.

Impact, risk, and opportunity management

El-2 Policies related to climate change mitigation and adaptation

Nordic's Climate Change Policy sets requirements for responsible practices across the Group's own operations and value chain. The policy addresses all our identified climate-change-related material IROs as disclosed in the table of E1-ESRS 2 SBM-3 and outlines the Group's approach and commitment to implementing measures for climate change mitigation through our commitment to reducing GHG emissions in line with SBTi targets and climate change adaptation through assessing climate-related risks and building resilience against climate-related impacts. The policy also covers our commitment to improving energy efficiency and transition to renewable energy across our own operations, as well as our efforts to work with suppliers, promote sustainable sourcing practices, and continuously strive to improve our environmental performance with respect to our business operations.

The Chief Executive Officer is responsible for the policy's execution and its alignment with Nordic's strategic goals. The policy is reviewed on an annual basis by the Executive Management Team.

The policy is available for all employees on Nordic's intranet and publicly available on Nordic's website.

El-3 Actions and resources in relation to climate change policies

On our journey toward climate neutrality, we are constantly driving to reduce GHG emissions across our value chain. Through our science-based targets v2, we have set SBTi in April 2024, our ambition is to reduce our emissions and emission intensity to achieve our long-term targets outlined in section E1-4.

Our approach towards climate change mitigation encompasses a diverse array of strategies, detailed in the following paragraphs. These represent the actions we've undertaken during the reporting period and our planned future actions to significantly reduce our carbon footprint. For instance, we've intensified our efforts to promote renewable energy adoption across our offices and have consistently engaged with our key suppliers to ensure emission reductions in manufacturing operations.

To evaluate the outcome of our climate change mitigation endeavors, we provide comprehensive insights into the achieved and expected reduction in GHG emissions resulting from these activities. We meticulously track and assess our emissions reductions, we ensure transparency in illustrating the tangible impact of our initiatives in combating climate change. Our focus remains on achieving more reductions aligned with our targets, allowing us to consistently assess the efficiency of our strategies and drive continuous improvement.

As of 2024, compared to 2019, Nippon's Scope 1 emissions intensity (emissions per USD value added) decreased by 16%, while Scope 3 absolute emissions have increased by 22%. We expect an increase of 3 absolute emissions in the near future while further reductions in Scope 3 emissions intensity with our science-based targets.

The implementation of Nordic's climate change mitigation actions does not require significant OpEx expenditure at this stage. Our ability to execute these actions depends on the continuous

 NORDIC SEMICONDUCTOR		ANNUAL REPORT 2024	
01	Message from the CEO		
02	Nordic at a glance	>	
03	Report from the Board of Directors	<	
	Our group		
	Financial		
	Risk management		
	Sustainability statement		
	Environment		
	Social		
	Governance		
	Outlook		
	Concluding remarks		
04	Financial statements	>	
05	Responsibility statement		
06	Audit opinion letter		
07	Appendices	>	
			79

and strategic allocation of resources, including financial investments, technological innovation, and collaboration with our partners. We are committed to transparently managing these resources to maximize our impact on climate change mitigation and adaptation.

Renewable electrification of own operations

To meet our scope 1 & 2 targets, Nordic has and will continue to purchase renewable energy for our offices. By investing in renewables, 95% of the total purchased energy for Nordic's own operations originated from renewable energy sources in 2024. Compared to the 2019 baseline, Nordic has already achieved a 94% scope 2 marked-based emissions reduction as a result of this strategy.

Investing in renewable energy sourcing is integrated into our financial planning but depends on the availability of renewable energy instruments for countries where Nordic offices are located. By 2030, Nordic strives for the share of renewable electricity to reach 100% of our consumption.

Supplier engagement

Due to the advanced, capital-intensive technologies required for semiconductor fabrication that only a few suppliers, like TSMC and Global Foundries, can provide, Nordic is limited in its choice of wafer suppliers. Additionally, Nordic's strict performance and reliability standards for critical applications further narrow the pool of qualified suppliers. As such, the key action for reducing emissions from purchased goods and services (approximately 80% of total emissions) is to engage with our outsourced manufacturing suppliers, who have the largest impact on our GHG emissions.

The situation is similar when it comes to suppliers providing outsourced semiconductor assembly and testing (OSAT). Changing OSAT suppliers would be challenging because it involves re-qualifying specialized processes, ensuring consistent quality, and mitigating risks of supply chain disruptions. Additionally, long-term partnerships, trust, and tailored solutions developed with the existing supplier are difficult to replicate quickly

with a new partner. Engaging with key suppliers is, therefore, a key action in this area as well.

Engagement with our suppliers is an ongoing action and will continue long-term as we work towards our emission reduction targets.

Sustainable procurement practices

Beyond outsourced manufacturing, a significant portion of Nordic's emissions arises from purchasing services and capital goods. To address this, the Group is actively enhancing its procurement policies by embedding sustainability practices and improving data collection, enabling more precise identification of emission reduction opportunities within its supply chain. As part of these efforts, a new sustainability rating platform will be implemented in 2025 to strengthen supplier assessment processes and enhance value chain information collection. Further details on sustainable procurement and supplier assessment are provided in chapter ESRs 2 BP-1.

Energy-efficient product design

Nordic is developing new products with advanced low-power technologies, enabling devices to operate efficiently while minimizing energy consumption. Focusing on innovations such as optimized System-on-Chip (SoC) designs and enhanced power management features helps reduce the environmental impact of connected devices across various applications. Advancing low-power solutions will remain an ongoing priority as we continuously integrate these technologies into our IoT product portfolio.

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optimized system-on-chip (SoC) designs and enhanced power management features help reduce the environmental impact of connected devices across various applications

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NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

02

Nordic at a glance

03

Report from the Board of Directors

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

05

Responsibility statement

06

Audit opinion letter

07

Appendices

80

Metrics and targets

EI-4 Targets related to climate change mitigation and adaptation

Responding to the contribution to climate change and global warming, Nordic is committed to reducing GHG emissions in line with the science-based targets developed by the SBTi. These targets were developed in collaboration with our Quality and Supply Chain departments and approved by the Executive Management Team. The targets directly support the Group's climate change policy objectives by providing a specific, measurable goal that translates our GHG emission reduction commitments into actionable outcomes.

In April 2024, our science-based targets were validated by SBTi. Through these targets, and as part of our emissions roadmap, we pledge to cut absolute GHG emissions across Scopes 1 and 2 by 60 %, and Scope 3 emission intensity by 60%, by 2030 from a 2019 base year, with ongoing reductions every decade aiming for net-zero emissions by 2050. We will prioritize decarbonization through direct emissions reductions. All residual emissions are planned to be neutralized in line with SBTi criteria before reaching net-zero emissions by 2050. Nordic has selected 2019 as the year for its science-based targets in accordance with SBTi criteria. The baseline value reflects the full scope of relevant activities including all relevant emission sources across Scope 1, 2, and 3, as well as accounts for changes in production volumes and energy sourcing.

Purchasing renewable energy for our offices is a significant factor in achieving our Scope 1 and 2 GHG emission reduction targets by 2030. By transitioning to renewable energy sources, we can significantly reduce our dependence on fossil fuels. This leads to a direct reduction in emissions associated with our energy consumption, helping us meet our Scope 1 and 2 GHG emission reduction targets. In 2024, Nordic's Scope 1 and 2 emissions accounted for only 0.1% of our total emissions, yet they are within our immediate capability to reduce. Relative to the 2019 base year, our Scope 1 and 2 emissions have already decreased by 94% in 2024, thus far beyond the 60% target.

Targets/KPIs

Reach net-zero emissions across value chain by 2050

60 % reduction
Scope 3 GHG emissions

Reduce Scope 3 GHG emissions 60% per USD value added by 2030 from a 2019 base year (value added – sales revenue - the cost of goods and services purchased from external suppliers)

90 % reduction
Scope 1 & 2 GHG emissions
Reduce absolute Scope 1 and 2 GHG emissions 90% by 2030 from a 2019 base year

60 % reduction
Scope 1 & 2 GHG emissions

Reduce absolute Scope 1 and 2 GHG emissions 60% by 2030 from a 2019 base year

Timeline showing Baseline year (2019), Short-term target (2030), and Long-term target (2050).

Nordic's GHG emissions reduction targets and decarbonization levers

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Brønnøysundregistrene

Side 101 av 216

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

81

We aim for a 60% reduction in our Scope 3 emissions intensity by 2030 from the 2019 baseline year. It is essential that targets based on a baseline accurately reflect the activities included and consider the potential impacts of external factors. This is why we commit to updating our targets five years from setting the initial target at the latest, in line with SBTi criteria.

By taking future developments into account, Nordic has set targets based on emission intensity. This approach ensures our targets are adaptive to the future trajectory of our business model, including new technologies and factors that may increase emissions as our business expands. Together with an annually updated climate risk assessment, we are poised to effectively evaluate the future developments that could impact Nordic, as well as understand the influence of Nordic's activities on future developments.

Scope 3 emissions from our outsourced manufacturing accounts for over 60% of our total emissions. Many of our manufacturing suppliers are already transitioning to renewable energy and adapting new technologies for emissions reduction, but emissions from manufacturing are still significant. Engaging with manufacturing suppliers allows us to collaboratively tackle production-related GHG emissions, supporting our efforts to achieve our emission reduction targets.

Due to increasing production activities with our manufacturing suppliers, we assume an increase in absolute Scope 3 emissions until renewable energy availability is improved in the countries where our suppliers are located, while still reducing Scope 3 emissions intensity.

Our GHG emission reduction targets are managed systematically. We collect energy and emission data from our own operations and supply chain to track the progress against our 2019 GHG emission levels and emission reduction targets. The GHG emission metrics related to our GHG emission reduction targets are regularly reviewed in management

Target identifier	Scope	Baseline			Target			Reduction	Target value	Unit	Absolute max value
		Year	Value	Unit	Year	Value	Unit				
NT ABSI	Scope 1+2 (market-based)	2019	717	tons CO2e	2030	60%	287	60%	287	tons CO2e	
NT INTI	Scope 3 (all categories)	2019	692	tons CO2e per MUSD value added*	2030	60%	277	60%	277	tons CO2e per MUSD value added*	
LT ABSI	Scope 1+2+3	2019	79577	tons CO2e	2050	90%	7958	90%	7958	tons CO2e	
NZ	Scope 1+2+3	2019	79577	tons CO2e	2050	100%	0	100%	0	tons CO2e	

Nordic's science-based GHG emission targets *Value added calculated as: value added = sales revenue—the cost of goods and services purchased from external suppliers

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 102 av 216

Årsregnskap regnskapsåret 2024 for 966011726

 NORDIC SEMICONDUCTOR		ANNUAL REPORT 2024	
01	Message from the CEO	>	
02	Nordic at a glance	>	
03	Report from the Board of Directors	<	
	Our group		
	Financial		
	Risk management		
	Sustainability statement		
	Environment		
	Social		
	Governance		
	Outlook		
	Concluding remarks		
04	Financial statements	>	
05	Responsibility statement	>	
06	Audit opinion letter	>	
07	Appendices	>	
82			

El-5 Energy consumption and mix

Energy consumption and mix		2024
Total electricity consumption from fossil sources (MWh)		53
Share of fossil sources in total energy consumption (%)		0.8
Total electricity consumption from nuclear sources (MWh)		5
Share of consumption from nuclear sources in total energy consumption (%)		0.1
Total heating from non-renewable sources (MWh)		279
Total non-renewable energy consumption (MWh)		337
Fuel consumption for renewable sources, including biomass (MWh)		0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)		6487
Consumption of self-generated non-fuel renewable energy (MWh)		43
Total renewable energy consumption (MWh)		6530
Share of renewable sources in total energy consumption (%)		95
Total energy consumption (MWh)		6867
Energy consumption per revenue (MWh/MUSD)		12.6

Energy consumption overview for 2024

El-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Nordic's approach to measuring GHG emissions follows the European Sustainability Reporting Standards (ESRS). We have according to ESRS used guidance from the Greenhouse Gas Protocol (ghgprotocol.org). The GHG Protocol is an internationally recognized standard for accounting and reporting GHG emissions, which categorizes the emissions into three scopes (Scope 1, 2, and 3). Applying principles of the GHG protocol helps Nordic ensure that all relevant GHG emissions are accounted for and that the GHG reporting provides a consistent, accurate, and transparent representation of Nordic's operations.

Nordic reports its GHG emissions across all three scopes. For consolidation of the emissions in the GHG inventory, Nordic has used the operational control approach as outlined in the GHG Protocol. The GHG inventory covers our own operations including the parent company Nordic Semiconductor ASA and its wholly owned subsidiaries, and upstream and downstream value chain. The base year for reporting is 2019.

In 2024, Nordic made significant updates to its Scope 3 reporting and emission calculation methodologies to enhance accuracy and alignment with best practices. We included emissions from Scope 3 Category 10 (Processing of sold products), as well as incorporated emissions from the manufacturing of development kits under Category 1 (Purchased Goods and Services). Additionally, we have adopted more accurate

supplier-specific emission factors from one manufacturing suppliers, which have been an external assurance body. These factors cradle-to-gate approach, ensuring consistency in GHG Protocol. Compared to the prior 2023 GHG Protocol, these enhancements have led to a 31% increase in reported Scope 3 emissions. To ensure comparability with prior reporting periods, we retrospectively recalculated Scope 3 emissions for 2019 base year.

Our GHG emissions data originates from Nordic data sources and data received from our manufacturing suppliers. For some Scope 3 emission categories (especially categories 10-12), Nordic used external data to calculate emissions, as detailed in the Scope 3 categories below. A more detailed description of the value chain is included under SBM-1 Strategic model, and value chain.



 ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
	Our group
	Financial
	Risk management
	Sustainability statement
	Environment
	Social
	Governance
	Outlook
	Concluding remarks
04	Financial statements
05	Responsibility statement
06	Audit opinion letter
07	Appendices
83	

GHG emissions for the period 2024-01-01 to 2024-12-31				Retrospective					Milestones and target years				
				Base year (2019)	Comparative (2023)	2024	% 2024/2023	2025	2030	2050			
Scope 1 GHG emissions													
Gross scope 1 GHG emissions (tCO2eq)				0,7	-	0	-	0,5	0	0			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)				0%	-	0%	-						
Scope 2 GHG emissions													
Gross location-based Scope 2 GHG emissions (tCO2eq)				324	-	1352	-						
Gross market-based Scope 2 GHG emissions (tCO2eq)				717	-	41	-	482	287	72			
Significant Scope 3 GHG emissions													
Total gross indirect (Scope 3) GHG emissions (tCO2eq)				78860	-	95870	-			7886			
1. Purchased Goods and Services				59371	-	84201	-						
2. Capital goods				13593	-	5183	-						
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)				38	-	43	-						
4. Upstream transportation and distribution				101	-	87	-						
5. Waste generated in operations				2	-	3	-						
6. Business travel				1896	-	1128	-						
7. Employee commuting				205	-	413	-						
8. Upstream Leased Assets				198	-	341	-						
9. Downstream transportation and distribution				1005	-	1122	-						
10. Processing of sold products				149	-	155	-						
11. Use of sold products				2279	-	3172	-						
12. End-of-life treatment of sold products				21	-	22	-						
13. Downstream leased assets				-	-	-	-						
14. Franchises				-	-	-	-						
15. Investments				-	-	-	-						
Total GHG emissions													
Total GHG emissions (location-based) (tCO2eq)				79185	-	97222	-			7958			
Total GHG emissions (market-based) (tCO2eq)				79577	-	95911	-						

Nordic's GHG inventory. Each scope and category are explained in the following paragraphs. Nordic applies the transitional provision specified in ESRS 1 10.3 no. 136 for presenting comparative information.

 ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
	Our group
	Financial
	Risk management
	Sustainability statement
	Environment
	Social
	Governance
	Outlook
	Concluding remarks
04	Financial statements
05	Responsibility statement
06	Audit opinion letter
07	Appendices
84	

GHG intensity per net revenue		2024
Total GHG emissions (location-based) per net revenue (tCO2eq/USD 1000)		0.190
Total GHG emissions (market-based) per net revenue (tCO2eq/USD 1000)		0.188

Nordic's GHG emission intensity per revenue. The revenue used for calculating GHG emissions intensity in 2024: 511 415 USD 1000. This corresponds to the revenue reported in the financial statements for 2024.

Scope 1 emissions

Scope 1 emissions are reported in accordance with the GHG Protocol Corporate standard. Nordic's Scope 1 emissions include all direct emissions from the Group and its operations. As a fabless semiconductor company, Nordic controls and owns very few GHG sources. Scope 1 emissions are minor and generated only in abnormal situations. Data for Scope 1 emissions is collected annually in the form of service reports from the 3rd party service provider. Emissions are calculated using IPCC emission factors. In 2024, Nordic's Scope 1 emissions were zero.

Scope 2 emissions

Nordic reports Scope 2 emissions in accordance with the GHG Protocol Corporate Standard and Scope 2 Guidance. Nordic's Scope 2 emissions include indirect GHG emissions from consumed electricity and heating in offices. Data on energy consumption is collected from Nordic offices globally. Emissions are calculated using location-based and market-based methods. Emission factors are derived from established sources such as countries' governmental pages, the Association of Issuing Bodies (AIB), and, where applicable, directly from energy providers.

In 2024, we purchased renewable energy for our offices, verified by Guarantees of Origin (GOO), International Renewable Energy Certificates (I-RECs), Taiwan Renewable Energy Certificates (T-RECs), Renewable Energy Guarantees of Origin certificates (REGO), and Renewable Gas Guarantees of Origin certificates (RGGO).

In 2024, 95% of the energy used in our offices originated from renewable energy sources. This includes the electricity purchased from electricity providers, as well as solar energy generated onsite in Nordic's head office in Trondheim.

Sustainable design and operation of the building are considered in the selection of our office facilities. This includes various aspects like using less energy and water and creating less waste. Currently, more than 50% of Nordic's employees work in office buildings with green building certifications, like BREEAM and LEED.

Scope 3 emissions

Scope 3 emissions are reported based on the GHG Protocol. Scope 3 GHG emissions cover all upstream and downstream emissions from Nordic's activities. We report GHG emissions data on Scope 3 Categories 1-12. Categories 13-15 are not applicable to our business and are thus excluded from reporting. 95% of Scope 3 emissions is calculated using primary data obtained from suppliers or other value chain partners. The following section outlines all Scope 3 categories, the calculation method, and information sources.

Category 1: Purchased goods and services

This category includes emissions related to outsourced manufacturing of Nordic products, and non-production-related procurement.

For outsourced manufacturing, emissions are calculated according to a hybrid method by GHG Protocol, using supplier-specific emission factors provided by the suppliers annually and our own production records.

For other purchased goods and services, Nordic utilizes a "spend-based" calculation method (as defined by GHG Protocol). Emissions are calculated using the economic value of goods purchased and emission factors from publicly available databases (Defra, BEIS, EPA, Climatiq).

In Nordic's GHG inventory, purchased goods and services are the largest contributor. In 2024, this category represented 88% of the total GHG

emissions, while manufacturing processes contributed approximately 74% of the total GHG emissions in 2024.

Category 2: Capital goods

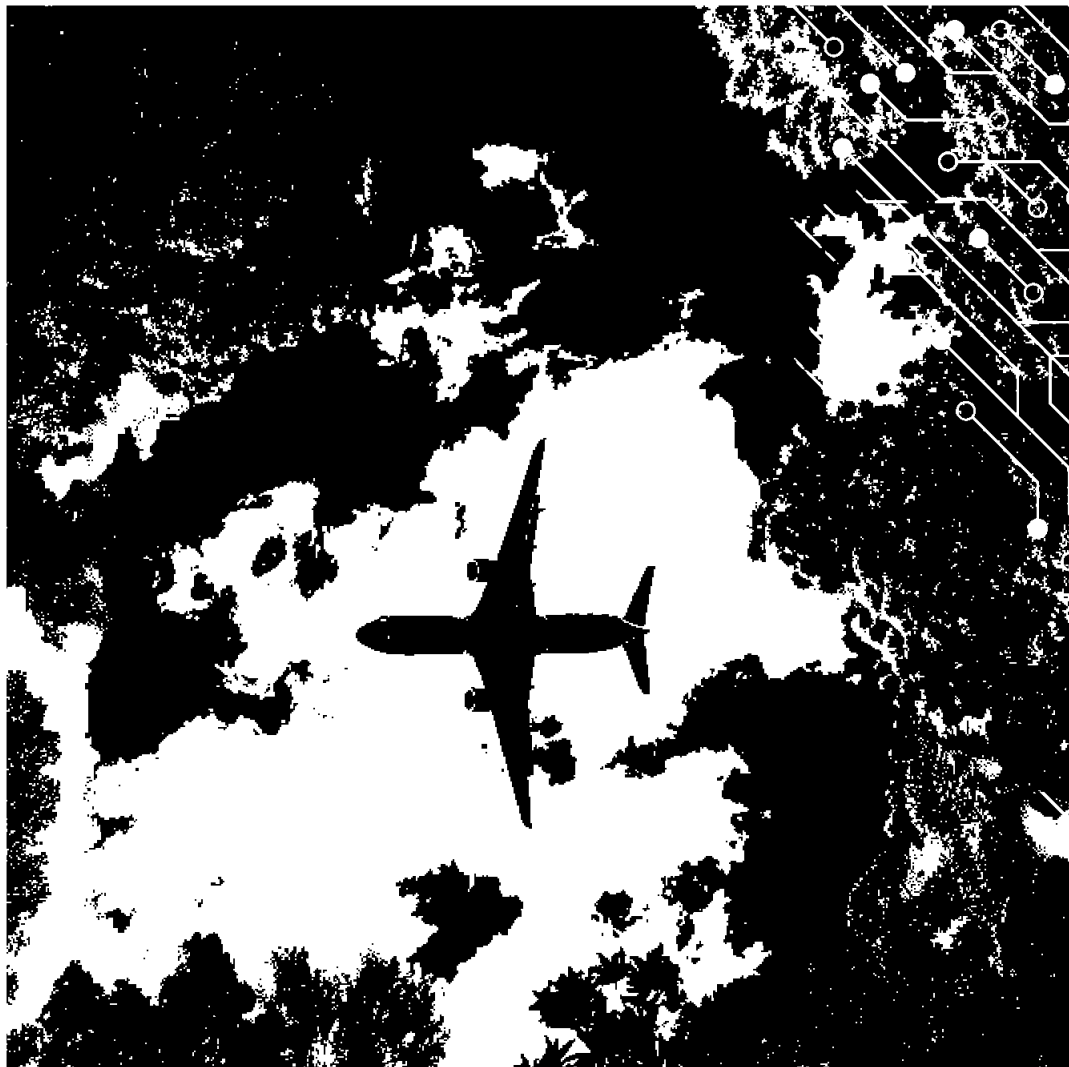
This category includes emissions related to the purchase of office and lab equipment, machinery, and certain software procurement. The investments specified as additions in Note 12: Goodwill and intangible assets and Note 13: Fixed assets for capital goods is based on Nordic's financials for the reporting year. GHG emissions calculations are based on the average-spend-based method by GHG Protocol, by using the economic value of purchased and emission factors from public databases including Defra, BEIS, EPA, and Climatiq. In 2024, this category represented 5% of the total GHG inventory.

Category 3: Fuel- and energy-related activities

This category includes upstream emissions from energy generation, as well as energy transmission and distribution (T&D) losses. GHG emissions are calculated based on the average-spend-based method by GHG Protocol, using Well-To-Wheel (WTW) factors for purchased fuel, electricity, and H₂. T&D factors for the purchased electricity are provided by Defra. This category represents a small part of Nordic's GHG inventory (less than 1% in 2024).

Category 4: Upstream transportation and distribution

Upstream transportation and distribution includes emissions related to the transport of goods by Nordic, including inbound logistics, outbound logistics, and transportation and distribution between the company's own facilities. For transportation and distribution, we receive data, including weight, distance, and transport mode for shipments from the transport company on an annual basis. GHG emissions are calculated using the distance-based method by GHG Protocol (WTT) and Tank-To-Wheel (TTW) emission factors from the transport company and Well-to-Wheel (WTT) and Tank-To-Wheel (TTW) emission freight provided by Defra. This category represents a very small part of Nordic's GHG inventory (less than 1% in 2024).



Category 5: Waste generated in operations
This category includes emissions related to disposal and treatment of waste generated in operations. GHG emissions are calculated by quantified waste information from the major reporting year and extrapolated to cover all sites. Emissions are calculated using an average method by GHG Protocol and emission factors from the Climaq database for different waste treatment methods. This category represents a very small portion of the total emissions. Nordri's GHG inventory (less than 0.1% in 2019).

Category 6: Business travel

For business travel, GHG emissions are calculated based on the air travel distance and class-based data received from travel companies. Emissions are reported for the reporting year and calculated with Defra's GHG Conversion Factors for Business Travel, using distance-based factors by GHG Protocol. In 2024, emissions from business travel represent a relatively small part of NPL's total GHG emissions (1.2%). In the coming years, Nordli will continue to work on the complete calculation of emissions from business travel.

Category 7: Employee commuting
For employee commuting, we have included data related to Nordic employees traveling between home and work. Reported data is based on employee results detailing transportation modes used for commuting, how often employees commuted, and the distance traveled daily. GHG emissions are calculated using Defra emission factors for transport modes, using GHG Protocol's average data method. In 2024, emissions from this category represented 0.4% of the total GHG inventory.

Category 8: Upstream leased assets
This category includes emissions from the operations of the assets Nordic has leased but not the assets Nordic has already owned, excluding office facilities, which are covered by Scope 2. The data reported under this category is based on Nordic financial reports. Emissions are calculated using an average-data method and the data is based on the Climate data and emission factors from the Climate data.

	ANNUAL REPORT 2024	
01	Message from the CEO	
02	Nordic at a glance	>
03	Report from the Board of Directors	<
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	
06	Audit opinion letter	
07	Appendices	>
		86

Category 9: Downstream transportation and distribution
Emissions in this category are related to the transportation and distribution of Nordic products after point-of-sale paid by third parties in the reporting year. Emissions are calculated using supplier-specific methods by GHG Protocol, point-of-sale data, and Defra WTT and TTW emission factors for freight.

Category 10: Processing of sold products
Nordic products are electronic components that are assembled by our customers as part of their end products. Nordic has several hundred customers, and there are large differences in our customers' production processes (their production line size, efficiency, location, end product design, other components and materials in design, and potential end product programming and testing). Nordic does not have insight into these production processes, and there are currently no available industry data or models for calculating such emissions directly from our product categories. The estimated emissions provided for category 10 are rough and made according to the article "Comparing Embodied Greenhouse Gas Emissions of Modern Computing and Electronics Products" (from [acs.org](https://www.acs.org)). By averaging out emissions per weight of electronics as listed in this article, we can extrapolate the total emissions of all Nordic's products sold within a specific timeframe.

Category 11: Use of sold products
Emissions in this category include total expected lifetime emissions from the use of Nordic products incorporated into customers' end products. To calculate GHG emissions of sold Nordic products, we have used data on the number of Nordic products produced per year and power consumption in normal operation, assuming the customer end product will be powered on 100% during its lifetime of 5 years and operating within a realistic duty cycle. Emissions are calculated using the direct use-phase emissions method by GHG Protocol and global emission factors obtained from IEA. This Scope 3 category represents a relevant part of Nordic's GHG inventory (3.3% in 2024).

Category 12: End-of-life treatment of sold products
This category includes total expected end-of-life emissions from Nordic products sold annually, based on the assumption that all Nordic products sold are eventually recycled. Nordic does not have visibility into consumers' waste disposal behavior. We have estimated that from the units sold and eventually scrapped annually, equal parts of the units produced will be recycled, incinerated, or sent to landfills. Emissions are calculated using a waste-type-specific method by GHG Protocol and WEEE emission factors from the Climatiq database. The estimated emissions from this category represent a very small part of Nordic's GHG inventory (less than 0.1% in 2024).

Category 13: Downstream leased assets
This category is not applicable. Nordic does not have any downstream leased assets or own any assets (e.g., factories, vehicles, or office spaces) leased to other entities. Hence, there are no relevant emissions for this category.

Category 14: Franchises
This category is not applicable. Nordic does not have franchise operations.

Category 15: Investments
This category is not applicable. Nordic is not an investor company.

EI-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
For this disclosure requirement, we have chosen a phase-in option for this year's reporting. We will begin reporting from next year.



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

87

TCFD disclosure

Nordic has established a systematic approach to identifying climate risks, including potential future costs and new opportunities. The Group's climate risk and GHG emissions management follow the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

Transition risks and opportunities related to the transition to a low-carbon economy		
Risks	Opportunities	
Policy and legal	Resource/Product energy efficiency	
Financial risks from customer GHG expectations: Nordic faces financial risks related to customer expectations and regulatory requirements concerning GHG reductions. If Nordic's products and supply chain fail to meet customer demands for reduced GHG emissions or renewable energy sourcing, the company may face loss of business or strained relationships with key customers. Additionally, failure to meet renewable energy-related contractual requirements with customers could result in increased costs from carbon taxes, reduced access to capital, and reputational damage. Nordic's ability to manage these expectations is critical to maintaining market share and customer trust. Climate-related customer and regulatory risks are identified and assessed, and risk-mitigating activities are defined through Nordic's ERW process.	Nordic strives to make its products more intelligent and efficient while continuously targeting the power consumption of products. Through low-power Internet of Things (IoT) solutions, an opportunity to contribute to solutions for energy efficiency and energy management, customers and increase demand for its products. These present an opportunity to capture market's demand for lower energy consumption in end-user devices and expand the capabilities of our IoT solutions.	
	Opportunities in climate-resilient products: Nordic has the opportunity to develop and market products and services that support efforts to adapt to climate change impacts. This could include climate-resilient technologies such as smart sensors, cellular IoT and energy harvesting, and infrastructure designed to withstand weather or changing environmental conditions. Such innovation helps businesses prepare for risks, strengthen customer relationships, and open new revenue streams. As the importance of resilience, demand for such solutions is expected to grow.	

NORDIC SEMICONDUCTOR ANNUAL REPORT 2024		
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	<
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	
06	Audit opinion letter	
07	Appendices	>
88		

Transition risks and opportunities related to the transition to a low-carbon economy		
Risks	Opportunities	
Technology	Energy source	
As a fables company with outsourced production, the ability to adapt, invest, and support new energy-saving/GHG emissions reduction technologies lies with our manufacturing suppliers. Nordic's business model is not impacted by technological shifts towards a low-carbon economy, which allows us to take advantage of these advancements without carrying the risks ourselves. Market Semiconductor manufacturing consumes a significant amount of energy. The markets indicate the increased cost of energy alongside growing demand for products with a low carbon footprint. Nordic has taken actions to lower its carbon footprint by purchasing renewable energy verified by Guarantees of Origin (GOO), International Renewable Energy Certificates (I-REC), Taiwan Renewable Energy Certificates (T-REC), Renewable Energy Guarantees of Origin certificates (REGO), and Renewable Gas Guarantees of Origin certificates (RGGO). In 2024, Nordic's science-based GHG emission targets were approved by the Science Based Targets initiative (SBTi). As part of Nordic's long-term strategy and to minimize the risk of losing market share, the SBTi targets aim to achieve net-zero emissions by 2050. Reputation Taking environmental and climate change effects into account is crucial for our brand recognition. Poor performance or increased concern/negative feedback regarding climate change and GHG emissions could harm our brand value and lead to loss of customers due to changing preferences and expectations towards climate change. Nordic's strategy involves engaging and maintaining close relationships with suppliers, conducting annual carbon accounting, regularly reviewing operations, implementing GHG reduction initiatives, and being transparent in reporting.	Nordic is working to increase the use of renewable energy and reduce GHG emissions in its production. In our European offices, most of the energy comes from renewable sources. More than 50% of our employees work in energy-efficient buildings with green-building certifications like BREEAM. Outsourced manufacturing partners are focused on implementing new energy-saving measures to increase energy efficiency and use of renewable energy in the production process.	
Physical risks related to climate change	Resilience	
Acute risks (event-driven)		
Acute physical events from climate change could affect our manufacturing suppliers, especially those located in Southeast Asia, where tropical cyclones and floods have the potential to damage production facilities and infrastructure. Such events are likely to impact suppliers' production capacity and our delivery capability in the short-to-medium term and potentially have a negative effect on Nordic's revenue. Chronic risks (long-term shifts in climate patterns) Long-term changes and extreme variability in climate patterns, as well as events like droughts and floods, can potentially impact accessibility to clean water and affect Nordic's manufacturing suppliers and their production capacity. Such events potentially impact our ability to deliver products to our customers and lead to reduced/delayed revenue. We have already experienced incidents of water rationing within some of the countries in which our manufacturing suppliers operate.	Nordic has established a short to medium-term strategy for reducing the risk of supply chain disruption caused by natural disasters. These are addressed in Nordic's enterprise risk assessment and continuity plans. In the short term, we maintain a reserve of wafers and finished product under extreme weather conditions and address any temporary shortage. For medium-term mitigation, Nordic uses a dual-sourcing strategy to protect against widespread supply chain disruption. In the long-term risk mitigation, our key manufacturing partners have their own business continuity plans to reduce such chronic risks.	

 ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
	Our group
	Financial
	Risk management
	Sustainability statement
	Environment
	Social
	Governance
	Outlook
	Concluding remarks
04	Financial statements
05	Responsibility statement
06	Audit opinion letter
07	Appendices
89	

E2

Pollution

Impacts, risks, and opportunities

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

	Location in Value chain				Time horizon		
	Upstream	Own operations	Downstream		Short-term	Medium-term	Long-term
Air emissions in the production process	●				●	●	●
Hazardous substances in products			●		●	●	●
Air pollution from the transportation of products			●		●	●	●

In its own operations, Nordic uses small amounts of laboratory chemicals, the majority of which are recycled. The small remaining amount does not produce significant pollutants that could impact air, water, or soil quality. While pollution presents minimal risk to the company's direct operations, it is primarily associated with the activities at our manufacturing suppliers' sites and downstream transportation.

Through our double materiality assessment, we have identified the following material impacts, risks, and opportunities related to pollution:

Air emissions in the production process
In the semiconductor manufacturing process, air pollution is generated, particularly through the emission of volatile organic compounds (VOCs) during wafer processing. This impact is connected to our fabless business model and manufacturing value chain. While the scale of air emissions is moderate, suppliers are actively working to reduce and control emissions by

adopting new technologies. Our strategic response involves supplier collaboration and technology adoption decisions. However, due to the inherent nature of semiconductor manufacturing, completely eliminating these emissions remains challenging.

Hazardous substances in products
Certain hazardous substances, such as NMP, PFAS, boron oxide, and lead oxide, are used in manufacturing processes and present in Nordic products. This impact is directly linked to our product design decisions and manufacturing processes. Toxic characteristics of the substances pose potential risks to health and the environment, including pollution and harm to living organisms. While the quantities of these substances in products are relatively small, their characteristics, such as bioaccumulation and persistence, can lead to significant long-term health and environmental consequences. Our business model's resilience depends on actively managing these substances through our product development strategy.

Air pollution from the transportation of products
The use of fossil fuels in the downstream transport of Nordic products generates harmful pollutants, including NOx, SO2, ozone, and particulate matter. This impact connects to our distribution model and value chain structure. While the company's products are relatively lightweight, they are primarily transported by air, which contributes to air pollution. These emissions are somewhat limited due to the lightweight nature of the products, but transportation remains a source of pollution in the value chain, both in the short and long term, due to ongoing reliance on air transport. The transportation of Nordic products down the value chain is managed by our distributors and customer logistics. Nordic has no direct control. This aspect of the model requires strategic consideration of distribution partnerships and logistics optimization.

Impact, risk, and opportunities management

E2-1 Policies related to pollution
Nordic's Environmental Impact Reduction Policy addresses our identified material impacts, including air emissions in the production process, hazardous substances in products, and air pollution from the transportation of products, as described under ESRS 2 SBM-3 for each pollution-related material. The policy outlines the company's commitment to environmental protection and pollution prevention. The policy sets requirements for identifying, controlling, and monitoring pollution sources in Nordic's operations, as well as adopting measures to prevent air, water, and soil pollution. The policy encourages waste reduction and promotes recycling, aiming to minimize the use of substances and replace substances with less concerning alternatives by promoting the adoption of sustainable technologies where technically and economically feasible. The policy mandates Nordic to ensure compliance with applicable requirements and

 NORDIC SEMICONDUCTOR	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
		90

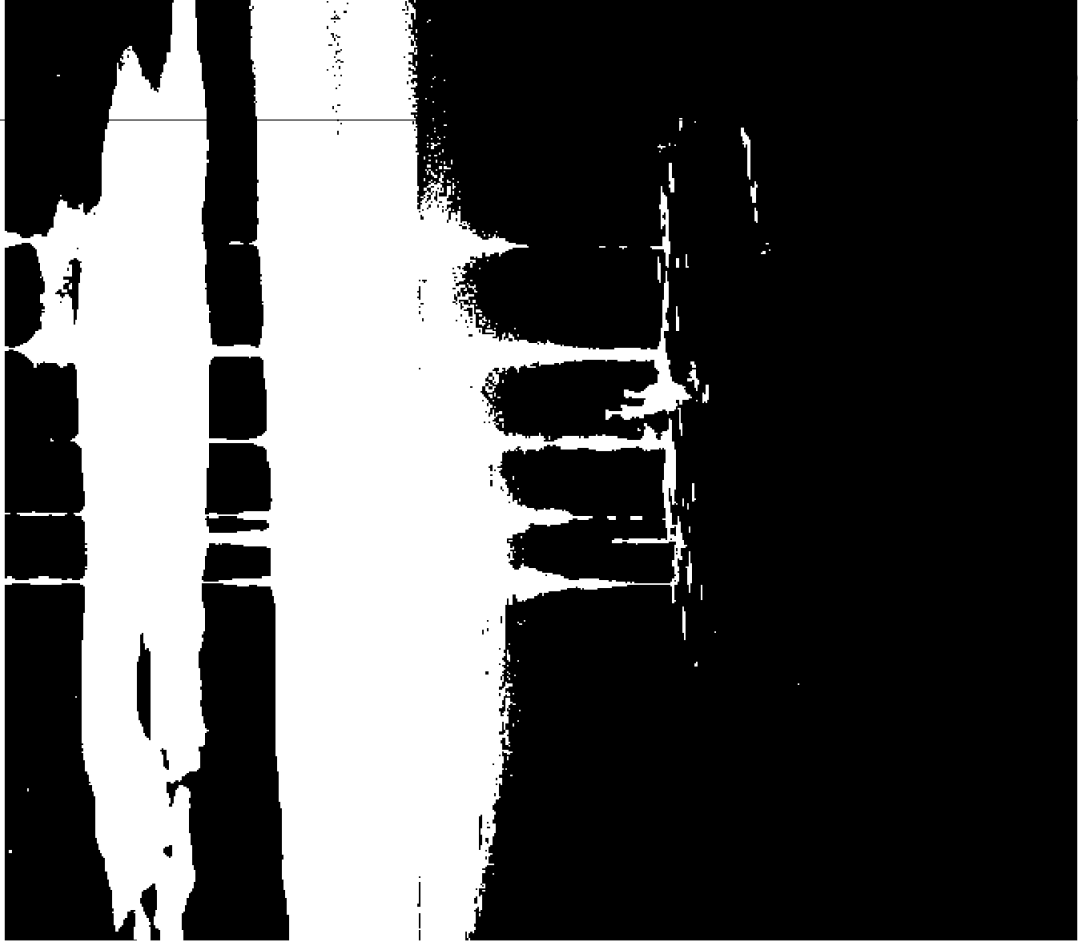
commitments. In accordance with the policy, Nordic shall ensure that suppliers meet its standards for pollution prevention, as well as report and handle protocols for pollution incidents and emergency situations.

The implementation of Nordic's Environmental Impact Reduction policy falls under the accountability of the Chief Executive Officer. The policy adheres to internationally recognized standards, such as ISO 14001 for environmental management. In formulating the policy, we have considered the interests of key stakeholders, including regulatory bodies, customers, and suppliers. Our policy development has been informed by direct engagement sessions with stakeholders and feedback mechanisms, including surveys. The policy is available to all employees and stakeholders through our company website, intranet platforms, and distributed internal communications. Training programs and regular updates ensure continuous awareness and understanding among employees, with a focus on the roles with interfaces to our suppliers.

E2-2 Actions and resources related to pollution

During 2024, Nordic has implemented several actions to address pollution-related impacts. We have strengthened our environmental questionnaire to better assess pollution of air, water, and soil, as well as the use of substances of concern and substances of very high concern in manufacturing operations. This updated questionnaire has been systematically distributed to all our manufacturing suppliers. It enables us to evaluate the environmental impact of supplier operations and ensure they are adhering to the latest environmental standards.

Global environmental regulations, industry standards, and customer requirements impose restrictions on substances deemed hazardous to the environment. To uphold our standards for the use of hazardous substances and pollution prevention, manufacturing suppliers are required to sign and adhere to a declaration confirming their compliance with the requirements outlined in the Hazardous Substances



	ANNUAL REPORT 2024	
01	Message from the CEO	
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	
06	Audit opinion letter	
07	Appendices	>
91		

Specification for Suppliers. This specification outlines requirements for substances such as volatile organic compounds (VOC), ozone-depleting substances (ODC), and substances of very high concern (SVHC). The specification is regularly reviewed and updated to ensure alignment with applicable requirements.

We continuously test our products to ensure the absence of hazardous substances. Each of our products is tested for all restricted and banned substances. Material composition of Nordic products is confirmed through independent third-party testing. Material composition reports, and hazardous substance testing certificates for all products are available on the company website (<https://docs.nordicsemi.com/>).

In 2024, we also continued our program for qualifying PFAS-free material. In recent years, Per- and polyfluoroalkyl substances (PFAS) have been subject to increasing regulatory restrictions worldwide. Due to their strong carbon-fluorine bonds, PFAS are extremely persistent in the environment and often called "forever chemicals." PFAS are currently used in Nordic products delivered as CSP packages. In response to increasing concerns and restrictions, Nordic is qualifying PFAS-free material for the existing and future CSP product portfolio.

Addressing air pollution from the transportation of products, we have undertaken a comprehensive mapping of our distributor partners.

The implementation of these actions is integrated into our operational framework and managed with resources allocated from our Quality and Supply Chain departments and Compliance unit. In 2025, we will continue implementing these actions and our efforts to strengthen our collaboration with suppliers and enhance our visibility into their plans and ongoing pollution prevention initiatives. These actions are not anticipated to require significant operational (OpEx) or capital (CapEx) expenditures.

Metrics and targets
E2-3 Targets related to pollution
PFAS-free material qualification
PFAS-free material refers to substances that do not contain per- and polyfluoroalkyl substances. PFAS are banned in all materials used in Nordic products in accordance with customer-specific requirements.

Our PFAS-free material qualification target covers all CSP products in Nordic's product portfolio. The target supports our efforts to ban PFAS use and minimize their potential release and accumulation in air, water, and soil. It aligns with our policy objectives for pollution prevention, as well as our overarching strategy to reduce and manage hazardous substances in our products and the manufacturing thereof.

The target aligns with anticipated future regulations to restrict the use of PFAS and reinforces our commitment to ensuring compliance with evolving regulatory standards and customer requirements, as well as advancing our efforts to minimize environmental and health risks. The methodology for achieving this target involves identifying all existing CSP products containing PFAS and qualifying PFAS-free alternatives for the products. Collaboration with our manufacturing suppliers is key to ensuring the effective transition away from PFAS materials. Nordic is working in close collaboration with its manufacturing suppliers to drive progress towards the PFAS reduction target.

A qualification program for PFAS-free material was started in 2023. Replacing PFAS with safer and more sustainable alternatives is progressively being incorporated into the production processes; by the end of 2025, we aim for 90% of our CSP products to be qualified as PFAS-free.

In setting our target, we have considered interests from regulatory and customer perspectives, involving key stakeholders from our Quality and Supply Chain departments to ensure the target is achievable and aligns with operational capabilities. The target has been approved by the Executive Management Team.

Air emissions in the production process
As a fabless semiconductor company, Nordic does not have direct control over air emissions generated in the manufacturing processes. While we do not set any targets for air emissions in the production process, we collaborate with the suppliers to ensure that they meet our pollution prevention standards and implement appropriate measures to control air emissions.

Air pollution from the transportation of products
Regarding air pollution generated in the transportation of Nordic's products, we have not established specific targets. These operations are managed by our distributors, and we do not have direct control over them. However, through the complete effectiveness of our policy and actions related to air pollution.

E2-5 Substances of concern and very high concern
The semiconductor manufacturing process involves several substances of concern, including high toxicity substances that the inherent toxicity of these substances presents potential risks to both human health and the environment, with the possibility of causing substantial and enduring adverse effects. To address these risks, Nordic has integrated controls into its design and manufacturing processes to ensure adherence to environmental regulatory standards, such as RoHS, REACH, and the Organic Pollutants (POP) Regulation.

Nordic is dedicated to conducting its operations in a way that prioritizes the protection of human health, safeguards ecosystems, and actively promotes environmental sustainability. Through the implementation of its environmental policy and focus on pollution prevention, the Group is committed to systematically identifying, assessing, and addressing pollution sources, as well as ensuring that all operations align with wider sustainability and environmental related regulations.

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>

Nordic has identified substances of concern and very high concern based on the criteria outlined in Articles 57 and 59 (1) of the REACH Regulation, as well as the hazard classification specified in Part 3 of Annex VI of the CLP Regulation. The presence of these substances in Nordic products is identified through supplier disclosures. The metrics presented below for the substances have not been validated by external bodies other than our assurance provider.

Substance group	Hazard class	Total weight in Nordic products 2024 (g)
Substances of concern	Carcinogenicity, categories 1 and 2	1663.23
	Germ cell mutagenicity category 2	993.90
	Reproductive toxicity category 1	993.90
	Respiratory sensitization category 1	993.90
	Skin sensitization category 1	1645.47
	Chronic hazard to the aquatic environment categories 1 to 4	8236.12
	Specific target organ toxicity - repeated exposure categories 1 and 2	651.57
Substances of very high concern	Carcinogenicity categories 1 and 2	16190.85
	Reproductive toxicity category 1	16391.97
	Persistent, Bioaccumulative, and Toxic (PBT) Endocrine disruption for human health	16190.85

Summary of Substances of Concern and Substances of Very High Concern in Nordic's IC products in 2024

 NORDIC SEMICONDUCTOR ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
	Our group
	Financial
	Risk management
	Sustainability statement
	Environment
	Social
	Governance
	Outlook
	Concluding remarks
04	Financial statements
05	Responsibility statement
06	Audit opinion letter
07	Appendices
93	

 **E3**

Water and Marine Resources

Impacts, risks, and opportunities

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

	Location in Value chain				Time horizon		
	Upstream	Own operations	Downstream		Short-term	Medium-term	Long-term
High water consumption in semiconductor production	●					●	●

Nordic's own water consumption is deemed not material due to the Group's fabless structure and low water consumption volumes.

As a fabless semiconductor producer, it is important to recognize the negative impact our outsourced manufacturing has on water resources. This impact is inherent to our fabless business model and value chain structure. In semiconductor manufacturing processes, water is a fundamental material necessary for surface cleaning, cooling, and mechanical operations such as dicing and sawing. With significant volumes of water used in these processes and the risk of water shortage and water pollution, it is important for Nordic to ensure suppliers have measures in place to manage their water consumption and wastewater treatment, as well as maintain contingency measures for potential shortage incidents. Our strategic response focuses on supplier engagement and risk management, demonstrating our business model's adaptability to water-related challenges in our manufacturing value chain.

No material IRO has been identified addressing marine life. Hence, the following sections of this chapter will only address water aspects.

Impact, risk, and opportunity management

E3-1 Policies related to water resources

Nordic's Environmental Impact Reduction policy includes provisions for water, including all geographies in which we operate. The Chief Executive Officer is accountable for the implementation of the policy. The Environmental Impact Reduction policy adheres to internationally recognized standards such as ISO 14001 for environmental management.

Our Environmental Impact Reduction policy covers water consumption, reuse and recycling, wastewater treatment, and pollution prevention in our suppliers' operations. The policy's general objectives are to work proactively to reduce any negative impact on the environment and incur no loss of business or profitability due to incidents or issues related to disturbance to health or the environment.

In formulating the policy, we have considered the interests of key stakeholders, including regulatory bodies, customers, and suppliers. Direct engagement sessions with stakeholders and feedback mechanisms, such as surveys, have informed our policy development.

Our Environmental Impact Reduction policy is accessible to all employees and stakeholders through our company website, internal communication platforms, and distributed internal communication programs and regular updates ensure continuous awareness and understanding among employees, with a focus on the roles with the most significant impact on our suppliers.

E3-2 Actions and resources related to water

In line with our Environmental Impact Reduction policy, Nordic has focused in 2024 on monitoring water consumption in the value chain. Water consumption data are regularly reported by our subcontractors. Risk assessments of risks, and controls to mitigate them, are carried out as part of our planning. Risk assessments are carried out for external resources such as WWF Water Risk Filter. The implementation of the action plan related to water resources does not require significant operational expenditures (OpEx) and/or capital expenditures (CapEx).

Key actions and expected outcomes

The main action in 2024 has been to establish systematic monitoring of water withdrawal, treatment, and discharge for our outsourced manufacturing. Most of Nordic's outsourced manufacturing takes place in Southeast Asia, which is at a high physical water risk per WWF. This monitoring is to provide us with:

- Reliable and quantifiable data about our production processes' water usage
- Insight into suppliers' potential water pollution risks
- Enhanced ability to identify and assess water risks, particularly in water-stressed regions
- Better understanding of required contingency plans for facilities in medium to high-water-risk regions

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

94

Scope and stakeholder involvement

Water management and contingency plans have been addressed with key suppliers directly and with all tier-1 subcontractors through the distribution of an environmental survey. These stakeholders are located in countries such as the Philippines, Taiwan, Germany, China, Singapore, Poland, and Malaysia.

Progress disclosure

Our ambition is to have updated quantitative data from all our manufacturing subcontractors in line with the defined IRO and our policy on water to establish a baseline for future target setting. Of the 13 companies approached for water reporting in 2024, 11 have replied. Of these responses, 3 suppliers have not been able to provide quantitative data for water consumption tied to Nordic's production.

Time horizons

We anticipate the continuation of water consumption monitoring within our supply chain for the coming year, enabling us to set realistic and achievable goals and make informed decisions based on risks. Our engagement with our subcontractors for water conservation and contingency is ongoing and will continue in the long term, especially for areas of high water stress.

Metrics and targets

E3-3 Targets related to water resources

Nordic is applying the transitional provisions as allowed under ESRs E3 for metrics related to our value chain water consumption. We have not yet set specific targets, as we are establishing baseline measurements and engaging with suppliers to develop appropriate metrics. While we develop these targets, we are tracking effectiveness through our supplier engagement process—in 2024, out of 13 companies approached, 11

replied, with 8 providing quantitative water data. This 2024 data will serve as our base data. We aim to implement comprehensive target focusing on supplier engagement and water management, including supplier emergency plans. We will work with Position Green in 2025 to develop these metrics and targets.

Our company will continue monitoring and water usage throughout our value chain as we approach setting these targets.

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01		Message from the CEO	>
02		Nordic at a glance	>
03		Report from the Board of Directors	>
04		Our group	>
05		Financial	>
06		Risk management	>
07		Sustainability statement	>
08		Environment	>
09		Social	>
10		Governance	>
11		Outlook	>
12		Concluding remarks	>
13		Financial statements	>
14		Responsibility statement	>
15		Audit opinion letter	>
16		Appendices	>



E5

Resource use and circular economy

Impacts, risks, and opportunities

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

	Location in Value chain				Time horizon		
	Upstream	Own operations	Downstream		Short-term	Medium-term	Long-term
Raw material extraction				Actual negative impact			
Packing materials contribute to resource depletion				Actual negative impact			
Waste from packing material				Actual negative impact			
Waste from production				Actual negative impact			
E-waste from end-user disposal				Potential negative impact			

Raw material extraction

The manufacturing of integrated circuits relies on raw materials, including metals, silicon, and rare earth minerals. This dependency is fundamental to our business model and product strategy. These materials are often extracted through global mining operations, contributing to resource depletion and environmental degradation. Moreover, incorporating recycled materials into production is difficult due to the strict purity standards required for semiconductor manufacturing, which further deepens the reliance on virgin resources and accelerates the depletion of finite materials, such as rare metals. This challenge requires long-term strategic planning in our value chain material sourcing.

Packing materials contribute to resource depletion

In Nordic's own operations and value chain, plastic and cardboard are the primary materials used for packing and shipping products. This impact connects directly to our distribution model and operational practices. Although a large portion of the packing material is made from recycled or recyclable resources, the overall demand for packing still contributes to the depletion of natural resources. A considerable amount of these materials is sourced globally, including regions like Asia, where resource extraction and production are more resource-intensive. Our business strategy includes ongoing evaluation of packaging alternatives and supplier locations.

Waste from packing material
The handling of waste from packing material by Nordic's direct customers and distributors has the potential to cause environmental impacts. Improper waste management, such as incineration, may lead to the release of pollutants. While some recycling efforts are in place, the overall effectiveness of waste management remains inconsistent, and the continued use of packing materials is a challenge. Our strategy focuses on improving packaging design and management practices.

Waste from production

During the semiconductor manufacturing process, waste is generated from material and component usage. This impact is inherent to our business model and manufacturing partnerships. The production of high-performance products, which includes offcuts and defective products, requires manufacturing suppliers manage through recycling processes. Nevertheless, the production of high-performance products still contributes to the overall environmental impact of our operations. Our business resilience strategy includes continuous improvement in manufacturing waste reduction.

E-waste from end-user disposal

Nordic's components are assembled into finished products by downstream customers. This impact connects to our position in the electronics value chain and product lifecycle. The improper disposal of electronic waste (e-waste) by end-users or customers can lead to hazardous chemical releases into the environment, contamination of soil and water resources, and the release of hazardous substances, including heavy metals, into landfills. Nordic provides information on proper e-waste handling through product data sheets.

 NORDIC SEMICONDUCTOR		ANNUAL REPORT 2024	
01	Message from the CEO	>	
02	Nordic at a glance	>	
03	Report from the Board of Directors	>	
	Our group		
	Financial		
	Risk management		
	Sustainability statement		
	Environment		
	Social		
	Governance		
	Outlook		
	Concluding remarks		
04	Financial statements	>	
05	Responsibility statement	>	
06	Audit opinion letter	>	
07	Appendices	>	
96			

the actual waste management lies with the customers and end-users. Our strategic response includes product design considerations and end-user education initiatives.

Impact, risk, and opportunity management

E5-1 Policies related to resource use and circular economy

Nordic has implemented an Environmental Impact Reduction policy that provides a framework for promoting sustainable resource use and fostering circular economy principles across the company's own operations and manufacturing suppliers. The policy addresses all the material IROs as listed in E5-ESRS 2 SBM-3.

The policy outlines requirements to explore and adopt innovative solutions for reducing dependence on virgin resources, prioritizing the procurement of sustainable and responsibly sourced materials, and integrating recycled and recyclable materials into product designs and packaging where relevant. The policy further reinforces the company's commitment to waste reduction by promoting practices that minimize waste in production processes and ensure responsible recycling of products.

For details on the implementation responsibility of the Environmental Impact Reduction policy, standards committed through the policy, interest of stakeholders in setting the policy, and availability of the policy, please refer to E2-1 Policies related to pollution.

E5-2 Actions and resources in relation to resource use and circular economy

Waste management in production
As a fabless semiconductor company, it is important for Nordic to ensure that manufacturing suppliers handle waste from production responsibly. Effective waste management practices at suppliers' sites are essential for minimizing waste and addressing potential waste-related risks in the upstream value chain.

Nordic is continuously working with its manufacturing suppliers to minimize waste from production and ensure

waste is sorted and recycled in accordance with local waste legislation. In 2024, we have gathered production waste-related data to get a better understanding of waste generated in the outsourced production, as well as more insight into suppliers' waste handling process.

This action was implemented in 2024 as part of our annual environmental survey with our manufacturing suppliers, using resources allocated through our Quality and Supply Chain departments. We will continue this action in 2025 to ensure good waste management practices at suppliers' sites. Implementing this action does not require significant operational (OpEx) and/or capital (CapEx) expenditures.

Recycled plastic material for Nordic products packaging
In collaboration with assembly suppliers in our upstream value chain, Nordic initiated a plastic reduction program in 2021, aiming to conserve natural resources and reduce the use of virgin plastic material in device packing,

thereby preventing waste generation by decreasing the reliance on virgin plastic resources. Within this program, assembly suppliers have gradually shifted to using recycled plastic component reels for packing Nordic's devices. The first reels made of recycled plastic were qualified and introduced for our devices in 2022. Since 2022, the plastic reduction program has been an ongoing activity in our operations, with the resources allocated from our Quality and Supply Chain departments. In 2024, we continued the program with our assembly suppliers to further increase the use of recycled plastic in packaging. This action does not require significant operational (OpEx) and/or capital (CapEx) expenditures.

Some of our customers still require devices to be packed in trays for which no recycled plastic version is available. This impedes us from using recycled plastic for a bigger portion of our production volumes.

Material IROs related to resource use and circular economy for which Nordic has not adopted actions

Raw material extraction in the upstream value chain
As a fabless semiconductor company, Nordic does not purchase raw materials directly from mining companies and has no influence on mining operations. Being

part of the indirect procurement of manufacturing suppliers, Nordic has not established any action to reduce material impact.

Waste from packing material in the downstream chain

Nordic has not set any actions for this material IRO due to the fact that the Group does not have direct influence over how its distributors and handle waste from packing materials.

E-waste from end-user disposal

As described under E5-ESRS 2 SBM-3 for the upstream value chain, customers are encouraged through product data sheets to handle waste properly, ensuring responsibility for actual waste disposal lies with customers, and we have no means to verify this.

Metrics and targets

E5-3 Targets related to resource use and circular economy

Nordic has not set any measurable targets for resource use and circular economy. This need for a framework to ensure that any established metrics are meaningful, measurable, and achievable in clear timeframes.

Waste management at our manufacturing sites is material; however, due to being an outsourced manufacturer, we do not have direct control, we have not set any targets for waste management. By regularly monitoring and reporting waste data collected from our suppliers, we can assess the effectiveness of our policy and action in reducing waste as a baseline year.

Aligned with our Environmental Impact Reduction policy and commitment to reducing reliance on virgin plastic resources, we focus on using recycled plastic for device packaging (see Recycling plastic for device packaging) as described in E5-ESRS 2 SBM-3. Nordic products packaging is designed to be reusable and evaluated progress in recycled plastic usage through the share of containers made from recycled plastic well as the total volume of recycled plastic production, with 2021 as the baseline year.

NORDIC
SEMICONDUCTOR

ANNUAL REPORT
2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the
Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

97

E5-4 Resource inflows

In the semiconductor manufacturing process, the primary raw materials used include silicon and a range of essential metals, such as aluminum, copper, tin, and silver. These raw materials are integral to the creation and functionality of semiconductor devices. The manufacture of wafers for Nordic products involves trace amounts of rare earth elements, however, these are not contained in the final products.

During 2024, the manufacturing of Nordic products encompassed approximately 32 tons of material, including all materials, substances, and components used in the products. This metric is based on product material composition reports, which provide accurate product weight data and Nordic's internal production records for 2024.

Semiconductor production requires materials of high purity to meet the high demands of nanometer-scale technology nodes. Therefore, recycled materials are not suitable for Nordic products. Biological materials are not used in the production of Nordic products or packaging.

By the end of 2024, the share of device containers made from recycled plastic was 46%. The total weight of plastic used for device containers in 2024 was 39,019 kg, of which 16,444 kg (42%) was recycled plastic. Recycled plastics usage data is tracked and verified through supplier documentation. The methodology involves cross-referencing supplier-provided data on recycled materials with Nordic's internal procurement records to ensure accuracy and consistency.

For Nordic's development kits, the packaging is made of Forest Stewardship Council (FSC) certified, recyclable cardboard. FSC certification for the packaging material ensures that the cardboard is sourced from responsibly managed forests.

In the semiconductor manufacturing process, significant volumes of water are used. For detailed information on water resources in outsourced manufacturing, please refer to Chapter E3: Water and Marine resources.

Year	Total weight of plastic used in containers (tonnes)	Weight of recycled plastic used in containers (tonnes)	Weight percentage of recycled plastic used in containers (%)
2021	100	0	0%
2022	100	8	8%
2023	100	33	33%
2024	100	42	42%

Plastic weight in device containers

The metrics related to our resource inflows have not been validated by external bodies other than the assurance provider.

E5-5 Resource outflows

Our commitment to advancing the circular economy is embodied in our resource outflow strategy, which emphasizes responsible waste management practices and the integration of circular principles into product design.

Circular product design

Supporting technology nodes at the nanometer scale requires materials to meet high purity standards, which makes recycled materials unsuitable for the manufacturing process. However, the metals contained in the components are recyclable and can be effectively recovered and repurposed through appropriate processing methods. For example, aluminum can be reused in automotive parts and copper in electrical components. The average recyclable content of Nordic's products is 52% for QFN components and 23% for CSP components, based on the metal's weight relative to the total material weight as specified in the product material composition reports.

Nordic's products are designed with an emphasis on reliability (durability and long-lasting performance) with a minimum expected operational lifespan of 10 years. The lifespan is based on 1000 hour Temperature Operating Life (TOL) test, with an acceleration factor (Arrhenius equation) 78.6, using 0.7 °C energy and 55 °C use temperature. Nordic products are ultra-low power solutions, meaning operating voltages and currents are very low. Our product development and reliability testing aligns with the industry baseline (JEDEC). However, the average for semiconductor durability are not available for direct comparison. While Nordic products are not designed for repair, the ability to provide firmware updates over the air allows Nordic to remain functional and up-to-date without remanufacturing, further enhancing their lifecycle supporting sustainable practices by minimizing and resource consumption.

Our circular product design not only prioritizes product itself but also extends to include sustainable practices in product packaging. By using recycled plastic, we can enhance circular principles and reduce reliance on virgin plastic packaging materials. Reels are made of 100% recycled material and further promoting and enhancing material and sustainable practices. In addition, packaging development kits is made of 100% recyclable certified cardboard.

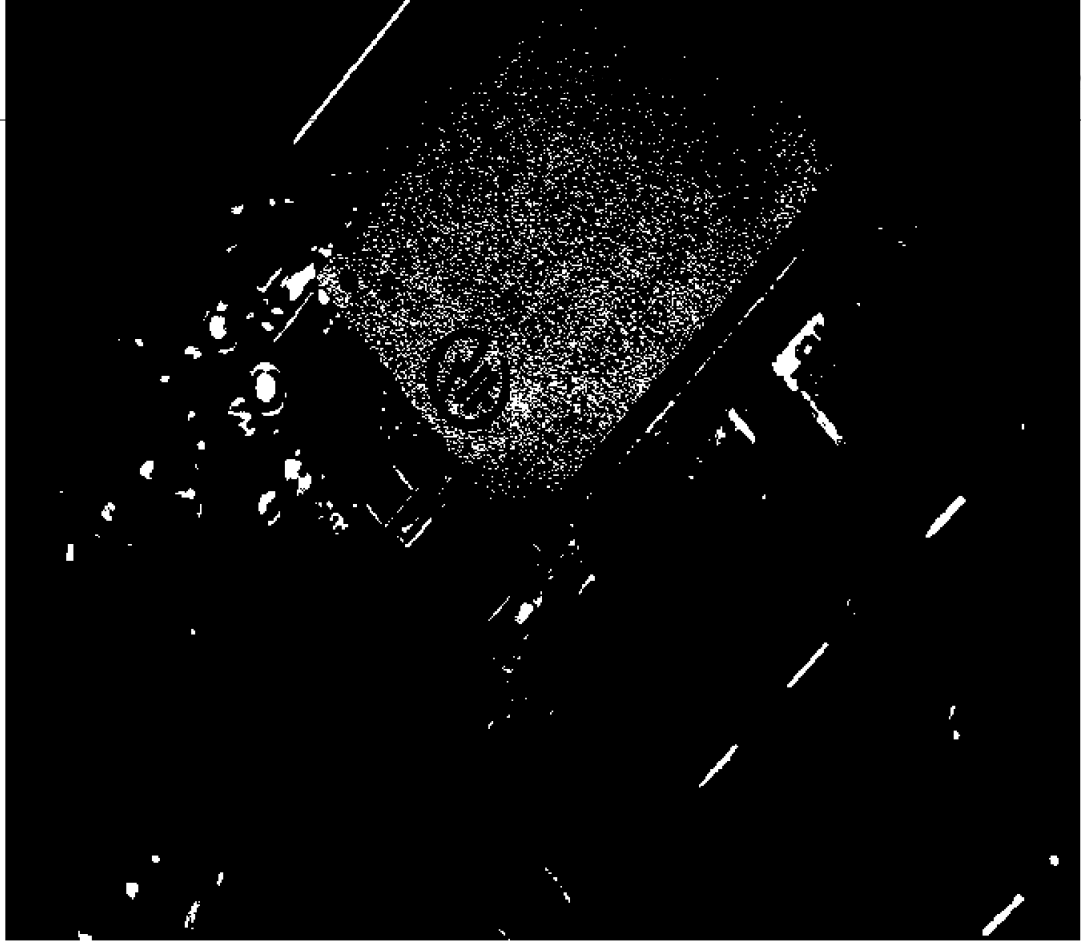
The metrics related to our resource outflows have not been validated by external bodies other than the assurance provider.

Waste reduction and management strategy
Nordic collaborates continuously with suppliers to enhance production yields, reduce material waste, ensure that waste generated at their production facilities is properly sorted and recycled in compliance with applicable waste management regulations. To support effective waste management practices, Nordic qualifies all manufacturing partners and mandates that they obtain ISO 14001 certification as a standard for environmental management.

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 118 av 216



While Nordic products cannot be reused after assembly, they can still contribute to resource conservation and waste reduction through recycling efforts. Recycling enables the recovery of valuable metals and minerals, promoting the principles of a circular economy.

Nordic components are supplied to customers (electronics manufacturers) who integrate them into end products that are then sold to end-users globally. Nordic does not have visibility or control over the disposal of its products at the end of their lifecycle. To support responsible waste management, guidelines for proper disposal are included in product data sheets.

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>

01 Message from the CEO

02 Nordic at a glance

03 Report from the
Board of Directors

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04 Financial statements

05 Responsibility statement

06 Audit opinion letter

07 Appendices

EU taxonomy

Introduction

The EU taxonomy is a classification system designed to assist companies and investors in identifying environmentally sustainable economic activities, thereby facilitating sustainable investment decisions. These activities should make a substantial contribution to at least one of the EU's climate and environmental objectives while not significantly harming any of these objectives and adhering to minimum safeguards.

Nordic's primary role is in making things smarter. Smarter things pave the way for endless possibilities in addressing current environmental challenges. Nordic believes that an important part of the solution is connecting with the resources around us, thereby enabling smarter decision-making. Whether it's to prevent waste, monitor and mitigate floods or other hazards, track health parameters, or other critical data points, smarter decisions can lead to a better environment, enhanced security, and improved quality of life.

The EU taxonomy is a standard currently under development. Future iterations are expected. The current scope of the standard does not include any activities that encompass Nordic's profile as a facilitator of smarter solutions to tackle environmental challenges through informed decisions. Consequently, the activities identified for reporting represent just a fraction of Nordic's business. Two activities have been assessed as taxonomy eligible. The two identified activities are number 7.7 - Acquisition and ownership of buildings, and number 8.1 - Data processing, hosting and related activities (section 7.7 and 8.1 of the Commission Delegated Regulation (EU) 2021/2139, both considered under "Climate Change Mitigation". No further activities specified in the regulation were found relevant for Nordic activities during the screening. The majority of Nordic's business activities involve designing connectivity chips that enable smart solutions through a variety of



applications. As a chip designer, Nordic has outsourced the production process, meaning that very few activities are maintained in-house related to actual production. Nordic does not have exposure to any nuclear- or fossil fuel-related activities, as shown in the Note on exposure to nuclear and fossil gas-related activities.

Basis of preparation

Nordic is required to adhere to the EU Taxonomy reporting requirements in accordance with Regnskapsloven § 2-3. To this end, the Group has conducted a thorough analysis of its business activities within the taxonomy's environmental objectives. The financial information presented has been prepared in accordance with International Financial Reporting Standards (IFRS) and reflects the economic activities that fall within the scope of the EU taxonomy. Nordic adopted EU taxonomy reporting in 2023. The 2024 assessment was based on the previous assessment. Nordic also performed a screening of the activities relevant to the non-climate environmental objectives, as implemented into Norwegian legislation on the 5th of February 2024.

Reporting

Nordic reports on turnover, capital expenditure, and operating expenses associated with taxonomy-eligible and taxonomy-aligned activities in accordance with regulation (EU) 2020/852. The KPIs set forth in this chapter's tables are based on Annex I of the EU Commission Delegated Regulation 2021/2178 which specifies the methodology to comply with the disclosure obligation of 2020/852. Nordic has aligned its reporting framework to this methodology, which ensures transparency and comparability.

Accounting policy

Right-of-use assets recognized in accordance with IFRS 16 are considered to fall under the scope of the activity "Acquisition and ownership of buildings." Group-specific accounting principles are discussed in Note 14: Leases.

How numbers are determined and allocated to the numerator and the denominator

Nordic has assessed that only certain right-of-use assets qualify as taxonomy-aligned. For activity 7.7, lease contracts are assessed on a per-location basis.

Turnover

The turnover numerator relates to the share of revenue generated by activities associated with taxonomy-aligned activities, as well as other non-taxonomy-related activities, constituting parts of the space in the Leangen (Norway) office. The revenue associated with the above-mentioned activities is covered under this KPI but is equal to 0 in activity 8.1, the turnover relates to sales from services. The denominator constitutes total revenue found in Note 5.

Assessment of regulatory compliance

Information on assessment.

First, the Group assessed whether its activities were eligible under the EU taxonomy. This was done through workshops where a thorough and extensive analysis of activities defined in the Taxonomy was run with departmental representatives. After filtering out non-relevant activities, partially relevant activities were assessed in detail. Through this process, activities within the scope of the climate objectives were identified as taxonomy-eligible.

7.7 Acquisition and ownership of buildings

The identified activity "7.7 Acquisition and management of buildings" under the environmental objective "Climate Change Mitigation" is eligible for taxonomy support. This activity encompasses Nordic's agreements with tenants in order to operate office space, wherein Nordic engages in the value-added activities performed by the office group. Nordic interprets leasing of office space as defined by this activity.

In connection with activity 7.7, the capitalization of new and adjusted lease contracts was assessed on a contract-by-contract basis. In total of 1,024 contracts have been adjusted, extended, or terminated in 2024, resulting in capitalization of those contracts in Trondheim (Leangen), Bristol, and Trondheim (Leangen). Bristol, and Trondheim (Leangen) were further investigated as alignment was not plausible. These contracts are assessed in connection with the criteria for substantial contribution, do harm, and minimum safeguards.

Capital expenditure

The CapEx numerator comprises the proportion of capital expenditure associated with taxonomy-aligned activities. Thus, it represents additions to property, plant, and equipment represented by the gross amount of purchase, development, or lease of such activity.

Contracts assessed and aligned with the standard are included in the numerator of the CapEx KPI. Double counting is avoided as the total CapEx is split into separate contracts, which are assessed on a contract-by-contract basis.

In the denominator, Nordic applies the capitalized value of all eligible and non-eligible activities. The total capitalized value can be found as additions in Note 12: Goodwill and intangible assets, Note 13: Fixed assets, and Note 14: Leases.

Operating expenditure

The OpEx pertains to direct costs that are not capitalized, as found in Note 9: Other operating expenses. For Nordic, the denominator includes software, hardware, rent, property tax, maintenance, equipment rental, and office supplies, as per Annex II of the Disclosure Delegated Act (EU 2021/2178).

The numerator is the share of OpEx related to taxonomy-aligned activities.

Since sustainability is an integral part of Nordic's

strategy, it is considered when leasing office buildings in support of Nordic's core activities. One office location is both taxonomy-eligible and environmentally sustainable. In Trondheim, Leangen, Nordic has leased a newly constructed building with a BREEAM NOR level of Excellent. This ensures a lower primary energy demand (PED) for the performance of core activities. The PED is the total primary energy required to power the building. For Trondheim, this PED is significantly lower than the threshold for Nearly Zero Energy Buildings (NZEBs). An NZEB has very high energy performance and is defined in the Energy Performance of Buildings Directive for the EU. This defines thresholds based on the PED to determine whether a building is in line with the directive. The Leangen (Trondheim) office has a net primary energy demand of 37 kWh/m², which is well within the requirement of Norway's NZEB limits for office buildings (76 kWh/m²/year).

For activity 7.7, Leangan fulfilled the substantial

contribution criteria and is assessed for DNSH, which requires a robust climate risk and vulnerability assessment. All new buildings in Norway must comply with the Norwegian building regulation Tek-17, which dictates a high level of physical and non-physical solutions to reduce the most important physical climate risks. It is also mandated as part of the zoning process to conduct a risk and vulnerability analysis. This analysis covers risks to the Trondheim building over its lifetime. Following this analysis, Nordic has put several measures in place to mitigate the risks facing the asset itself, as well as people in and around the building. Nordic has also chosen sites in already developed areas of the city so as not to disrupt any natural areas. Following this, Nordic assesses that the activity in question is in compliance with Appendix A.

The identified activity “8.1 Data processing, hosting, and related activities” is eligible for taxonomy reporting as it encompasses Nordic’s cloud service, nRF Cloud, which provides data hosting and processing. This platform is integral to supporting IoT applications through efficient connection, management, and monitoring of devices across our products’ entire lifecycle. Currently, our main supplier for data hosting and processing activities does not fall under the scope of companies required to report on the CSRD in this reporting period. The supplier is expected to issue its first annual CSRD reports in early 2026 on FY 2025 data. Thus, since complete data from our main supplier regarding adherence to the taxonomy criteria is currently unavailable, we do not have the information to evaluate this activity as taxonomy-aligned. As we anticipate the expansion of this economic activity in the coming years, we remain committed to closely monitoring and collaborating with our suppliers to ensure future alignment with the EU Taxonomy.

As to activity 8.i, Nordic has not been able to evaluate the substantial contribution to climate change mitigation due to the availability of data with the supplier of this service. Thus, the activity is considered to not be taxonomy-aligned.

Nordic complies with the minimum safeguards through established due diligence processes based on the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, covering human rights, including labor rights. Due diligence processes for bribery prevention, taxation, and fair competition are integrated into our compliance system and governed by our Code of Conduct, with regular stakeholder engagement to ensure effectiveness. In 2024, there were no signs of non-compliance with minimum safeguards, no lack of response or collaboration with a National Contact Point, and no liability of Nordic companies in respect of breaches of these topics.

- **Human rights due diligence:** Our processes align with the OECD Guidelines, UN Guiding Principles and the Norwegian Transparency Act, ensuring comprehensive risk assessment and management of human rights impacts. We conduct systematic evaluations of potential risks across our entire value chain, with mechanisms to identify, address any human rights concerns, including rights protections. We maintain accessible mechanisms for stakeholders to raise concerns and clear procedures for investigation and remediation.
- **Anti-corruption prevention:** The Code of Conduct governs our anti-corruption framework, which is integrated into our compliance system. This includes robust internal controls, mandatory training, clear reporting mechanisms, and assessments to prevent bribery and ensure ethical business practices.
- **Tax compliance:** Our due diligence processes for taxation are governed by our Tax Policy, which ensures systematic management of tax risks and compliance with applicable tax laws and regulations across all jurisdictions. The Policy provides a comprehensive framework for transparent tax governance and tax practices.
- **Fair competition:** Our approach to fair competition is guided by our Code of Conduct, which is integrated within our compliance system. We implement measures to prevent anti-competitive practices, including internal monitoring, employee training, and strict adherence to competition laws.
- **Our minimum safeguards are reinforced through annual risk assessments, mandatory compliance training, and robust internal control mechanisms. Our processes ensure ongoing monitoring and management of our due diligence framework across all identified areas of potential risk. Our governance approach emphasizes proactive identification and mitigation of potential compliance challenges, in alignment with international standards.**

Our minimum safeguards are reinforced through annual risk assessments, mandatory compliance training, and robust internal control mechanisms. These processes ensure ongoing monitoring and management of our due diligence framework across all identified areas of potential risk. Our governance approach emphasizes proactive identification and mitigation of potential compliance challenges in alignment with international standards.



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

102

Contextual information about KPIs

The eligible activities account for 28.7% of the total capitalization at Nordic. The total eligible activities are split into 9.5% aligned and 19.2% not aligned activities. Nordic adheres to internal requirements for promoting environmentally sustainable activities, contrasting with public criteria that tend to be binary. Additionally, Nordic considers the impact of other environmental factors and economic considerations in its sustainability efforts.

Financial Year N	Year	Substantial Contribution Criteria										DNSH criteria (Does Not Significantly Harm) (h)						Minimum Safeguards (i7)	% eligible (A.2) Opex, year N-1 (i8)
Economic Activities (i)	Code (2) (a)	Opex (3)	Proportion of Opex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%																0.0%
Of which Enabling		-	0.0%																0.0%
Of which Transitional		-	0.0%																0.0%
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)				
Data processing, hosting and related activities	CCM 8.1	32	0.1%																0.0%
Opex of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		32	0.1%																0.0%
A. Opex of Taxonomy eligible activities (A.1+A.2)		32	0.1%																0.0%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy non-eligible activities		41,783	99.9%																
TOTAL		41,815	100%																



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

103

Financial Year N	Year	Substantial Contribution Criteria										DNSH criteria (Does Not Significantly Harm) (h)						
Economic Activities (i)	Code (2) (a)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	% eligible (A.2) CapEx, year N-1 (18)	
										N/A	N/A	N/A	N/A	N/A	N/A	N/A		
	A. TAXONOMY-ELIGIBLE ACTIVITIES																	
	A.1 Environmentally sustainable activities (Taxonomy-aligned)																	
	Acquisition and ownership of buildings	CCM 7.7	3,585	9.5%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	8.9%
	CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3,585	9.5%														8.9%
	Of which Enabling		-	0.0%														0.0%
	Of which Transitional		-	0.0%														0.0%
	A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																	
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)								
Acquisition and ownership of buildings	CCM 7.7	7,277	19.2%														37.3%	
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7,277	19.2%														37.3%	
A. CapEx of Taxonomy eligible activities (A.1+A.2)		10,863	28.7%														46.2%	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																		
CapEx of Taxonomy non-eligible activities		27,048	71.3%															
TOTAL		37,911	100.0%															



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

104

Financial Year N	Year	Substantial Contribution Criteria										DNSH criteria (Does Not Significantly Harm) (h)					% or eligible (A.2) Turnover, year N-1 (18)
Economic Activities (i)	Code (2) (a)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A.1 Environmentally sustainable activities (Taxonomy-aligned)																	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%														0.0%
Of which Enabling		-	0.0%														0.0%
Of which Transitional		-	0.0%														0.0%
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (b)																	
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)								
Data processing, hosting and related activities	CCM 8.1	284	01%														0.0%
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		284	01%														0.0%
A. Turnover of Taxonomy eligible activities (A.1+A.2)		284	01%														0.0%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																	
Turnover of Taxonomy non-eligible activities		511,131	99.9%														
TOTAL		511,415	100.0%														

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

105

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 126 av 216

Note on exposure to nuclear and fossil gas-related activities:

Row	Nuclear energy related activities
2	The undertaking carries out, funds, or has exposure to the construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.
3	The undertaking carries out, funds, or has exposure to the safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.
	Fossil gas-related activities
4	The undertaking carries out, funds, or has exposure to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.
5	The undertaking carries out, funds, or has exposure to the construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.
6	The undertaking carries out, funds, or has exposure to the construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.

Årsregnskap regnskapsåret 2024 for 966011726

 NORDIC SEMICONDUCTOR	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
106		

Social

Nordic is a dynamic and global business with employees in offices, customers, and suppliers spanning multiple regions. We prioritize diversity, equity, and inclusion across the entire employee journey, recognizing its critical role in attracting and retaining top talent in a competitive landscape. Equally important is our commitment to fostering a healthy, safe, and motivating work environment—one that enhances engagement, drives meaningful contributions, and safeguards human labor rights.

107	S1 Own Workforce
117	S2 Workers in the Value Chain
122	S4 Consumer and End Users



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

107



SI Own Workforce

SI-ESPS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

Our employees, as our key intangible resource, are crucial to driving innovation, ensuring high-quality development, and maintaining our competitive edge in a rapidly evolving industry. Our strategic emphasis on

employee well-being and engagement aligns with our commitment to producing cutting-edge technology and meeting global market demands.

Our double materiality assessment identified material impacts, risks, and opportunities in relation to the following topics.

Working conditions

	Location in the value chain			Time horizon		
	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Organizational transformation processes		● Actual negative impact		●	●	

Equal treatment & opportunities for all

	Location in the value chain			Time horizon		
	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Gaps in representation and equity		Potential negative impact		●	●	●
Decentralized skill development		Potential negative impact		●	●	
Strategic talent development & career planning		Opportunity		●	●	●

Material impacts & opportunities

Our double materiality assessment identified workforce-related impacts and opportunities material to our business success and stakeholders. These impacts vary across employee groups: permanent employees (both full-time and contractors).

The actual and potential negative impacts below are systemic in nature, affecting our globally. This requires comprehensive, organization-wide responses as detailed in our action plan.

Organizational transformation processes

We are implementing targeted organizational adjustments to enhance our ability to serve and respond to market demands. These changes directly connect to our evolving business model, operational strategy, enabling us to adapt to developments and better deliver innovative solutions to our customers. While some measures are on specific areas and/or locations, the transformation process has affected our entire workforce across 22 locations in one way or another. The impact is particularly felt by employees in locations undergoing significant reorganization, our R&D teams (restructuring 70% of our workforce) who need to adapt to new organizational structures and processes, and managers who drive the transformation.

Negative impacts include short-term uncertainty about the future and concerns about the security of jobs as more medium-term impacts such as the transitioning to new roles and adapting to new processes, and temporary workload during the restructuring process. The success of our business adaptation depends on effectively taking into account the impact of organizational changes with effects expected to materialize over 6-24 months.

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

109

Impact, risk, and opportunity management

SI-1 Policies related to own workforce

In alignment with our commitment to socially responsible business conduct, Nordic has established a comprehensive set of policies to uphold ethical standards and promote a safe, inclusive, and supportive work environment. These policies are guided by international frameworks and conventions such as the UN Global Compact, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Bill of Rights, and ILO core conventions, and reflect our dedication to best practices and global and local regulations.

Code of Conduct

Our Code of Conduct outlines our commitment to conducting business with integrity, upholding high ethical standards, and fostering a respectful, inclusive work environment. It establishes our commitments and expectations regarding human and labor rights, health and safety, security, diversity, equity and inclusion, and personal conduct.

The Code of Conduct is a foundational element in addressing the identified impacts and opportunities, particularly in mitigating the risks associated with gaps in representation and equal opportunity, as well as a decentralized approach to skill development.

It is binding for employees in Nordic, and we expect entities and individuals we do business with to comply as well. The Code of Conduct is published in our Intranet and we have implemented mandatory e-learning to ensure all employees are familiar with and understand the Code. In 2024, more than 95% of all employees and Executive Management Team (EMT) members completed this training. Our Code of Conduct has been approved by the Board of Directors, and the Chief Executive Officer is accountable for its implementation.

Equal Opportunities Policy

Our standalone Equal Opportunities Policy amends Chapter 2 of our Code of Conduct ("Protecting our workplace, people, and culture") and reinforces our commitment to creating equal opportunities for everyone, regardless of their personal characteristics such as gender, race, age, ethnicity, gender identity, sexual orientation, abilities, religion, socioeconomic status or cultural background. It outlines a specific commitment to fostering a workplace that embraces diversity through fair and inclusive recruitment practices, promoting equity in our daily practices through addressing systemic barriers, continuing to ensure equitable pay, and advancing inclusion by supporting initiatives for underrepresented groups.

The policy is implemented through a clear governance structure where the Board of Directors has overall oversight, with the People & Compensation Committee monitoring implementation. EMT and senior leaders are accountable for embedding equal opportunities principles into business operations, while people managers execute the strategies in their teams. The People & Communication department develops and maintains supporting processes, tracking key metrics and ensuring consistent application.

The policy applies to all members of our own workforce and covers recruitment, hiring, promotion, training, compensation, and all other aspects of employment. We ensure accountability and continuous development by conducting regular reviews of workplace practices, soliciting feedback from employees on our diversity, equity, and inclusion efforts, and reporting annually on progress to all stakeholders.

Health and safety

We are committed to providing a safe and healthy work environment through the proactive identification, assessment, and management of workplace risk. We operate a safety management system across all our operations, which covers all workers on site. This safety

management system serves as our workplace prevention policy and management system structured approach to preventing workplace and incidents. In Norway and Finland, the certified under ISO 45001 for Health & Safety are working towards extending certification to countries of operation.

Learning and development

At present, our organization does not maintain a Learning and Development Policy. Training have been managed on an as-needed basis team- or project level, allowing an agile approach to technical upskilling. However, given our recognition the importance of a more structured approach to employee development. As part of our commitment to mitigate the negative impact of a decentralized approach to skill development as to promote the positive impact of strategic development and career planning, we are working on a comprehensive L&D policy to long-term skill and career growth among employees, which we aim to implement in 2025.

Human rights

Our stand-alone Human Rights Policy amends the Code of Conduct and outlines our commitment to respecting and upholding human rights and working conditions in our operations and throughout the value chain. The policy explicitly addresses trafficking, forced or compulsory labor, and further details on this policy are provided in the Workers in the value chain.

The policy applies to all employees in Nordic and expects our suppliers and business partners to expect the spirit and intent of this policy comply with relevant laws and regulations. The Human Rights Policy is adopted by our Board of Directors and is available to our public through our Intranet, and we raise awareness among employees through our Code of Conduct training.

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 130 av 216



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

110

Monitoring compliance with human and labor rights commitments

To monitor compliance with the UN Guiding Principles, ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines, we have implemented the following processes:

- Policy framework: our human rights and labor rights commitments are enshrined in key policy documents described above. These are subject to regular review and robust policy governance.
- Awareness and training: Policies are shared through our Intranet and reinforced through targeted training. We aim to expand these efforts in the coming years.
- Human rights due diligence: we have adopted a Human rights due diligence process, which is further explained in Chapter S2.
- Reporting and transparency: We report annually on our commitments, actions taken, and targets in our ESRS Sustainability report.
- Grievance mechanisms: Employees and other stakeholders can report breaches of the Human Rights Policy and Code of Conduct, including human and labor rights breaches, through our confidential reporting mechanisms and grievance procedures. These are described in detail in section G1-1: Business conduct policies and corporate culture.
- Monitoring and evaluation: We monitor adherence to human and labor rights by tracking cases raised through internal grievance mechanisms and regular audits of suppliers.
- Stakeholder engagement and collaboration: We conduct regular engagement with key stakeholders who could be impacted by our operations. This is detailed in ESRS 2 SBM-2 and SI-2 sections.

There were no severe human rights incidents involving our own workforce reported during the period (see SI-17 below).

Engaging with our workforce

SI-2 Processes for engaging with own workforce and workers' representatives about impacts

Creating a workplace where employees can thrive daily requires engaging with our employees and acting on their feedback. At Nordic, we strive to incorporate employee perspectives in decisions, policies, and targets to meet their needs. Our Senior Vice President of People & Culture oversees these engagement processes and monitors the effectiveness of actions based on feedback.

Regular consultations with employee representatives

We have employee representatives in Norway, Finland, and Poland and are currently assessing introducing representatives globally. In Norway and Poland, we hold monthly forums to discuss business updates and strategic decisions, while in Finland, meetings are held as needed. These forums let representatives offer feedback and raise employee concerns about any negative impact, including those related to green transitions. In 2024, meetings were held to communicate timely updates and gather input on key decisions regarding the transformation process (see SI-4). We do not have a specific agreement on human rights with the employee representatives since this is covered in our Code of Conduct and regulated by local law.

Additionally, designated Health and Safety

representatives in each office actively gather employee feedback, ensure compliance with regulatory standards, and escalate safety concerns to support timely resolution.

Direct employee feedback

We engage directly with employees through regular all-hands and town hall meetings, sharing updates on new developments, changes, and potential impacts. These sessions are scheduled according to need and include a Q&A segment for gathering and addressing employee feedback.

Additionally, we collect direct employee feedback through our annual Employee Engagement survey. In 2024, the survey had an 87% response rate from the survey included (on a scale from 1 where 1 is lowest and 10 is highest) Zero tolerance for unethical behavior (9.0), Peer relations Acceptance (8.9). Our biggest improvement Communicating strategy (+1.5), Reward (+1.1). Communicating change (+1.2), which all have identified as critical areas in the 2023 survey improvements concern the effectiveness of survey and our mechanisms for responding results. However, some scores remained below aspirations. Feedback on operational change learning & development processes helped Double Materiality Analysis and strategic planning. Survey results are also distributed to management level for follow-up with their teams. By analyzing global results by gender, the engagement provides insights into women's perspectives particularly underrepresented. The gender in the analysis and qualitative comments in helped identify the underrepresentation of one large annual engagement survey to re-surveys, allowing us to gauge employee sentiment frequently and address emerging needs proactively. Furthermore, we have a structured annual conversation in place with dedicated space employees to discuss career development, personal challenges, and work-life balance managers. In 2024, 80.7% of employees for completed annual appraisal conversations.

SI-3 Processes to remediate negative impacts channels for own workforce to raise concerns

Employees are encouraged to report concerns complaints related to harassment, illegal or inappropriety, or other issues to the managing Business Partner, employee representatives or our independent whistleblowing mechanism G1-1 section.

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>



We take all reports seriously, ensuring sensitivity and, where possible, confidentiality. Upon grievance, we conduct a thorough due diligence to collect and verify the facts about a case. If necessary, implement corrective actions to any negative impacts. The nature of remediation depends on the issue at hand. Concerns are a case system and reported to the Audit Committee monitoring. Specific monitoring measures are on a case-by-case basis.

Nordic has a zero-tolerance policy for retaliation against anyone who speaks up in good faith raising a concern, reporting a suspected violation participating in an internal investigation. The Compliance is responsible for regular reporting. Chief Executive Officer and the Audit Committee the Board.

In our annual Engagement Survey, we gather to monitor awareness and assess employee views in the structures and processes. The year's indicates that people have a strong belief and illegal behavior is not tolerated and feel comfortable reaching out and reporting the follows. However, we also recognize that we strengthen awareness of our reporting channels.

Actions

SI-4 Taking action on material impacts on our business and approaches to managing risks and pursuing opportunities related to own workforce, and of those actions

In alignment with our commitment to address material impacts, we have taken and continue take targeted actions to mitigate risks, enhance opportunities, and foster a positive and inclusive environment. Our established processes to our workforce are crucial to assess whether to mitigate negative impacts are effective. particularly to our employee surveys, which enhance in 2025, as well as to the regular with employee representatives.

Managing the transformation

While the transformation process, especially downsizing, has presented temporary challenges for our workforce, it is essential to our long-term commitment to ensuring financial sustainability. Throughout this process, we have taken care to balance our objectives with measures that mitigate the impact on our employees. This transformation will strengthen our ability to respond to customer needs more efficiently, accelerate innovation cycles, and maintain our competitive edge in delivering cutting-edge connectivity solutions to the market.

Transparent communication and employee feedback

We have striven to communicate transparently and openly at every stage of the process. Through regular town halls and all-hands meetings, we provided real-time updates to reduce uncertainty and aimed to foster understanding and buy-in among our employees. To help employees manage the changes, we offered e-learning sessions on Change Management, equipping them with tools to navigate the process.

We strove to involve employee voices in different ways and at different stages. We regularly engaged with employee representatives throughout the transformation process, especially during downsizing, ensuring their insights and perspectives were incorporated. At appropriate stages, we formed task forces to involve employees directly in shaping certain aspects of the process and outcomes. To monitor and understand the impact of the changes, we expanded our engagement survey to include specific questions on employees' experiences with the transformation process.

Support for affected employees

These packages included outplacement services to aid the transition into new employment. Additionally, we offered access to counseling services to support.

Plans for the future

As we progress in our transformation journey, we are committed to minimizing negative impact while emphasizing the long-term benefits, such as new

learning and career opportunities. We will support these by introducing more structured approaches to skill development and talent development, as discussed below. We will continue to support our employees with training for working effectively within the new team development initiatives that help strengthen our corporate culture.

Employee feedback remains crucial to a successful transition. To stay responsive to employees' experiences, we are shifting from annual engagement surveys to regular pulse surveys, allowing us to gauge employee sentiment more frequently and address emerging needs promptly. This step is particularly important, as the latest engagement survey was conducted before the downsizing process began, and we recognize the need for updated insights to guide our future actions.

Establishing a structured approach to skill development
Our ambition is to drive a learning culture that provides opportunities for all. We have taken steps to introduce a more structured and comprehensive approach to training and skill development in 2025 to ensure our people are equipped with the competencies they need in their current roles and to prepare for new opportunities.

Defining and tracking competencies

We have launched a project to make our general competency registry more user-friendly, agile, and effective. The first step was conducting a needs assessment, gathering feedback from users across various levels to understand their specific requirements and challenges. To ensure that employees are developing and applying skills that directly contribute to the business's long-term success, we have started to formally define relevant competencies, beginning with a leadership competency framework. This framework will guide the creation of leadership training programs and support our goal to offer equal development opportunities.

Implementing an e-learning infrastructure

As a global organization with a geographically dispersed workforce, providing equal access to training opportunities is critical, regardless of location. To support this, we have introduced several e-learning tools, expanding our capacity for centralized, on-demand training. This enables us to centralize content and make it available online, allowing employees to access training at their convenience and across different time zones, work schedules, and personal learning preferences. This flexibility is key for empowering our global workforce and supporting our commitment to inclusive development.

Plans for the future

In 2025, we will continue strengthening our competency management by advancing to map and register existing competencies in the Nordics. We will gradually roll out our leadership framework, starting with a comprehensive program for new leaders. Additionally, we will improve access to learning opportunities by offering our e-learning course offerings and central administration of learning events within our LMS, making these initiatives more widely available. This structured approach will also enhance our reporting, ensuring that we can consistently report on our development efforts in the coming year.

Promoting strategic talent development and career planning

For us, talent development means identifying and preparing top talent for future leadership critical business roles. This approach complements our development focus on future business skill development initiatives, building on foundation work such as our leadership competency framework. Our ambition is to leverage our talent by a strategic approach to talent development.

Developing a leadership pipeline framework

While this is a long-term initiative, we have begun developing a framework for our leadership pipeline this year. This framework will outline and essential elements for identifying, developing and nurturing our top talent.

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
113		

We will continue advancing this initiative with the aim of piloting the approach in 2025.

Harnessing diverse talents

As part of our commitment to equal opportunities, we aim to actively unlock potential that may be overlooked due to unconscious bias to ensure that all employees feel included and have equitable access to opportunities.

Leveraging female talent

In 2024, we started an initiative that focuses on attracting, connecting, and developing diverse talent pools, with particular attention to female candidates. We enhanced our approach by using inclusive language in job ads and incorporating bias awareness into recruitment training for managers. These efforts contributed to a modest increase in the proportion of women hired from 23.4% in 2023 to 25% in 2024, reflecting the gradual nature of demographic changes in our industry.

Plans for the future

In 2025, we will intensify our efforts to support and leverage female talent with a focus on connecting women. To extend our outreach and attract more talented female applicants, we strive to intensify our cooperation with external women's networks. Internally, we are preparing to launch an employee-led female community that connects women in Nordic across areas and locations and will serve as a platform to advance women's interests by promoting relevant topics and activities.

To enhance general awareness of unconscious bias and develop skills that promote an inclusive culture with equal opportunities for all, we plan to implement awareness training for both employees and people leaders. We also strive to undertake a comprehensive analysis to understand the state of equal opportunities across other demographic groups.

We are committed to implementing these actions and initiatives by leveraging our existing resources and

infrastructure to ensure an efficient and sustainable implementation. While they may require some investment, these are not expected to have a significant impact on operational and/or capital expenditures in 2025.

Performance, metrics, and targets

To drive accountability and measure progress, we strive to establish clear targets and have done so where possible in SI-5. These targets were developed by a group of internal experts and anchored with the corresponding management team member. However, some areas require further analysis to establish clear baselines and ensure informed and meaningful goal setting. We have made it explicit where this has been the case.

For the metrics disclosures below, we have implemented all requirements fully except for SI-13 (Training and skills development metrics), where we have chosen the phase-in option for 2024 as we work to centralize our training reporting structure. None of the metrics presented in this section have been validated by external bodies other than our assurance provider.

SI-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Managing the transformation

Our aim is to manage the transition in a way that reduces the negative impact on our employees and opens new opportunities. To measure our progress, our employee engagement surveys are an important tool. Until the end of 2025, we aim to increase our overall Transformation & change score from 6.6 (2024 baseline) to 7.0 and our overall Engagement score from 7.3 (2024 baseline) to 7.7.

Establishing a structured approach to skill development
Our goal for establishing a structured approach to skill development is to facilitate broader skill development and provide equal access to learning and advancement opportunities. To monitor our progress, we aim to enhance our scores for Learning & Growth in the

Employee Engagement Survey from 7.3 in 2024 to 7.7 by the end of 2025. As we refine our approach to competence management, we will develop targets to measure our advances.

Establishing a strategic approach to talent development
Our goal for establishing a strategic approach to talent development is to build a robust leadership pipeline that prioritizes internal growth, promotes, and retains top talents, and offers clear career paths within the organization. This is a long-term goal at this stage, we have not yet set specific targets, but we have identified this as an opportunity, and we are in the process of defining our aspirations, setting baselines. We aim to have targets established by the end of 2025.

Harnessing diverse talents

As part of our commitment to offering equal opportunities, we strive to ensure equal representation and opportunities across the organization, the diversity of our workforce, especially in leadership roles. As we operate in a male-dominated industry, improving gender parity is a key area of focus. We understand gender parity as the proportion of balance between genders, and we believe representation should generally mirror the composition of our workforce. To this end, we align promotion rates for women with their representation in the workforce and gradually increase gender representation in leadership roles. At this stage, we have not yet set specific targets, but we aim to have defined clear baselines and targets to measure our advances based on the results of the Opportunities Analysis in 2025.

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

114

SI-6 Characteristics of the company's employees
Headquartered in Trondheim, we have a total headcount of 1,371 employees located in 22 different countries (see Note 7 Payroll expenses in the Financial Statements for cross reference). Of these 1,333 were full-time employees (permanent employees working full-time on the 31st of December 2024). These numbers are retrieved from our Human Resource Management Systems (HRMS).

In 2024, 192 employees left the company. Of these, 101 employees left voluntarily, corresponding to a voluntary turnover rate of 7.24%. Employee numbers were adjusted in 2024 as part of our strategic realignment to better position the company for future market demands.

The tables below provide more detail about the makeup of our workforce. Due to privacy concerns and the low number of individuals in additional gender categories, this information is not disclosed.

2024	
Employee turnover rate	7%
Number of employees who left voluntarily	101

Number of employees (head count)	
Male	1133
Female	238
Other	0
Not reported	0
Total employees	1371

Total employees = the total number of employees (both permanent and temporary) actively employed by Nordic at the end of the reporting period, including employees hired through Professional Employer Organizations (PEOs), and excluding employees whose last working day or the last day of their notice period lies before the end of the reporting period.

Country	Number of employees (head count)
Norway	564
Finland	305
Poland	112
UK	49
Taiwan	59
USA	62
India	48
Sweden	34
Germany	5
China	28
Hong Kong	12
Japan	5
South Korea	4
Singapore	8
Philippines	62
Denmark	3
Australia	2
Netherlands	2
France	2
Spain	3
Canada	1
Bulgaria	1

Number of employees (head count)		Female	Male	Other	Not disclosed
Number of permanent employees (head count)		238	1133	0	0
Number of temporary employees (head count)		235	1128	0	0
Number of non-guaranteed hours employees (head count)		3	5	0	0
Number of full-time employees (head count)		0	0	0	0
Number of part-time employees (head count)		228	1105	0	0
Number of full-time employees (head count)		7	23	0	0

Permanent employee = a person hired directly by Nordic on a not-time-limited contract

Temporary employee = a person hired directly by Nordic on a time-limited work contract

Non-guaranteed hours = a person hired directly by Nordic on a contract without a defined amount of work hours in the contract

Full-time employee = a person hired as a permanent employee directly by Nordic on a contract for what local law establishes as full-time (normally 40 hours per week)

Part-time employee = a person hired directly by Nordic as a permanent employee on contract with a defined number of hours but local law establishes as full-time (normally 40 hours per week)

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 135 av 216

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>

SI-7 Characteristics of non-employees in our own workforce

In addition to our employees, our workforce also comprises 51 non-employees. These consist of contractors counted at the end of the year. The contractors are employed by third parties but engaged in employment activities with Nordic. The number is gathered from our HRIS as of December 31st, 2024. This provides a snapshot of the use of non-employees in the Group. The downside of this is that the number fluctuates throughout the year and will not capture these fluctuations. The upside is that, by consistently reporting this number from the same date, we will be able to see trend changes in the use of non-employees.

Total number of non-employees	2024
	51

Contractor = a person hired through a third party on a time-limited contract

SI-9 Diversity metrics

Nordic aspires to be an inclusive and attractive workplace for employees across all age groups and phases of life. The average employee age in 2024 was 41 years old. The youngest employee was 23, and the oldest was 70 in 2024.

Gender diversity	2024
Women in top management	1 (9%)
Distribution of employees by age group	
Under 30 years old	13%
Between 30-50 years old	65%
Over 50 years old	22%

SI-13 Training and skills development metrics

We have chosen the phase-in option for this year. As elaborated in SI-4, we plan to centralize our training reporting structure to be able to fully report on our efforts in skill development. We will report on this from next year onward.

SI-15 Work-life balance metrics

Our employees' social protection entitlement means 100% of employees are entitled to parental leave. In 2024, 4% of employees took parental leave, of which 71% were men and 29% were women.

Employees entitled to parental leave	2024
Entitled employees who took parental leave	100%
of which % were men	4%
of which % were women	71%
	29%

Parental leave = leave from work to take care of the newborn child in accordance with local law and legislation

SI-16 Remuneration metrics (pay gap and total remuneration)

The gender pay ratio is calculated as the average across positions. Within the R&D department in Norway, the average salary in 2024 for women was 82% of the average salary for men. The average global salary for female employees in all departments was 75% of that of men, excluding executive management. Within executive management, the average salary for female employees was 74% of that of men.

The general salary gap between women and men is explained by a larger share of men in senior positions, in addition to a higher proportion of men in customer-facing roles with higher salaries. Nordic also sees a predominance of women in junior and administrative positions, particularly in low-cost countries, where salary levels are below the Group average. This affects the ratio, for instance, in the Supply Chain department, where our main locations are in Asia.

Nordic is committed to monitoring and analyzing the gender pay ratio across the world, focusing both on diversity and roles while adhering to currently challenging local market practices.



NORDIC

SEMICONDUCTOR

|

ANNUAL REPORT

| 2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

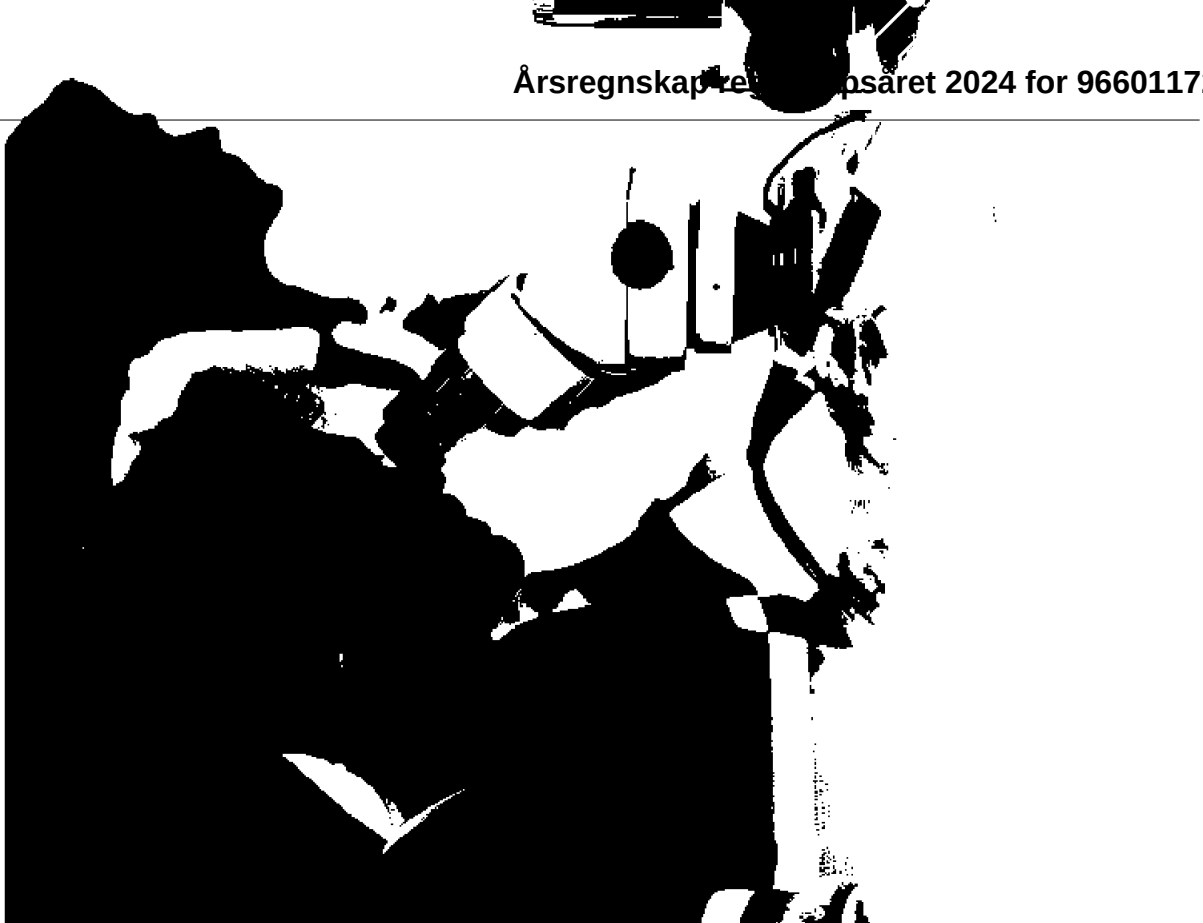
116

Category	Male	Female	Gender pay ratio
Overall (excl. EMT)	1117	234	75%
Executive Management Team	10	2	78%
Business Support	67	45	81%
R&D	891	116	81%
Sales	107	29	76%
Supply Chain	54	42	46%

Pay Ratio
In 2024, the ratio of our highest-paid individual's annual total remuneration to the median annual total remuneration for all employees (excluding the highest-paid individual) was 8.4:1. This calculation includes base salary, bonuses, stock options, and other benefits.

Nordic continues to review its remuneration structures to ensure they remain competitive and fair while aligning with market practices and business strategy.

SI-17 Incidents, complaints, and severe human rights impacts
In 2024, we recorded four employee complaints through our Integrity Line and other grievance channels. There were no incidents of discrimination or harassment, no severe human rights incidents (such as forced labor, human trafficking, or child labor) connected to our own workforce, including no cases of non-respect of the UN Guiding Principles, ILO Declaration, or OECD Guidelines. There were no related fines or penalties during the reporting period.





NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

118

These risks may affect our business model through potential supply chain disruptions and increased sourcing costs. As semiconductor manufacturing shifts toward automation and green technology, we anticipate adjusting our supplier selection and pricing strategies to ensure a stable, responsible supply.

Gender disparities in Tier 1 factories

Industry assessments, including Responsible Business Alliance (RBA) data, indicate that semiconductor manufacturing facilities may show certain gender distribution patterns where operator positions are predominantly held by female workers, while engineering and management positions are mainly held by male workers. This pattern affects workers at contract manufacturers and testing facilities, particularly in Asia. The disparity, combined with limited advancement opportunities for female workers, creates a risk of discrimination and potentially impacts worker well-being and retention.

These workforce imbalances impact our business model through potential productivity losses and increased turnover costs. As the industry faces growing skill shortages, addressing gender disparity becomes increasingly critical for maintaining manufacturing capabilities and innovation capacity.

Unsafe working conditions for transport workers

Workers in the semiconductor industry logistics operations may encounter occupational considerations that are common to the transportation industry. These impacts primarily affect third-party logistics providers and their subcontractors, with particular attention needed for temporary or contracted workers.

These safety risks pose challenges to our business model through potential delivery delays and increased logistics costs. As global supply chains become more complex, we anticipate growing pressure on transportation networks and worker safety considerations.

Worker safety and forced labor risks in Tier 1 suppliers

Semiconductor manufacturing environments involve specific safety considerations that facilities address through established industry protocols. This includes working with specialized equipment, materials, and chemicals in manufacturing, testing, and assembly operations. The industry's global nature also means the workforce often includes migrant workers, particularly in key manufacturing locations across Asia, requiring attention to accommodation and recruitment practices.

These risks may influence business operations through production disruptions, quality issues, and reputational damage. As industry standards and regulatory requirements evolve, we anticipate increased scrutiny of labor practices and safety conditions in semiconductor manufacturing.

Impact, risk, and opportunity management

S2-1 Policies related to value chain workers

Nordic's approach to value chain workers is guided by its Corporate Social Responsibility Policy, which addresses our identified material impacts. These include labor rights and safety risks in the upstream supply chain, worker safety and forced labor risks in Tier 1 suppliers, gender disparities in manufacturing facilities, and working conditions for transport workers. The policy outlines the company's approach to responsible and ethical business practices, addressing risks related to labor practices, human rights, worker safety, and environmental responsibility across the value chain.

The Corporate Social Responsibility Policy addresses labor rights and safety risks, as well as forced labor risks, by prohibiting forced labor, child labor, and human trafficking. This also ensures protection against retaliation for those reporting concerns of misconduct. The policy aligns with the International Bill of Rights, core International Labour Organization conventions, and the UN Guiding Principles on Business and Human Rights.

The policy requires manufacturing suppliers to adhere to the RBA Code of Conduct, with an obligation to cascade these requirements to all tiers of suppliers. Nordic does not maintain a separate supplier code of conduct; the RBA Code of Conduct serves as our supplier code of conduct. Additionally, the policy addresses gender disparities, worker safety risks, and precarious work conditions, covering worker safety, third-party arrangements, and subcontracted labor. The provisions align with ILO standards and international frameworks, with provisions addressing information and work arrangements.

Nordic has further developed a Human Rights Policy that provides a framework for its human rights approach, addressing all identified material impacts through systematic due diligence. This policy complements the Corporate Social Responsibility Policy and aligns with the requirements of the Norwegian Transparency Act. The Human Rights Policy includes guidance on human rights due diligence processes and mechanisms for identifying, preventing, and mitigating potential human rights impacts throughout the value chain, in accordance with the Norwegian Transparency Act and the Human Rights Statement for 2024 available on our website at www.nordicsemi.no/csr.

The Conflict Minerals Policy specifically addresses risks and safety risks in the upstream supply chain by outlining requirements ensuring the supply chain remains free from materials that finance or are produced by armed entities. This policy follows the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas. The policy scope covers our entire upstream supply chain involved in sourcing and processing, with a particular focus on conflict-affected and high-risk countries, including the DRC and adjoining countries. Nordic applies to all relevant suppliers and must ensure policies and due diligence measures through our own supply chains.

01 Message from the CEO

02 Nordic at a glance

03 Report from the
Board of Directors

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04 Financial statements

05 Responsibility statement

06 Audit opinion letter

07 Appendices

The Chief Executive Officer is accountable for the implementation of the Human Rights Policy, while the Senior Vice President of Quality and Executive Vice President of Supply Chain are accountable for implementing the Corporate Social Responsibility Policy and Conflict Minerals Policy, respectively. We monitor policy implementation through RBA audits, worker feedback, and grievance procedures, with remediation processes for any identified issues. During the reporting period, no actual negative human and labor rights impacts were identified, and there were no reported cases of non-respect of the UN Guiding Principles, ILO Declaration on Fundamental Principles and Rights at Work, or OECD Guidelines for Multinational Enterprises in our upstream or downstream value chain. However, going forward, we plan to strengthen our ability to detect salient human rights issues.

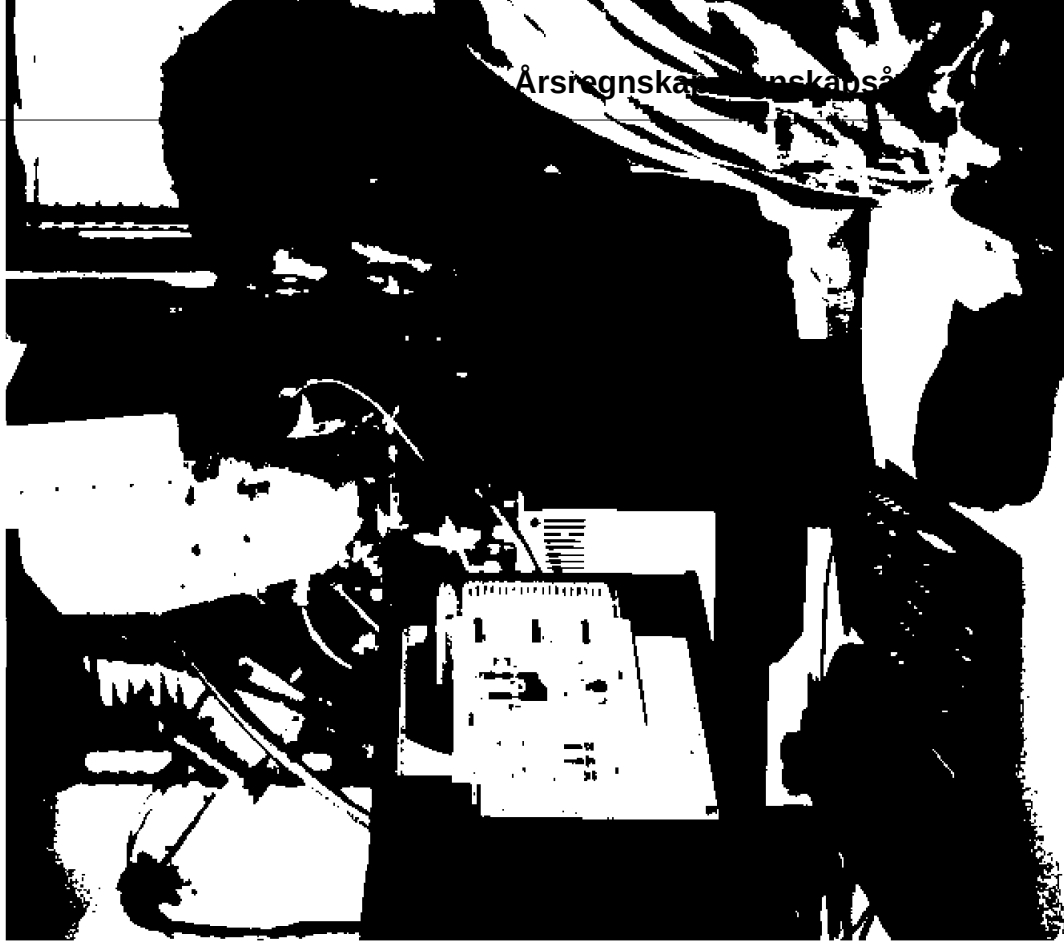
Training and awareness

Nordic's policies are available in English on the company's public website. In 2024, employees in Supplier Development and Procurement units received training on policy implementation and compliance.

S2-2 Processes for engaging with value chain workers about impacts

Nordic engages with value chain workers through a structured human rights due diligence process that aligns with the OECD Guidelines and the Norwegian Transparency Act. Engagement is facilitated through established industry frameworks, including the RBA framework and participation in the UN Global Compact initiative.

Our engagement strategy includes systematic supplier assessments using a comprehensive human rights questionnaire, which informs our supplier management decisions and improvement actions. The engagement occurs through questionnaires and worker interviews at key stages: initial supplier onboarding, annual assessments, regular RBA audit cycles, and when addressing specific identified issues. The engagement primarily takes the form of consultation through questionnaires and worker interviews during RBA



To measure the effectiveness of our engagement, we maintain documentation of supplier assessments, track questionnaire responses, and monitor the resolution of identified issues. This systematic approach allows us to evaluate the impact of our engagement efforts and inform future assessment priorities.

Feedback gathered through these assessments during this reporting year will inform us of our improvement plan for 2025.

52-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Our primary channel for raising concerns is the Integrity Line platform, a third-party system that enables both internal and external stakeholders, including value chain workers, to report concerns securely and confidentially. The whistleblower program features a robust case management framework that documents case progress, including all steps taken and outcomes achieved. To protect those who speak up, the system allows for anonymous reporting, and Nordic maintains a strict no-retaliation policy for anyone raising concerns in good faith.

Through our supplier engagement processes, particularly the human rights due diligence questionnaire, we assess whether our business partners have appropriate grievance mechanisms in place for their workers. The assessment examines whether suppliers maintain channels for reporting concerns, including provisions for external and anonymous reporting, and whether they have established procedures for remediation.

Our grievance mechanism is monitored for transparency and fairness in line with UN Principles. While we provide confidential and anonymous reporting, we have not yet implemented a process to assess worker awareness of and participation in grievance structures. Developing such an assessment is part of ongoing program development in our grievance mechanism framework.

All reported concerns follow our Reporting of Concerns procedure, which provides clear routes for responses and ensures confidential handling of all cases. The Head of Compliance oversees the review process for reported concerns.

CS2-4 Taking action on material impacts on workers, approaches to managing risks and opportunities related to value chain workers' effectiveness of those actions

During 2024, Nordic has implemented several actions to address our identified material issues in the areas of labor rights and safety. To address labor rights and safety risks in the supply chain and worker safety and forced labor in Tier 1 suppliers, we have implemented a new assessment framework with an enhanced questionnaire. This questionnaire also addresses working conditions for transport workers through questions for logistics operations, and gender through questions about equal opportunities. The assessment is being systematically implemented across all our critical suppliers and selected companies in a second batch.

Our process for identifying necessary actions is integrated into our human rights due diligence framework, utilizing KPMG's HRD tool for risk assessments. When potential impacts are identified through supplier assessments or RBA audits, the Chain department evaluates appropriate responses based on the nature and severity of the impacts.

NORDIC SEMICONDUCTOR		ANNUAL REPORT 2024	
01	Message from the CEO	>	
02	Nordic at a glance	>	
03	Report from the Board of Directors	>	
	Our group		
	Financial		
	Risk management		
	Sustainability statement		
	Environment		
	Social		
	Governance		
	Outlook		
	Concluding remarks		
04	Financial statements	>	
05	Responsibility statement	>	
06	Audit opinion letter	>	
07	Appendices	>	
121			

These activities are integrated into our regular operations and supplier management processes, with resources allocated through our Supply Chain department and Compliance unit. Implementation of these activities in 2024 has been achieved within our regular operational budget without requiring significant additional OpEx or CapEx expenditure. Regular training and capacity building ensure our teams are equipped to manage these processes effectively.

To address risks in our upstream supply chain, we have strengthened our engagement with RBA member suppliers. Addressing unsafe working conditions for transport workers, we have completed a systematic mapping of our major IC transportation providers through our supplier management system. Our conflict minerals program, which addresses labor rights risks in the upstream supply chain, has been enhanced through updated workflow processes and expanded assessment of high-risk materials. During the reporting period, no severe human rights issues or incidents have been reported in our upstream or downstream value chain.

We mitigate risks through RBA Code adherence, corrective action tracking, and regular supplier dialogue. Effectiveness is evaluated through follow-up assessments and performance reviews.

To avoid the negative impacts of our own practices, we integrate human rights considerations into our supplier selection and engagement processes. This includes setting realistic delivery timelines and maintaining clear communication channels with suppliers to address potential concerns before they escalate.

Progress is monitored through:

- Supplier questionnaire responses and completion rates
- Verification of corrective actions
- Industry standard verification processes
- Enterprise Risk Management (ERM) framework
- Regular reporting to senior management

To date, addressing worker safety and forced labor risks, all our Tier-1 manufacturing suppliers have established their own corporate social responsibility policies and committed to cascading RBA Code requirements to next-tier suppliers. While no situations requiring specific remediation were identified during the reporting period, we maintain remedy processes with defined documentation requirements, response timeframes, and review procedures to ensure effective handling of any cases that may arise.

For 2025, we will strengthen our supplier monitoring and labor conditions assessment, maintaining a focus on identified material impacts within our existing operational framework.

Performance, metrics, and targets
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

While Nordic is developing specific targets for impacts on value chain workers, we track policy and action effectiveness using 2024 as our baseline year.

Our current objectives are aligned with the Norwegian Transparency Act requirements and RBA framework, focusing on three areas: human rights framework development, partner risk assessments, and conflict minerals reporting.

Progress is tracked through:

- Human rights questionnaire responses
- RBA membership, audit records, and questionnaire data
- Conflict minerals reporting through RMI templates

These metrics are regularly reviewed in management meetings.

While we recognize the need to establish more specific targets that include defined baseline values, clear timeframes, specific measurement methodologies, and quantitative performance metrics, these will be developed as part of our ongoing human rights due diligence framework enhancement.

Entity-specific metrics: value chain workers
In 2024, we tracked the following metrics:

Metric	2024 value	Methodology & Limitations
Supplier assessment coverage	Batch 1: 8 Batch 2: 10	Based on the supplier management system using KPMG's HRDD tool for risk assessment; self-reported data
RBA Code commitment	100%	Direct verification of signed commitments; measures commitment only
RMI membership	70%	RMI member directory verification
Conflict minerals reporting	100%	RMI reporting template completion; based on supplier declarations

Supplier assessment coverage = number of suppliers in questionnaire assessment

RBA Code commitment = % of tier-1 manufacturing suppliers signed RBA Code

RMI membership = % of manufacturing partners with membership

Conflict minerals reporting = % of standard products reporting



ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

122



S4 Consumer and End Users

As a leading provider of ultra-low-power IoT connectivity solutions, we enable sustainable applications across healthcare, agriculture, and resource management that benefit millions of end-users through improved data access and resource efficiency. While driving innovation in low-power connectivity and sustainable IoT solutions, we maintain stringent security standards in our product design to protect users' data integrity and build lasting trust with our B2B customers.

Impacts, risks, and opportunities S4-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

Our business model of developing ultra-low-power connectivity solutions directly influences how we create both positive impacts and manage risks for consumers and end-users. By integrating sustainability into our strategy through our four focus areas, particularly ultra-low power connectivity and sustainable IoT solutions,

we contribute to applications that enhance resource management, healthcare monitoring, and agricultural efficiency. Simultaneously, our strategy emphasizes security-by-design principles as our products become increasingly integrated into critical and data-sensitive applications throughout our downstream value chain. Our materiality assessment, therefore, identified the following material impacts, risks, and opportunities related to consumers and end-users.

	Location in Value chain				Time horizon		
	Upstream	Own operations	Downstream		Short-term	Medium-term	Long-term
Enhancing sustainability for customers with low-energy products				Potential positive impact and opportunity			
Product security vulnerabilities expose users to cyber risks				Risk			

All materially affected consumers are included in the scope of this disclosure.

Material impacts
Enhancing sustainability for customers with IoT products
Our core business model of designing ultra-low-power IoT connectivity solutions creates downstream impacts concentrated in sectors including healthcare, and resource management. Through our value chain, we partner with product builders of whom serve consumer markets to integrate solutions into end products that directly benefit through improved data access and resource efficiency. The impacts originate from our strategic focus on low-power and sustainable IoT solutions, which are expected to materialize in the short to medium term through our direct product development activities. To enhance these positive impacts, we continue to invest in R&D to improve power efficiency and application possibilities. Our solutions primarily benefit users in remote areas who rely on battery-powered devices for essential services, as well as organizations seeking to reduce their environmental impact. These positive impacts are global in scope but have particular significance in regions with limited power infrastructure or acute resource management challenges.



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

123

Material risks and opportunities

Enhancing sustainability for customers with low-energy products

The growing demand for energy-efficient IoT solutions presents a significant opportunity aligned with our strategic focus on ultra-low power connectivity. This opportunity directly connects to our business model of integrating sustainability into an overall strategy to drive innovation and foster long-term growth. Our established expertise in low-power design and our strategy of focusing on ultra-low power and sustainable IoT solutions positions us to capture an expanding market share across sectors prioritizing sustainability. This opportunity particularly benefits end-users who depend on accurate product specifications and performance data for their applications, including medical device manufacturers requiring precise power consumption data, smart agriculture operators needing reliable battery life information, and resource management systems operators dependent on detailed technical documentation. The opportunity spans our entire value chain, from product development to end-user applications, with the potential for sustained growth over the medium to long term through increasing adoption of IoT solutions for sustainable applications.

Product security and end-user data protection risks

This risk is concentrated in our downstream value chain, where our IoT solutions are integrated into devices processing sensitive user data. Our business model of providing connectivity solutions for applications like health monitoring, smart homes, and industrial control systems makes product security and data protection a systemic risk across our global markets.

The anticipated effects include potential large-scale disruption of services and compromised user privacy, particularly affecting vulnerable users such as people using medical monitoring devices (like continuous glucose monitors), children using connected devices, and operators of critical infrastructure. This risk has shaped our strategic focus on security-by-design principles and influences our R&D investment priorities and product development strategy. The increasing use of our products in data-intensive applications, combined



 ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
	Our group
	Financial
	Risk management
	Sustainability statement
	Environment
	Social
	Governance
	Outlook
	Concluding remarks
04	Financial statements
05	Responsibility statement
06	Audit opinion letter
07	Appendices
124	

with a growing regulatory focus on cyber resilience and data privacy, makes this a critical focus area for our risk management approach.

The current financial effects of this material risk include continued investments in security certifications and vulnerability management systems. In the short term (within 12 months), we anticipate additional expenditure for implementing a new vulnerability tracking system and security training modules. These investments are expected to generate cost efficiencies through reduced incident response time and improved security resilience.

Impact, risk, and opportunity management

S4-1 Policies related to consumers and end-users

Nordic's approach to protecting consumers and end-users is governed by our Information Security Policy, ISMS Secure Development Policy, and Quality Policy, with dedicated product security policies currently being formalized. These policies address our material risk of product security vulnerabilities, exposing users to cyber risks, covering both our own operations and downstream value chain where our solutions are integrated into end-user devices.

Based on our materiality assessment, Nordic has not identified material impacts on human rights of consumers and end-users beyond the product security considerations addressed in our policies.

The policies establish security requirements that are aligned with the Platform Security Architecture (PSA) initiative by Arm and Security Evaluation Standard for IoT Platforms (SESIP) methodology standards. They encompass our secure development lifecycle processes and vulnerability management through Nordic's Product Security Incident Response Team (PSIRT), applying to all product development activities and customer interactions globally. Policy implementation is monitored through customer feedback loops, security assessments, and our ISO 27001-certified information security management system.

Our Product Security Director and R&D Security Programs Manager hold senior-level accountability for implementation, supported by business line management. The policies align with the UN Guiding Principles on Business and Human Rights regarding data privacy and security, with no reported cases of non-compliance in our downstream value chain. All policies are published on internal channels and communicated to affected stakeholders. Policy effectiveness is regularly evaluated through our established monitoring processes.

Our human rights commitments related to consumers and end-users, including processes and mechanisms to monitor compliance with the UN Guiding Principles and OECD Guidelines for Multinational Enterprises, are described in detail in S2-1 Policies related to value chain workers.

Our Quality Policy commits to customer satisfaction and profitability through meeting quality objectives: delivering products on time and without defects, communicating clearly with stakeholders, complying with applicable standards and regulations, and continuously reducing waste in processes. This policy, along with our R&D policies, guides our development of ultra-low-power products, supporting our positive impact through sustainable IoT applications. Implementation is monitored through customer feedback and product performance metrics under the oversight of our Quality Systems & Environment Group Manager.

Our Quality Policy commits to customer satisfaction and profitability through meeting quality objectives: delivering products on time and without defects, communicating clearly with stakeholders, complying with applicable standards and regulations, and continuously reducing waste in processes. This policy, along with our R&D policies, guides our development of ultra-low-power products, supporting our positive impact through sustainable IoT applications. Implementation is monitored through customer feedback and product performance metrics under the oversight of our Quality Systems & Environment Group Manager.

Our Quality Policy commits to customer satisfaction and profitability through meeting quality objectives: delivering products on time and without defects, communicating clearly with stakeholders, complying with applicable standards and regulations, and continuously reducing waste in processes. This policy, along with our R&D policies, guides our development of ultra-low-power products, supporting our positive impact through sustainable IoT applications. Implementation is monitored through customer feedback and product performance metrics under the oversight of our Quality Systems & Environment Group Manager.

S4-2 Processes for engaging with consumers and end-users

Product security and quality engagement Nordic engages with consumers and end-users through an integrated approach that handles all product-related information through standardized channels. This engagement aligns with our broader human rights due diligence framework and complies with the UN Guiding Principles and OECD Guidelines.

We maintain multiple engagement channels:

- Annual customer satisfaction surveys: Targeted to existing customers and distributors to gather feedback on product performance and service.
- Ongoing direct communication: Regular engagement with key account customers to monitor performance and address concerns.
- Continuous support through DevZone: Offers 24-hour response time on working days for inquiries and feedback.

- Direct communication with the Field Quality team: Engaging with customers on quality-related issues.
- To further enhance our engagement, we are implementing a product information notification system (PI-NTS) that will consolidate all customer-facing information into a unified portal.

Stages and frequency of engagement
Our engagement activities span several key stages across the product lifecycle:

- Development stage: Customer and end-user feedback is solicited during product design and prototyping, ensuring direct communication with key accounts and consultants. This stage involves physical prototypes and engineering samples—physical prototypes have not undergone formal calibration, intended solely for engineering use.
- Post-launch stage: Feedback is collected through annual customer satisfaction surveys and communication with key accounts to assess performance and identify potential improvements.
- Ongoing use stage: Real-time support is provided through DevZone and direct contact with the Quality group to address immediate concerns and ensure product reliability.

Effectiveness and continuous improvement

The effectiveness of these engagement processes is assessed through management review meetings, which have led to the development of our User Experience program, focusing on feedback from surveys and evolving technologies. Regular Executive Management Team (EMT) review meetings evaluate the alignment of product development outcomes with stakeholder expectations.

Additionally, the Head of Compliance oversees our whistleblower channels, ensuring stakeholders can raise concerns about product or service-related issues.

Nordic also participates in industry forums to understand how our low-power solutions enable sustainable applications in their end markets. These insights are gathered through established channels, including customer satisfaction surveys and Key Account discussions, which further inform us of our sustainability efforts and product strategies.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Nordic has established processes to address and remediate negative impacts on customers and end-users through our PSIRT. Our incident handling process has received Security Assurance certification through Common Criteria evaluation, validating our systematic approach. The team assesses reported vulnerabilities using the Common Vulnerability Scoring System (CVSS), with a structured workflow from initial reporting to resolution. Security vulnerabilities can be reported through our public reporting form, which does not require a login, making it easily accessible to all users. Additionally, we maintain a bug bounty program to encourage and reward vulnerability reporting.

Trust in these vulnerability reporting channels is demonstrated through active reporters and partners reaching out through our public reporting form, participation in our bug bounty program, and the quality of the vulnerability reports received. All reports are handled with appropriate confidentiality and

a collaborative disclosure approach through our PSIRT process.

When vulnerability is reported, PSIRT follows a systematic process: create a case, perform an initial assessment, evaluate severity and impact, develop mitigation measures, and communicate with affected parties. For hardware vulnerabilities requiring escalation, emergency PSIRT meetings are convened. We support our business customers by communicating vulnerabilities to Nordic Sales and customers, providing standardized security advisories when applicable, and notifying customers about available mitigation measures or patches.

Our whistleblower program, detailed in GI-1 section, provides an additional channel for broader concerns, ensuring confidentiality and anonymous reporting. All vulnerability cases are tracked through our system from initial report to resolution, with case status and references maintained on our public web platform.

S4-4 Taking action on material impacts on consumers and end-users, approaches to managing risks and pursuing opportunities related to consumers and end-users, and effectiveness of those actions

Policy objectives and strategic context

Our consumer and end-user protection policy is grounded in three key objectives:

1. Ensuring comprehensive product security and data protection
2. Minimizing risks through proactive design
3. Creating positive value through sustainable and responsible IoT solutions

Process and approach

Our security development process is directly aligned with these policy objectives, identifying necessary actions through systematic threat modeling and risk assessment at each product development stage. We take a proactive approach to preventing negative

impacts through security-by-design principles, comprehensive vulnerability assessment before release. To ensure effective remediation, we standardized PSIRT procedures for evaluating and addressing reported vulnerabilities, with a continuous improvement in product security data protection.

2024 actions and effectiveness

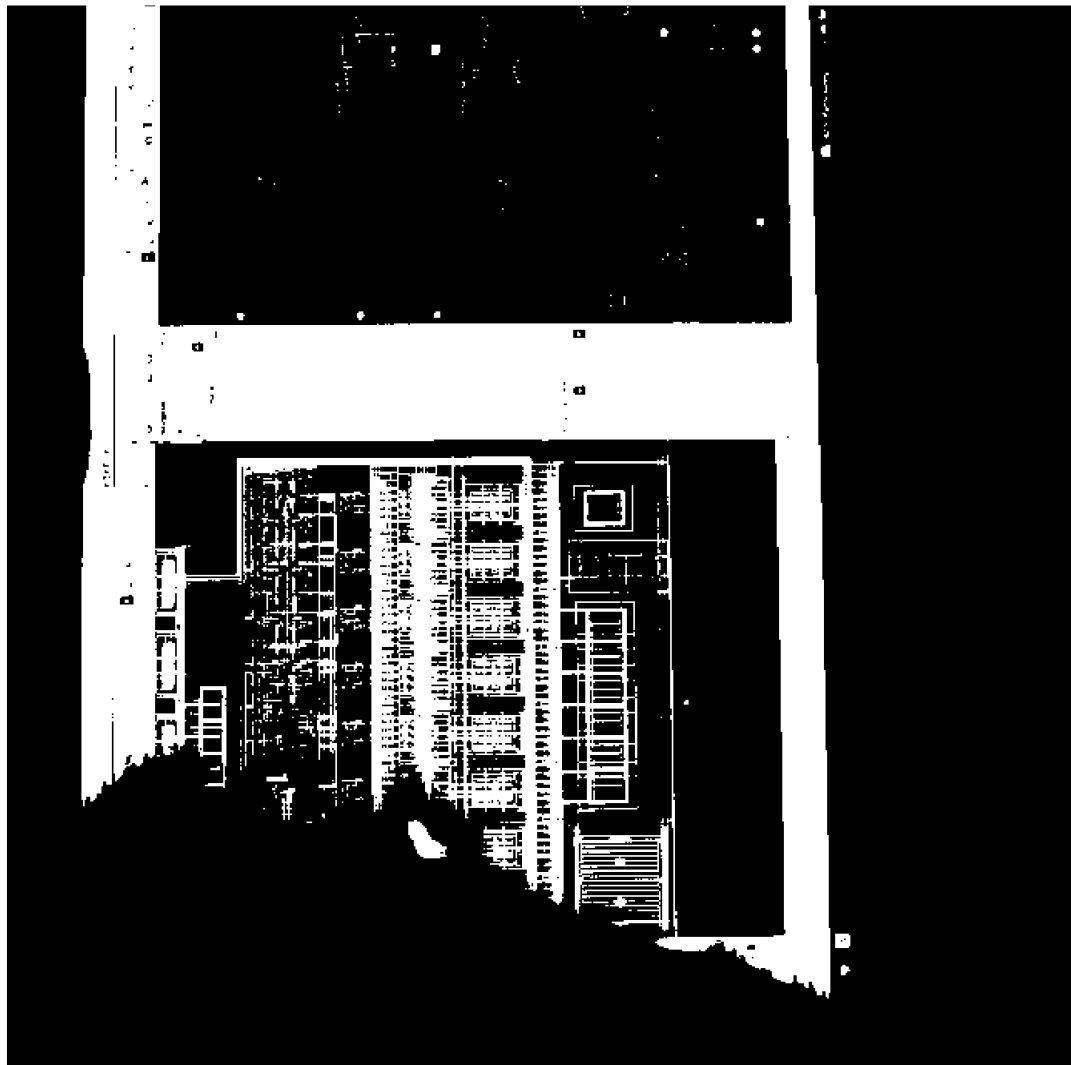
In 2024, we continued strengthening our cybersecurity and data protection through a systems approach, marked by achieving Security Assurance certification for several processes, including incident handling. We maintain a bug bounty program to proactively identify potential vulnerabilities and demonstrate our commitment to transparency and continuous security improvement. To rigorously track the effectiveness of these actions, we track

- Security certification assessments
- Bug bounty program results
- Vulnerability response performance
- Customer feedback on security

Strategic context for opportunities

We are actively pursuing opportunities to enter new markets by leveraging our expertise in low-power IoT connectivity solutions. Our strategy includes continuous investment in R&D to ensure efficiency and support critical sensors' evolution. We are developing targeted strategies to serve end-users in technology-intensive fields, from applications that demand precise, reliable

Our current approach centers on developing centers of excellence for sectors with complex technological requirements, including medical device manufacturing, smart agriculture, and resource management systems. These targeted strategies aim to create a value by addressing specific challenges in each domain, demonstrating the potential of our innovative connectivity technology.



Årsregnskap regnskapsåret 2024 for 966011726

Opportunity development and limitations

While we recognize the opportunity to enhance our sustainability through low-energy products, we do not have specific actions beyond our ongoing investments. Our continuous product development inherently supports this opportunity, but we have yet formalized dedicated actions. We aim to formalize more targeted actions in our next reporting period and we further quantify and strategize around our impact on sustainable IoT applications.

Time horizons and regulatory preparation

Our key actions related to product security and data protection have defined time horizons. To implement a systematic vulnerability notification system by the end of 2025, with interim milestones for developing and testing the system throughout the year. In preparation for the EU Cyber Resilience Act implementation, we have set a medium-term horizon of 2 years to fully align our security management systems and infrastructure with regulatory requirements.

We are actively working to enhance our ability to provide security updates and ensure robust security resilience, particularly as we prepare for the Cyber Resilience Act implementation. No severe rights issues or incidents related to product reported in 2024.

These initiatives require ongoing operational support in our bug bounty program and security certification processes, as well as capital investments in a new security management system and infrastructure. We confirm that the implementation of our plan for product security and data protection will require significant additional operational expenditures (Opex) and/or capital expenditures (Capex) for these standard ongoing investments.

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
	Our group	
	Financial	
	Risk management	
	Sustainability statement	
	Environment	
	Social	
	Governance	
	Outlook	
	Concluding remarks	
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
		127

Performance, metrics, and targets

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Nordic has established a time-bound target to help us measure progress on our product security and data protection policy objectives. This target, developed in consultation with our PSIRT, directly supports our commitment to protecting consumers and aligns with industry standards and upcoming regulatory requirements, such as the EU Cyber Resilience Act.

To strengthen our vulnerability management capabilities, we aim to implement a systematic tracking system by the end of 2025 that will monitor our performance against our established response time target: 90 days for software vulnerabilities and 180 days for hardware vulnerabilities (absolute target). This target was carefully designed to reflect our policy objectives of proactive security management and comprehensive data protection.

The target covers all reported vulnerabilities across our global product portfolio and downstream value chain while accounting for exceptions due to protocol embargoes or open-source dependencies. We will establish baseline measurements in 2025 when the tracking system is implemented, ensuring a robust and transparent approach to measuring our security performance.

While we have not yet established specific, measurable targets for our positive impacts through sustainable IoT applications, we are developing a comprehensive tracking approach. Our defined level of ambition is to quantify our contribution to sustainable applications across critical sectors. We are considering quantitative indicators that will help us assess our impact, such as:

- Number of low-power IoT solutions deployed in sustainability-critical applications
- Estimated energy savings enabled by our technologies
- Potential environmental impact reduction

We plan to establish 2025 as our baseline year for these measurements, with the aim of developing more precise, outcome-oriented targets in our next reporting period. This approach will allow us to systematically evaluate our progress in creating meaningful technological solutions that address critical societal and environmental challenges.

01 Message from the CEO

02 Nordic at a glance

03 Report from the
Board of Directors

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04 Financial statements

05 Responsibility statement

06 Audit opinion letter

07 Appendices

128

Governance

Nordic is committed to upholding applicable laws, regulations, and ethical business standards. Our corporate governance framework provides clear structures for decision-making, risk management, and accountability to ensure we achieve our strategic objectives responsibly. Transparent governance aligns the interests of shareholders, employees, customers, business partners, and other stakeholders, fostering long-term value creation while minimizing business risk. This framework also ensures effective oversight of resource allocation, balancing growth objectives with sustainable business practices.

129 GI Business conduct



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

129



Business conduct

Our commitment to ethical business conduct and responsible partnerships aligns with our mission of connecting the world to a sustainable future while enabling us to drive innovation and create lasting value across our value chain. As a fabless semiconductor company, we strive to uphold strong standards of integrity in collaboration with our suppliers, employees, and customers to foster sustainable IoT solutions that positively impact society and the environment while creating value for our shareholders.

Material impacts, risks, and opportunities

GI-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model

The materiality assessment identified the following impacts, risks, and opportunities relating to business conduct to be material to Nordic.

Material impacts and associated risks

Cybersecurity risks across the value chain
Nordic's position as a semiconductor design company handling sensitive intellectual property creates inherent cybersecurity vulnerabilities that directly affect our business model and stakeholders. For employees, cybersecurity incidents can severely impact their ability

	Location in Value chain			Time horizon		
	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Building a strong and transparent corporate culture		●		●	●	
Cybersecurity risks across the value chain	●	●	●	●	●	
Protecting whistleblowers from retaliation risks		●		●	●	
Corruption risks in global operations and partnerships	●	●	●	●	●	
Mitigating reputational damage through corporate culture development		●		●	●	

to perform daily tasks due to system inaccessibility, which could create stress around data privacy. For business partners, breaches could compromise information and intellectual property.

The current financial implications include cybersecurity infrastructure investment, representing approximately 20% of our IT budget. Our security resilience is demonstrated through the regular of our security posture through the penetration testing and external attack surface threat hunting and external attack surface threat hunting and external attack surface threat hunting. Our security awareness campaigns achieved a completion rate in 2024, with security incidents tracked through both our internal system and comprehensive monitoring.

Protecting whistleblowers from retaliation risks
Nordic's business model, centered on developing proprietary technology solutions and maintaining complex supplier relationships, creates an environment for strong whistleblower protection. Retaliation risks are mitigated through a robust reporting system for individuals, including psychological support, isolation, and potential economic hardship potentially deterring others from reporting.

We address this through comprehensive measures across both direct operations and governance structures, with our Head of Compliance reporting directly to the Executive Officer and Audit Committee. The implications include investment in secure re

systems and investigation processes, balanced against the risk mitigation benefits of early issue detection.

Corruption risks in global operations

Operating in countries identified as high-risk on the Transparency International Corruption Perception Index exposes Nordic to potential corruption incidents through its business activities and partnerships. A corruption incident could result in significant fines and project delays, potentially compromising our ability to maintain crucial manufacturing relationships.

The current financial implications include compliance program costs and potential exposure to penalties. Our strategy's resilience is supported through systematic partner due diligence processes and regular risk assessments of our global operations, with over 95% completion rate for our Code of Conduct training across the organization.

Strategic opportunities and associated risks

Building a strong corporate culture

In the highly competitive semiconductor industry, where technical innovation is critical, our corporate culture presents a strategic opportunity to differentiate Nordic by nurturing our key intangible resource—our employees' specialized expertise. By fostering an environment that attracts and retains specialized talent, particularly in emerging IoT technologies, we can accelerate our cutting-edge IoT solutions while maintaining competitive advantage through reduced recruitment costs and increased innovation capacity.

The current financial benefits materialize through reduced recruitment costs and increased productivity, as evidenced by our strong engagement metrics. Our strategy's resilience is demonstrated through structured feedback mechanisms and measurable targets, including our Learning & Growth score target of 7.8 by 2025.

Mitigating reputational damage

The risk of reputational damage through cultural issues could impair Nordic's ability to attract and retain the talent needed for innovation. A degradation in

corporate culture could lead to increased turnover costs and project delays, affecting our ability to maintain our position in the competitive semiconductor market.

The current financial exposure includes potential increases in recruitment costs and productivity losses. Our strategy's resilience is demonstrated through our annual engagement survey, which achieved an 87% response rate in 2024, and structured development programs that maintain strong scores in areas such as Zero tolerance of unethical behavior (9.0), Peer relations (8.9), and Acceptance (8.9).

Impact, risk, and opportunity management

Promoting a culture of integrity

GI-1 Business conduct policies and corporate culture

Approach to business conduct and corporate culture

Our business conduct is rooted in our membership in the Responsible Business Alliance (RBA) and our commitment to the UN Global Compact. Our Board's Audit Committee supervises compliance, while our Head of Compliance regularly reports to the Chief Executive Officer and Audit Committee. Our corporate culture is shaped and assessed through regular Board and Audit Committee reviews, frequent employee engagement surveys, town halls, and consultations with employee representatives. Annual appraisal discussions and integrity culture measurements emphasize the importance of leadership tone and a speak-up culture.

We are committed to continuously enhancing our corporate culture through targeted actions. These include developing leadership development programs, expanding our engagement survey insights, and implementing structured feedback mechanisms. Our actions aim to reinforce our speak-up culture, improve leadership effectiveness, and address potential cultural risks across our global operations. We have allocated specific resources to support these initiatives, with progress monitored through annual culture assessments and reporting to the Audit Committee.

Code of Conduct and anti-corruption

Information security and cybersecurity

Given our position as a semiconductor design company, handling sensitive intellectual property, information security is critical to our business conduct. We have established the Information Security Policy, ISMS Secure Design Policy, and Quality Policy protect confidential information and technical data exchanged with manufacturing partners and customers. We have approximately 20% of our IT budget in security measures, including external attack surface scanning, data loss prevention initiatives, and threat intelligence services. We conduct regular hypothesis-based security audits and monitor security events through our internal system and Security Operations Center with our security awareness campaign achieving 96% completion rate in 2024. Our broader focus on information security governance, including ISO 27001 certification and implementation through our supply chain management system, is detailed in section related to consumers and end-users.

We continuously enhance our cybersecurity posture through targeted actions, including expanding detection technologies, updating security controls, training, and improving our incident response capabilities. These actions cover all global operations and protect our intellectual property and the integrity of our technological infrastructure. We allocated our committed IT security budget to cybersecurity initiatives, with ongoing monitoring and evaluation by our information security leadership.

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

131



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

132

Outlook

Over the past year, Nordic has undergone significant organizational reorganization, including the establishment of a new executive management team under CEO Vegard Wollan. With a clear focus on returning to growth and restoring profitability, the new management has implemented strategic measures to reduce costs, enhance efficiency, and allocate resources to target key growth areas across its four business units: Short-Range, Long-Range, Wi-Fi, and PMIC.

The Short-Range business unit remains the most mature and established, featuring market-leading solutions, long-standing relationships with global customers, and world-class customer support. With the launch of the groundbreaking nRF54 Series, Nordic is well positioned to drive significant growth in the years ahead.

The Long-Range business unit is scaling up, aiming to expand market penetration in asset tracking, metering, and industrial IoT. A key milestone in this strategy was the successful launch of the nRF9151 SiP in August, the lowest-power cellular IoT solution with industry-leading battery life. This launch aligns with Nordic's strategic plan to build critical mass and achieve profitability by 2028.

Meanwhile, the Wi-Fi and PMIC business areas remain in an early stage, making strong progress on key success factors such as product roadmap execution and design activity. By maintaining this momentum, Nordic is progressing on the plan to achieve profitability in these business units by 2028.

From a financial perspective, Nordic has set clear priorities and is committed to achieving its long-term ambitions, targeting an average annual revenue growth above 20% throughout the decade and progressing toward an operating model profitability of approximately 25% EBITDA within five years.

In the short term, the company expects revenue of 140-160 million for the first quarter of 2025, in line with profit margin of approximately 50%, in line with term financial targets.





NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

Our group

Financial

Risk management

Sustainability statement

Environment

Social

Governance

Outlook

Concluding remarks

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

133

Concluding remarks

The parent company Nordic Semiconductor ASA has a net deficit after tax of USD 47.8 million in 2024, compared to a loss of USD 16.0 million in 2023.

The entire deficit is attributable to the equity holders of the parent. Net deficit after tax corresponds with ordinary earnings of USD -0.25 and fully diluted earnings per share of USD -0.25 for 2024. This compares to ordinary and fully diluted earnings per share in 2023 of USD -0.08 and -0.08, respectively.

Nordic pursues an ambitious long-term growth strategy that requires significant investments in R&D, sales, and marketing. The Board of Directors recommends that Nordic maintains a solid balance sheet with a high equity ratio and a cash reserve that enables the company to continue driving its technology and product roadmap.

The Board of Directors will propose to the Annual General Meeting that the net deficit of the parent

company is transferred to "Other equity", a dividend is distributed for 2024.

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors' accounts have been prepared on a going-concern assumption and that the going-concern assumption of

Oslo, March 19, 2025

Anita Huun
Board member, Audit Com. Chair

Birger Steen
Chair

Inger Berg Ørstavik
Board member, Sustainability Com. Chair

Snorre Kjesbu
Board member

Vegard Wollan
Chief Executive Officer

Jon Helge Nistad
Board member, employee

Anja Dekens
Board member, employee

Morten Dammen
Board member, employee

Dieter May
Board member

Dr. Helmut Gassel
Board member

- 01 Message from the CEO >
- 02 Nordic at a glance >
- 03 Report from the Board of Directors >
- 04 Financial statements >
 - Income statements
 - Statement of financial position
 - Cash Flow
 - Disclosures
 - Alternative Performance Measures
- 05 Responsibility statement
- 06 Audit opinion letter
- 07 Appendices >

Financial statements

 ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance >
03	Report from the Board of Directors >
04	Financial statements <
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices >
135	

Income statement
for the year ended December 31

GROUP		2023	Amount in USD 1000	Note	2022
2024	511 415	542 869	Total Revenue	5	477 598
	-269 446	-259 157	Cost of materials	6	-269 411
	241 969	283 712	Gross profit		208 171
	-170 321	-152 990	Payroll expenses	7/18/12/22	-73 022
	-76 880	-81 691	Other operating expenses	9/13	-176 711
	-40 573	-44 329	Depreciation, amortization and impairments	6/13/12/14	-27 988
	-45 806	4 702	Operating profit		-69 556
	-260	0	Share of profit from associates	15	-260
	11 177	9 726	Financial income	10/25/26	22 078
	-12 118	-3 690	Financial expenses	10/14/25/26	-12 171
	3 819	1 358	Net foreign exchange gains (losses)	4 022	-53 883
	-43 189	12 096	Profit before tax		8 101
	4 685	-4 447	Income tax expense	11	-47 778
	-38 504	7 650	Net profit after tax		-47 778
Attributable to:					
	-38 504	7 650	Equity holders of the parent		-47 778
	-020	0.04	Ordinary earnings per share (USD)	21	-0.21
	-020	0.04	Fully diluted earnings per share (USD)	21	-0.21
Statement of comprehensive income					
2024	-38 504	7 650	Net profit after tax		-47 778
	-132	-37	Actuarial gains (losses) on defined benefit plans (before tax)		-132
	29	8	Income tax effect	11	29
	-103	-29	Items that may not be reclassified to the income statement		-103
	-1 914	1 109	Currency translation differences		
	-1 914	1 109	Items that may be reclassified to the income statement		
	-2 017	1 080	Other comprehensive income		-103
	-40 521	8 730	Total Comprehensive Income		-47 881
Attributable to:					
	-40 521	8 730	Equity holders of the parent		-47 881

 ANNUAL REPORT 2024	
01	Message from the CEO >
02	Nordic at a glance >
03	Report from the Board of Directors >
04	Financial statements <
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices >
136	

Statement of financial position
as of December 31

GROUP		2023	Amount in USD 1000		Note	
		ASSETS				
		Non-current assets				
	10 880	10 891	Goodwill		12	2
	50 076	38 938	Capitalized development expenses		12	50 0
	13 762	19 063	Software and other intangible assets		12	12 6
	13 097	5 872	Deferred tax assets		11	12
	52 358	54 670	Right of use assets		14	43 2
	21 955	29 095	Fixed assets		13/25/26	15 3
	177	6	Investments in subsidiaries and joint ventures		1/15	13 7
	91 140	94 473	Other long term assets		14/16	91 1
	253 444	253 008	Total non-current assets			238 6
		Current assets				
	171 907	163 090	Inventory		6	171 9
	66 412	133 316	Accounts receivable		17/25/26	1 0
	27 029	21 874	Other current receivables		16/18/25/26	123 9
	287 914	290 957	Cash and cash equivalents		19/25/26	185 6
	553 262	609 237	Total current assets			482 4
	806 706	862 245	TOTAL ASSETS			721 1

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ANNUAL REPORT
2024

01 Message from the CEO

02 Nordic at a glance

03 Report from the Board of Directors

04 Financial statements

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05 Responsibility statement

06 Audit opinion letter

07 Appendices

>

>

>

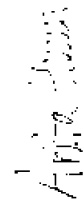
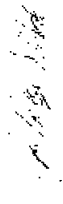
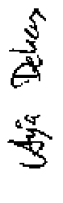
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137

GROUP		EQUITY		LIABILITIES		TOTAL EQUITY AND LIABILITIES	
317	Share Capital	317	20	Non-current liabilities		515 0	
235 448	Share premium	235 448	20	Pension liabilities	22		
334 000	Other components of equity	334 000		Borrowings	25 / 26	87 3	
569 766	Total equity	602 077		Non-current lease liabilities	14 / 25 / 26	38 9	
						126 8	
765				Current liabilities			
87 336				Accounts payable	24 / 25 / 26	22 9	
45 752				Income taxes payable	11 / 26		
133 853	Total non-current liabilities	146 016		Public duties	24 / 26	4 5	
				Current lease liabilities	14 / 25 / 26	5 8	
23 918				Other current liabilities	18 / 24 / 25 / 26	45 8	
1 799				Total current liabilities		79 2	
6 024				Total liabilities		206 1	
10 360						721 1	
60 985							
103 087	Total current liabilities	114 151					
236 940	Total liabilities	260 168					
806 706	TOTAL EQUITY AND LIABILITIES	862 245					

Oslo, March 19, 2025

				
Anita Huun Board member, Audit Com. Chair	Birger Steen Chair	Inger Berg Ørstavik Board member, Sustainability Com. Chair	Snorre Kjesbu Board member	Vegard Wollan Chief Executive Officer
				
Jon Helge Nistad Board member, employee	Anja Dekens Board member, employee	Morten Dammen Board member, employee	Dieter May Board member	Dr. Helmut Gassel Board member

NORDIC SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

138

Nordic Semiconductor Group

Consolidated statement of changes in equity

Amount in USD 1000	Share capital	Treasury shares	Share premium	Other paid in capital	Currency translation reserve	Retained earnings
Equity as of 01.01.2023	317	-2	235 448	5 358	-1 399	343 821
Net profit for the period						7 650
Other comprehensive income					1 109	-29
Share based compensation		0		6 660		
Consideration shares in business combination		0		3 141		
Equity as of 31.12.2023	317	-1	235 448	15 160	-290	351 442
Net profit for the period						-38 504
Other comprehensive income					-1 914	-103
Share based compensation		0		11 661		
Consideration shares in business combination		0		359		
Repurchase of own shares		0				-3 808
Equity as of 31.12.2024	317	-1	235 448	27 180	-2 204	309 027

Nordic Semiconductor Parent

Statement of changes in equity

Amount in USD 1000	Share capital	Treasury shares	Share premium	Other paid in capital	Retained earnings
Equity as of 01.01.2023	317	-2	235 448	3 456	321 356
Net profit for the period					-15 717
Other comprehensive income					1 109
Share based compensation		0		6 652	
Consideration shares in business combination		0		3 141	
Equity as of 31.12.2023	317	-1	235 448	13 250	305 350
Net profit for the period					-47 333
Other comprehensive income					1 109
Share based compensation		0		11 499	
Repurchase of own shares		0			-3 808
Consideration shares in business combination		0		359	
Equity as of 31.12.2024	317	-1	235 448	25 107	254 161

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Brønnøysundregistrene

Side 159 av 216

- 01 Message from the CEO
- 02 Nordic at a glance >
- 03 Report from the Board of Directors >
- 04 Financial statements <
 - Income statements
 - Statement of financial position
 - Cash Flow
 - Disclosures
 - Alternative Performance Measures
- 05 Responsibility statement
- 06 Audit opinion letter
- 07 Appendices >

Statement of cash flows for the year ended December 31

GROUP		2023	2022	Note	P/
		Amount in USD 1000			
		Cash flows from operating activities			
		-43 189	12 096		-55 888
		-7 827	-41 948		-3 711
		40 573	44 329	13/12/14	27 982
		69 808	-41 153	6/17/24/25	-18 900
		11 661	6 548		11 088
		104	-17		17
		942	-6 036		-9 900
		11 176	9 726		10 892
		0	-100 000		
		-22 898	-2 519		1 356
		60 351	-118 973		-36 911
		Net cash flows from operating activities			
		Cash flows used in investing activities			
		-9 809	-25 529	13/12	-7 222
		-19 343	-21 973	12	-19 343
		-431	-6		-431
		0	-6 000		
		-29 584	-53 502		-26 999
		Net cash flows used in investing activities			
		Cash flows from financing activities			
		-3 808	0	20	-3 808
		0	0		10 833
		0	92 935		-7 355
		-7 353	0		-3 071
		-7 322	-6 829		-2 955
		-3 556	-1 597		-1 121
		-1 120	-811		-7 488
		-23 159	83 698		-10 521
		-10 650	630		-81 911
		Net cash flows from financing activities			
		-3 042	-88 147		267 555
		290 957	379 104		185 633
		287 914	290 957	19/25	
		Net change in cash and cash equivalents			
		Cash and cash equivalents as of 1.1.			
		Cash and cash equivalents as of 31.12.			

*In the 2024 annual report, interest payments have been reclassified from operating activities to financing activities. Comparative figures for 2023 have been adjusted accordingly.

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

140

Note 1: General information

Nordic Semiconductor ASA is a public limited company whose ordinary shares are listed on the Oslo Stock Exchange with ticker code NOD. The company is domiciled in Norway, and the registered head office is at Otto Nielsens veg 12, 7052 Trondheim.

Nordic Semiconductor is a Norwegian fabless semiconductor company specializing in wireless communication technology that powers the Internet of Things (IoT). Nordic was established in 1983 and has more than 1300 employees across the globe. The Group's award-winning Bluetooth Low Energy solutions pioneered ultra-low power wireless, making it the global market leader. Nordic's technology range was later supplemented by ANT+, Thread and Zigbee. In 2018, Nordic launched its low power, compact LTE-M/NB-IoT cellular IoT solutions to extend the penetration of IoT. The Nordic portfolio was further complemented by Wi-Fi technology in 2021.

Nordic Semiconductor has only one reportable operating segment, and this corresponds with the internal reporting structure and management activities to monitor profitability. The revenue is broken down into product markets and geographical areas in which its distributors are located, see Note 5: Revenues.

The financial accounts were audited and approved for publication by the Board of Directors on March 19, 2025, and will be presented for approval at the Annual General Meeting on April 24th, 2025.

Note 2: Basis for preparation

2.1 Compliance with IFRS

The financial accounts for the Group have been prepared in accordance with IFRS® Accounting Standards as adopted by EU and Norwegian authorities, and are effective as of December 31, 2024.

2.2 Accounting standards adopted in 2024

In 2024, there are few revisions by the International Accounting Standards Board to the financial reporting requirements in accounting policies:

Amendment to IAS 1 - Non current liabilities with covenants, Amendment to IFRS 16 - Leases on sale and leaseback and Amendment to IAS 7 and IFRS 7 - Supplier Finance are revisions not applicable for the Group.

2.3 Basis for consolidation

The consolidated financial statements incorporate the results, cash flows, and assets and liabilities of the parent company Nordic Semiconductor ASA and its wholly owned subsidiaries.

A subsidiary is an entity that is controlled, either directly or indirectly, by the parent company. Control exists when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Generally, such power exists where the parent company holds a majority of the voting rights of an investee.

Subsidiaries are consolidated from the date control is obtained until the date that control ceases. All subsidiaries are wholly owned by the parent company and there are no non-controlling interests. Intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated.

2.4 Foreign currency translation

Each entity within the Group has a functional currency, which is normally the currency in which the entity primarily generates and expends cash.

At entity level, a foreign currency is a currency other than the entity's functional currency. Transactions in the profit and loss statement denominated in foreign currencies are recorded in the entity's functional

currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Currency translation differences arising at the end of the reporting period are recognized in profit or loss.

The consolidated financial statements are presented in US dollars (USD), which is the functional currency of the parent company. On consolidation, assets and liabilities of foreign operations are translated into USD at the closing rate (exchange rate) prevailing on the balance sheet date. Profits and losses are translated according to monthly average rates. Changes in net assets resulting from foreign currency rate movements are recognized in other comprehensive income and taken to the currency translation

Årsregnskap regnskapsåret 2024 for 966011726

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 161 av 216

NORDIC SEMICONDUCTOR ANNUAL REPORT 2024		
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	>
	Income statements	
	Statement of financial position	
	Cash Flow	
	Disclosures	
	Alternative Performance Measures	
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
		141

Note 3: Significant accounting judgments and critical estimates

The preparation of financial statements requires that management uses

- judgements, apart from those involving estimations, in the process of applying accounting policies that have the most significant effect on the amounts reported in the financial statements and its disclosures, and
- estimates, including information about the key assumptions concerning the future - and other key sources of estimation uncertainty at the balance sheet date - that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The most important areas where judgements and estimates have an impact are listed below. Detailed information of these judgements and estimates are disclosed in the relevant notes.

- Calculation of "Ship and Debit" rebate (see Note 5: Revenues
- Net realizable value assessment used in testing for impairment of inventories (see Note 6: Cost of materials / Inventory)
- Capitalization of development costs (see Note 12: Goodwill and intangible assets)

Management bases its judgments and estimates on historical experience and other factors, including expectations on future events, deemed to be reasonable and sensible given the specific circumstances. Estimates are reassessed whether needed based on changes in the underlying assumptions. Changes in accounting estimates are recognized in the period in which such changes occur. If such changes also apply to future periods, the effect is distributed between current and future periods.

Note 4: Climate related risk

Cost of goods sold for sustainable solutions

Nordic see that customers and other stakeholders care about the use of renewable energy solutions in the value chain. Changes in attitude could potentially impact the cost of production, such as cost of investments in new production technologies and renewable energy certificates. Nordic sees this as a possibility to obtain new customers or enhance cooperation with existing while also balancing pricing in order to maintain margins and managing the risk of not being able to comply with various requirements.

Impairment of inventories

One of Nordic's primary tangible assets in the balance sheet is inventory. This is dispersed across a few large warehousing locations. Some locations are exposed to weather phenomena such as typhoons, heatwaves and more, which can impact the value of Nordic's inventory. However, Nordic has proper safeguards in place to mitigate this risk, and considers the risk to be low.

Financing cost

Nordic has an undrawn sustainability linked RCF. The interest is calculated as the aggregate of SOFR + Margin + Credit adjustment spread. The applicable Margin shall be adjusted based on the aggregate number of KPI meeting their year-end KPI targets each year.

The ESG indicators are :

- Percentage of reduction of scope 2 emission
- Percentage of increase of recycled plastic used
- CDP rating

Going-concern assumption

Management consider the potential implications of climate-related risks for their going-concern assessment. Given the rapidly changing circumstances (i.e., environmental development, expectations from stakeholders, laws and regulations), the management has to consider and monitor going-concern on an ongoing basis.

Climate-related risks could give rise to even conditions that may cast significant doubt ability to continue as a going concern.

These events may arise from physical risks destruction of production plants in a tropic (i.e., hurricanes, typhoons, and resulting flood carbon footprint in manufacturing of components. This could trigger, for example, a halt in production that results in significant penalties exceeding emission targets, shift in customer that results in loss of major customers, halt to obtain input material, or customer production hindering stable revenue generation.

Nordic has secured its liquidity reserves to term obligations. According to the Group the total liquidity amount should equal at least of total R&D expenses.

To conclude, the expected impact of climate risks on the going-concern assessment is expected to be low.

Note 5: Revenues

All figures in USD 1 000

5.1 Accounting policies

The Group is in the business of developing integrated circuits. Revenue from customers consist of consulting services. The Group also customer do not receive financing from the therefore, there are no significant financing to be accounted for separately from the revenue transaction. The normal credit term is 30-90 delivery. In other words, the contract does the customer to pay in advance and require to pay a significant amount after delivery.

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

142

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

142

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 163 av 216

Sale of products

Sales of products are mostly made to distributors (customers). Revenue from product sales is recognized when control of the goods is transferred to the customer. The time of delivery is considered to be when the goods are transferred to the transport carrier. Upon delivery, the Group has the right of payment for the asset, the customer has legal title to the asset, physical possession has been transferred to the customer, and the customer has full ownership of the asset.

Revenue recognized on the sale of products is measured at the fair value of the consideration received or receivable, excluding sales taxes and after making allowance for variable considerations such as ship and debit, product returns and end-customer rebates.

The parent company sells a large share of its products to a related party for resale to the end customers (the distributors). The transaction price and terms between the related parties are established on an arm's length basis, ensuring that the pricing is consistent with what would be expected in transactions with unrelated parties. In accordance with IFRS 15, revenue is recognized when control of the goods is ultimately transferred to the end customers (the distributors), which occurs when the title to the goods passes to them.

"Ship and debit"

The Group sells products to certain distributors on "ship and debit" terms. Ship and debit is an arrangement between the Group and distributor where the distributor may be entitled to a refund if the distributor sells the products to end customer at lower prices than those quoted on the distributor price list. The distributor claims (debts) the Group for the price difference on sold products on a monthly basis.

Stock rotation rights

Some distributors are entitled to limited rights of return, referred to as stock rotation rights. The Group tracks the distributor's inventory and can initiate a stock rotation earlier if a certain product is selling better with another distributor.

Stock rotation provisions are made if necessary, based on most likely amount method. The most likely amount is the single most likely amount in a range of possible consideration amounts. As the products have similar margin, there are most likely no significant losses for the Group when stock rotations are initiated. The Group does not make provisions or adjustments to revenue for stock rotation unless we expect the goods returned to be obsolete.

End-customer rebates

Some end customers have entered into agreements with Nordic to receive a rebate based on their purchase quantity and price from the distributor. The rebates are recognized as reduction in revenue and increase in refund liabilities before payout by the end customer. See note 5.5.

Assets and liabilities arising from rights of return

Right of return asset

The Group has no right to return inventories back from customers.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

5.2 Significant accounting judgments and critical estimates

Nordic predominantly sells to electronic distributors under a distribution agreement. The distributors will hold a given level of Nordic's inventory that is subsequently shipped to an end customer. Nordic uses a "sell in" model in connection with revenue recognition to distributor customers. Under a "sell in" model, management needs to make judgements and estimate the amount that can affect the reported amounts of revenues and expenses. The main judgments are described as follows:

"Ship and debit"

At the balance sheet date, the Group has ship and debit on distributors' inventory level expected value method. The Group estimates based on an average of historical discount distributor and the expected sales mix to end customer. The ship and debit is recognized as reduction and increase in refund liability. See note 5.5.

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

144

Note 6: Cost of materials / inventory
All figures in USD | 000

6.1 Accounting policies

The Group applies standard cost method to measure cost of inventories. Standard cost variance is the difference between standard cost and actual cost. This variance impacts the cost of goods sold, and variance is monitored on a regular basis. Obsolete inventory is written down completely.

Inventory is valued at the lower of cost, according to the FIFO principle, and net realizable value after deduction for obsolescence. Net realizable value is estimated as the selling price less cost of completion and the cost necessary to make the sale. Cost of inventories includes purchase price of raw materials, costs directly related to the conversion of materials into finished goods (sub-contracting, yield loss and production overhead), and other costs incurred in bringing the inventories to their present location and condition.

6.2 Significant accounting judgments and critical estimates

Nordic assesses net realizable value for each inventory category (raw materials, work in progress and finished goods) separately as they have different useful life. Finished goods is split into five main product categories with distinct technology: Proprietary and Bluetooth® (Short-range wireless components), Cellular (Long-range wireless components), Wi-Fi, and PMIC. Each of these five technologies are then divided into subcategories where the different standardized chips with respective packaging are shared among a variety of customers. On this category level, Nordic is applying the practical expedient in IAS 2.29, stating that grouping of similar or related items with a similar purpose or end use can be assessed together when assessing net realizable value. Nordic is basing the net realizable value on orders from third parties, historical inventory turnover ratio, and other factors. This calculation is based on the most updated facts at any given point in time but are prone to variation under changing circumstances. One exception from regular calculation of net realizable value is related to items that are made from older parts and cannot be easily sold to other customers. These items are written off completely item by item if aging is more than 2 years.

6.3 Cost of materials / inventory

GROUP		2023	2024
	2023	2024	
	266 413	316 788	Purchased materials
	-8 817	-60 999	Changes in inventory
	11 850	3 368	Write-down in inventory
	269 446	259 157	Cost of materials
	89 615	95 043	Raw materials
	35 435	9 907	Work in Progress
	46 857	58 139	Finished goods
	171 907	163 090	Total inventory

As Nordic is a fabless manufacturer, all inventories, including raw materials and finished goods, are located at sub-contractors.

Årsregnskap regnskapsåret 2024 for 966011726

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 165 av 216

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

<

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

145

Note 7: Payroll expenses

All figures in USD | 000

GROUP		Combined expenses for salary and other compensation are distributed as follows:		PARENT	
2024	2023	2024	2023	2024	2023
137 679	126 961	Salary and vacation pay	55 930	53 728	
20 737	18 845	Other compensation	16 366	12 937	
14 429	14 759	Payroll tax	9 889	9 217	
—	-397	Tax grant	—	-397	
11 175	11 502	Defined contribution pension	4 541	4 639	
-13 699	-18 680	Capitalized development expenses (hourly costs)	-13 699	-18 680	
170 321	152 990	Total	73 026	61 443	
1 405	1 481	Weighted average number of full time employees	579	620	

Note 8: Executive compensation

All figures in USD | 000

Note 8.1: Management remuneration

Pursuant to the changes in the Public Limited Liability Companies Act, i.e. of a new section 6-16 (b), and associated new regulations, Nordic will publish separate management remuneration report for presentation at the Annual Meeting on 29 April 2025, containing detailed information on remuneration of the Management Team (EMT) for the reporting year 2024. The remuneration includes detailed information on the EMT's remuneration complementing the presented below. This includes an overview of the operational, financial, social, and governance targets that form the basis for the short-term incentive. EMT members' salaries and other benefits, including long term incentive plan, are presented in the table below. Unless otherwise stated, Nordic did not have any to or guarantees made on behalf of any EMT members in 2024 and 2023. The remuneration paid or awarded to the CEO and other members of the EMT was aligned with Nordics's remuneration policy. The policy is available in nordicsemi.com.

Årsregnskap regnskapsåret 2024 for 966011726

GROUP		Employees as of December 31, are distributed as follows:		PARENT	
2024	2023	2024	2023	2024	2023
558	631	Norway	558	631	
304	318	Finland	—	—	
112	113	Poland	—	—	
48	47	India	—	—	
62	72	USA	—	—	
58	55	Taiwan	—	—	
49	77	UK	—	—	
62	55	Philippines	1	1	
34	45	Sweden	—	—	
28	28	China	—	—	
12	12	Hong Kong	1	1	
4	3	South Korea	3	3	
5	5	Germany	—	—	
5	5	Japan	—	—	
2	2	The Netherlands	2	2	
3	16	Denmark	—	—	
2	2	Australia	2	2	
8	7	Singapore	—	—	
1	1	Bulgaria	1	1	
1 363	1 493	Total	574	640	



ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

06

Audit opinion letter

07

Appendices

>

146

Total compensation* expensed during the year for the CEO and other executives:					
2024	Salary	Bonus	RSUs & PSUs	Other Comp.	Pension expenses
Vegard Wollan, CEO**	358	158	157	3	70
Pål Elstad, CFO/EVP Finance	246	78	109	3	43
Svein Egil Nielsen, CTO/EVP R&D and Strategy*****	618	—	-204	1	33
Geir Langeland, EVP Sales & Marketing	262	93	121	4	42
Ole Fredrik Morken, EVP Supply Chain***	273	74	88	5	34
Ståle Ytterdal, SVP IR & Strategic Sales	165	51	71	4	23
Kjetil Holstad, EVP Product Management	233	74	97	4	44
Katarina Finneng, EVP People & Communication	257	43	-73	2	33
Sonja Kusmin, SVP People & Culture	150	31	33	0	28
Linda Pettersson, SVP Legal & Compliance	50	—	-20	0	4
Ola Boström, SVP Quality & Sustainability	164	51	57	2	24
Joakim Fern, SVP BU WI-FI	145	43	38	4	20
Øyvind Strøm, EVP BU Short-Range	155	57	29	1	29
Øyvind Birkenes, EVP BU Long-Range	163	59	29	4	30
Total	3 239	812	532	37	458
2023	Salary	Bonus	RSUs & PSUs	Other Comp.	Pension expenses
Svenn-Tore Larsen, CEO**	1 707	—	-66	1	73
Pål Elstad, CFO/EVP Finance	250	—	104	3	39
Svein Egil Nielsen, CTO/EVP R&D and Strategy	283	—	117	5	46
Geir Langeland, EVP Sales & Marketing	266	—	128	4	42
Ole Fredrik Morken, EVP Supply Chain***	241	—	79	3	27
Ståle Ytterdal, SVP IR & Strategic Sales	168	—	69	3	22
Kjetil Holstad, EVP Product Management	213	—	79	4	26
Katarina Finneng, EVP People & Communication	209	—	86	3	31
Linda Pettersson, SVP Legal & Compliance****	154	—	16	1	20
Ola Boström, SVP Quality & Sustainability****	165	—	34	3	20
Total	3 656	—	646	31	349

*Management compensation is paid in NOK, with one exception of EURO. Exchange rate for 2024: 10.74 and 2023: 10.56

**CEO, Svenn-Tore Larsen resigned after 2023, the salary cost also includes after pay. Upon resignation Sveinn-Tore Larsen exited the here presented RSU/PSU agreements as part of the termination.

***Includes expat allowances

****Marianne Frydenlund and Ebbe Røncke were no longer a part of the EMT by year end 2022. Linda Pettersson and Ola Boström joined the EMT during 2022, in July and August respectively

*****CTO, Svein Egil Nielsen resigned in 2024, the salary cost also includes after pay. Upon resignation Svein Egil Nielsen exited the here presented RSU/PSU agreements as part of the termination.

Overview of outstanding RSU and PSU for the respective EMT members are presented in the remuneration report

Note 8.2: Board remuneration

Total compensation expended for Board Members*		2023	2022
Briger Steen, Chair		12	6
Inger Berg Ørstavik, Board Member		6	6
Endre Hølen, Board Member		–	–
Snorre Kjesbu, Board member		6	6
Jan Magnus Frykhammar, Board Member		–	–
Øyvind Birkanes, Board Member		–	–
Anna-Stina Hirtsa, Board Member		6	6
Anita Huun, Board Member		6	6
Helmut Gassel, Board Member		4	4
Dieter May, Board Member		4	4
Jon Helge Nistad, Board Employee Representative (Board remuneration only)		1	1
Morten Dammen, Board Employee Representative (Board remuneration only)		1	1
Anja Dekens, Board Employee Representative (Board remuneration only)		1	1
Gro Fylse, Board Employee Representative (Board remuneration only)		1	1
Krishna Shingala, Board Employee Representative (Board remuneration only)		1	1
Total		52	52

*Purchased shares, no cash payout from the company

Numbers noted in USD and converted from NOK using USD/NOK rate of 0.74 for 2024 and 0.78 for 2023

 ANNUAL REPORT 2024	
01	Message from the CEO >
02	Nordic at a glance >
03	Report from the Board of Directors >
04	Financial statements <
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices >
148	

Note 9: Other operating expenses
All figures in USD | 000

GROUP		PARENT	
2024	2023	2024	2023
30 284	31 374	Service and maintenance	26 132
18 031	22 360	Other consultancy fees	15 409
3 582	3 140	Office expenses	2 456
1 138	1 748	Office equipment	815
12 297	11 746	Material and components	11 790
—	-70	Tax grant	—
-5 643	-3 293	Capitalized development expenses	-5 643
3 115	2 712	Travel and meeting expenses	1 322
14 076	11 974	Other operating expenses	9 145
—	—	Other operating expenses intercompany	115 287
76 880	81 691	Total other operating expenses	176 714
			174 914

Auditor remuneration, excl. of VAT

Fees to the auditor are included in consultancy fees above.

GROUP		PARENT	
2024	2023	2024	2023
309	159	Audit services	216
95	—	Other attestation Services/CSRD	95
22	35	Tax advisory Services	5
26	36	Other Non Audit service	26
451	230	Total audit fee	341
			181

Note 10: Net financial items
All figures in USD | 000

GROUP		PARENT	
2024	2023	2024	2023
11 079	9 670	Interest income	11 111
40	—	Interest income on lease receivables	—
—	—	Dividend received from group companies	10 818
58	57	Other financial income	—
11 177	9 726	Financial income	22 029
3 514	1 550	Interest expenses on lease liabilities	2 916
—	—	Interest expenses on intercompany loans	6
7 239	756	Bond interest expense	7 222
1 366	1 384	Other financial expense	1 313
12 119	3 690	Financial expense	12 151
3 819	1 358	Foreign exchange gain(loss)	4 017
-260	—	Share of gain (loss) from joint venture	-2
2 617	7 394	Net financial	13 617

Note 11: Tax

All figures in USD | 000

11.1 Accounting policies

Income tax expenses consist of taxes due and changes to the tax liabilities.

Deferred tax assets are recognized to the extent that it is probable that the company will have sufficient taxable income in later periods to utilize the deferred tax assets.

Deferred income tax relating to items recognized in Other Comprehensive Income (OCI) or directly in equity is recognized outside profit or loss.

The parent company pays its tax obligation in NOK and the subsidiaries in NOK and the USD impact the financial items. The Group's legal entities will have their tax base in USD are exposed to changes in the USD tax base rates. Effects within the current year are classified as tax expense.

Grants received, including those for R&D, are often in the form of tax refunds classified as operating grants. These operating grants are recognized in the statements concurrently with the expenses they are intended to offset. Tax grants typically accounted for as a reduction in payroll expenses, as detailed in the accounting policy on employee benefits.



ANNUAL REPORT
2024

01 Message from the CEO

02 Nordic at a glance

03 Report from the Board of Directors

04 Financial statements

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05 Responsibility statement

06 Audit opinion letter

07 Appendices

150

PARENT									
Deferred taxes:		Balance sheet			Income statement		Other. Comp. income		
		31.12.2024	31.12.2023	2024	2023	2024	2023	2024	2023
Inventory		2 593	751	-2 064	-17	—	—	—	—
Fixed assets		3 453	3 774	-77	-1 026	—	—	—	—
Leasing		451	209	-283	-42	—	—	—	—
Social security tax (RSUs)		176	130	-64	145	—	—	—	—
Pension obligation		127	89	-51	3	-29	-8	—	—
Financial instrument		—	—	—	-57	—	—	—	—
Accruals		30	13	-19	16	—	—	—	—
Deferred tax benefit - gross		6 830	4 967	-2 558	-978	-29	-8	—	—
Gain and loss account		-13	-18	-3	-5	—	—	—	—
Net other tax-obligations		—	—	30	-276	—	—	—	—
Financial instrument		5 364	—	-5 765	—	—	—	—	—
Deferred tax obligation - gross		5 351	-18	-5 738	-281	0	0	—	—
Currency effect of translation to USD		—	—	-62	8	—	—	—	—
Net deferred tax benefit (obligation)		12 181	4 948	-8 358	-1 251	-29	-8	—	—
Deferred tax expense (income)		—	—	—	—	—	—	—	—

GROUP						PARENT	
2024	2023	Reconciliation of net deferred tax obligation				2024	2023
5 872	4 554	Opening balance as of 1.1				4 948	3 808
8 979	1 892	Tax expense recognized in the P&L				8 358	1 251
29	8	Tax expense recognized in OCI				29	8
-1 783	-582	Currency effect from translation to USD				-1 154	-119
13 097	5 872	Net deferred tax benefit (obligation) as of 31.12				12 181	4 948

GROUP						PARENT	
2024	2023	Net deferred tax recognized in OCI as of 31.12				2024	2023
-29	-8	Net gain on actuarial gains and losses				-29	-8
-29	-8	Total tax expense (income) in OCI				-29	-8

Note 12: Goodwill and intangible assets

All figures in USD 1 000

12.1 Accounting policies

Goodwill

Goodwill acquired in business combinations is carried at cost as established on acquisition date. Goodwill, an asset with indefinite useful life, is not amortized annually for impairment. Goodwill is allocated to the cash generating unit (CGU), is the smallest group of assets that generate cash inflows largely independent of the cash inflows from other assets or groups of assets. Goodwill does not generate cash flows independently of other assets and is tested for impairment at the level of the CGU or group of CGUs that are benefit from the synergies of the related business combination.

Testing for impairment is done by comparing recoverable amount and carrying amount of the same groups of cash-generating units as to which goodwill is allocated. If carrying amount exceeds its recoverable amount, an impairment loss is recognized. Impairment loss first reduces goodwill and then allocated to other assets. Impairment of goodwill may not be reversed.

Nordic allocates and monitors Goodwill on an operating segment level since it comprises only one operating segment. As a result, the assessment for impairment is conducted for the group as a whole. Nordic's approach involves fair value rather than value in use. Upon examining the market value of the December 31 and comparing it to the book value of equity, it becomes evident that Goodwill and net operating-related assets could be sold for an amount significantly higher than their book values.

Valuation	Value
Market value	1 705 649
Book value	569 766

Intangible assets

Intangible assets, including capitalized development expenses and other intangible assets, are measured initially at cost. Subsequently, the intangible assets are amortized on a straight-line basis over the asset's estimated useful life, and the amortization method for intangible assets are reviewed at least once each reporting period. Changes in the expected useful life or the rate of consumption of future economic benefits embodied in the asset are considered in modifying the amortization period or method, as appropriate, and are treated in accounting estimates.



ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

06

Audit opinion letter

07

Appendices

>

151

The costs of an internally generated intangible asset is the sum of expenditures (labor and materials) and incurred from the time all requirements for capitalization are met and until the time the asset is transferred to production (TTP). Costs expensed in prior accounting periods will not be capitalized. Research costs incurred after TTP is typically related to maintenance of the asset. These costs are recognized as an expense as the requirement to demonstrate increased economic benefits are not met. Amortization begins when the product is transferred from development to production, and the amortization period is over its estimated useful life, normally 1-5 years. Each development project is reviewed annually to ensure that the recognition criteria are still met. If the criteria are no longer met, then the impairment loss is immediately recorded in the income statement.

Other intangible assets comprise identifiable intangibles acquired in business combination (IP, developed technology), licenses and computer software. The assets held by the Group have finite useful lives determined by the expected usage of the asset by the entity. The assets are amortized over its estimated useful life, normally 3-10 years. Other intangible assets with a finite useful life are tested for impairment whenever there is an indication that their carrying amounts may not be recoverable.

12.2 Significant accounting judgments and critical estimates

Capitalization of development costs

Determining whether development costs shall be capitalized involves the use of judgement by management. The company has to demonstrate all of the following:

- The product or the process is clearly defined and the cost elements can be identified and measured reliably;
- The technical feasibility is demonstrated;
- The product or the process will be sold or used in the business;
- The asset will generate future economic benefits;
- Sufficient technical, financial and other resources for project completion are in place.

A key factor in management judgment is whether a product design meets specific functional and economic requirements. Factors to consider are development/technical risk, existence of a market for the product, and its market share. The Group evaluates these criteria in relation to each specific project. Projects related to new product developments are generally more difficult to substantiate than projects in which the company has more experience. Before mass production, the company does extensive testing on the products to evaluate their quality and functionality and sends prototype samples to customers. The expected period of benefits is also dependent on the future technological development in the market.

12.3 Goodwill and intangible assets

GROUP					
2024					
Acquisition cost					
Opening balance			44 731	78 988	10 891
Additions			2 257	19 343	—
Currency translation differences			—	—	-11
Acquisition cost as of 31.12			46 988	98 331	10 880
Accumulated amortization					
Opening balance			25 668	40 051	—
Amortization expenses			7 203	8 205	—
Impairment expenses			431	—	—
Currency translation differences			-77	—	—
Accumulated amortization and impairment as of 31.12			33 226	48 255	—
Net carrying value as of 31.12			13 762	50 076	10 880

PARENT

2024		Software and other intangible assets	Capitalized development expenses	Goodwill
Acquisition cost				
	Opening balance	40 217	78 988	249
	Additions	2 381	19 343	
Acquisition cost as of 31.12		42 599	98 331	249
Accumulated depreciation				
	Opening balance	23 208	40 051	
	Amortization expenses	6 349	8 205	
	Impairment expenses	431	—	
Accumulated amortization and impairment as of 31.12		29 989	48 255	—
Net carrying value as of 31.12		12 610	50 076	249
Estimated useful life		3 - 10 years	1 - 5 years	No depreciation
Depreciation method		Straight-line	Straight-line	NA

GROUP	R&D expenses:	PARENT
107 661	Personnel expenses	45 641
	39 722	Other operating expenses
147 384	Total cost recognized in income statement	78 715
166 727	Total cost for R&D (incl. capitalized development cost)	98 038

Brønnøysundregistrene

 ANNUAL REPORT 2024	
01	Message from the CEO >
02	Nordic at a glance >
03	Report from the Board of Directors >
04	Financial statements <
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices >
154	

Note 13: Fixed assets

All figures in USD | 000

13.1 Accounting policies

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The assets are depreciated on a straight-line basis over their estimated useful lives.

Expenditures classified as repair and maintenance costs are expensed when incurred.

13.2 Fixed assets

GROUP					
2024	Office and lab equipment	Computer equipment and machinery	Fixture and fittings	Property	
Opening balance	46 687	49 703	6 858	333	
Additions	2 003	3 209	199	—	
Disposals	-312	—	-80	—	
Acquisition cost as of 31.12	48 378	52 913	6 977	333	
Opening balance	33 436	37 393	3 656	—	
Depreciation expenses	7 409	5 911	1 062	—	
Disposals	-202	—	-65	—	
Currency translation differences	-1 217	-668	-69	—	
Accumulated depreciation as of 31.12	39 426	42 636	4 584	—	
Net carrying value as of 31.12	8 952	10 278	2 393	333	
PARENT					
2024	Office and lab equipment	Computer equipment and machinery	Fixture and fittings	Property	
Opening balance	21 177	45 080	3 578	333	
Additions	1 832	3 929	86	—	
Disposals	—	-487	-80	—	
Acquisition cost as of 31.12	23 009	48 518	3 585	333	
Opening balance	15 724	33 873	2 074	—	
Depreciation expenses	2 538	5 701	395	—	
Disposals	—	-126	-65	—	
Accumulated depreciation as of 31.12	18 262	39 448	2 405	—	
Net carrying value as of 31.12	4 746	9 070	1 180	333	

Expenditures that increase the value of the fixed asset are capitalized and over the remaining useful life of the fixed asset.

The assets' residual values and useful lives are reviewed annually.

At the end of each reporting period, the Group assesses whether there is indication that a fixed asset may be impaired. The recoverable amount of asset are normally estimated on a stand-alone basis.

 ANNUAL REPORT 2024	
01	Message from the CEO >
02	Nordic at a glance >
03	Report from the Board of Directors >
04	Financial statements <
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices >
155	

GROUP	Office and lab equipment	Computer equipment and machinery	Fixture and fittings	Property
2023				
Opening balance	39 843	44 673	6 138	333
Additions	6 823	5 017	707	—
Additions from business combinations	21	14	15	—
Acquisition cost as of 31.12	46 687	49 703	6 858	333
Opening balance	24 845	26 138	2 448	—
Depreciation expenses	8 110	11 097	1 187	—
Currency translation differences	481	158	22	—
Accumulated depreciation as of 31.12	33 436	37 393	3 656	—
Net carrying value as of 31.12	13 251	12 309	3 202	333
PARENT				
2023				
Opening balance	18 262	40 555	2 977	333
Additions	2 915	4 538	861	—
Disposals	—	-12	-259	—
Acquisition cost as of 31.12	21 177	45 080	3 578	333
Opening balance	12 212	23 127	1 517	—
Depreciation expenses	3 512	10 751	571	—
Disposals	—	-5	-14	—
Accumulated depreciation as of 31.12	15 724	33 873	2 074	0
Net carrying value as of 31.12	5 453	11 208	1 504	333
GROUP AND PARENT				
Estimated useful life	3 - 5 years	3 - 5 years	5 years	
Depreciation method	Straight-line	Straight-line	Straight-line	No depreciation

Total depreciation expenses consist of depreciation of fixed assets and depreciation of intangible assets (Note 12: Goodwill and intangible assets).

Non-depreciable property assets:

The parent company has an apartment in Trondheim for use by employees in the Oslo office while in Trondheim. The apartment is assessed at acquisition cost. The residual value is expected to be at least equal to the carrying amount.

Scrapped capital assets

All capital assets that are ready to be scrapped have been fully depreciated and have no residual book value.

Impairment

There have been no indications of possible impairment related to fixed assets during the current reporting period.

Change in estimate with respect to useful life

The useful life of the fixed assets has been reviewed during the year. Management evaluated the current useful life estimates as appropriate.

NORDIC SEMICONDUCTOR ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
04	Financial statements
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices

156

Note 14: Leases
All figures in USD 1 000.

14.1 Accounting policies

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use (RoU) assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes RoU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). RoU assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of RoU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. RoU assets are depreciated on a straight-line basis over the lease term.

At the end of each reporting period, the Group assesses whether there is any indication that an RoU asset may be impaired.

Sub-leases

A sublease, where the Group is a lessor, could either be classified as an operational or finance lease.

Finance lease is applicable for the Group because:

- The lease term of the sublease is for the major part of the head lease, and
- Risk and reward for the subleased space have been transferred to the sub lessee over the remaining time of the head lease.

The right-of-use asset of the head lease is derecognized equal to the present value of sub-lease and the Group presents the net investment in the lease as an "other long-term asset". The Group uses the discount rate used for the head lease to measure the net investment in the sublease.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (IBR) at the lease commencement date because the interest rate in the lease is not readily determinable. The Group estimates the IBR using inputs (such as market interest rates) when available and is required to make entity specific estimates (such as the subsidiary's stand-alone credit rating).

After the commencement date, the amount of lease liabilities is increased or decreased by the accretion of interest and reduced for the lease payments made. In addition, carrying amount of lease liabilities is remeasured if there is a modification in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets. The low-value asset election is made on a lease-by-lease basis and refers to underlying assets in order of USD 5 000 or less. Lease payments on short-term leases and low-value assets are recognized as expense on a straight-line basis over the lease term.

14.2 Leases

The Group is a lessee and has entered into agreements to lease office space, equipment and machinery.

The Group's office leases range between 1 to 13 years. Equipment and machinery leases range between 1 to 5 years.

There are no leases with variable lease payments, other than lease payments indexed to a consumer price index.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximize operational efficiency in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group or its respective lessor. In calculating lease liability, the option to extend the term of the lease has not been included. The Group could replace the lease assets with a significant cost or business disruption.

The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the "short-term lease" and "lease of low-value asset" recognition exemptions for these leases.

Leasing activities

In 2024, the following legal entities renegotiated their obligations to existing office locations:

- In 2024, Nordic Semiconductor ASA exercised the option to transfer addition office space in Trondheim, with a commencement date of October 1, 2024, November 1, 2024 and April 1, 2025. The office space is subleased from these dates on the same terms as the head lease.
- Nordic Semiconductor India Private Limited signed an office rental agreement with a commencement date of January 1, 2024.
- Nordic Semiconductor Hong Kong Limited signed an office rental agreement with a commencement date of November 1, 2024
- Nordic Semiconductor Poland Sp. Z.o.o. exercised the option to extend the office lease for another 2 years.

In 2024, the following legal entities signed office rental agreements for new locations:

- Nordic Semiconductor Finland Oy signed an office rental agreement with a commencement date of March 1, 2024.
- Nordic Semiconductor Inc signed an office rental agreement with a expected commencement date of March 25, 2025.
- Nordic Semiconductor (Philippines) Inc signed an office rental agreement with a expected commencement date of January 7, 2025.

Contractual cash flow of leases

Below is the expected contractual cash flow of leases not reflected in the measurement of lease liabilities as of December 31, 2024 (commencement date after balance sheet date).

GROUP	Carrying amount	Contractual cash flow	Less than one year	One to five years	More than five years
Office space	—	4 189	270	2 598	1 320
Office equipment	—	—	—	—	—
Total	—	4 189	270	2 598	1 320

PARENT	Carrying amount	Contractual cash flow	Less than one year	One to five years	More than five years
Office space	—	3 304	194	1 931	1 179
Office equipment	—	—	—	—	—
Total	—	3 304	194	1 931	1 179

Minimum lease payments payable on leases are presented in note 26.

Below is the expected contractual cash flow of subleasing.

GROUP	Carrying amount	Contractual cash flow	Less than one year	One to five years
Lease payments receivables*	2 699	7 602	600	4 512
Total	2 699	7 602	600	4 512

PARENT	Carrying amount	Contractual cash flow	Less than one year	One to five years
Lease payments receivables*	2 699	7 602	600	4 512
Total	2 699	7 602	600	4 512

*Lease payments receivables contractual cash flow is including lease payments from sublease commencement date after balance sheet date.



ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

06

Audit opinion letter

07

Appendices

>

158

Amounts recognized in the balance sheet:

Right-of-use assets			
GROUP			
2024		Office space	Office equipment and machinery
Acquisition cost			
Opening balance		83 580	—
Additions		5 488	370
Adjustments		5 042	—
Net investment in the lease		-2 835	—
Acquisition cost as of 31.12		91 274	370
Accumulated depreciation			
Opening balance		28 910	—
Depreciation expenses		8 960	74
Impairment expenses		1 318	—
Accumulated depreciation and impairment as of 31.12		39 187	74
Net carrying value as of 31.12		52 062	296
PARENT			
2024		Office space	Office equipment and machinery
Acquisition cost			
Opening balance		63 250	—
Additions		36	370
Adjustments		4 538	—
Net investment in finance lease		-2 835	—
Acquisition cost as of 31.12		64 989	370
Accumulated depreciation			
Opening balance		17 724	—
Depreciation expenses		4 274	74
Impairment expenses		—	—
Accumulated depreciation and impairment as of 31.12		21 998	74
Net carrying value as of 31.12		42 991	296



ANNUAL REPORT
2024

01 Message from the CEO

02 Nordic at a glance

03 Report from the Board of Directors

04 Financial statements

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05 Responsibility statement

06 Audit opinion letter

07 Appendices

>

>

>

>

>

159

GROUP		Office space	Office equipment and machinery
2023			
Acquisition cost			
Opening balance		42 286	—
Additions		28 826	—
Adjustments		12 468	—
Acquisition cost as of 31.12		83 580	—
Accumulated depreciation			
Opening balance		20 816	—
Depreciation expenses		8 094	—
Accumulated depreciation and impairment as of 31.12		28 910	—
Net carrying value as of 31.12		54 670	—
PARENT			
2023			
Acquisition cost			
Opening balance		25 662	—
Additions		25 761	—
Adjustments		11 827	—
Acquisition cost as of 31.12		63 250	—
Accumulated depreciation			
Opening balance		13 586	—
Depreciation expenses		4 138	—
Accumulated depreciation and impairment as of 31.12		17 724	—
Net carrying value as of 31.12		45 527	—

Impairment
In 2024, Nordic Semiconductor Inc and Nordic Semiconductor UK Limited closed an office due to downsizing. The impairment loss of right-of-use assets is USD 1.3m.

Lease payment receivables:
Below is the carrying amount of lease payment receivables (from subleasing) and the movements during the period.

	ANNUAL REPORT 2024
01	Message from the CEO
02	Nordic at a glance >
03	Report from the Board of Directors >
04	Financial statements <
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices >
160	

GROUP		Lease payment receivables as of 1 January 2024		PARENT
	—	Lease payments		—
	-59	Lease payments		-59
	2 825	Acquisitions and adjustments		2 825
	—	Disposals		—
	27	Interest		27
	-94	Foreign exchange adjustments		-94
	2 699	Lease payment receivables as of 31 December 2024		2 699

Lease liabilities

Below is the disclosure of financial position from lease liabilities.

GROUP		Lease liabilities		PARENT	
2024	2023	2024	2023	2024	2023
10 360	9 897	Current		5 865	5 963
45 752	47 864	Non-Current		38 957	42 127
56 112	57 762	Total lease liabilities		44 822	48 090

Below is the carrying amount of lease liabilities and the movements during the period.

GROUP		Net liabilities as of 1 January 2024		PARENT
57 762	57 762	Net liabilities as of 1 January 2024		48 090
-10 878		Lease payments		-6 029
11 069		Acquisitions and adjustments		4 955
—		Disposals		—
3 556		Interest		2 958
-5 397		Foreign exchange adjustments		-5 152
56 112		Net liabilities as of 31 December 2024		44 821

Other items

Below is the disclosure of other items from operational leases and subleasing

GROUP		Other items from operational leases and subleasing	
2024	2023	2024	2023
59	—	Income from subleasing right-of-use assets	
27	—	Interest income from net investment in finance leases	
86	—	Total items from subleasing	
397	405	Expenses relating to short-term leases	
932	735	Expenses relating to leases of low-value assets	
3 555	1 597	Interest expense on lease liabilities	
4 884	2 737	Total items from operational leases	3 336
12 148	9 567	The total cash outflow for leases	6 666

NORDIC SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

161

Note 15: Investments in subsidiaries and joint ventures

All figures in USD | 000

Note 15.1: Subsidiaries

The following subsidiaries have been included in the financial statements.

Subsidiaries consolidated in	Established Year	Location	Share Ownership	Voting Rights
Nordic Semiconductor Inc	2006	USA	100%	100%
Nordic Semiconductor Poland Sp z o.o	2013	Poland	100%	100%
Nordic Semiconductor Finland OY	2014	Finland	100%	100%
Nordic Semiconductor KK	2017	Japan	100%	100%
Nordic Semiconductor Germany GmbH	2018	Germany	100%	100%
Nordic Semiconductor Norway AS	2020	Norway	100%	100%
Nordic Semiconductor UK Limited	2020	UK	100%	100%
Nordic Semiconductor India Pvt. Ltd	2020	India	100%	100%
Nordic Semiconductor Sweden AB	2020	Sweden	100%	100%
Nordic Semiconductor Hong Kong Limited	2021	Hong Kong	100%	100%
Nordic Semiconductor (Shenzhen) Limited	2021	China	100%	100%
Nordic Semiconductor Singapore Pte Ltd	2022	Singapore	100%	100%
Nordic Semiconductor Denmark ApS	2022	Denmark	100%	100%
Nordic Semiconductor Philippines, Inc.	2022	Philippines	100%	100%

Subsidiaries as of 31 December 2024	Ownership	Share of votes	Net profit 2024	Equity 31. Dec 2024
Nordic Semiconductor Inc, USA	100%	100%	1 821	7 002
Nordic Semiconductor Poland SP z o.o	100%	100%	2 196	10 358
Nordic Semiconductor Finland OY	100%	100%	4 548	15 212
Nordic Semiconductor KK	100%	100%	44	163
Nordic Semiconductor Germany GmbH	100%	100%	39	178
Nordic Semiconductor Norway AS	100%	100%	363	8 029
Nordic Semiconductor UK Limited	100%	100%	841	4 557
Nordic Semiconductor India Pvt. Ltd	100%	100%	651	2 546
Nordic Semiconductor Sweden AB	100%	100%	482	1 635
Nordic Semiconductor Hong Kong Limited	100%	100%	103	353
Nordic Semiconductor (Shenzhen) Limited	100%	100%	322	853
Nordic Semiconductor Singapore Pte Ltd	100%	100%	10 601	22 603
Nordic Semiconductor Denmark ApS	100%	100%	46	282
Nordic Semiconductor Philippines, Inc.	100%	100%	245	357

- All intellectual property (IP) is owned by Nordic Semiconductor ASA, which is the ultimate parent company of the Group. All intercompany transactions are conducted in accordance with the Group's transfer pricing policy.
- Nordic Semiconductor Inc is a market development, product promotion, and sales company, but since 2016 has run a small R&D department as well.
- Nordic Semiconductor Poland Sp. z o.o. is an extension of the software development team in the parent company.
- Nordic Semiconductor Finland OY is a development company working with range technology. The R&D team in Finland works closely alongside the rest of the teams in the Group.
- Nordic Semiconductor KK is a market development, product promotion, and sales company.
- Nordic Semiconductor Germany GmbH is a market development, product promotion, and support company.
- Nordic Semiconductor Norway AS is the parent company of Nordic Semiconductor Limited, Nordic Semiconductor India Pvt. Ltd, Nordic Semiconductor Sweden AB, and Nordic Semiconductor Hong Kong Limited and Nordic Semiconductor (Shenzhen) Limited.
- Nordic Semiconductor UK limited is a development company working with PMIC technology. The R&D team in the UK works closely alongside the rest of the teams in the Group.
- Nordic Semiconductor India Pvt. Ltd is a development company working with range technology. The R&D team in India works closely alongside the rest of the teams in the Group.
- Nordic Semiconductor Sweden AB is a development company working with range technology. The R&D team in Sweden works closely alongside the rest of the teams in the Group.
- Nordic Semiconductor Hong Kong Limited is a market development, product promotion, and support company.
- Nordic Semiconductor (Shenzhen) Limited is a market development, product promotion, and support company.
- Nordic Semiconductor Singapore Pte Ltd is Nordic's regional headquarters in the region, distributing the Group's products.
- Nordic Semiconductor Denmark ApS is a development company working with short range technology.
- Nordic Semiconductor Philippines, Inc. is a development, supply chain and sales company. The R&D team in the Philippines is working across all technologies closely alongside the rest of the R&D teams in the Group.

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 182 av 216

 ANNUAL REPORT 2024	
01	Message from the CEO >
02	Nordic at a glance >
03	Report from the Board of Directors >
04	Financial statements <
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices >
163	

Note 19: Cash and cash equivalents

All figures in USD | 000

19.1 Accounting policies

Cash and cash equivalents include cash at bank and money market fund. Money market funds are defined as cash equivalents because they are highly liquid and not subject to material fluctuations in value. The purpose of cash and cash equivalents is to meet short-term commitments.

19.2 Cash and cash equivalents

GROUP		PARENT	
2024	2023	Cash and cash equivalents as of the balance sheet date were as follows:	
192 445	189 853	Cash at bank	166 449
2 256	2 372	Restricted cash (withholding tax account)	2 372
93 213	98 731	Money market funds	98 731
287 914	290 957	Cash and cash equivalents in statement of financial position	
		185 633	267 553

- Cash at banks earns interest at floating rates based on daily bank deposit rates.
- Money market fund invests in short-term securities in Norwegian fixed-income market. The instruments are issued or guaranteed by the state, municipalities, authorities, industrial companies, and financial institutions. The fund may, during periods, allocate all its investments within just one or a few of these segments while Nordic Semiconductor ASA presents total bank deposits in the international cash and cash equivalents. Nordic Semiconductor OY presents its share of the international cash and cash equivalents receivable from the company. Nordic Semiconductor ASA and Nordic Semiconductor participate in the cash pool, which is operated by Danske Bank.
- Restricted deposits are held by Nordic Semiconductor ASA. They are subject to regulatory restrictions and are therefore not available for general use by the Group.
- Interest on bank deposits is set to floating rates based on daily bank deposit rates.

For information on credit and liquidity risk, see Note 26: Financial risk management.

Note 20: Share capital and shareholder information

20.1 Accounting policies

When treasury shares are purchased, the purchase price, including directly attributable costs, are recognized as changes in equity. Treasury shares are presented as a reduction of equity. Gains or losses on transactions in treasury shares are not recognized in the income statement.

20.2 Share capital and shareholder information

Share capital

The share capital in Nordic Semiconductor ASA as of December 31, 2024, consists of one share class with a total of 192,781,600 shares with a par value of NOK 1. The total share capital of NOK 1,927,816. Each share grants the same rights in the company and in the event of any increase in capital, existing shareholders have pre-emptive rights for any new shares. During the year, the following changes have been made to the number of shares, share capital, and share premium.

GROUP	Number of shares		Share capital (USD 1000)		Treasury shares (USD 1000)		Share premium (USD 1000)	
	2024	2023	2024	2023	2024	2023	2024	2023
Holdings as of 1.1	192 781 600	192 781 600	317	317	-1	-2	235 448	235 448
Change during the year	—	—	—	—	0	1	—	—
Holdings as of 31.12	192 781 600	192 781 600	317	317	-1	-1	235 448	235 448



ANNUAL REPORT
2024

01 Message from the CEO

02 Nordic at a glance

03 Report from the Board of Directors

04 Financial statements

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05 Responsibility statement

06 Audit opinion letter

07 Appendices

164

Dividend

No dividend was paid during 2024.

Treasury shares

The company owned 518,692 treasury shares on December 31, 2024. On January 1, 2024, the company owned 382,102 treasury shares. Based on a resolution of the annual general meeting of April 24, 2024, the Board has authority to purchase the company's own shares with a limit of a par value of NOK 192,000 through one or more transactions. This authority is limited to 9,96% of the company's share capital, and the price per share that the company may pay for shares shall not be lower than the par value and not higher than NOK 350. This authority applies until the company's annual general meeting in 2025, and by June 30, 2025 at the latest. On February 4, 2025, the board authorized the Company to commence a share repurchase program based on the aforementioned resolution of the annual general meeting. The purpose of the program is to have available shares to settle the company's obligations under the Employee long-term equity linked incentive programs and to cover the outstanding considerations for the acquisition of Mobile Semiconductor.

Long-term incentive plan

With reference to the board meeting on March 19, 2024, the Group approved a combination of Restricted Stock Units (RSUs) and Performance Shares (PSUs) for all employees, with the exception of the Executive Management team. Additionally, on April 24, 2024, the Annual General Meeting of Nordic Semiconductor ASA approved the grant of Restricted Stock Units (RSUs) in accordance with the 2024 Employee Long-Term Incentive Plan. See note 23 for further information.

Shareholder overview

The largest shareholders in Nordic Semiconductor ASA were as follows as of December 31, 2024, based on data provided by an investor relations advisory service and is obtained through an analysis of beneficial ownership and fund management information provided in replies to disclosure of ownership notices issued to custodians on the Nordic VPS share register.

Shareholder	Shares
Falketrygfondet	23 716 239
DNB Asset Management AS	21 722 619
Accelerator Limited	17 472 950
The Vanguard Group, Inc.	7 244 165
BlackRock Fund Advisors	5 719 504
KLP Kapitalforvaltning AS	5 214 809
Eika Kapitalforvaltning AS	4 481 082
Danske Bank Investment Management	4 108 926
Handelsbanken Fonder AB	3 546 461
The Hongkong & Shanghai Banking Corp. Ltd	3 415 437
Storebrand Asset Management AS	3 294 060
Skandia Fonder AB	3 154 099
Robeco Institutional Asset Management B.V.	2 884 065
Alfred Berg Kapitalforvaltning AS	2 488 962
E. Öhman J or Fonder AB	2 403 899
Bluepearl Map I LP	2 346 622
Sverin Tore Larsen	1 927 142
Odin Forvaltning AS	1 924 548
TTC Invest AS	1 750 000
Merrill Lynch International	1 715 869
Total for the 20 largest shareholders	120 864 458
Other shareholders	71 167 142
Total shares outstanding	192 031 600

*Every reasonable effort has been made to verify the data, however neither Nordic Semiconductor ASA nor the investor relations advisory service provider can guarantee the accuracy of the analysis.

Shares held by the Board of Directors and Executive Management as of December 31, 2024:

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

165

Board of Directors	Shares	Executive Management	Shares
Birger Steen	270 907	Vegard Wollan	131 000
Anita Huun	14 683	Geir Langeland	222 722
Inger Berg Ørstavik	7 283	Ole Fredrik Morken	206 507
Anastasiina Hirtsa	5 683	Ståle Ytterdal	142 665
Snorre Kjesbu	7 425	Ola Bostrom	5 927
Jon Helge Nistad	958	Pål Elstad	50 945
Anja Dekens	570	Øyvind Birkenes	9 540
Morten Dammen	2 507	Kjetil Holstad	17 479
Dieter May	6 264	Joakim Fern	1 801
Helmut Gassel	764	Sonja Kusmin	600
Monika Lie Larsen	1 051	Øyvind Strøm	6 000
Total	318 095	Total	795 186

Note 21: Shares outstanding

Basis for calculation of basic earnings per share		2024	2023
Earnings for the year (USD '000)		-38 504	7 650
Weighted average number of outstanding shares ('000)		192 196	192 085
Earnings per share (USD)		-0.20	0.04
Basis for calculation of fully diluted earnings per share			
Earnings for the year (USD '000)		-38 504	7 650
Weighted average number of outstanding shares ('000)		194 717	193 350
Earnings per share (USD)		-0.20	0.04

The number of shares was as follows:

Date	Shares issued	Shares outstanding
01.01.2024	Opening balance	192 781 600
31.12.2024	Closing balance	192 781 600

Restricted Stock Units (RSUs) and Performance Shares (PSUs) granted to employees are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share. RSUs and PSUs have not been included in the determination of basic earnings per share. Details relating to share based compensation are set out in note 23.

Note 22: Pensions

Defined benefit plan

The total pension liability from defined benefit plans was USD 765,294 for 2024. This amount consists of liabilities in Norway, the Philippines, Poland and India.

The Norwegian company in the Group is required to have mandatory employee pension for employees in Norway, according to the Mandatory Employee Pension Act. The defined benefit plan was closed for new members effective January 1, 2024, and from this point a new defined contribution plan was established.

Nordic has had a pension plan for the Philippines office as of January 2019. The retirement plan is unfunded and of the defined benefit type that provides a benefit calculated based on number of years of credited service. At the end of 2024, the pension liability was USD 396,358.

In Finland, earnings-related pensions are financed with insurance contributions by employers and employee. In Poland, the employers and employee contribute to a social security plan including pensions and disability insurance. In addition, the company offers an employee capital plan (PPK) financed jointly by the employer, and the government.

In India, the company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act. The amount of gratuity payable on retirement/termination is the employee's last basic salary per month, computed proportionately for 15 days' salary multiplied by the number of years of service.

Defined contribution pension plan

All employees in Norway have a defined contribution pension plan since January 1, 2016. The main benefit is a contribution of 7% of salary up to 7% basis point, 18% of salary between 7.1 and 12 basis points. In addition to this, the company provides a disability pension of approximately 66% of salary including estimated social security contributions based on 40 years of full employment. In 2024, the cost of the defined contribution pension was USD 378,618, and the plan had 581 members.

The Indian company has a defined contribution plan, specifically a provident fund. Contributions are made to provident fund at the rate of 12% of basic salary. Contributions are made to registered provident fund administered by the company. The obligation of the Company is limited to the amount contributed. It has no contractual or any constructive obligation.

In Poland, each employee who retires is entitled to retirement and pension pay from the employer. This is regulated by the Polish Labor Code.

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 186 av 216

NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

<

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

166

Note 23: Long-term incentive plans

23.1 Accounting policies

Share based compensation

The Group grants restricted stock units and other awards over its ordinary shares to all employees. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in note 23.2.

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other paid in capital), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

Social security tax is accrued over the vesting period based on the actual value of the stock unit.

23.2 Long-term incentive plans

On April 28, 2021, Nordic Semiconductor ASA granted 452,353 Restricted Stock Units (RSUs) and Performance shares to employees. A share price of NOK 182.2 was used as basis for the calculation of RSUs and Performance Shares, which was the weighted average share price the five trading days after the Annual General Meeting. The RSUs vest after two and three years. The performance shares are issued conditional upon the achievement of a certain set of objectives. The performance shares vest and will be delivered at par value upon the completion of the performance period, which is three years.

On April 28, 2022, Nordic Semiconductor ASA granted 486,677 RSUs and Performance shares to employees. A share price of NOK 183.8 was used as basis for the calculation of RSUs and Performance Shares, which was the weighted average share price the five trading days after the Annual General Meeting. The RSUs vest after two and three years. The performance shares are issued conditional upon the achievement of a certain set of objectives. The performance shares vest and will be delivered at par value upon the completion of the performance period, which is three years.

On July 12, 2023, Nordic Semiconductor ASA granted 1,002,323 RSUs and Performance shares to employees. A share price of NOK 112.7 was used as the basis for the calculation of RSUs for employees, which was the weighted average share price over the five trading days after the Annual General Meeting. The RSUs vest after two and three years. For the EMT, the weighted average share price on July 11, 2023 of NOK 129.9 was used as the basis for the calculation of RSUs and Performance shares. The performance shares are issued conditional upon the achievement of a certain set of objectives. The performance shares vest and will be delivered at par value upon the completion of the performance period, which is three years.

On March 20, 2024, Nordic Semiconductor granted 903,000 RSUs and Performance Shares to employees. The grant was aimed at retaining and motivating employees following a challenging year of cost optimization initiatives. The grant covers employees, with the exception of the executive management team. The RSUs vest after two and three years. The performance shares are issued conditional upon the achievement of a certain set of objectives. The performance shares vest and will be delivered value upon the completion of the performance period, which is until May 2025.

With reference to the Annual general meeting held on April 24, 2024, Nordic Semiconductor, on May 3, 2024, granted 946,922 RSUs and performance shares to employees, including management. The shares vest over two and three years. The Annual General Meeting of Nordic Semiconductor ASA approved the issuance of Performance Shares of an aggregate nominal value of up to 1% of the outstanding share capital.

A summary of RSUs transactions during 2024 and 2023 below:		2024	2023
Outstanding RSUs 1.1		1 404 565	1 355 411
Granted		1 355 411	462 508
Forfeited		—	375 650
Released		—	1 921 824
Outstanding RSUs 31.12		1 404 565	1 355 411
A summary of performance shares during 2024 and 2023 below:		2024	2023
Outstanding performance shares 1.1		77 355	516 983
Granted		—	69 433
Forfeited		—	—
Performance adjusted		—	-169 120
Released		—	—
Outstanding performance shares 31.12		77 355	355 783

The fair value of the RSUs and performance shares are set on the grant date and expensed over the vesting period. USD 11,661 thousand was expensed during 2024 and USD 6,548 thousand in 2023. The strike price of the RSUs and Performance Shares are delivered free of payment.

The fair value per RSU and performance share without market condition on March and May 2024 was NOK 83.28 and NOK 123, respectively. The fair value of performance shares with Relative Total Shareholder Return performance condition on May 2024 was NOK 198.0039. The valuation is based on a Monte Carlo simulation model with the following assumptions:

24.06.2025 kl 15:40

Brønnøysundregistrene

Side 187 av 216

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	<
	Income statements	
	Statement of financial position	
	Cash Flow	
	Disclosures	
	Alternative Performance Measures	
05	Responsibility statement	
06	Audit opinion letter	
07	Appendices	>

Share price on the grant date

The closing share price of the company and peer group companies (SOX Index) were NOK 123.00 and USD 4,605.36, respectively.

Risk-free interest rate

The risk-free interest rate is set equal to the relevant interest rate on government bonds on the date of grant in 2024, i.e., 3.674 % in Norway.

Volatility

It is assumed that historic volatility is an indication of future volatility. The expected volatility is therefore stipulated to be the same as the historic volatility, which equaled 57.37% on the date of grant in 2024 for the Company and 33.95% for the SOX Index.

Expected lifetime

Performance shares vest on the May 3, 2027. Performance end date is December 31, 2026, so as of vesting date the quantity to vest is known.

Correlation coefficients

Correlation coefficient quantifies the degree to which the companies' share prices jointly react to the news flow. The historic correlation coefficients has been calculated by using daily share price logarithmic returns of peer group companies in local currency.

Note 24: Current liabilities

All figures in USD 1 000

GROUP		2024	2023	2022
23 918	12 201	Accounts payable		22 9
—	—	Accounts payable from subsidiaries		28 2
1 799	5 640	Taxes payable		
14 940	1 390	Employee benefit obligations		6 0 0
6 737	6 334	Social security tax and payroll tax		5 2 2
8 831	11 113	Holiday pay		4 8
22 363	30 010	Ship and debit		
3 679	25 294	End-customer rebate		
3 320	4 398	Restructuring costs		2
10 360	9 897	Current lease liabilities		5 8
627	741	Accrued interest bond		6
5 514	5 514	Accrued expenses		3
1 000	1 620	Other current liabilities		
103 087	114 151	Total current liabilities		79 2

Restructuring cost, including termination benefit cost

In October 2024, Norbic communicated a detailed restructuring plan, including downsizing to secure long-term health of the company in a changing environment. The process was finalized in December 2024.

The provision for restructuring cost at the balance sheet date include increase that are directly associated with the restructuring, such as the cost of outplacement and termination benefits.

The cost of outplacement is recognized as the best estimate of the expense required to settle the present obligation at the balance sheet date. Nordic termination benefits on initial recognition (at undiscounted amount), and Nordic recognize subsequent changes in accordance with the nature of the employment.

The termination benefit is a result of employee's decision to accept an offer in exchange for the termination of employment. The termination benefits include lump sum payment, enhancement of post-employment benefits (such as pension insurance plans) and salary till end of the notice period.

The benefit is settled during the specified notice period (within 4 months after the balance sheet date).



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

<

Income statements

Statement of financial position

Cash Flow

Disclosures

Alternative Performance Measures

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

168

Note 25: Financial instruments
All figures in USD 1 000.

25.1 Accounting policies

All financial assets and liabilities are classified at amortized cost, except money market fund at fair value through profit or loss.

Financial assets are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the asset. Financial assets classified at amortized cost is subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and accounts payables, net of directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process

25.2 Financial instruments

Capital structure

Nordic's strategy relating to its capital structure is to maintain sufficient cash and cash equivalents to meet the Group's requirements for ongoing operations and for new investments. Management believes that it is especially important to retain a strong credit rating and significant liquidity as the Group competes in a global market against larger companies.

Nordic manages its capital structure and makes revisions in light of changes in the overall economy and its operating assumptions. In order to maintain or amend the capital structure, Nordic may purchase its own shares on the market, pay dividends to shareholders, pay back capital to shareholders or issue new shares.

Nordic aims for an equity ratio above 50% at all times, measured as total equity divided by total assets.

GROUP		PARENT	
2024	2023	2024	2023
569 766	602 077	Total equity	515 052
806 706	862 245	Total assets	721 162
71%	70%	Equity share	70%

Financial assets

The Group holds the following financial assets at amortized cost.

GROUP		PARENT	
2024	2023	Amortized cost	2024
2 699	—	Net investment in finance leases	2 699
66 412	133 316	Accounts receivable	1 037
3 179	4 389	Other current receivables	103 281
194 701	192 225	Cash at bank	92 420
266 991	329 931	Total financial assets at amortized cost	199 437

GROUP		PARENT	
2024	2023	Fair value through profit or loss	2024
93 213	98 731	Money market fund	93 213
93 213	98 731	Total financial assets at fair value through profit or loss	93 213

Changes in financial assets at fair value through profit or loss.

GROUP		PARENT	
2024	2023	As at 1 January	2024
98 731	48 725	As at 1 January	98 731
—	-44 205	Disposal of financial instruments	—
—	93 064	Acquisition of financial instruments	—
5 008	426	Changes in fair value	5 008
-10 526	721	Currency translation differences	-10 526
93 213	98 731	As at 31 December	93 213

 ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
04	Financial statements
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices
169	

Financial liabilities

The Group holds the following financial liabilities.

GROUP			PARENT	
2024	2023	Amortized cost	2024	2023
87 336	97 491	Bond	87 336	97 491
23 918	12 201	Accounts payable	22 902	15 403
626	741	Current financial liabilities	626	741
66 383	79 345	Other current liabilities	48 414	68 153
45 752	47 864	Non-current lease liabilities	5 865	42 127
10 360	9 897	Current lease liabilities	38 957	5 963
234 375	247 539	Total financial liabilities at amortized cost	204 100	229 878

Interest-bearing loans and borrowings:

The Group has long-term revolving credit facility (RCF), which enable it to borrow up to USD 200m at any time with an interest rate equal to SOFR + margin. The line of credit expires in June 2026. As of December 31, 2024, Nordic has not drawn on any of the credit lines. The security is provided by inventory, receivables, and operating equipment with book values as follows: Inventories USD 172m, accounts receivable USD 66m, and operating equipment USD 22m.

The following financial covenants are included for the revolving credit facilities:

- Equity ratio shall not be lower than 40 %.

In Q4 2023, the Parent issued a 5-year senior unsecured bond issue with initial issue amount of NOK 1,000m (ISIN: NO0013072462). The interest rate is 3 months Nibor + 3 % with quarterly interest payments. In the event that Nordic loses its Investment Grade Rating, the margin will rise by one percent and the Group will need to maintain an equity ratio of 40% until the Group regains the Investment Grade Rating.

The remainder of the Group's financing is made through short-term, non-interest bearing debt. This financing typically consists of debt to suppliers, the public sector, employees and others. Nordic has entered into a Tenancy Guarantee with Danske Bank as unconditional guarantor for NOK 50.1m for the offices in Trondheim and SEK 0.4m for the office in Stockholm. The first warranty is given to secure payments of up to 24 months of rent for the office in Trondheim.

Fair value measurement

The financial instruments that are carried at fair value are revalued on a basis. The financial instruments are not designated at fair value through profit or loss on initial recognition.

The Group holds an investment into a market money fund at fair value of 2024 using the following method and assumptions:

- Money market fund is classified as cash equivalent due to its high liquidity and insignificant risk of change in value. The cash equivalents is available to meet the Group's commitments. The asset is measured at quoted market price in an active market. See note 19 for information on cash and cash equivalents.

Note 26: Financial risk management

All figures in USD 1 000.

The Group's Finance department is responsible for carrying out the policies and guidelines for financial risk management approved by the Board.

The Group is mainly exposed to counterparty credit risk, liquidity risk, and (including interest rate risk and foreign currency risk).

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily accounts receivable and prepayments) and from its financing activities, including foreign exchange contracts, cash and cash equivalents with banks and other financial institutions and financial instruments.

The Group is exposed to credit risk related to a prepayment of USD 972m from a customer. No indications that the wafer manufacturer will not be able to fulfill their payment obligations, and no expected credit loss is reflected in the financial statements.

The Group's sale of components takes place through its distribution partners in defined geographic regions, where Asia is the dominant region. The Group is exposed to a relatively small number of customers. Customer credit risk is managed on a region subject to the Group's established policy, procedures and controls. The Group assesses customer credit risk management. Credit quality of a customer is assessed on an extensive credit evaluation and individual credit limits are determined in accordance with this assessment. Outstanding accounts receivables are regularly monitored and assurance from distributors that end customer sales is secured through credits is obtained.

 ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
04	Financial statements
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices
170	

Age distribution of customer receivables was:

GROUP		PARENT		
2024	2023	Gross total	2024	2023
56 604	93 606	Not due	782	630
8 151	37 107	Past due 0-30 days	161	10
1 607	2 332	Past due 31-120 days	44	73
50	271	Over 120 days	50	271
66 412	133 316	Total	1 037	984

The Group makes an allowance for expected credit losses on customer receivables based on internal, historical credit loss data and past due receivables, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group has a limited number of customers, regular contact and long-term relationships with most of its customer base. Some of the customers are dependent on Nordic Semiconductor to stay in business. Historically, there have not been any significant credit losses. 85% of trade receivables were within terms at the balance sheet date. On that basis, expected credit loss for trade receivables are limited and allowances for doubtful accounts at December 31, 2024 was 0m.

The maximum exposure to credit risk on the balance sheet date was:

GROUP		PARENT	
2024	2023	2024	2023
66 412	133 316	Accounts receivable	983
27 029	21 874	Other current receivables	128 785
287 914	290 957	Cash and cash equivalents	267 553
381 355	446 147	Total	397 321

The credit risk in table above is diversified over a range of distributors, vendors, and banks.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when due and to close out market positions.

Overall, cash flows are being monitored at both Group and entity level. The Group seeks to minimize risk when investing its cash balances. Investments can only be made in securities that have been approved by the Board.

As of December 31, 2024, cash and cash equivalents amounted to USD 287.9m (USD 291.0m), see note 19 for details. The total balance includes money market fund at fair value USD 93.2m.

The Group has no externally imposed capital requirements or agreements with no contracts or legal requirements which are not being upheld. The Group has no following due dates with regard to contracts for financial liabilities as of December 31, 2024.

GROUP	Carrying amount	Contractual cash flow	Less than one year	One to five years
Bond - payment of principal	87 336	88 079	—	88 079
Bond - payment of interest*	626	24 327	6 572	17 755
Accounts payable	23 918	23 918	23 918	—
Other current liabilities	68 182	68 182	67 182	1 000
Lease liabilities**	56 112	71 323	10 394	30 782
Total	236 174	275 829	108 066	137 616

PARENT	Carrying amount	Contractual cash flow	Less than one year	One to five years
Bond - payment of principal	87 336	88 079	—	88 079
Bond - payment of interest*	626	24 327	6 572	17 755
Accounts payable	22 903	22 903	22 903	—
Accounts payable subsidiaries	23 050	23 050	23 050	—
Other current liabilities	26 795	26 795	26 795	—
Lease liabilities**	44 822	58 999	5 774	23 077
Total	208 533	244 154	85 095	128 911

* The contractual cash flow is calculated using forward yield curve. Estimated interest payment the contractual cash flow of the bond on December 31, 2023.

** Lease liabilities are mainly office facility rent in Trondheim, lease ending December 31, 2033 and in Oslo, leasing ending December 31, 2032

Interest rate risk

The Group's liquidity requirements and risk assessment determine its investment strategy and interest rate exposure.

The Group's policy is to maintain a short-term investment horizon for its strategy. The investment portfolio should not have an average duration longer than (6) months.

The Group has a sustainability linked revolving credit facility, which enables borrow up to USD 200 million with an interest rate equal to SOFR + margin

 ANNUAL REPORT 2024	
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
04	Financial statements
	Income statements
	Statement of financial position
	Cash Flow
	Disclosures
	Alternative Performance Measures
05	Responsibility statement
06	Audit opinion letter
07	Appendices
171	

of credit expires in June 2026, with option to extend. The security for the credit line is provided by inventory, receivables, and operating equipment.

The Group has issued a 5-year senior unsecured bond with initial issue amount of NOK 1,000m. The interest rate is 3 months Nibor + 3 %.

Interest rate sensitivity analysis

The interest rate sensitivity analysis shows the effects of changes in market interest rate on borrowing interest costs. The analysis is based on the following assumptions:

- Revolving credit facility - The profit before tax is not impacted by changes in market interest rate as the credit facility as of December 31, 2024 is not utilized.
- Bond - The profit before tax is impacted by changes in market interest rate. The table below demonstrates the sensitivity to a possible change in interest rates. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows.

2024		2023
Interest rate (3 months NIBOR)	Effect on profit before tax	Effect on profit before tax
+50 basis points	-440	-492
-50 basis points	440	492

Foreign currency risk

The Group is subject to foreign currency risk, as it operates internationally in development and commercial activities.

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The primary functional currency for the Group is USD. The vast majority of revenues and cost of goods sold are denominated in USD. However, approximately 40% of the Group's operating expenses (excluding depreciation and amortization) are denominated in NOK and 20% are denominated in EUR. The Group uses hedging instruments to minimize its exposure to foreign currency risk from activities affecting profit and loss.

Below is a sensitivity analysis of changes in the NOK exchange rate on Group's sheet items, and their impact on profit and loss:

Profit before tax

NOK exchange rate +/- 10%

Issued bond and money market fund is nominated in NOK. The impact on profit and loss due to the NOK exchange rate on these financial instruments offset each other.

Årsregnskap 2024 for 966011726

The tables below show the exposure in sales to foreign currency risk in the most significant currencies:

GROUP	2024				2023			
	Local currency (1,000)	USD (1,000)	Share of total revenue in %	Local currency (1,000)	USD (1,000)	Share of total revenue in %	Local currency (1,000)	USD (1,000)
USD	511 189	511 189	100.0%	542 830	542 830	100.0%	507 986	507 986
EUR	162	169	—%	11	11	—%	11	11
Other	549	57	—%	282	28	—%	282	28
Total		511 415	100.0%		542 869	100.0%		508 026

PARENT	2024				2023			
	Local currency (1,000)	USD (1,000)	Share of total revenue in %	Local currency (1,000)	USD (1,000)	Share of total revenue in %	Local currency (1,000)	USD (1,000)
USD	477 374	477 374	100.0%	507 986	507 986	100.0%	507 986	507 986
EUR	162	169	—%	11	11	—%	11	11
Other	547	51	—%	282	28	—%	282	28
Total		477 595	100.0%		508 026	100.0%		508 026

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	>
	Income statements	
	Statement of financial position	
	Cash Flow	
	Disclosures	
	Alternative Performance Measures	
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>

Alternative Performance Measures

The financial information is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU. Additionally, it is management's intent to provide alternative performance measures (APMs) that are regularly reviewed by management to enhance the understanding of the Group's performance. An APM is a measure of historical or future financial performance, financial position, or cash flows other than those defined or specified in the applicable financial reporting framework. The Group has identified the following APMs used in reporting (amounts in USD million).

Gross margin is presented, as it is the main financial KPI to measure the Group's operations performance.

- Gross margin. Gross profit divided by total revenue.

GROUP	2024	2023
Gross profit	242.0	283.7
Total revenue	511.4	542.9
Gross margin	47.3%	52.3%

EBITDA terms are presented as they are commonly used by investors and financial analysts.

- EBITDA is earnings before interest, taxes, depreciation and amortization.

GROUP	2024	2023
Operating profit	-45.8	4.7
Depreciation, amortization and impairments	40.6	44.3
EBITDA	-5.2	49.0

- EBITDA margin. EBITDA divided by total revenue.

GROUP	2024
EBITDA	-5.2

Total revenue	511.4
EBITDA margin	(1.0%)

Total operating expenses and cash operating expenses. Nordic Management believes that this measurement best captures the difference in expenses impacting compared to cash flow of the Group.

- Total operating expenses. Sum of payroll expenses, other operating expenses, depreciation, and amortization.

- Cash operating expenses. Total payroll and other operating expenses adjusted for non-cash related items, including depreciation and amortization and capitalization of development expenses.

GROUP	2024	2023
Payroll expenses	170.0	170.0
Other operating expenses	76.0	76.0
Depreciation, amortization and impairments	40.6	44.3

Total operating expenses	287.0
Depreciation, amortization and impairments	-40.0
Option expense	-11.0
Capitalized expenses	19.0

Cash operating expenses	254.0
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 NORDIC SEMICONDUCTOR		ANNUAL REPORT 2024	
01	Message from the CEO		
02	Nordic at a glance	>	
03	Report from the Board of Directors	>	
04	Financial statements	>	
	Income statements		
	Statement of financial position		
	Cash Flow		
	Disclosures		
	Alternative Performance Measures		
05	Responsibility statement		
06	Audit opinion letter		
07	Appendices	>	

Adjusted EBITDA and adjusted EBITDA margin. This APM shows Nordic's profitability, excluding products in an investment phase with limited revenue.

- EBITDA excluding cellular IoT, divided by total revenue excluding cellular IoT revenue.

GROUP	2024	2023
Reported EBITDA	-5.2	49.0
Long range (cellular IoT) EBITDA loss	55.3	43.7
Wi-Fi expense	16.8	16.5
Restructuring costs	3.2	4.9
Adjusted EBITDA	70.1	114.1
Total revenue (excluding cellular IoT revenue)	494.5	525.3
Adjusted EBITDA margin	14.2%	21.7%

LTM opex to LTM revenue. Nordic's business is seasonal and by dividing last 12 months' operating expenses excluding depreciation by last 12 months' revenue, management is able to track cost level trends in relation to revenue. As a growth business, it is key to keep cost level under control while still growing the business, and this ratio keeps track on that.

- Last 12 months' operating expenses excluding depreciation divided by last twelve months revenue.

GROUP	2024	2023
Total operating expenses	287.8	279.0
Depreciation, amortization and impairments	-40.6	-44.3
Operating expenses excluding depreciation and amortization	247.2	234.7
Total revenue	511.4	542.9
LTM opex / LTM revenue	48.3%	43.2%

Net working capital is a measure of both a company's efficiency and its short-term financial health, and by dividing the measure by last 12 months, seasonal effects are

excluded. Nordic management uses this ratio to report on liquidity management in the financial market and internally to track performance.

- Net working capital divided by last 12 months' revenue.

GROUP	2024	2023
Current assets	553.3	553.3
Cash and cash equivalents	-287.9	-287.9
Current financial assets	-0.8	-0.8
Current liabilities	-103.1	-103.1
Current financial liabilities	0.6	0.6
Current lease liabilities	10.4	10.4
Income taxes payable	1.8	1.8
Net working capital	174.2	174.2
Total revenue	511.4	511.4
NWC / LTM revenue	34.1%	34.1%
GROUP	2024	2023
Gross profit	242.0	242.0
Write down	10.0	10.0
Adjusted gross profit	252.0	252.0
Total revenue	511.4	511.4
Adjusted gross margin	49.3%	49.3%
GROUP	2024	2023
Reported EBITDA	-5.2	-5.2
Write down	10.0	10.0
Restructuring costs	3.2	3.2
Adjusted EBITDA	8.0	8.0

01	Message from the CEO	
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	>
05	Responsibility statement	
06	Audit opinion letter	
07	Appendices	>



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the
Board of Directors

>

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

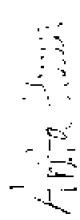
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176

Responsibility Statement

The Chief Executive Officer and the Board of Directors confirm, to the best of our knowledge, that the financial statements including the Board of Directors report for 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS®) as adopted by the EU, and additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act. The sustainability statements for 2024 have been prepared in accordance with the Norwegian Accounting Act, the European Sustainability Reporting Standards (ESRS), and Article 8 of the EU Taxonomy Regulation (EU 2020/852). Together, these statements give a true and fair view of the parent company and the Group's tangible and intangible assets, liabilities, financial position, results of operations, as well as the principal risks and uncertainties faced by the Group.

Oslo, March 19, 2025



Anita Huun
Board member, Audit Com. Chair



Birger Steen
Chair



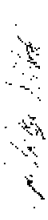
Inger Berg Ørstavik
Board member, Sustainability Com.



Snorre Kjesbu
Board member



Vegard Wollan
Chief Executive Officer



Jon Heige Nistad
Board member, employee



Anja Dekens
Board member, employee



Morten Dammen
Board member, employee



Dieter May
Board member



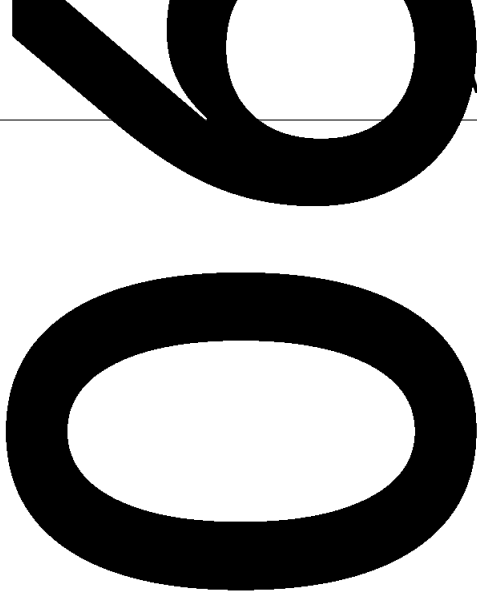
Dr. Helmut Gassel
Board member



Annika
Board member, Compensation



Morten
Board member



Audit opinion letter

01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	>
05	Responsibility statement	
06	Audit opinion letter	
07	Appendices	>



- 01 Message from the CEO
- 02 Nordic at a glance
- 03 Report from the Board of Directors
- 04 Financial statements
- 05 Responsibility statement
- 06 Audit opinion letter
- 07 Appendices



To the General Meeting of Nordic Semiconductor ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nordic Semiconductor ASA, which comprise:

- the financial statements of the parent company Nordic Semiconductor ASA (the Company), which comprise the statement of financial position as at 31 December 2024, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Nordic Semiconductor ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2024, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Nordic Semiconductor ASA for 6 years from the election by the general meeting of the shareholders on 24 April 2019 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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The Group's activities are largely unchanged compared to the prior year. *Revenue Recognition – Ship and Debt Provision* carries the same characteristics and risks this year and consequently continues to be a focus for the 2024 audit.

Key Audit Matters

Revenue recognition – Ship and debt provision

The Group sells products to certain distributors on "ship and debt" terms. Ship and debt is an arrangement between the Group and distributor where the distributor may be entitled to a refund if the distributor sells the products to end customers at a price lower than the price set by the distributor price list. The distributor claims (debts) the Group for the price difference on sold products monthly.

At the balance sheet date, the Group estimates ship and debt on distributor's inventory levels using expected sales. The estimate is based on leverage of historical discount to end distributor and expected sales mix to end customers. An estimated ship and debt discount is recognised in the financial statements, reducing revenue and increasing liabilities with USD 22 363 thousand.

We have determined ship and debt provision to be a key audit matter due to the amounts involved and the application of management judgement.

Refer to notes 5.1, 5.2 and 5.5 for information on the Group's ship and debt provision

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information accompanying the financial statements. The other information comprises all the information included in the annual report, other than the financial statements and the auditor's report thereon. Our audit of the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose of this is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements, or if the information appears to be materially misstated. We do not provide an opinion on the Board of Directors' report and the other information accompanying the financial statements otherwise.

	ANNUAL REPORT 2024
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
04	Financial statements
05	Responsibility statement
06	Audit opinion letter
07	Appendices

	appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard. Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report • is consistent with the financial statements and • contains the information required by applicable statutory requirements. Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance. Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued. Responsibilities of Management for the Financial Statements Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Auditor's Responsibilities for the Audit of the Financial Statements Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit of the financial statements will detect all material misstatements. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: • identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control. • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. • conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue
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	as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial statements, including disclosures, to ensure that the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view. • obtain sufficient appropriate audit evidence regarding the financial information of the entire business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion. We communicate with the Board of Directors regarding, among other matters, the planned scope of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied. From the matters communicated with the Board of Directors, we determine those matters that were significant in the audit of the financial statements of the current period and are therefore the key audit matters. We discuss these matters with the Audit Committee and, where appropriate, we disclose them in our auditor's report. We determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. Report on Other Legal and Regulatory Requirements Report on Compliance with Requirement on European Single Electronic Format (ESEF) <i>Opinion</i> As part of the audit of the financial statements of Nordic Semiconductor ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name nordsemi-2024-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/937 of the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and XBRL tagging of the consolidated financial statements. In our opinion, the financial statements included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation. <i>Management's Responsibilities</i> Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines necessary.
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- 01 Message from the CEO
- 02 Nordic at a glance
- 03 Report from the Board of Directors
- 04 Financial statements
- 05 Responsibility statement
- 06 Audit opinion letter
- 07 Appendices

Independent Auditors Report 2024

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Name

Nilsen, Eivind

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515

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	NORDIC SEMICONDUCTOR	ANNUAL REPORT 2024
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
		181



To the General Meeting of Nordic Semiconductor ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Nordic Semiconductor ASA (the "Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in the section «Materiality assessment process» (RKO-1); and
- compliance of the disclosures in the section «EU taxonomy» of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Sustainability Auditor's Responsibilities section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for discussing this Process in the section «Materiality assessment process» (RKO-1) of the Sustainability Statement. This responsibility includes:

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- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in the section «EU taxonomy» of the Sustainability Statement, in compliance with the taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the Sustainability Statement on the basis of assumptions and estimates that are subject to uncertainty and possible future actions by the Group. Actual outcomes are likely to be different since unanticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement. Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing an opinion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in the section «Materiality assessment process» (RKO-1).

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	>
05	Responsibility statement	
06	Audit opinion letter	
07	Appendices	>
		182



Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error, and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is always higher than the risk of not detecting one resulting from error, for example, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing and do not provide as much assurance as those in a reasonable assurance engagement. Procedures that have been obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents), and
 - reviewing the Company's internal documentation of its Process, and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in the section "Materiality assessment process" (RGO-1).

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - Obtaining an understanding of the Group's control environment, processes, control systems and internal controls relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control, and
 - Obtaining an understanding of the Group's risk assessment process.
- Evaluated whether the information identified by the Process is included in the Sustainability Statement.
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS.
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement.
- Performed substantive assurance procedures on selected information in the Sustainability Statement.

3 / 4



- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report.
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information,
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement,
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement, and
- Performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 19 March 2025
PricewaterhouseCoopers AS

Eivind Nilsson
State Authorised Public Accountant – Sustainability Auditor
(This document is signed electronically)

 **NORDIC**
SEMICONDUCTOR

ANNUAL REPORT
2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the
Board of Directors

>

04

Financial statements

>

05

Responsibility statement

06

Audit opinion letter

07

Appendices

>

183

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- 01 Message from the CEO >
- 02 Nordic at a glance >
- 03 Report from the Board of Directors >
- 04 Financial statements >
- 05 Responsibility statement
- 06 Audit opinion letter
- 07 Appendices >

Board of Directors' report in relation
to the Norwegian Code of Practice
for Corporate governance

Appendices

07



- 01 Message from the CEO
- 02 Nordic at a glance
- 03 Report from the Board of Directors
- 04 Financial statements
- 05 Responsibility statement
- 06 Audit opinion letter
- 07 Appendices

Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance

Appendices

Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance

The Board of Directors ("Board") and Management of Nordic Semiconductor ASA ("the Company") aim to execute their respective tasks in accordance with the highest standards for corporate governance to drive long-term value creation and promote sustainable business conduct.

Nordic is subject to corporate governance requirements according to the Norwegian Public Limited Companies Act, the Norwegian Accounting Act, section 2-9, the Oslo Stock Exchange's Oslo Rulebook II - Issuers Rules, Chapter 4.5, section 5-8a of the Norwegian Securities Act, and the Norwegian Code of Practice for Corporate Governance ("the Code of Practice") as adopted by the Norwegian Corporate Governance Board (NUES).

This chapter provides a detailed overview of how Nordic follows the Code of Practice. The information requirements that follows from the Norwegian Public Limited Companies Act and Norwegian Accounting Act are integrated into the statement below where appropriate.

Implementation of and reporting on corporate governance

Nordic's standards for corporate governance provide a critical foundation for the company's management. These standards must be viewed in conjunction with the company's efforts to constantly promote a sound corporate culture throughout the organization. The company's core values of engagement, contribution, knowledge, respect and responsibility are central to the Board's and management's efforts to build confidence in the company, both internally and externally.

Nordic follows the most recent edition of the Code of Practice from 2021. The Board monitors the subject of corporate governance actively and continuously. The Board approved this statement on the meeting of March 19, 2025 through the signing of the annual report.

Business

The scope of Nordic's business is defined in section 2 of its Articles of Association:

"The object of the company is to develop and sell electronic equipment, integrated circuits, developing tools and related solutions."

The Articles of Association are published in full on the Group website.

The Board sets clear objectives for the business with a view to create long-term value for shareholders.

The Board has an annual plan for its work, leads the company's strategic planning, and makes decisions that form a basis for the company's executive management. These decisions allow the company to prepare and carry out investments to drive future growth in a sustainable manner. The objectives include matters related to environmental impact, human and labor rights, equal treatment, the prevention of discrimination, and the prevention of corruption. Strategic plans are evaluated on an ongoing basis, with a Board strategy review conducted annually at a multi-day meeting. New and updated long-term objectives, strategies, and risk profiles are revised and agreed on toward the end of the year or in connection with major events.

Nordic has purchased and maintains Directors and Officers Liability Insurance on behalf of the members of the Board and the CEO. The insurance policy is issued by a reputable insurer with an appropriate rating.

More details on Nordic's objectives, strategy profiles, including Environmental, Social and Governance (ESG) matters, are presented in the respective chapters of the Report of the Board of Directors. More about Nordic's objectives and efforts related to Environmental, Social and Governance matters are available on the Group website.

Equity and dividends

The Board of Directors ensures that the company has a capital structure that is appropriate to the company's objectives, strategy, and risk profile. The company's growth philosophy and the cyclical nature of the market mean that the company aims to maintain a strong ratio and considerable liquidity. The company's primary goal is to provide shareholders with a return on their investment in the form of appreciation of shares. The company's long-term goal is to pay dividends based on cash generated by the company, while taking into account growth targets into consideration. Nordic's cash position is to be adequate given the expected R&D and capex investments. The company's strong balance sheet is required to ensure a high level of resilience. Cash generation is expected to increase over the coming years. This will be the basis for the evaluation of cash return to shareholders and expected cash flows. The company's dividend policy is reviewed annually by the Board of Directors. The Annual Meeting can mandate the Board of Directors to pay dividends based on the latest approved Report. The justification for this authorization is to be explained and should reflect the company's dividend policy.

The Board of Directors, in accordance with the resolution of the Annual General Meeting of 2024, has been authorized to buy back up

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance		
		186

own shares for a total par value of NOK 192,000.00 in one or more transactions. The authorization is limited to 10 percent of the company's share capital. The price per share, which in this case the company may pay for, shall not be less than the par value nor greater than NOK 350. This power of attorney will remain in effect until the company's ordinary Annual General Meeting in 2025. The Board believes that it is expedient for the Board to be authorized to purchase its own shares, partly to fulfil the remuneration schemes for employees, and partly so that shares can be used as a consideration in connection with the acquisition of businesses or for subsequent sale or cancellation. Such authorization must be decided by the General Meeting and will apply until 30th June the following year.

In accordance with the decision passed at the general meeting held April 24, 2024, the Board of Directors has the authority to increase the company's share capital by issuing up to 19,200,000 shares with a total par value of NOK 192,000. The authority is to be used for purposes defined in the Notice of the Annual General Meeting, including strengthening the Company's shareholder's equity, executing share capital increases with one or more strategic partners, or completing a merger or acquisition using shares or cash. This power of attorney will remain in effect until the Company's Annual General Meeting in 2025, and can be implemented through a private placement, rights issue, or public offering.

If the Board wishes to quickly raise capital, the Board has been authorized to direct a share capital increase to selected investors chosen by the Board, up to the limits quantified above. In this event, the company will notify the stock exchange of its reasons for implementing a directed share placement. Existing shareholders' preemptive subscription rights under §10-4 in the Norwegian Companies Act can be waived under these circumstances.

Such capital increases shall be executed at or near the current stock price listed on the Oslo Stock Exchange. This authorization remains valid until the company's ordinary annual general meeting in 2025.

Equal treatment of shareholders and transactions with close associates

Nordic Semiconductor ASA has one class of shares, where each share has one vote at the company's shareholders' meeting. Nordic Semiconductor ASA strictly adheres to the principle of equal treatment of all shareholders. The company's transactions in its own shares are conducted in accordance with good stock exchange practice in Norway.

The company is generally cautious in regard to transactions with shareholders, members of the Board of Directors, senior employees or related parties to the above. To ensure that the best code of conduct applies, the Board requires notification and review of any process or transaction in which both the company and a senior employee or member of the Board of Directors may have interests. The Group will seek to comply with the principles of equal treatment of related parties and possible transactions with related parties that are laid down in the Code of Practice.

The company considers shareholders' preemption rights in connection with an increase in share capital to be an important and fundamental right in a healthy shareholder community. The preemption rights can only be waived in exceptional circumstances. Waiving of this right will be based on the Company's and shareholders' mutual interests. In such a case, there will be full transparency about the matter. Shareholders will receive identical information simultaneously through a stock exchange announcement and the company's website.

This also applies if the Board uses the authorizations it has been granted.

The company's transactions in own shares must always comply with the arm's length principle and be on ordinary market terms.

Contact between the Board of Directors and investors is normally conducted through company management. Under special circumstances, the Board, represented by the chairperson, may conduct dialogue directly with investors.

Freely negotiable shares

Nordic Semiconductor ASA shares are freely negotiable. There are no restrictions on the sale and purchase of the company's shares beyond those pursuant to Norwegian law.

Each share carries one vote.

General Meeting

The Annual General Meeting is the company's highest body and the shareholders exert their authority through the Annual General Meeting. Nordic Semiconductor ASA and the Board encourage shareholders to participate and exercise their rights at the Annual General Meeting.

The Board of Directors should ensure that the General Meeting is held in accordance with the Code of Practice, ensuring all shareholders the opportunity to participate. The notice of the Annual General Meeting, including relevant information, will be announced at least 21 days in advance of the General Meeting. The final date for notification of attendance is one working day prior to the General Meeting. The Board of Directors shall ensure that:

- The resolutions and supporting information are sufficiently detailed, comprehensive and allow shareholders to form a view on all matters considered at the meeting.
- Any deadline for shareholders to give notice of intention to attend the meeting is set as early as possible, and the date of the meeting as possible.
- The Chair of the Board of Directors and the Chair of the Nomination Committee are present at the meeting. In addition, the Chair of the Audit and Chair of the People & Compensation Committee should attend the meeting.

NORDIC
SEMICONDUCTOR

ANNUAL REPORT
2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the
Board of Directors

>

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

Board of Directors' report in relation
to the Norwegian Code of Practice
for Corporate governance

187

Shareholders should be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting in person should be given the opportunity to vote. The company should design the form for the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders.

Deviations from the Code of Practice: Nordic has one deviation related to participation in the General Meeting. The entire Board of Directors has normally not participated in the General Meeting. Matters under consideration at the General Meeting of shareholders have not previously required this. The Chair of the Board of Directors is always at hand to present the report and answer any questions. Other board members participate as needed. The Board of Directors considers this to be adequate.

Nomination Committee

Nordic Semiconductor has a Nomination Committee, as provided for in its Articles of Association. The Annual General Meeting stipulates guidelines for the duties of the Nomination Committee, elects the chair and members, and stipulates the committee's remuneration.

The Nomination Committee's duties are to represent the interests of the shareholders in general, propose qualified candidates for the Annual General Meeting's election of the Board of Directors, and propose the remuneration to the Board of Directors.

The Nomination Committee should justify why it is proposing each candidate in the notice for the AGM separately, including information on the candidates' competence, capacity and independence.

The Nomination Committee holds regular meetings with major shareholders, as well as management- and individual shareholder-elected Board members. In addition, all shareholders can submit suggestions to the nomination committee through a link on Nordic's webpage.

The Nomination Committee consists of three shareholder members or representatives. The company's executive personnel are not represented on the Nomination Committee. The deadline for submitting proposals to the Nomination Committee is two months before the Annual General Meeting.

The Nomination Committee held 44 meetings in 2024.

The members of the Nomination Committee are:

- Viggo Leisner (Chair) - independent member of the Nomination Committee
- Fredrik Thoresen - representing Kvantia AS
- Eivind Lotsberg - representing The Government Pension Fund

The Board of Directors: composition and independence

In accordance with the Norwegian Public Companies Act, the Board of Directors has the overriding responsibility for the management of the company. The Board's role and responsibility are also to supervise the company's day-to-day management and the company's general activities. The responsibility for day-to-day management has been delegated to the CEO, as set out in the Rules of Procedure for the Board of Directors of Nordic Semiconductor ASA.

Norwegian companies can be governed by either a one-tier or a two-tier board structure, consisting of a board of directors and, in a two-tier structure, a corporate assembly.

Any company with more than 200 employees is generally required to have a corporate assembly, with two-thirds of the members elected by shareholders and one-third elected by the company's employees. If a company agrees with its employees not to have a corporate assembly, employees have the right to appoint additional representatives to the board of

directors. Nordic has agreed with its employees to have a corporate assembly and thereby include numbers of employee-elected Board members.

The Board of Directors and the Chair of the Board are elected by the shareholders at the Annual General Meeting on the basis of proposals from the Nomination Committee.

The shareholder-elected Board members act in accordance with the Articles of Association at a time. Employee representatives serve for a term of one year.

The composition of the Board of Directors is such that the Board can attend to the common interests of all shareholders and meets the company's needs for expertise, capacity and diversity. Attention is paid to ensuring that the Board can function as a collegiate body.

The composition of the Board of Directors ensures that it can operate independently of special interests. The majority of the shareholder-elected members of the Board should be independent of the company's executive personnel and business contacts.

The Code of Practice recommends that a Norwegian public company should have an independent shareholder-elected directors and its executive management, and that the company should have members of executive management that serve on the Board of Directors.

The Norwegian Public Companies Act prohibits a company from serving as chair. Furthermore, the Act requires that public companies with more than 200 employees ensure that no more than 60% of the Board members of the same gender are elected. This requirement is related to shareholder-elected board members. However, similar requirements apply to employee-elected board members.

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Side 208 av 216



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

05

Responsibility statement

06

Audit opinion letter

07

Appendices

>

Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance

188

Subsequent to the 2024 General Meeting, the Board consisted of seven shareholder-elected Board Members and four employee-elected Board Members. Changes to the Board during the year is accounted for under the section "Events and developments".

At the end of 2024, the Board of Directors consisted of five women (45%) and seven men (55%). The ratio of shareholder-elected members is three women (43%) and four men (57%) The ratio of employee-elected members is two women (50%) and two men (50%).

No executive personnel or representatives of business associates are members of the Board. Members of the Board are encouraged to hold shares in the company.

A more detailed description of the background, qualifications, and term of service for each member of the Board of Directors and the number of Nordic Semiconductor shares they own is provided in the Board of Directors section in this annual report and on the company's webpage.

The work of the Board of Directors

The Board has established Rules of Procedures to govern its work in relation to Nordic Semiconductor ASA. In accordance with said procedures, the Board shall ensure that the company's activities are soundly organized, and shall adopt sufficient plans and budgets of the company. The Board shall be kept informed of all circumstances necessary for the Board to perform its duties. The Board shall keep itself informed of the company's financial position and has a duty to ensure that its activities, accounts, and asset management are subject to adequate control.

In accordance with its Rules of Procedure, neither a Board member nor the company CEO may participate in Board discussions or decisions of matters that are of such special importance to him or her, or to any connected person of said board member or CEO, that the member person be deemed to have a special or prominent personal or financial interest in the matter.

The Board of Directors has an annual plan for its work. It includes recurring topics such as strategy, sustainability and business review, risk and compliance oversight, financial reporting, people agenda and succession planning.

High on the Board of Directors' agenda in 2024 was strategic realignment and cost containment measures, as well as risk management and organizational resilience, customer and market focus, sustainability strategy, and strategic acquisitions. During 2024, the Board held 11 meetings. The meetings were held as a mix of virtual and physical meetings.

The Board of Directors carries out an evaluation of its activities each year, and on this basis discusses improvements to the organization and implementation of its work.

The Board has established three board committees comprised of Board members: the People and Compensation Committee, the Audit Committee and the Sustainability Committee. Furthermore, ad hoc committees to address particular time bound issues and questions are appointed. The committees' mandates are based on a group perspective. The board committees do not have decision-making power but are charged with making proper preparations for board meetings in the matters with which they are concerned. In the Board's experience, the work of board committees makes the overall Board more effective and efficient, as well as allowing for deeper and stronger involvement in the business's challenges and initiatives.

People and Compensation Committee

The Board's People and Compensation Committee supports the Board and Executive Management in fulfilling their responsibilities with respect to People Agenda, Organizational Development, and Compensation Approach. This includes ensuring coherent remuneration policies and practices enabling the company to attract and retain key talent, generating sustained business performance, and supporting company objectives and values. It also includes

reviewing other relevant people and business matters requested by the Board or the management. The committee recommends and evaluates principles and execution for the CEO, guides the overall compensation strategy for the company, evaluates management, and evaluates the committee held 4 meetings in 2024.

The People and Compensation committee the following Board Members:

- Anastasiina Hintsa (Chair)
- Birger K. Steen
- Dieter May
- Morten Dammen

The members of the People and Compensation Committee are selected to support continuous organizational development that reflects the challenges related to attraction and retention in the global technology market. Therefore, the committee consists of three shareholder-elected Board members with global experience in the technology sector and one employee-elected Board Member with company experience.

Anastasiina Hintsa, Birger K. Steen and Morten Dammen participated in all meetings during 2024. Dieter May joined the People and Compensation Committee the second meeting.

Audit Committee

The Audit Committee consists of three members. The Committee collectively has the required in the Public Limited Liability Company Act § 6-42. All members of the Audit Committee are independent to the company according to the Limited Liability Companies Act. At least one has the required qualifications in accounting. The Committee supports the Board with the assessment and control of financial risk reporting, and internal control, and preparing resolutions for Board meetings. The committee

	ANNUAL REPORT 2024	
01	Message from the CEO	>
02	Nordic at a glance	>
03	Report from the Board of Directors	>
04	Financial statements	>
05	Responsibility statement	>
06	Audit opinion letter	>
07	Appendices	>
Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance		

also supports the Board in evaluating IT and cyber security risk to the company. Additionally, the committee oversees qualifications, independence and performance of the external auditor. The head of group compliance meets regularly with the Audit Committee.

The Audit Committee held seven meetings in 2024 and has been in regular contact with the Group's auditor regarding audits of the statutory accounts. It also assesses and monitors the auditor's independence, including non-audit services provided by the auditor.

The Audit Committee consists of the following Board Members:

- Anita Huun (Chair)
- Inger Berg Ørstavik
- Birger K. Steen (Observer)

The members of the of the Audit Committee have the extensive experience required to properly oversee the Company's accounting, financial reporting, and internal and external audits. They adhere to principles of good corporate governance.

One member has extensive experience as a CFO in a global technology company and investment banking, and the final member has experience as a professor in law.

According to the Norwegian Accounting Act, the Audit Committee reviews and approves all non-audit fees paid to the company's elected auditor.

The elected auditor's independence is evaluated annually. Audit partner and company rotation is done when considered appropriate. In 2019, a full tender for audit services was conducted and the elected auditor EY was replaced by PwC.

All members participated in all meetings.

Sustainability Committee

The Board established a Sustainability Committee in September 2022.

The Sustainability Committee is a preparatory body for the Board in fulfilling the Board's responsibilities with respect to considering sustainability within the activities and value creation of the company. The Committee supervises the integration of sustainability into Nordic strategy and business activities, hereunder adequate follow-up of ESG metrics to measure and monitor its sustainability performance.

The Sustainability Committee consists of the Board Members:

- Inger Berg Ørstavik (chair)
- Annastina Hintsa
- Anja Dekens

The Sustainability Committee held five meetings in 2024. All members participated in all meetings.

Board members' attendance		Board of Directors		People & Compensation Committee	Audit Committee
Number of meetings		11		4	7
Elected by shareholders at the Annual General Meeting					
Birger Steen (Chairman of the board)		11/11		4/4	7/7
Helmut Gassel (Elected on AGM in April 2024)		9/9		-	-
Annastina Hintsa (People and Compensation Committee chair)		11/11		4/4	-
Anita Huun (Audit Committee chair)		11/11		-	7/7
Snorre Kjesbu		10/11		-	-
Dieter May (Elected on AGM in April 2024)		8/9		3/3	-
Inger Berg Ørstavik (Sustainability Committee chair)		11/11		-	7/7
Employee Elected Board members					
Morten Dammen		11/11		4/4	-
Anja Dekens		11/11		-	-
Monika Lie Larsen (Elected in 2025)		0/0		-	-
Jon Helge Nistad		11/11		-	-

Risk management and internal control

The Board and Management are committed to ensuring long-term value for its shareholders by maintaining sound and effective internal controls and frameworks for risk management that are appropriate in relation to the extent and nature of the company's activities.

The Board of Directors oversees the risk management process and carries out biannual reviews of important areas of exposure and internal controls. These are also considered by the Board in relation to assessment of specific projects and ongoing operations. For more information with regard to the details of specific risks and how Nordic Semiconductor responds to them, see the Risk Management under Report from the Board of Directors.

	ANNUAL REPORT 2024
01	Message from the CEO
02	Nordic at a glance
03	Report from the Board of Directors
04	Financial statements
05	Responsibility statement
06	Audit opinion letter
07	Appendices
	Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance
191	

Take-overs

The Board of Directors has established guiding principles for how it will act in the event of a takeover bid.

The Board of Directors will not seek to hinder or obstruct any takeover bid for the company's activities or shares. In the event of a takeover bid, as discussed in item 14 of the Norwegian Code of Practice for Corporate Governance, the Board of Directors will seek to comply with the recommendations therein, as well as complying with relevant legislation and regulations.

If the company is acquired, the CEO's resignation period extends to 12 months. Any remaining retention bonus to the CEO will be paid in its entirety following the closing of the acquisition, as described in Note 8: Executive compensation of the Group financial statements. Severance pay equivalent to one year's base salary is agreed to be paid to the CEO and executive management team members in case of involuntary termination within 12 months after a potential merger or

acquisition. There are otherwise no material obligations expected by the company as a result of an acquisition, aside from normal legal and advisory fees.

Auditor

PwC was elected effective 2019 by the Annual General Meeting to act as auditor to confirm to the Annual General Meeting that Nordic Semiconductor's annual accounts have been prepared and presented in accordance with current laws and regulations. Fees paid to the auditor are approved at the Annual General Meeting.

In the fall, the external auditor presents to the Audit Committee an evaluation of risk, internal control and the quality of reporting at Nordic Semiconductor with the audit plan for the current year. The auditor meets the Audit Committee on a regular basis. The external auditor also takes part in the Board's discussions on annual financial statements. In both cases, the Board of Directors ensures that the Board and external auditor are able to discuss relevant matters at a meeting where the executive management is not present.

The auditor shall be independent of the company. Therefore, Nordic Semiconductor does not have the elected auditor for tasks other than the audit required by law. Nevertheless, the auditor is used for tasks that are naturally related to such as technical assistance with tax return accounts, understanding accounting and confirmation of financial information in various forms. All other services besides audit services performed by the Auditor Committee.

Events and developments

Nordic Semiconductor ASA is a public limited company organized with a governance structure based on Norwegian corporate law. Our corporate governance provides a foundation for value creation and good control mechanisms. A prerequisite for the implementation and execution of our strategy is a clear understanding of organization, responsibilities, authority, and roles. An overview of the status of development of Nordic's governance bodies is given in the following overview.

Description		Developments and events during the reporting year		References	
General Meeting		The General Meeting was held on April 24, 2024.		The protocols from the General Meeting are found on the company's website: Corporate Governance - Nordic Semiconductor	
Company shareholders exercise ultimate authority through the Annual General Meeting.		The Nomination Committee has held 17 meetings during 2024.		Articles of Association of Nordic Semiconductor	
The General Meeting shall: 1. Adopt the annual accounts and report, including the application of the annual surplus or covering of loss pursuant to the adopted balance sheet, and the distribution of dividend. 2. Elect members of the Board of Directors and members of the Nomination Committee. 3. Adopt remuneration to the members of the Board of Directors and approve the remuneration to the auditor. 4. Address and decide any other matters referred to in the notice of the General Meeting.		Members: a. Viggo Leisner (Chair) b. Elvind Løtsberg c. Fredrik Thorsen		Articles of Association of Nordic Semiconductor	
Nomination Committee		The company has a Nomination Committee according to its Articles of Association. The General Meeting stipulates instructions for the Nomination Committee, elects the chair and members, and stipulates the committee's remuneration. The Nomination Committee shall make proposals to the General Meeting regarding candidates to the Board of Directors and the remuneration to the Board of Directors.		Articles of Association of Nordic Semiconductor	



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance

192

Description		Developments and events during the reporting year		Reference
Board of Directors				
The Board of Directors consists of 11 members. Seven are elected by the General Meeting and four are employees elected by other employees for a term of up to two years.		The Board of Directors held 11 meetings in 2024.		The Rules of Procedure of the Board of Directors can be found on the website: Corporate Governance - nordicsemi.com
In accordance with the Norwegian Public Companies Act, the Board of Directors assumes the overall governance of the company, ensures that appropriate management and control systems are in place, and supervises the day-to-day management as carried out by the CEO.		The Board of Directors has an annual plan for its work that includes strategy, sustainability and business review, risk and compliance oversight, financial reporting, people agenda and succession planning.		
All shareholder-elected members are external. No employee-elected members are part of the company's executive management. Employee-elected members have no other service agreements with the company outside of their employment contracts, though they are subject to their duties as board members.		The Board of Directors shall conduct an annual self-assessment of its work and competence within a reasonable time prior to the Annual General Meeting in 2024.		Biographical information on the board members can be found in the report and on the website: Board of Directors - nordicsemi.com
		High on the Board of Directors' agenda in 2024 was strategic realignment and cost containment measures, as well as risk management and organizational resilience, customer and market focus, sustainability strategy, and strategic acquisitions.		
		Dieter May and Helmut Gassel were appointed as shareholder-elected board members at an extraordinary General Meeting in February 2024. Anja Dekens and Krishna Shingala were appointed as employee-elected board members in September. Krishna Shingala resigned from Nordic Semiconductor in December with deputy Monika Larsen succeeding as employee-elected board member with immediate effect.		
		All shareholder-elected members were deemed in 2024 to be independent, according to the Norwegian Code of Practice. None of the company's non-employee board members had any other service contractual agreements with the company.		



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance

193

Description		Developments and events during the reporting year		References
Audit Committee				The Audit Committee charter can be found on the company's website: Governance - Nordic Semiconductor
The Audit Committee consists of three members from the Board of Directors.		The Audit Committee has held 7 meetings during 2024.		
The Audit Committee is a preparatory body that supports the Board of Directors in fulfilling its responsibilities with respect to financial reporting, auditing, and control. Its supervisory area includes adequate company policies, procedures, systems, and measures to prevent violations of relevant rules and regulations, including anti-corruption, data privacy, and human rights. The committee shall be informed and evaluate material risks and issues related to tax. The committee also supports the Board in the evaluation of IT and cyber security risk in the company. The committee supervises the company's external reporting, including the integrated annual report and its alignment with relevant regulations and international guidance to ensure transparent and reliable data.		In 2024, the committee focused on reviewing the Group's internal controls in connection with higher digitalization of reporting functions, as well as reviewing processes to mitigate increased cyber threat. The audit committee plays a critical role in ensuring that the company adheres to the new CSRD regulations. By staying informed, evaluating current practices, integrating sustainability with financial reporting, and engaging with stakeholders, the committee Nordic's overall sustainability performance.		
The Audit Committee reviews and approves all non-audit fees paid to the companies elected auditor.		Members: a. Anita Huun (Chair) b. Inger Berg Østavik c. Birger K. Steen (Observer)		
The Nordic Group Compliance Officer has a dotted reporting line to, and meets regularly with, the Audit Committee.		The members meet the Norwegian requirements for independence and competence.		
People & Compensation Committee				The People & Compensation Committee charter can be found on the company's website: Governance - Nordic Semiconductor
The People & Compensation Committee consists of three members of the Board of Directors.		The People & Compensation Committee held 4 meetings in 2024.		
The committee shall assist the Board of Directors in exercising its oversight responsibility, in particular regarding compensation matters pertaining to the CEO and other members of the Executive Management Team. The committee handles other compensation issues of principal importance, such as coherent remuneration policies and practices to enable the company to attract and retain executives and employees who will create value for shareholders. It supports the Board of Director and supervises management on human capital development, working conditions, and diversity, equity, and inclusion (DE&I).		Important focus areas for the People & Compensation Committee during 2024 were succession planning including leadership framework, performance and growth management including job architecture fundamentals, and continued development and review of the people and compensation agenda including reward structures.		
		Members: a. Anastiina Hintsa (Chair) b. Birger K. Steen c. Dieter May d. Morten Dammen		
		The members of the committee are selected to ensure that the compensation programs are fair and appropriate, but also reflect the challenges related to attracting and retaining key talent in a global technology market for engineers. Therefore, the committee includes both an employee-elected director and three shareholder-elected directors with extensive experience from the global technology space.		



NORDIC

SEMICONDUCTOR

ANNUAL REPORT

2024

01

Message from the CEO

>

02

Nordic at a glance

>

03

Report from the Board of Directors

>

04

Financial statements

>

05

Responsibility statement

>

06

Audit opinion letter

>

07

Appendices

>

Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance

194

Description		Developments and events during the reporting year		References
Sustainability Committee		The Sustainability Committee held 5 meetings in 2024.		
The Sustainability Committee consists of three members of the Board of Directors.		In 2024 the Sustainability Committee continued the discussion around establishing specific sustainability strategy or continuing with integration of relevant sustainability elements into overall company strategy.		
The Sustainability Committee is a preparatory body for the Board in fulfilling the Board's responsibilities with respect to considering sustainability within the activities and value creation of the company. The committee supervises the integration of sustainability into Nordic strategy and business activities, reflected in adequate follow-up of ESG metrics to measure and monitor its sustainability performance.		Hereunder, to further develop Nordic's approach to sustainability risk management, to understand and develop plan for preparedness for the new reporting regulations, in particular the EU Corporate Social Reporting Directive (CSRD), to prepare proposals for ESG related KPIs for approval by the Board as well as Nordic's commitment to the Science Based Target Initiative.		
		Members:		
		a. Inger Berg Ørstavik (chair)		
		b. Annastina Hlnsta		
		c. Anja Dekens		
CEO & Executive Management Team		The Executive Management Team held 41 meetings in 2024.		
According to Norwegian corporate law, the CEO constitutes the formal governing body responsible for the daily management of the company. The CEO leads the company with the assistance of the Executive Management Team.		In 2024, Nordic Semiconductor appointed Øyvind Strøm as EVP BU Short-Range, Øyvind Birkenes as EVP BU Long-Range, Joakim Fern as SVP BU Wi-Fi, CTO Svein-Egil Nielsen, EVP People & Communication Katarina Finneng and SVP Legal & Compliance Linda Pettersson resigned from Nordic Semiconductor in 2024.		
The division of functions and responsibilities between the CEO and the Board of Directors is defined in greater detail in the Rules of Procedure for the Board of Directors of the company.		Biographical information on the CEO and the Executive Management Team can be found in the Management section of the report and on the website at: nordicsemi.com		

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