

Q1

Report 2024



NORDIC[®]
SEMICONDUCTOR

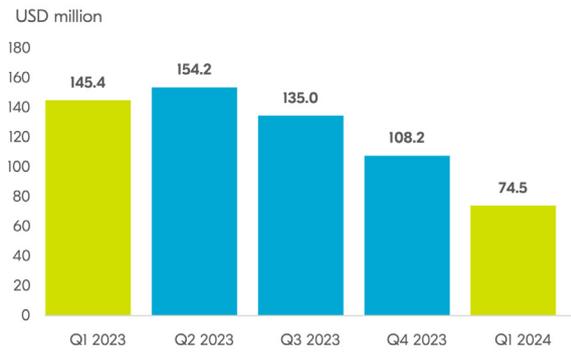
Content

| | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | Highlights Q1 |
| 4 | Key figures |
| 5 | Q1 2024 review <ul style="list-style-type: none">Operational reviewFinancial resultsFinancial positionCash flow |
| 13 | Outlook |
| 15 | Condensed financial information |
| 19 | Notes to the condensed consolidated financial statements |
| 22 | Alternative performance measures |
| 25 | Cautionary note |

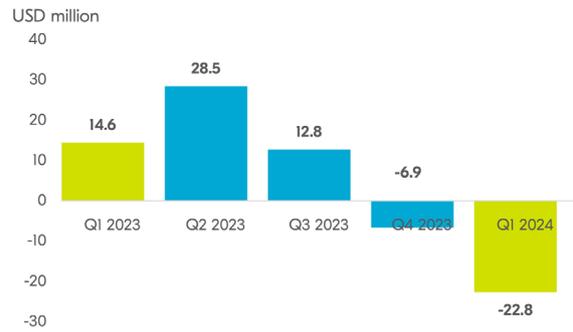
Highlights Q1

- Revenue of USD 74.5 million
- Gross margin of 48.0%
- EBITDA loss of USD 22.8 million
- Nordic announced integrated support for Google's recently launched "Find My Device" network
- Established four new product-centric business units

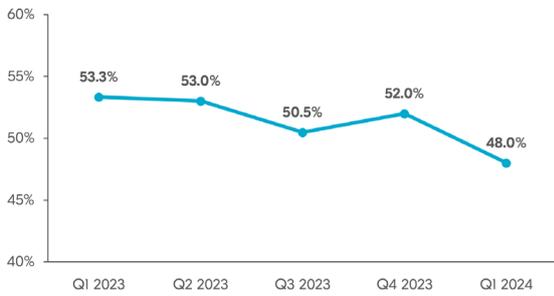
Revenue



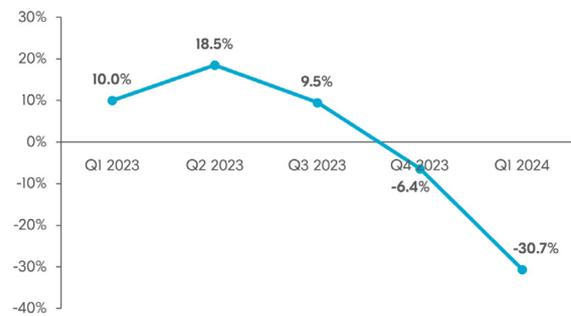
EBITDA



Gross margin



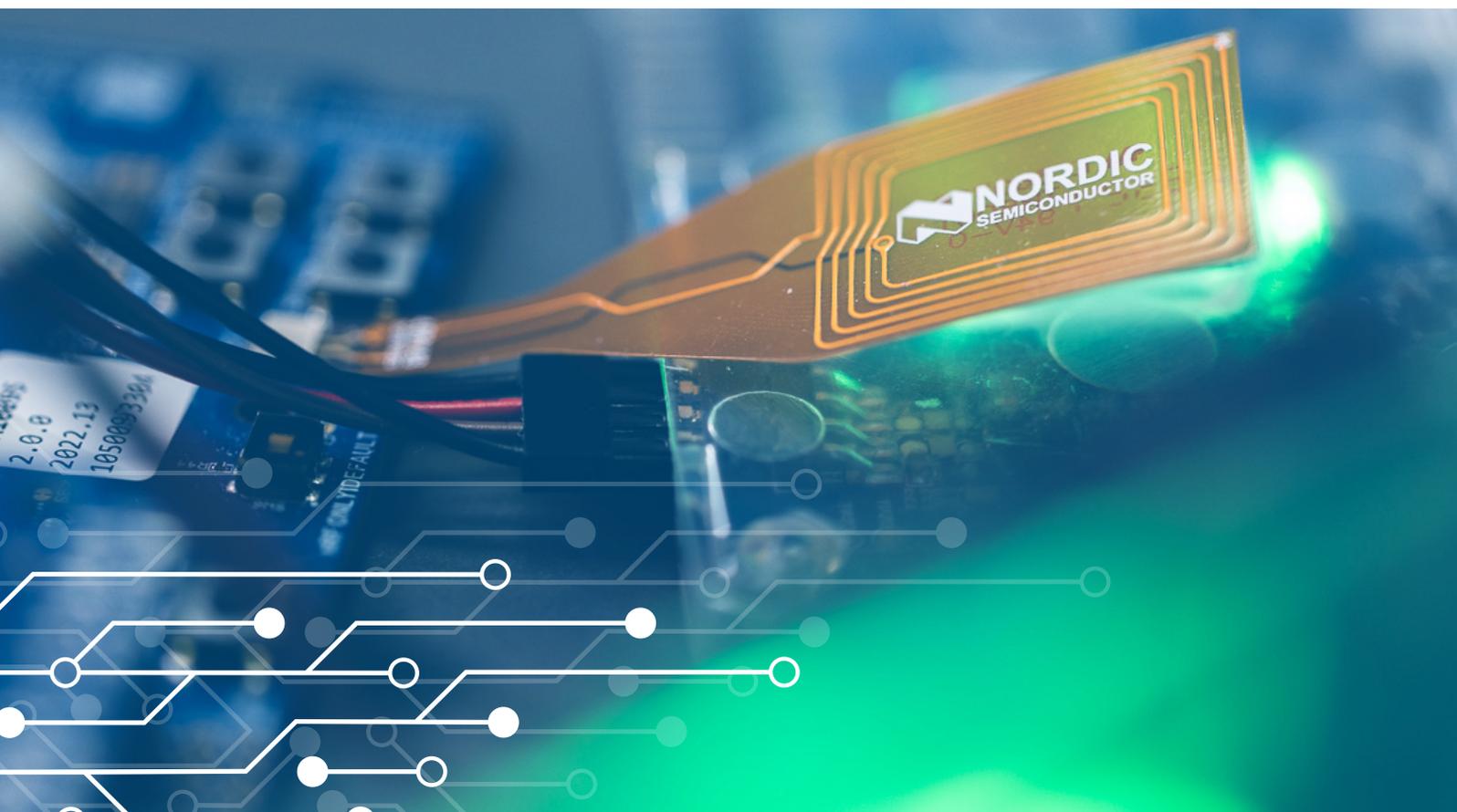
EBITDA margin



Key figures

Q1 2024 financial summary

| Amount in USD million | Q1 | | |
|-----------------------------------------------|--------|-------|------------|
| | 2024 | 2023 | Change |
| Revenue | 74.5 | 145.4 | -48.8% |
| Gross profit | 35.8 | 77.6 | -53.9% |
| Gross margin % | 48.0% | 53.3% | -5.3 p.p. |
| EBITDA | -22.8 | 14.6 | -256.8% |
| EBITDA % | -30.6% | 10.0% | -40.7 p.p. |
| Operating profit (EBIT) | -33.5 | 3.0 | -1198.8% |
| Operating profit % (EBIT) | -44.9% | 2.1% | -47 p.p. |
| Net profit after tax | -25.7 | 3.0 | -946.1% |
| Cash and cash equivalents | 235.0 | 233.3 | 0.8% |
| LTM Opex excluding depreciation / LTM revenue | 48.8% | 32.4% | 16.4 p.p. |
| Net working capital / LTM revenue | 49.7% | 28.2% | 21.5 p.p. |
| Equity ratio | 70.0% | 77.4% | -7.5 p.p. |
| Number of employees | 1407 | 1513 | -7.0% |



Q1 2024 review

Revenue was USD 74.5 million in the first quarter 2024, with the decline from the first quarter of 2023 reflecting lower end-customer demand and that Nordic has actively adjusted inventory within its distribution channel. Sell-through from distributors was significantly higher than reported revenue in the first quarter 2024. Nordic's demand is improving both with tier-1 and broad market customers. The distribution inventory adjustments are predominately behind us, and revenue in the second quarter will also be supported by seasonally higher demand.

Revenue impacted by significant inventory adjustments

Nordic reported total revenue of USD 74.5 million in Q1 2024, which was a decrease of 48.8% from USD 145.4 million in Q1 2023 and 31.1% below Q4 2023. The first quarter is typically a seasonally slower quarter, and the sequential decline also reflects Nordic's active efforts to lower the inventory level in the distribution channel. Sell-through from distributors was at a significantly higher level, and Nordic sees improving demand from both tier-1 and broad market customers. Revenue in the second quarter will also be supported by seasonally higher demand.

The company has taken active steps to support future growth ambitions. As noted in the previous quarterly report, the company made a strategic decision to increase inventories of 55nm wafers for the nRF52 and nRF53 Series SoCs last year, and has established dual supply of 22nm wafers for its next generation nRF54 Series SoCs.

Revenues by technologies

Nordic classifies its revenues into the following technologies: Short-range wireless components, long-range (cellular IoT) wireless components, ASIC components and other. Other revenues include PMIC, front end modules and Wi-Fi, as well as development tool sales. Short-range wireless components are in turn split between Bluetooth and Proprietary solutions.

Bluetooth revenue amounted to USD 62.9 million in Q1 2024, a decrease of 51.9% year-on-year and down 30.1% from the previous quarter. Bluetooth share of total revenue was 84% in Q1 2024.

The company has previously communicated that tier-1 demand has held up significantly better than the broad market. While this overall remained the case also in Q1 2024, the company saw inventory adjustments at one tier-1 customer in the Healthcare industry in the first quarter, as well as in the broad market. The top-10 customers have accounted for 58% of revenue over the last 12 months.

Proprietary product revenue amounted to USD 6.1 million in Q1 2024, a decrease of 23.4% year-on-year and down 38.1% from the previous quarter. Proprietary share of total revenue was 8.2% in Q1 2024. The sequential decline mainly reflects seasonality and inventory adjustments. Underlying demand for PC accessories and home office equipment is now showing improvements.

Cellular revenue remains lumpy and volatile and amounted to USD 3.8 million in Q1 2024, a decrease of 20.0% year-on-year and down 37.2% from the previous quarter. Cellular share of total revenue was 5.1% in Q1 2024.

ASIC component revenues amounted to USD 0.9 million in Q1 2024, compared to USD 1.1 million in Q1 2023.

| Amounts in USD thousand | Q1 | | |
|----------------------------------------|---------------|----------------|---------------|
| | 2024 | 2023 | Change |
| Bluetooth | 62 938 | 130 828 | -51.9% |
| Proprietary wireless | 6 087 | 7 942 | -23.4% |
| Short-range wireless components | 69 025 | 138 770 | -50.3% |
| Cellular IoT | 3 778 | 4 723 | -20.0% |
| ASIC components | 941 | 1 148 | -18.0% |
| Other | 754 | 787 | -4.2% |
| Total revenue | 74 498 | 145 428 | -48.8% |

In terms of end-user markets, Nordic reports on Consumer, Industrial, Healthcare and Other.

Consumer remained the largest end-user market in Q1 2024, accounting for 69.1% of total revenues. Revenue in the first quarter decreased by 27.1% year-on-year and 24.6% quarter-on-quarter to USD 50.8 million.

Industrial revenue amounted to USD 16.7 million in Q1 2024, accounting for 22.7% of total revenue. Revenue more than halved from Q1 2023 and declined by 8.7% quarter-on-quarter.

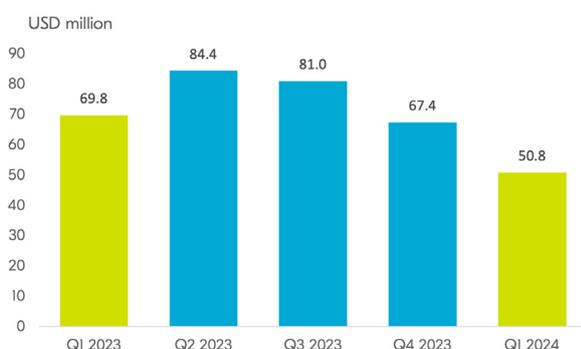
As noted in previous quarterly reports, Nordic has highlighted the Healthcare market as a future growth engine. However, revenues remain dependent on a

relatively small number of customers, and hence prone to wide variations across quarters

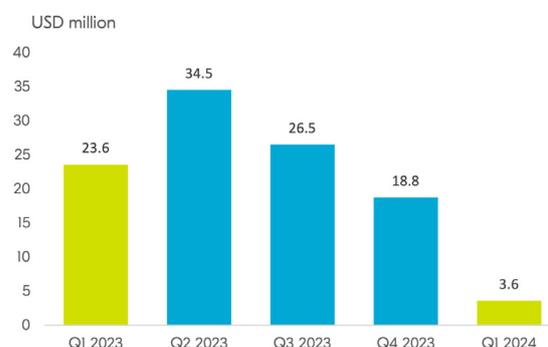
Healthcare revenue in Q1 2024 was low at USD 3.6 million, and hence accounted for only 4.8% of total revenue in the quarter. This compares to revenue of USD 23.6 million in Q1 2023 and USD 18.8 million in Q4 2023. The decline primarily reflects inventory adjustments at a tier-1 customer, and the company expects an equivalent recovery in delivered volumes and revenue in the second quarter of the year.

'Other' accounted for USD 2.5 million in Q1 2024, or 3.4% of total revenue. This compares to USD 5.6 million in Q1 2023 and USD 2.5 million in Q4 2023.

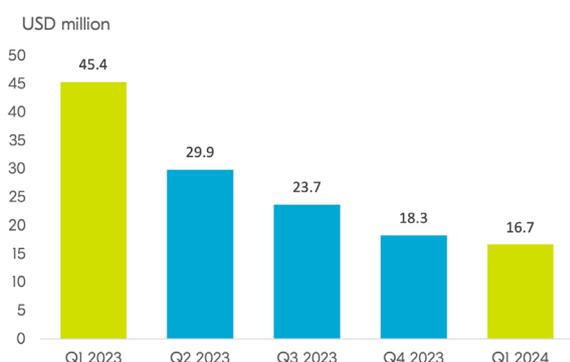
Consumer



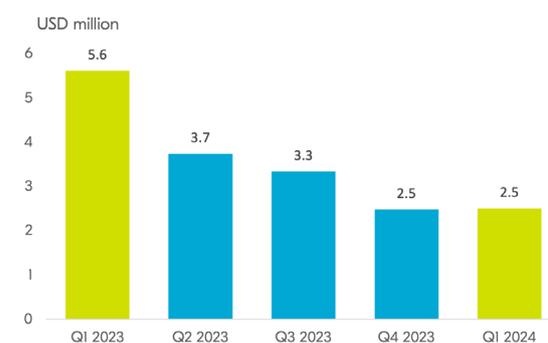
Healthcare



Industrial



Other



| Revenues by end-product markets Amounts in USD thousand | Q1 | | |
|------------------------------------------------------------|---------------|----------------|---------------|
| | 2024 | 2023 | Change |
| Consumer | 50 829 | 69 750 | -27.1% |
| Industrial | 16 665 | 45 362 | -63.3% |
| Healthcare | 3 561 | 23 560 | -84.9% |
| Other | 2 502 | 5 608 | -55.4% |
| Total revenue excl. ASIC & Consulting | 73 557 | 144 280 | -49.0% |

Remaining the design win market leader

Nordic had a high market share of 43% of new design certifications in the Bluetooth Low Energy market for the full year 2023, according to FCC and Bluetooth SIG data compiled by DNB Markets.

The market share for Q1 2024 was 42% and when looking over the last twelve months it was 43%. On a twelve months basis the company remains the clear market leader with approximately 5 times as many designs wins as the second and third largest, and 8 times as many as number three and four. The total number of new Bluetooth LE design certifications was 1145 in LTM Q1'24, of which 488 had Nordic inside.

Complete cellular IoT and DECT NR+ solutions

Nordic's latest announcement, the nRF9151 SiP, has exceptional low power consumption and a smaller footprint. With 20% reduction in size, it is ideal for wearables, smart sensors, and other space-limited applications. Sampling to selected customers globally, alongside the nRF9161 SiP and DK, available through Nordic's distribution network, developers can now innovate with ease in low-power cellular IoT and DECT NR+ applications.

As a leader in wireless connectivity across professional lighting and building automation, Nordic brought its latest technologies and solutions to Light & Building in Frankfurt this quarter. Nordic solutions enable more energy-efficient buildings, better quality indoor environments, faster installation of HVAC and lighting systems, lower cost maintenance, and more.

Security commitment

By supporting the newly released "IoT Device Security Specification 1.0" by the Connectivity Standards Alliance (CSA), Nordic reaffirms its ongoing dedication to customers by delivering essential security functionalities necessary for developing IoT products surpassing these standards. For instance, the nRF9160 SiP and nRF5340 SoC have attained PSA Level 2 certification, while the forthcoming nRF54H20 and nRF54L15 SoCs are engineered to meet PSA Level 3 Certification requirements. This certification guarantees that Nordic's hardware and software have undergone rigorous third-party testing, ensuring their security integrity. Consequently, this streamlines the certification process for Nordic's customers, empowering them to introduce secure, certified IoT products into the market.

Customer product launches

In the first quarter of 2024, Nordic customers continued introducing innovative products across the industrial, healthcare, and consumer markets, leveraging the full specter of Nordic's short- and long-range product portfolio.

During the first quarter, one of Nordic's tier-1 healthcare customers announced they had received regulatory

approval for their first over-the-counter integrated Continuous Glucose Monitor. Powered by Nordic technology, this cutting-edge device will be available in the US without subscription from the Summer of 2024.

Based on the nRF91 Series cellular IoT solutions, new applications within transportation, asset tracking, industrial automation, and smart home were introduced to the market. A global leader in the digital transformation of pharmaceutical supply chains has launched an asset tracker that employs the nRF9160 SiP. This technology enables the real-time recording of event and location data to the cloud, ensuring that medicines and vaccines reach the patients safely. A smart waste management solution, designed for businesses that maintain and collect waste containers, has been launched using the nRF9160 SiP. This cellular IoT solution provides GNSS location tracking data and records container fill levels, efficiently transmitting this information to the cloud. Low power consumption was among the most important criteria for choosing the Nordic cellular solution.

Nordic aims to engineer its solutions to seamlessly work together, streamlining the design process to achieve efficiency and brevity. By employing a combination of Nordic's nRF9160 SiP, nRF7000 companion IC, nRF52833 SoC, and nPM1100 PMIC, a low power indoor and outdoor asset tracker was brought faster to market this quarter by choosing all the above solutions from Nordic. The miniature design with GNSS, NB-IoT, and Arm processor all built-in to one SiP was a key reason for choosing Nordic solutions. Another newly launched module showcases the integration of Nordic's solutions, featuring the nRF5340 SoC and nRF7002 Wi-Fi Companion IC. This module delivers an ultra-low-power, high-performance, dual connectivity solution. It is specifically designed to facilitate the development of next-generation smart home, wearable, and industrial IoT products, ensuring ease of use and efficiency.

Nordic supporting Google 'Find My Device'

Nordic Semiconductor was among the first to announce support for Google's new "Find My Device" network and "unknown tracker alerts" after the functionality was recently announced. By integrating this feature into the nRF Connect SDK, Nordic has enabled their customers to develop advanced location-based services for Android ecosystem users. The SDK's update reflects Nordic's responsiveness to new technologies and provides a platform for developers to quickly adapt to Google's latest offering. Several of Nordic strategic partners have already leveraged the integrated support within the SDK and are poised to unveil commercial solutions, with others expected to swiftly follow suit.

More customer product launches can be found at www.nordicsemi.com/Nordic-news

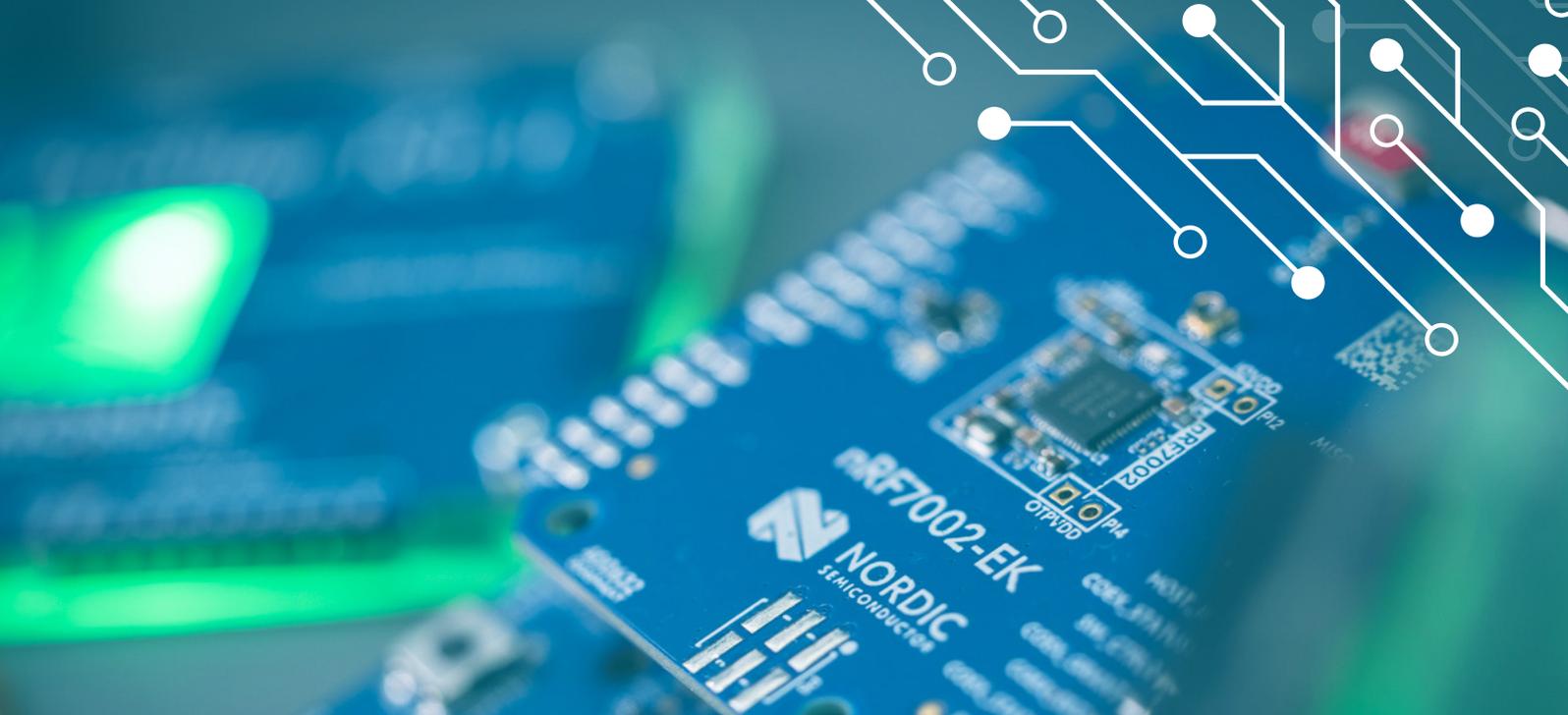
Fueling innovation in wireless IoT technology

By leveraging Hackster's global engineering community, Nordic launched the Make it Matter design competition end of last year together with Hackster.io and CSA. It tasked makers with crafting Matter-ready smart home solutions to foster cross-cultural knowledge exchange. Participants utilized various Nordic Semiconductor platforms, such as the nRF5340 SoC-based DKs including the nRF7002 DK, nRF5340 DK, and Nordic Thingy:53. The competition attracted 759 registrants, yielding 192 hardware applications and 61 submissions in total. The winner was announced in February. A smart home-connected wearable reminding users to maintain better posture or do their homework took out the USD2,000 top prize, followed by a smart home power monitor, and a smart habitat controller for pet turtles.

Organizational changes

As previously reported, Vegard Wollan assumed the position as CEO on 1 January 2024. After the end of the first quarter, the company announced the establishment of four new business areas to drive the product development roadmaps within Short-range, Long-range, Wi-Fi and Power Management (PMIC). Øyvind Strøm and Øyvind Birkenes joined in April to lead the Short-range and Long-range business areas, respectively, and Joakim Ferm was promoted to lead the Wi-Fi business unit. The PMIC business unit will be led by Kjetil Holstad, EVP Strategy and Product Management.

Nordic expects the reorganization to clarify strategic direction, improve autonomy and accountability in the different areas, sharpen the focus on products and development roadmaps, and enable a customer centric and agile approach to improve market responsiveness and shorten time-to-market. Overall, the company expects this to increase return on R&D investments over time.



Financial results

| Amounts in USD thousand | Q1 | | |
|--------------------------------------------------------|---------|--------|------------|
| | 2024 | 2023 | Change |
| Gross profit | 35 750 | 77 555 | -53.9% |
| Gross margin | 48.0% | 53.3% | -5.3 p.p. |
| Operating expenses excl. depreciation and amortization | 58 581 | 62 998 | -7.0% |
| EBITDA | -22 830 | 14 557 | -256.8% |
| EBITDA % | -30.6% | 10.0% | -40.7 p.p. |
| Depreciation and amortization | 10 655 | 11 509 | -7.4% |
| EBIT | -33 485 | 3 048 | -1198.8% |

Gross profit

Gross profit was USD 35.8 million in Q1 2024. This was a decline from USD 77.6 million in Q1 2023, with the gross margin decreasing to 48.0% in Q1 2024 from 53.3% in Q1 2023 and 52.0% in Q4 2023.

The sequential decline in gross margin mainly reflects changes in the customer mix, effects of inventory management and a negative effect of normal scrapping/write-downs and overhead costs being allocated to a low revenue base in the quarter.

Operating expenses

Operating expenses excluding depreciation, amortization amounted to USD 58.6 million in Q1 2024. This represents a 7% decrease in cost compared to USD 63.0 million in Q1 2023.

The year-on-year decrease primarily reflects cost optimization efforts initiated during 2023, which included a workforce reduction of 7%, reduced use of consultants, and other operating expense reductions.

Nordic is exposed to currency fluctuations, mainly in NOK, EUR and USD. Compared to the previous year

changes in these exchange rates reduced quarterly operating costs by approximately USD 0.7 million.

R&D costs amounted to USD 39.3 million, compared to USD 43.2 million in Q1 2023. Of this, USD 23.7 million was related to the short-range business, USD 11.7 million to cellular and USD 4.0 million to Wi-Fi.

In Q1 2024, Nordic capitalized a total of USD 4.8 million in development expenses, compared to USD 3.1 million in Q1 2023. The increase is primarily due to the commercialization of the nRF54 SoC series. Nordic commenced capitalization of R&D after customer sampling which started late Q1 2023. The capitalized expenses include USD 0.2 million related to Wi-Fi investments, USD 0.2 million to long-range, and USD 4.4 million to the short-range business.

Total cash operating expenses in Q1 2024 amounted to USD 61.3 million, calculated by adding back capitalized development expenses and deducting depreciation and equity-based compensation from total operating expenses. This was a decline from USD 64.3 million in Q1 2023.

Of the cash operating expenses, USD 42.6 million were related to payroll expenses, compared to USD 44.7 million in Q1 2023. This decrease stems from workforce reduction implemented in the second half of 2023.

The total number of Nordic employees was 1407 at the end of Q1 2024, a year-on-year decrease of 7%. The number of R&D employees decreased by 8% to 1,062 people, Sales & Marketing by 2 % to 134 people, and Supply Chain by 10% to 87 employees.

Other cash operating expenses amounted to USD 18.7 million in Q1 2024, compared to USD 19.6 million in Q1 2023. This also reflects cost saving initiatives.

Profit

EBITDA declined to a loss of USD 22.8 million in Q1 2024 from a profit of USD 14.6 million in Q1 2023. The weaker results can be attributed to the decline in revenue and a somewhat lower gross margin, which was only partially offset by cost saving impacts.

Depreciation and amortization decreased to USD 10.7 million in Q1 2024, compared to USD 11.5 million in Q1 2023. The decrease mainly reflects completion of depreciation or amortization period for existing assets, while awaiting the start of depreciation on current capitalized assets. Amortization of internally developed R&D amounted to USD 2.3 million in Q1 2024 and amortization of leased assets to USD 2.3 million.

Operating profit (EBIT) was USD -33.5 million in Q1 2024, compared to a positive USD 3.0 million in Q1 2023.

Net financial items was a positive USD 2.9 million in Q1 2024, compared to USD 5.3 million in Q1 2023. The difference is mainly explained by USD/NOK movements.

Loss before tax was USD 30.6 million in Q1 2024, compared to a profit before tax of USD 8.4 million in Q1 2023. The tax income in Q1 2024 was USD 4.9 million, compared to a tax cost of USD 5.4 million in Q1 2023.

Net loss was hence USD 25.7 million in Q1 2024, compared to a net profit of USD 3.0 million in Q1 2023.

The parent company's statutory tax rate is 22%. The company presents its accounts in USD, with the parent company's profits translated into NOK for taxation purposes.

Financial position

| Amounts in USD thousand | 31.03.2024 | 31.12.2023 | 31.03.2023 |
|-----------------------------------|----------------|----------------|----------------|
| Capitalized development expenses | 41 435 | 38 938 | 26 941 |
| Total non-current assets | 259 164 | 253 008 | 209 912 |
| Inventory | 197 557 | 163 090 | 126 914 |
| Cash and cash equivalents | 235 013 | 290 957 | 233 260 |
| Total current assets | 560 954 | 609 237 | 554 463 |
| Total assets | 820 118 | 862 245 | 764 375 |
| Total equity | 573 808 | 602 077 | 591 999 |
| Equity percentage | 70.0% | 69.8% | 77.4% |
| Total liabilities | 246 311 | 260 168 | 172 375 |
| Total equity and liability | 820 118 | 862 245 | 764 375 |

Total shareholders' equity amounted to USD 573.8 million at the end of Q1 2024, down from USD 602.1 million at the end of 2023.

The Group equity ratio was 70.0% of a total asset base of USD 820.1 million.

Cash and cash equivalents amounted to USD 235.0 million, compared to USD 291.0 million at the end of 2023. The main reason for the decline is operating loss combined with working capital variations.

Net working capital increased to USD 234.6 million at the end of Q1 2024, up from USD 208.1 million at the end Q1 2023. Measured as a percentage of last 12 months revenue, net working capital increased to 49.7% from 28.2% at the end of Q1 2023.

The changes in net working capital mainly reflect an increase in inventory to USD 197.6 million from USD 126.9 million. Supplies were impacted by supply constraints during 2022 and Nordic started to strategically build inventory in 2023. Inventory levels peaked in the first quarter of 2024 and are anticipated to gradually decrease to a normalized level over the course of the year. Accounts receivable decreased to USD 102.9 million from USD 176.2 million at the end of Q1 2023. This comes as a result of lower revenue.

Total current assets amounted to USD 561.0 million at the end of Q1 2024, down from USD 554.5 million at the end of the Q1 2023.

Non-current assets amounted to USD 259.2 million at the end of Q1 2024, compared to USD 209.9 million at the end of Q1 2023. The change is explained by leasing contracts and capitalized development expenses.

Current liabilities amounted to USD 105.4 million, compared to USD 158.0 million at the end of Q1 2023. The decrease reflects drop in income tax payable due to a decrease in taxable position, and a decrease in accounts payable partially offset by an increase in other operating liabilities.

Non-current liabilities amounted to USD 140.9 million, compared to USD 14.3 million at the end of Q1 2023. Non-current liabilities in Q1 2024 mainly consist of a NOK 1.0 billion bond with an outstanding balance of USD 91.8 million. Additionally, non-current lease liability has increased with contract extensions including but not limited to the Group's head office in Trondheim where the lease has been extended to better utilize the high infrastructure investments made in the building.

Cash flow

| Amounts in USD thousand | Q1 | |
|----------------------------------------------------|---------|----------|
| | 2024 | 2023 |
| Cash flows from operations | -35 391 | -129 438 |
| Cash flows from investing activities | -5 919 | -14 654 |
| Cash flows from financing activities | -8 662 | -1 994 |
| Change in cash and cash equivalents | -55 944 | -145 844 |
| Cash and cash equivalents at the end of the period | 235 013 | 233 260 |

Cash flow from operating activities resulted in an outflow of USD 35.4 million in Q1 2024, compared to an outflow of USD 129.4 million in Q1 2023. The operating cash flow in Q1 2024 reflects losses in the period and negative changes in the working capital whereas the main negative effect in Q1 2023 reflected a supply contract prepayment of USD 100 million.

Cash flows from investing activities resulted in an outflow of USD 5.9 million in Q1 2024, compared to an outflow of USD 14.7 million in Q1 2023. Capital expenditures (including software) amounted to USD 0.7 million, down from USD 5.5 million in the first quarter last year. Capitalized development expenses increased to USD 4.8 million from USD 3.1 million in the same period last year. The higher capitalization is a result of the nRF54 product entering final development stages late in Q1 2023. In Q1 2023 investing activities included USD 6.0 million related to acquisition of business combinations.

Cash flows from financing activities resulted in an outflow of USD 8.7 million compared to an outflow of USD 2.0 million in Q1 2023. The higher cash outflow is a result of share buyback, interest payment on bond and increased lease payments.

Funding

The Group's cash position was USD 235.0 million at the end of Q1 2024, compared to USD 291.0 million at the end of 2023. The cash is mainly kept in the Group's functional currency USD to minimize the impact of currency fluctuations.

Issued bond is in NOK and a comparable cash and cash equivalent amount is held in this currency to offset currency effects. The currency effect of cash and bond is offset in Net foreign exchange gains (losses) in the P&L. In the cash flow statement the USD -6.0 million Effects of exchange rate changes on cash and cash equivalents are influenced by the currency effects of the NOK cash position. The counterbalancing currency effect will be realized at the future bond settlement, ultimately resulting in a net-zero impact on maturity date.

Available cash including overdraft facilities and Nordic's sustainability linked RCF of USD 200 million, amounted to USD 435 million.

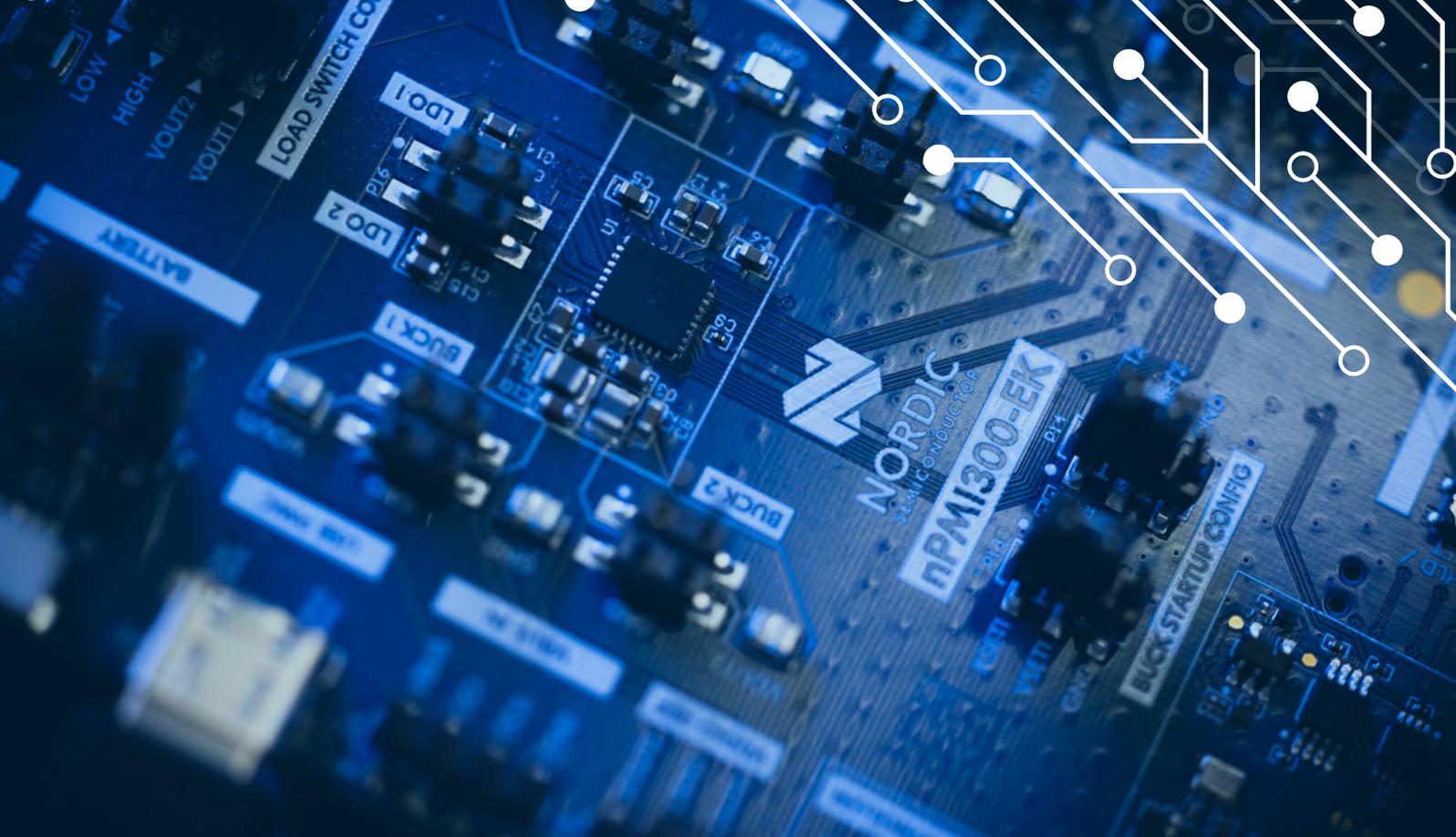
Outlook

Nordic revenue was USD 74.5 million in the first quarter 2024, significantly impacted by inventory adjustments. Nordic's demand is currently improving, and revenue in the second quarter will also be supported by seasonality. Revenue in Q2 is expected to fall within the range of USD 115-135 million.

The gross margin was below target at 48% in the first quarter 2024 due to negative effects from inventory adjustments and the resulting low revenue. Nordic expects gross margin of around 50% in the second quarter of the year and reiterates its long-term ambition to maintain a gross margin level above 50%.

As stated in the financial report for the fourth quarter, the overarching goal of the new top management is to return to revenue growth and restore profitability. After the end of the quarter, Nordic announced the establishment of a new business structure with four new business areas to drive the product development roadmaps within Short-range, Long-range, Wi-Fi and Power Management (PMIC), and expects this reorganization to increase return on R&D investments over time.





Oslo, April 23, 2024

Anita Huun
Board member

Birger Steen
Chair

Inger Berg Ørstavik
Board member

Snorre Kjesbu
Board member

Vegard Wollan
Chief Executive Officer

Annastiina Hintsa
Board member

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

Condensed financial information

Income statement

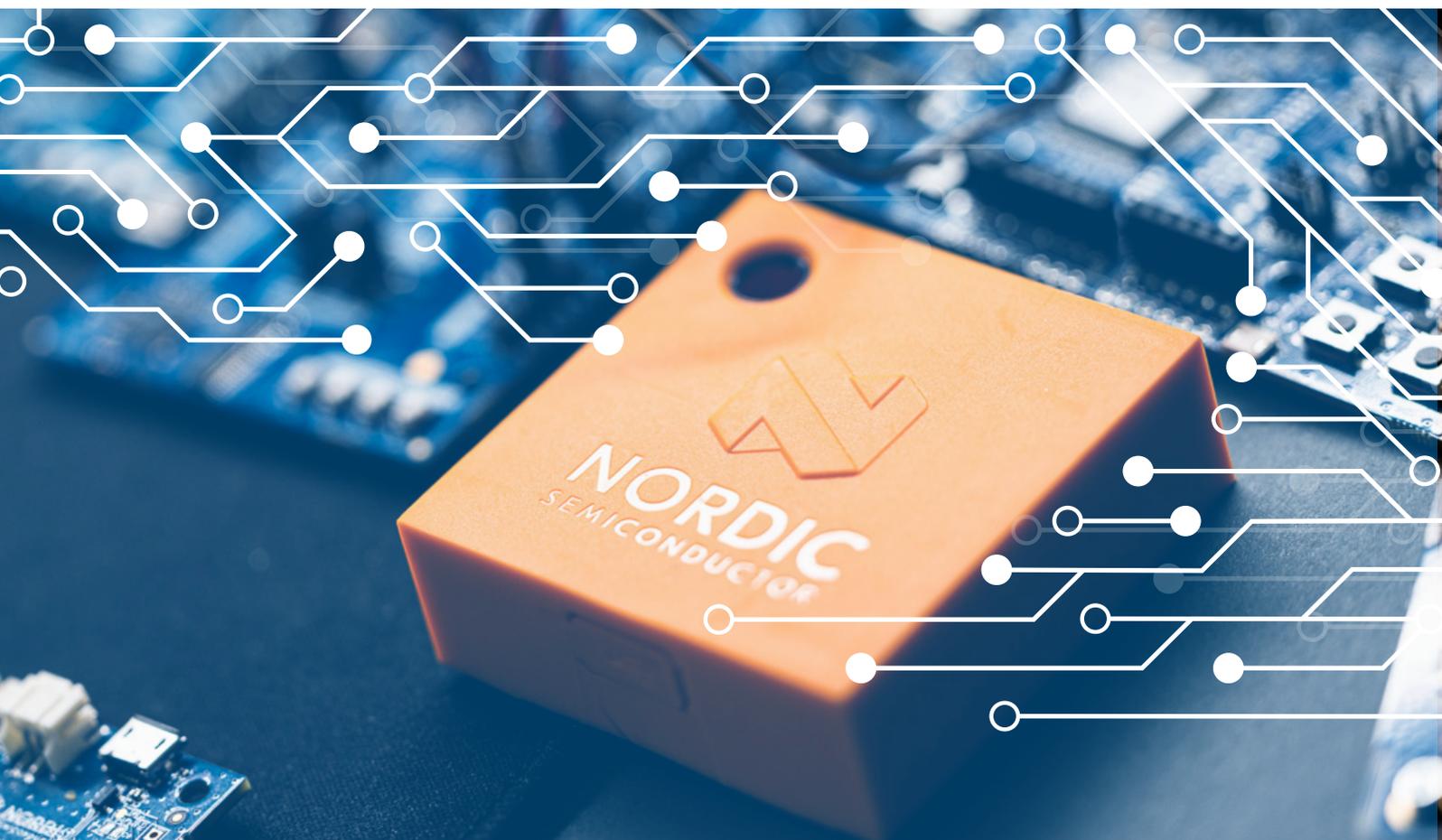
| Amounts USD thousand | Note | Q1 | | Full year |
|-----------------------------------------------------------------------------------------------------|------|---------|---------|-----------|
| | | 2024 | 2023 | 2023 |
| Total revenue | 4 | 74 498 | 145 428 | 542 869 |
| Cost of materials | | -38 748 | -67 874 | -259 157 |
| Gross profit | | 35 750 | 77 555 | 283 712 |
| Payroll expenses | | -40 432 | -43 700 | -152 990 |
| Other operating expenses | | -18 149 | -19 298 | -81 691 |
| EBITDA | | -22 830 | 14 557 | 49 031 |
| Depreciation and amortization | 6 | -10 655 | -11 509 | -44 329 |
| Operating Profit | | -33 485 | 3 048 | 4 702 |
| Net interest income | | 496 | 1 494 | 6 036 |
| Net foreign exchange gains (losses) | | 2 356 | 3 853 | 1 358 |
| Profit before tax | | -30 633 | 8 395 | 12 096 |
| Income tax expense | | 4 902 | -5 354 | -4 447 |
| Net profit after tax | | -25 730 | 3 041 | 7 650 |
| Earnings per share | | | | |
| Ordinary earning per share (USD) | | -0.134 | 0.016 | 0.040 |
| Fully diluted earning per share (USD) | | -0.133 | 0.016 | 0.039 |
| Weighted average number of shares | | | | |
| Basic | | 192 170 | 191 631 | 192 306 |
| Fully diluted | | 193 751 | 192 787 | 193 913 |
| Net profit after tax | | -25 730 | 3 041 | 7 650 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | | |
| Actuarial gains (losses) on defined benefit plans (before tax) | | | | -37 |
| Income tax effect | | | | 8 |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | | | |
| Currency translation differences | | -784 | 394 | 1 109 |
| Total comprehensive income | | -26 514 | 3 435 | 8 730 |

Consolidated statement of financial position

| Amounts USD thousand | Note | 31.3.24 | 31.12.23 | 31.3.23 |
|--------------------------------------|------|----------------|----------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Goodwill | 11 | 10 887 | 10 891 | 10 345 |
| Capitalized development expenses | 5/6 | 41 435 | 38 938 | 26 941 |
| Software and other intangible assets | 5/6 | 17 831 | 19 063 | 12 648 |
| Deferred tax assets | | 11 231 | 5 872 | 3 768 |
| Fixed assets | 6 | 24 828 | 29 095 | 35 488 |
| Right-of-use assets | 6 | 58 043 | 54 670 | 20 723 |
| Investments in joint ventures | | 437 | 6 | — |
| Other long term assets | | 94 473 | 94 473 | 100 000 |
| Total non-current assets | | 259 164 | 253 008 | 209 912 |
| Current assets | | | | |
| Inventory | | 197 557 | 163 090 | 126 914 |
| Accounts receivable | | 102 865 | 133 316 | 176 167 |
| Current financial assets | | — | — | — |
| Other current receivables | | 25 520 | 21 874 | 18 121 |
| Cash and cash equivalents | | 235 013 | 290 957 | 233 260 |
| Total current assets | | 560 954 | 609 237 | 554 463 |
| Total assets | | 820 118 | 862 245 | 764 375 |
| EQUITY | | | | |
| Share capital | | 317 | 317 | 317 |
| Treasury shares | | -1 | -1 | -2 |
| Share premium | | 235 448 | 235 448 | 235 448 |
| Other equity | | 338 044 | 366 313 | 356 235 |
| Total equity | | 573 808 | 602 077 | 591 999 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Pension liability | | 616 | 661 | 700 |
| Borrowings | | 91 801 | 97 491 | |
| Non-current lease liabilities | | 48 526 | 47 864 | 13 628 |
| Total non-current liabilities | | 140 944 | 146 016 | 14 328 |
| Current liabilities | | | | |
| Accounts payable | | 13 736 | 12 201 | 36 254 |
| Income taxes payable | | 3 142 | 5 640 | 38 591 |
| Public duties | | 4 152 | 6 334 | 10 070 |
| Current lease liabilities | | 10 171 | 9 897 | 6 379 |
| Other current liabilities | | 74 165 | 80 079 | 66 753 |
| Total current liabilities | | 105 367 | 114 151 | 158 047 |
| Total liabilities | | 246 311 | 260 168 | 172 375 |
| Total equity and liability | | 820 118 | 862 245 | 764 375 |

Consolidated statement of changes in equity

| Amount in USD thousand | Share capital | Treasury shares | Share premium | Other paid in capital | Currency translation reserve | Retained earnings | Total equity |
|------------------------------------|---------------|-----------------|----------------|-----------------------|------------------------------|-------------------|----------------|
| Equity as of 1.1.24 | 317 | -1 | 235 448 | 15 160 | -290 | 351 442 | 602 077 |
| Net profit for the period | | | | | | -25 730 | -25 730 |
| Other comprehensive income | | | | | -784 | | -784 |
| Share based compensation | | | | 2 053 | | | 2 053 |
| Repurchase of own shares | | 0 | | | | -3 808 | -3 808 |
| Equity as of 31.3.24 | 317 | -1 | 235 448 | 17 213 | -1 074 | 321 904 | 573 808 |
| Equity as of 1.1.23 | 317 | -2 | 235 448 | 5 358 | -1 399 | 343 821 | 583 544 |
| Net profit for the period | | | | | | 3 041 | 3 041 |
| Other comprehensive income | | | | | 394 | | 394 |
| Share based compensation | | | | 1 878 | | | 1 878 |
| Treasury share acquisition payment | | 0 | | 3 141 | | | 3 141 |
| Equity as of 31.3.23 | 317 | -2 | 235 448 | 10 377 | -1 005 | 346 862 | 591 999 |



Statement of cash flows

| Amount in USD thousand | Note | Q1 | | Full year |
|---------------------------------------------------------------|------|----------------|-----------------|-----------------|
| | | 2024 | 2023 | 2023 |
| Cash flows from operating activities | | | | |
| Profit before tax | | -30 633 | 8 395 | 12 096 |
| Taxes paid for the period | | -3 340 | -7 808 | -41 948 |
| Depreciation and amortization | | 10 655 | 11 509 | 44 329 |
| Net interest | | -496 | -1 494 | -6 036 |
| Interest received | | 2 972 | 2 402 | 9 726 |
| Change in inventories, trade receivables and payables | | -2 459 | -23 767 | -41 153 |
| Share-based compensation | | 2 053 | 1 878 | 6 548 |
| Movement in pensions | | -44 | 22 | -17 |
| Prepayments | | — | -100 000 | -100 000 |
| Other operations related adjustments | | -14 098 | -20 576 | -2 643 |
| Net cash flows from operating activities | | -35 391 | -129 438 | -119 097 |
| Cash flows used in investing activities | | | | |
| Capital expenditures (including software) | 6 | -718 | -5 510 | -25 529 |
| Capitalized development expenses | 6 | -4 770 | -3 143 | -21 973 |
| Investment in associate company | | -431 | — | -6 |
| Business Combination, net of cash acquired | 11 | — | -6 000 | -6 000 |
| Net cash flows used in investing activities | | -5 919 | -14 654 | -53 502 |
| Cash flows from financing activities | | | | |
| Repurchase of treasury shares | | -3 808 | — | — |
| Proceeds from issuance of bond | | — | — | 92 935 |
| Payment of interest | | -1 881 | — | — |
| Repayment of lease liabilities | | -2 758 | -1 823 | -8 426 |
| Credit facility fee | | -216 | -171 | -687 |
| Net cash flows from financing activities | | -8 662 | -1 994 | 83 822 |
| Effects of exchange rate changes on cash and cash equivalents | | -5 971 | 242 | 630 |
| Net change in cash and cash equivalents | | -55 944 | -145 844 | -88 146 |
| Cash and cash equivalents beginning of period | | 290 957 | 379 104 | 379 104 |
| Cash and cash equivalents at end of period | | 235 013 | 233 260 | 290 957 |

Notes

Note 1: General

The Board of Directors approved the condensed first quarter interim financial statements for the three months ended March 31, 2024 for publication on April 23, 2024.

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 around 1,400 employees across the globe. The company'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, and in 2018 Nordic launched its low power, compact LTE-M/NB-IoT cellular IoT solutions to extend the penetration of the IoT. The Nordic portfolio was further complemented by Wi-Fi technology in 2021.

Nordic Semiconductor ASA is listed on the Oslo Stock Exchange under the ticker NOD, and is a public limited liability company registered in Norway. The parent company's head office is located at Otto Nielsens veg 12, 7052 Trondheim.

Note 2: Confirmation of the financial framework

The Group financial statements for Nordic Semiconductor ASA and its wholly owned subsidiaries, together called "The Group" have been prepared in accordance with IAS 34 Interim Financial Statements. The interim financial statements for Q1 2024 do not include all the information required for the full year financial statements and shall be read in conjunction with the Group Annual Accounts for 2023.

The financial statements are presented in thousand USD, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements may not add up to the total of that row or column.

In the interim financial statements for 2024, judgments, estimates and assumptions have been applied that may affect the use of accounting principles, book values of assets and liabilities, revenues and expenses. Actual values may differ from these estimates. The major assumptions applied in the interim financial statements for 2024 and the major sources of uncertainty in the statements are similar to those found in the Financial Statements for 2023.

Note 3: Significant accounting principles

Significant accounting principles are described in the Group Financial Statement for 2023. The group accounts for 2023 were prepared in accordance with International Financial Reporting Standards (IFRS), relevant interpretations of this, as well as additional Norwegian disclosure requirements described in the Norwegian GAAP and the Norwegian Securities Trading Act.

The same accounting principles and methods of calculation have been applied as in the Financial Statements for 2023 for the Group.

Note 4: Segment information

In accordance with IFRS 8, the Group has only one business segment, which is the design and sale of integrated circuits and related solutions.

The Group classifies its revenues into the following technologies: Short-range wireless components, long-range (cellular IoT), ASIC components and consulting services. Within Wireless components, the Group reports its revenues based on the markets to which its components communicate. These include: Consumer, Industrial, Healthcare, and Others.

The Group also reports its short-range Wireless component revenue by proprietary wireless and Bluetooth protocols.

Note 5: Intangible assets

The Group recognizes intangible assets in the balance sheet if it is likely that the expected future economic benefits attributable to the asset will accrue to the Group and the assets acquisition cost can be measured reliably.

Costs associated with development are capitalized if the following criteria are met in full:

- 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 financial benefits;
- Sufficient technical, financial and other resources for project completion are in place.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end

of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Note 6: Capitalization, depreciation and amortization

| Amount in USD thousand | Q1 | | Full year |
|------------------------------------------------------|---------------|---------------|---------------|
| Specification of capital expenditures, balance sheet | 2024 | 2023 | 2023 |
| Capitalized development expenses (payroll expenses) | 4 190 | 2 853 | 16 155 |
| Capitalized acquired development expenses | 580 | 290 | 5 818 |
| Capital expenditures (including software) | 718 | 5 469 | 25 529 |
| Right-of-use assets (non-cash) | 5 660 | 1 126 | 41 348 |
| Acquisition (net) | 431 | 10 172 | 10 172 |
| Currency adjustments | -127 | 177 | 398 |
| Total | 11 452 | 20 087 | 99 420 |
| Depreciation and amortization | | | |
| Capitalized development expenses | 2 274 | 2 811 | 9 644 |
| Software and other intangible assets | 1 813 | 1 549 | 6 202 |
| Fixed assets | 4 282 | 5 330 | 20 389 |
| Right-of-use assets | 2 287 | 1 819 | 8 094 |
| Total | 10 655 | 11 509 | 44 329 |

Note 7: Net interest-bearing debt

The Group has a bond of USD 93 million with an interest of NIBOR + 3%. The maturity date of the bond is November 28, 2028. In the event that Nordic loses its Investment Grade Rating, the margin will rise by one percent until the Group regains the Investment Grade Rating. The Group must uphold an equity ratio of 40% in case Nordic loses the Investment Grade Rating.

The Group has a sustainability linked revolving credit facility, which enables it to borrow up to USD 200 million with an interest rate equal to SOFR + margin. The line of credit expires in June 2025, with option to extend. As of March 31, 2024, the Group had not drawn on the credit facility. The security for the credit line is provided by inventory, receivables and operating equipment.

The following financial covenants apply for the revolving credit facility:

Equity ratio shall not be lower than 40%.

Note 9: RSU and performance shares

Nordic has an Long-term Incentive (LTI) plan for all employees, which include Restricted Stock Units (RSUs) and Performance Shares (PSUs). The executive management team's LTI plan is split into two parts, where 50% is composed of RSUs and the remaining 50% is given as PSUs.

With reference to the Annual general meeting held on April 20, 2023, Nordic Semiconductor, on July 12, 2023, granted 1,002,323 RSUs and PSUs to employees, including the executive management team. The shares vest over two and three years. Vegard Wollan, newly appointed CEO, was granted a total of 22,480 RSUs and PSUs on January 5, 2024. On March 20, 2024, Nordic Semiconductor granted a total of 903,000 RSUs and PSUs to all employees excluding the executive management team, aimed at retaining and motivating employees following a challenging year of cost optimization initiatives. The Annual General Meeting of Nordic Semiconductor ASA approved the issue of RSUs and PSUs of an aggregate nominal value of up to 1% of the company's outstanding share capital, of which the full 1% has been utilized.

| | Q1 | |
|---------------------------------------------|-----------|-----------|
| | 2024 | 2023 |
| Outstanding RSUs beginning of period | 1 404 565 | 1 002 504 |
| Granted | 461 672 | |
| Forfeited | 51 300 | 8 699 |
| Released | | |
| Outstanding end of period | 1 814 937 | 993 805 |

| | Q1 | |
|-----------------------------------------------------------|---------|---------|
| | 2024 | 2023 |
| Outstanding performance shares beginning of period | 77 357 | 109 632 |
| Granted | 463 808 | — |
| Forfeited | 14 997 | — |
| Performance adjusted | | — |
| Released | | — |
| Outstanding end of period | 526 168 | 109 632 |

Note 10: Financial risk

Nordic is exposed to several risks, including currency risk, interest rate risk, liquidity risk and credit risk. For a detailed description of these risks and how the Group manages these risks, please see the annual report for 2023.

Note 12: Events after the balance sheet

No events have occurred since March 31, 2024 with any significant effect that will impact the evaluation of the submitted accounts.

Financial Calendar 2024:

- August 8, 2024 - 2nd Quarter & first half year 2024
- October 24, 2024 - 3rd Quarter 2024
- February 5, 2025 - 4th Quarter 2024

For further information, please contact:

- Ståle Ytterdal, IR, +47 930 37 430
- Pål Elstad, CFO, +47 991 66 293

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 (APM) that are regularly reviewed by management to enhance the understanding of the Group's performance.

The Group has identified the following APMs used in reporting (amount in USD million):

Gross margin. Gross profit divided by Total revenue. Gross margin is presented as it is the main financial KPI to measure the Group's operational performance.

| | Q1 | | Full year |
|---------------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2023 |
| Gross profit | 35.8 | 77.6 | 283.7 |
| Total revenue | 74.5 | 145.4 | 542.9 |
| Gross margin | 48.0% | 53.3% | 52.3% |

EBITDA terms are presented as they are commonly used by investors and financial analysts.

- EBITDA. Earnings before interest, taxes, depreciation and amortization.

| | Q1 | | Full year |
|-------------------------------|--------------|-------------|-------------|
| | 2024 | 2023 | 2023 |
| Operating Profit | -33.5 | 3.0 | 4.7 |
| Depreciation and amortization | 10.7 | 11.5 | 44.3 |
| EBITDA | -22.8 | 14.6 | 49.0 |

- EBITDA margin. EBITDA divided by Total Revenue.

| | Q1 | | Full year |
|----------------------|---------------|--------------|-------------|
| | 2024 | 2023 | 2023 |
| EBITDA | -22.8 | 14.6 | 49.0 |
| Total revenue | 74.5 | 145.4 | 542.9 |
| EBITDA margin | -30.6% | 10.0% | 9.0% |

- Total Operating Expenses. Sum of payroll expenses, other operating expenses, depreciation and amortization.

| | Q1 | | Full year |
|---------------------------------|-------------|-------------|--------------|
| | 2024 | 2023 | 2023 |
| Payroll expenses | 40.4 | 43.7 | 153.0 |
| Other operating expenses | 18.1 | 19.3 | 81.7 |
| Depreciation and amortization | 10.7 | 11.5 | 44.3 |
| Total operating expenses | 69.2 | 74.5 | 279.0 |

- Cash operating Expenses. Total payroll and other operating expenses adjusted for non-cash related items including option expenses, receivable write-off and capitalization of development expenses. Nordic management believes that this measurement best captures the expenses impacting the cash flow of the Group.

| | Q1 | | Full year |
|--------------------------------|-------------|-------------|--------------|
| | 2024 | 2023 | 2023 |
| Total operating expenses | 69.2 | 74.5 | 279.0 |
| Depreciation and amortization | -10.7 | -11.5 | -44.3 |
| Option expense | -2.1 | -1.9 | -6.5 |
| Capitalized expenses | 4.8 | 3.1 | 22.0 |
| Cash operating expenses | 61.3 | 64.3 | 250.1 |

- Adjusted EBITDA margin. EBITDA excluding cellular IoT and Wi-Fi, divided by total revenue excluding cellular IoT revenue. This APM shows Nordic's profitability excluding products in an investment phase with limited revenue.

| | Q1 | | Full year |
|------------------------------------------------|----------------|--------------|--------------|
| | 2024 | 2023 | 2023 |
| Reported EBITDA | -22.8 | 14.6 | 49.0 |
| Long-range (cellular IoT) EBITDA loss | 11.7 | 12.3 | 45.5 |
| Wi-Fi expense | 4.0 | 4.5 | 16.5 |
| Adjusted EBITDA | -7.2 | 31.4 | 115.4 |
| Total revenue (excluding cellular IoT revenue) | 70.7 | 140.7 | 525.3 |
| Adjusted EBITDA margin | (10.1%) | 22.3% | 22.0% |

- Last twelve months operating expenses excluding depreciation and amortization divided by last twelve months revenue. Nordic's business is seasonal and by dividing last twelve months operating expenses excl. depreciation by last twelve 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.

| | Q1 2024 | Q1 2023 |
|-------------------------------------------------------------------|--------------|--------------|
| Total operating expenses | 273.8 | 285.1 |
| Depreciation and amortization | -43.5 | -45.5 |
| Operating expenses excluding depreciation and amortization | 230.3 | 239.5 |
| Total revenue LTM | 471.9 | 739.1 |
| LTM opex / LTM revenue | 48.8% | 32.4% |

- Net working capital divided by last twelve months revenue. 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 twelve months, seasonal effects are excluded. Nordic management uses this ratio to report on liquidity management to the financial market and internally to track performance.

| | Q1 2024 | Q1 2023 |
|-------------------------------|--------------|--------------|
| Current assets | 561.0 | 554.5 |
| Cash and cash equivalents | -235.0 | -233.3 |
| Current financial assets | — | — |
| Current liabilities | -105.4 | -158.0 |
| Current financial liabilities | 0.7 | — |
| Current lease liabilities | 10.2 | 6.4 |
| Income taxes payable | 3.1 | 38.6 |
| Net working capital | 234.6 | 208.1 |
| Total revenue LTM | 471.9 | 739.1 |
| NWC / LTM revenue | 49.7% | 28.2% |

Cautionary note

Certain statements included in this report contain forward-looking information, including, without limitation, information relating to (a) forecasts, projections and estimates, (b) statements of Nordic management concerning plans, objectives and strategies, such as planned product development projects, investments, divestment, or other projects, (c) targeted volumes and costs and profit objectives, (d) various expectations about future developments in Nordic markets, particularly supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, and (i) qualified statements such as “expected”, “scheduled”, “targeted”, “planned”, “proposed”, “intended” or similar. Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty.

In conducting our business, Nordic faces risks that may interfere with our business objectives. Nordic outlines our main strategic, operational, financial, legal, climate & environmental, and social risks in the risk section of

our Annual Report and the information of this section should be carefully considered. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: changes in availability of raw materials and energy; our continued ability to manage the outsourcing of capital intensive production of silicon wafers, packaging and testing of our products; fluctuations of product supply and demand; constant and rapid technological standards; short product life cycles; world economic growth, including rates of inflation; changes in the relative value of currencies; trends in Nordic’s key markets and competition; geopolitical risks and trade tensions; and legislative, regulatory and political factors.

No assurance can be given that such expectations will prove to have been correct. Nordic disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



nordicsemi.com