

Summary

FRN Nordic Semiconductor ASA Senior Unsecured Bond
Issue 2023/2028

NO0013072462



NORDIC[®]
SEMICONDUCTOR

Managers:



Danske Bank, Norwegian branch



HSBC Continental Europe

Summary

ISIN NO0013072462

Summaries are made up of disclosure requirements due to Article 7 in the REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017.

A - INTRODUCTION AND WARNINGS

Warning	This summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
The Bonds	ISIN: NO0013072462 - FRN Nordic Semiconductor ASA Senior Unsecured Bond Issue 2023/2028.
The Issuer	Nordic Semiconductor ASA is a public limited company domiciled in Norway and organized and existing under the laws of Norway pursuant to the Norwegian Companies Act. The Company was incorporated in Norway on 20th of January 1993 and the organization number in the Norwegian Register of Business Enterprises is 966 011 726. The LEI-code of the Company is 5967007LIEEXZXJGFK95. The Company's registered address is Otto Nielsens veg 12, 7052 Trondheim, Norway.
The Offeror	Not applicable. There is no offeror, the Prospectus has been produced in connection with listing of the bonds at Oslo Børs. The Issuer is going to ask for admission to trading on a regulated market.
Competent Authority Approving the Prospectus.	The Financial Supervisory Authority of Norway (Norwegian: <i>Finanstilsynet</i>), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and on 11.03.2024, approved the Prospectus.

B - KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?					
Corporate Information	Nordic Semiconductor ASA is a public limited company domiciled in Norway and organized and existing under the laws of Norway pursuant to the Norwegian Companies Act. The Company was incorporated in Norway on 20th of January 1993 and the organization number in the Norwegian Register of Business Enterprises is 966 011 726. The LEI-code of the Company is 5967007LIEEXZXJGFK95. Website: https://www.nordicsemi.com/				
Principal activities	Nordic Semiconductor is a Norwegian company specializing in wireless communication technology that powers the Internet of Things (IoT). Nordic Semiconductor is a fabless semiconductor company designing, marketing, selling, and supporting hardware products, embedded software, and cloud-based services enabling wireless connectivity solutions.				
Major Shareholders	The 20 largest shareholders in Nordic Semiconductor ASA as of 04.12.2023:				
	Investor	Number of shares	% of total	Type	Country
	STATE STREET BANK AND TRUST COMP	25 168 379,00	13,06%	NOM	USA
	ACCELERATOR LTD	17 472 950,00	9,06%	PRIV	LUX

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FOLKETRYGDFONDET	13 179 033,00	6,84%	PRIV	NOR
VERDIPAPIRFONDET DNB TEKNOLOGI	9 928 702,00	5,15%	PRIV	NOR
THE BANK OF NEW YORK MELLON	6 304 511,00	3,27%	NOM	USA
JPMORGAN CHASE BANK, N.A., LONDON	3 939 113,00	2,04%	NOM	GBR
RBC INVESTOR SERVICES TRUST	3 928 954,00	2,04%	NOM	IRL
BANK PICTET & CIE (EUROPE) AG	3 912 278,00	2,03%	PRIV	LUX
MORGAN STANLEY & CO. LLC	3 753 165,00	1,95%	NOM	USA
J.P. MORGAN SE	3 730 032,00	1,93%	NOM	LUX
DANSKE INVEST NORSKE INSTIT. II.	3 422 644,00	1,78%	PRIV	NOR
STATE STREET BANK AND TRUST COMP	3 269 514,00	1,70%	NOM	USA
SKANDINAVISKA ENSKILDA BANKEN AB	3 192 515,00	1,66%	NOM	SWE
ALDEN AS	2 150 000,00	1,12%	PRIV	NOR
STATE STREET BANK AND TRUST COMP	1 983 388,00	1,03%	NOM	USA
VPF DNB AM NORSKE AKSJER	1 920 978,00	1,00%	PRIV	NOR
VERDIPAPIRFONDET DNB NORGE	1 907 109,00	0,99%	PRIV	NOR
TTC INVEST AS	1 772 000,00	0,92%	PRIV	NOR
VERDIPAPIRFONDET EIKA SPAR	1 629 322,00	0,85%	PRIV	NOR
VERDIPAPIRFONDET EIKA NORGE	1 628 000,00	0,84%	PRIV	NOR
Total number owned by top 20	114 192 587,00	59,23%		
Total number of shares	192 781 600,00	100,00%		

Key managing directors	Name	Position
	<i>Vegard Wollan</i>	<i>Chief Executive Officer / President</i>
	<i>Pål Elstad</i>	<i>Chief Financial Officer / EVP Finance</i>
	<i>Ola Boström</i>	<i>SVP Quality</i>
	<i>Katarina Finneng</i>	<i>EVP People & Communication</i>
	<i>Kjetil Holstad</i>	<i>EVP Product Management</i>
	<i>Ole-Fredrik Morken</i>	<i>EVP Supply Chain</i>
	<i>Geir Langeland</i>	<i>EVP Sales and Marketing</i>
	<i>Svein-Egil Nielsen</i>	<i>Chief Technology Officer / EVP R&D and Strategy</i>
	<i>Ståle Ytterdal</i>	<i>SVP IR</i>
Statutory auditor	The Company's independent auditor for the period, which has covered the historical financial information in this Registration Document, has been PricewaterhouseCoopers AS with registered address at Dronning Eufemias gate 71, 0191 Oslo, Norway. PricewaterhouseCoopers AS is member of the Norwegian Institute of Public Accountants.	

What is the key financial information regarding the Issuer?

<i>Nordic Semiconductor ASA</i>				
	<i>Group</i>	<i>Group</i>	<i>Group</i>	
Income statement	2022	H1 2023	Q4 2023	
<i>(Amounts in USD 1000)</i>	<i>audited</i>	<i>unaudited</i>	<i>unaudited</i>	
Operating profit	161 602	20 629	(18 026)	
Net profit after tax	122 339	18 895	(12 423)	
Statement of financial position				
Net financial debt (Total non-current liabilities plus Total current liabilities minus Cash and cash equivalents)	(186 407)	(55 320)	(30 789)	
Statement of cash flows				
Net cash flow from operating activities	142 711	(97 778)	(9 202)	
Net cash flows used in investing activities	(30 554)	(25 881)	(19 918)	
Net cash flows from financing activities	(11 336)	(3 768)	90 451	

What are the key risk factors that are specific to the Issuer?	
Most material key risk factors	<p>Cyclical nature of the semiconductor industry - The semiconductor industry is generally highly cyclical and is subject to constant and rapid technological changes, rapid product obsolescence and price erosion, evolving product and technological standards, short product life cycles and fluctuations in product supply and demand.</p> <p>Adverse global economic conditions and geopolitical risk - The Group'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.</p> <p>Global shortage in the supply of semiconductors - The nature of the Group's business as a fabless manufacturer of semiconductors, means that the Group is heavily reliant on third-party vendors to manufacture the products the Group designs. Nordic Semiconductor use third-party supplier for sourcing of semiconductor wafers and also relies on third-party assembly subcontractors in Taiwan and the Philippines to assemble and package the final products.</p> <p>Trade tensions - Since 2018, there have been political and trade tensions among a number of the world's major economies. These tensions have resulted in the implementation of tariffs and non-tariff trade barriers and sanctions, including the use of export control restrictions and sanctions against certain countries and individual companies.</p> <p>Competitiveness of Nordic Semiconductor products - The semiconductor industry is extremely competitive. The Group is exposed to competition from existing companies and new entrants, mainly from China. The Group's competitors range from large, international companies offering a full range of products to smaller companies specializing in particular semiconductor products.</p> <p>Customer concentration - As a result of the Group's customer concentration and the size of its existing customer base, the Group's revenue could fluctuate materially and could be materially and disproportionately impacted by the decisions of its largest customers if they were to cancel or reduce their purchase commitments.</p> <p>Credit risk - The Group is exposed to credit risk pursuant to trade credit arrangements with its distributors and certain customers.</p> <p>Exchange rate risk - The Group operates globally and is exposed to foreign currency risk, as its sales revenue and direct production costs are almost entirely denominated in United States Dollars ("USD"), whereas approximately 50% and 20% of its operating expenses were denominated in Norwegian Kroners ("NOK") and Euros ("EUR"), respectively, in 2022. In connection with the incurrence of the Bonds the Company may enter into a NOK to USD currency swap which if unwound prior to the maturity date of the Bonds may incur a significant exposure. Since the operating activities of the Group are almost entirely denominated in USD, the Group does not use hedging instruments for USD other than the foregoing. Therefore, fluctuations in the exchange</p>

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	rates between the USD, NOK or EUR currencies may have an adverse effect on the Group.
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C - KEY INFORMATION ON THE SECURITIES

<i>What are the main features of the securities?</i>	
Description of the securities, including ISIN	ISIN: NO0013072462 - Unsecured bond issue with floating rate. Issue Date: 27 November 2023. Maturity Date: 28 November 2028. Initial Bond Issue is NOK 1,000,000,000. Nominal Amount of each Bond is NOK 1,000,000 each and among themselves pari passu ranking. Maximum Issue Amount is NOK 1,500,000,000. Issue Price: 100%. The Bonds are floating rate bonds; 3 months NIBOR + 3.00 per cent.
Rights attached to the securities	<p>The Bond Terms have been entered into between the Issuer and the Bond Trustee. The Bond Terms regulate the Bondholder's rights and obligations in relation to the issue. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.</p> <p>When Bonds are purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms.</p> <p>Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "Put Option") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to one hundred and one (101) per cent. of the Nominal Amount.</p>
Status of the bonds and security	<p>The Bonds shall constitute senior debt obligations of the Issuer. The Bonds will rank at least pari passu between themselves and at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).</p> <p>The Bonds are unsecured.</p>
<i>Where will the securities be traded?</i>	
Admission to trading	The Bonds will be listed on Oslo Børs as soon as possible after the prospectus has been approved by the Norwegian FSA.
<i>What are the key risks that are specific to the securities?</i>	
Most material key risks	<p>Risks related to the Issuer's dependency on the financial performance of the Group for amounts due on the Bonds - The Issuer's ability to pay any amounts due on the Bonds is, to a significant extent, dependent on the Group's financial performance and will depend upon the level of distributions, interest payments and loan repayments, if any, received from its operating subsidiaries, associated undertakings and joint ventures, any amounts received on disposals of assets and equity holdings and the level of cash balances.</p> <p>Risks related to the Bonds not being secured - The Bonds are unsecured. Consequently, the right to receive payment under the Bonds in a default and enforcement scenario will be subject to all secured creditors first receiving due payment.</p> <p>Interest rate risk - The risk is due to the variability of the applicable reference rate of 3 months NIBOR (the "Reference Rate"). The coupon payments, which depend on the Reference Rate and the Margin, will vary in accordance with the variability of the Reference Rate. The value of the Bonds will depend on changes in the Reference Rate and any changes in the credit spread (Margin), relative to the Margin at the</p>

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	<p>issue date, at a certain point in time for the remaining tenor of the applicable bond.</p> <p>Exchange rate risk for non-NOK investors - The Bonds are issued in NOK, and any future payments of interest on the Bonds will be paid in NOK. Accordingly, any investor with another reference currency in its ordinary course of business is subject to adverse movements in the NOK against their local currency as such adverse movements could have a material adverse effect on the local currency equivalent of any NOK payments on the Bonds.</p>
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D - KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKED

<i>Under which conditions and timetable can I invest in this security?</i>	
Terms and conditions for the offer	Not applicable. The Bonds have not been subject to a public offer, the Bonds are already issued and settled.
<i>Why is the Prospectus being produced?</i>	
Admission to trading	The Prospectus is produced in connection with listing of the Bonds on the Oslo Børs.
Use of proceeds	The Issuer will use the Net Proceeds – approx. MNOK 991.4 - from the Initial Bond Issue and the issuance of any Additional Bonds for the general corporate purposes of the Issuer, including by way of repayment of drawings under the RCF if relevant, improve flexibility to strategically improve sourcing ability and any potential acquisitions
Material conflicts of interest	There is no interest, nor conflicting interests that is material to the issue.