

Q3

report 2024



NORDIC[®]
SEMICONDUCTOR

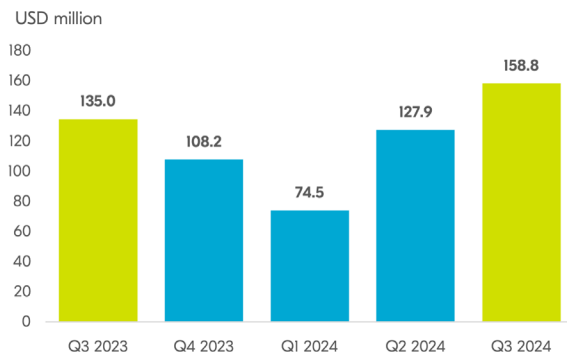
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Q3 Highlights

- Revenue of USD 159 million, up 18% from Q3 2023
- Gross margin of 50%
- Reported EBITDA of USD 16 million
- Launched the nRF9151 SiP in Q3, setting new standards in the cellular IoT market
- Launching the first product in the groundbreaking nRF54 Series in Q4
- Signed Letter of Intent (LOI) to acquire the Norwegian ultra-wideband wireless technology company Novelda AS

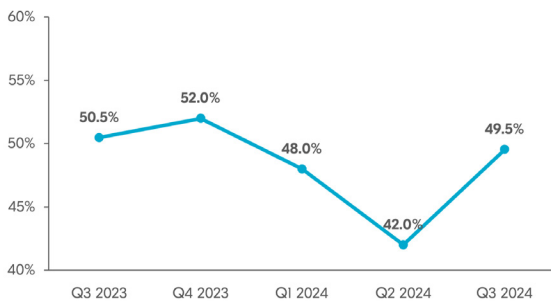
Revenue



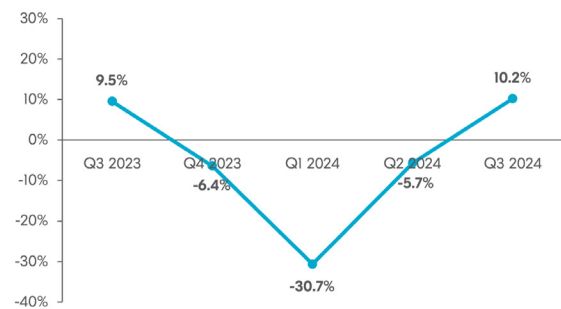
EBITDA



Gross margin



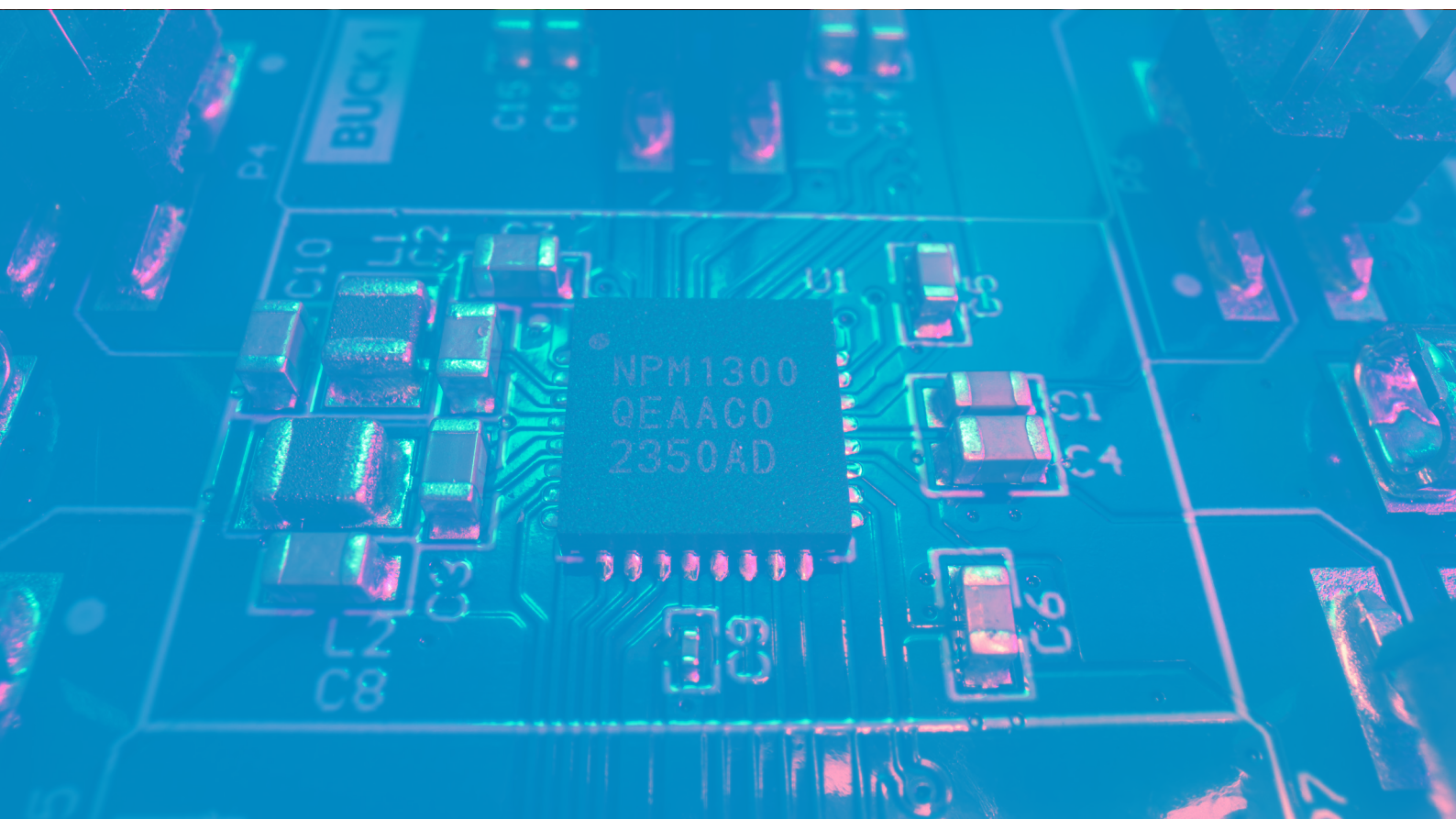
EBITDA margin



Key figures

Q3 2024 financial summary

Amount in USD million	Q3			01.01-30.09		
	2024	2023	Change	2024	2023	Change
Revenue	158.8	135.0	17.6%	361.2	434.7	-16.9%
Gross profit	78.7	68.2	15.4%	168.2	227.5	-26.1%
Gross margin %	49.5%	50.5%	-0.9 p.p.	46.6%	52.3%	-5.8 p.p.
Adjusted gross margin %	49.5%	50.5%	-0.9 p.p.	49.3%	52.3%	-3 p.p.
EBITDA	16.2	12.8	25.8%	-13.9	55.9	-124.9%
Adjusted EBITDA	16.2	12.8	25.8%	-3.9	55.9	-107.0%
EBITDA %	10.2%	9.5%	0.7 p.p.	-3.8%	12.9%	-16.7 p.p.
Operating profit (EBIT)	6.2	2.1	194.7%	-44.1	22.7	-294.0%
Operating profit % (EBIT)	3.9%	1.6%	2.3 p.p.	-12.2%	5.2%	-17.4 p.p.
Net profit after tax	6.2	1.2	423.9%	-34.6	20.1	-272.4%
Cash and cash equivalents				260.8	228.7	14.0%
LTM Opex excluding depreciation / LTM revenue				52.2%	37.3%	14.9 p.p.
Net working capital / LTM revenue				44.6%	36.5%	8.1 p.p.
Equity ratio				69.0%	77.4%	-8.4 p.p.
Number of employees				1383	1530	-9.6%



Q3 2024 review

Revenue amounted to USD 159 million in the third quarter 2024, marking both a sequential increase and a return to year-on-year growth on a quarterly basis. The revenue increases reflect higher demand from both key customers and the broad market, with seasonal effects supporting the improvement from the previous quarter.

Stabilizing market

Nordic reported total revenue of USD 158.8 million in Q3 2024, which was an increase of 18% from USD 135.0 million in Q3 2023 and an increase of 24% from Q2 2024.

The year-on-year improvement reflects a stabilizing underlying market, with the sequential improvement also supported by seasonally higher demand. The improvement comes from key customers within the consumer electronics markets, but also from certain markets and regions within the broad market.

As previously communicated, demand from the company's end-customers is expected to follow historical seasonal patterns in the second half of the year, pointing to sequentially lower demand in the fourth quarter of the year.

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 components, as well as development tool sales and services. Short-range wireless components are in turn split between Bluetooth and Proprietary solutions.

Bluetooth revenue amounted to USD 143.1 million in Q3 2024, an increase of 19% year-on-year and up 28% from the previous quarter. Bluetooth share of total revenue was 90% in Q3 2024.

Both larger and smaller customers contributed to the Bluetooth revenue improvement. During the year, Nordic has seen an increasing number of broad market customers returning to the market. Design activity has also picked up this year, among both key customers and the broad market.

Over the last 12 months, the top-10 Bluetooth customers have accounted for 56% of revenue.

Nordic is on track to launch the first products in its new and groundbreaking nRF54 Series at the Electronica industry fair in Germany in November.

The nRF54 Series offers significant performance improvements in terms of processing power and energy-efficiency, and is expected to become a major growth driver for Nordic's short-range business over time.

Proprietary product revenue amounted to USD 12.1 million in Q3 2024, an increase of 18% year-on-year and up 9% from the previous quarter. Proprietary share of total revenue was 8% in Q3 2024. The revenue improvements reflect demand recovery for PC accessories and home office equipment.

Nordic sees increased design activity and traction in cellular IoT, especially within industrial asset trackers and metering. During Q3 2024 there was a reduction in inventories at distributors and long-range revenue was low at USD 2.5 million in Q3 2024. This was a decline of 41% year-on-year and 13% below the previous quarter. Long-range share of total revenue was hence only 2% in Q3 2024.

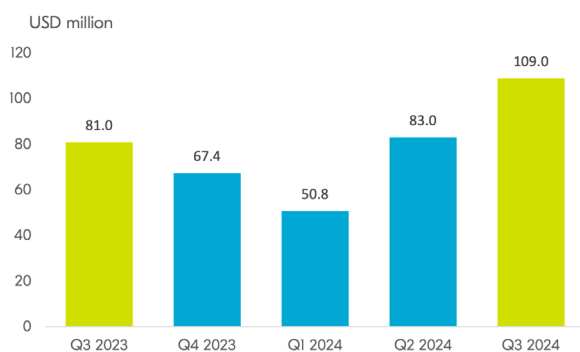
Amounts in USD thousand	Q3			01.01-30.09		
	2024	2023	Change	2024	2023	Change
Bluetooth	143 082	119 766	19.5%	317 867	393 801	-19.3%
Proprietary wireless	12 084	10 265	17.7%	29 242	24 616	18.8%
Short-range wireless components	155 166	130 031	19.3%	347 109	418 417	-17.0%
Cellular IoT	2 476	4 228	-41.4%	9 997	11 539	-13.4%
ASIC components	94	530	-82.3%	1 580	3 404	-53.6%
Other	1 038	243	327.2%	2 535	1 317	92.5%
Total revenue	158 773	135 031	17.6%	361 220	434 676	-16.9%

Nordic launched its new nRF9151 SiP (System-in-Package) during the third quarter. Setting new market standards for performance and form factor, the nRF9151 is 20% smaller, more energy-efficient and more cost-effective than the existing nRF9160/61 long-range products.

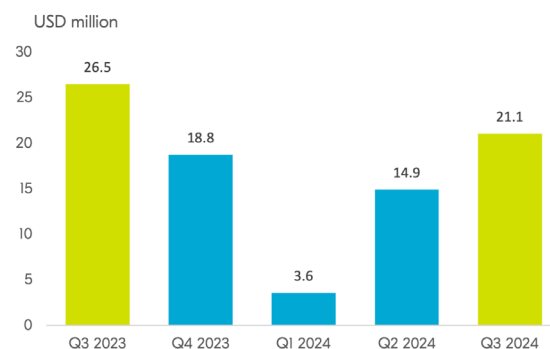
ASIC component revenues amounted to USD 0.1 million in Q3 2024, compared to USD 0.5 million in Q3 2023 and USD 0.5 million in Q2 2024. Other revenues amounted to USD 1.0 million, compared to USD 0.2 million in Q3 2023 and USD 0.7 million in Q2 2024.

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

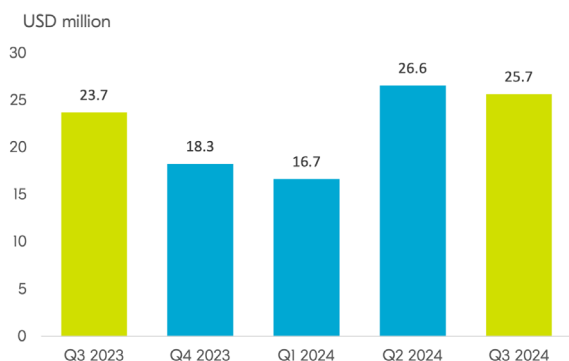
Consumer



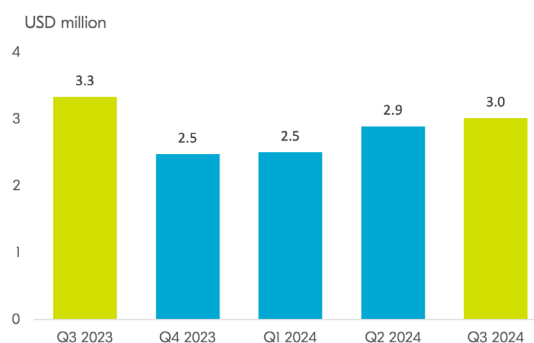
Healthcare



Industrial



Other



Revenues by end-product markets Amounts in USD thousand	Q3			01.01-30.09		
	2024	2023	Change	2024	2023	Change
Consumer	108 960	80 968	34.6%	242 838	235 076	3.3%
Industrial	25 651	23 709	8.2%	68 881	98 944	-30.4%
Healthcare	21 053	26 491	-20.5%	39 513	84 573	-53.3%
Other	3 015	3 334	-9.6%	8 408	12 679	-33.7%
Total revenue excl. ASIC & Consulting	158 679	134 501	18.0%	359 640	431 272	-16.6%

Consumer is by far the largest end-user market, accounting for 69% of total revenues in Q3 2024. Revenue in the third quarter increased by 35% year-on-year and by 31% quarter-on-quarter to USD 109 million. The increases reflect improvements across most of the consumer customer base, but was especially strong within PC accessories and gaming/VR.

Industrial revenue amounted to USD 26 million in Q3 2024, accounting for 16% of total revenue. Revenue increased by 8% from Q3 2023 but showed a slight 3% revenue decline quarter-on-quarter. While demand from the industrial sector has picked up in the US and Asia while it remains slow in Europe.

Healthcare revenue amounted to USD 21 million in Q3 2024, which was a decline of 21% from a strong Q3 2023 but an increase of 41% from USD 15 million in Q2 2024. Revenue in this area remains dependent on a relatively small number of customers and exposed to relatively wide variations from quarter to quarter.

'Other' revenue accounted for USD 3.0 million in Q3 2024, or 2% of total revenue. This compares to USD 3.3 million in Q3 2023 and USD 2.9 million in Q2 2024.

The design win market leader

Nordic estimates that it had a market share of 41% of new FCC design certifications in the Bluetooth Low Energy market in the third quarter 2024 and 42% over the last 12 months, based on data available from Bluetooth SIG.

The company remains a clear market leader with approximately five times as many designs wins as the second largest. The total number of new Bluetooth LE designs certified by the FCC over the last 12 months was 1,212, of which 509 had Nordic inside.

Please note that restrictions regarding distribution of FCC and Bluetooth SIG data may require Nordic to further modify or discontinue its quarterly reporting of design win data.

Continued focus on strategic product innovation

In Q3, Nordic Semiconductor maintained its strategic focus on driving product innovation and expanding its footprint across multiple IoT markets. Building on the momentum from previous quarters, Nordic introduced new products and achieved significant milestones towards becoming a comprehensive end-to-end IoT solutions provider.

New product launches

Nordic expanded its Wi-Fi portfolio by launching a Chip Scale Package (CSP) version of the nRF7002 Wi-Fi 6 companion IC in Q3. This new form factor offers all the features of the original QFN package but with a footprint reduction of over 60%, catering to the growing demand for smaller, more power-efficient designs.

This innovation addresses compact, size-constrained applications like wearables, portable medical devices, and IoT modules, enhancing the versatility of Nordic's offerings in the wireless connectivity market.

Following the announcement of the nRF9151 in September, the smallest and lowest power SiP in the nRF91 Series, Nordic saw renewed momentum in the cellular IoT space. The fully integrated, pre-certified SiP features an application MCU, simplifying the development of scalable solutions across various IoT sectors including industrial automation, asset tracking, smart agriculture, and smart metering. Notably, its origin outside US tariff zones remains a strategic advantage.

Advancements in Bluetooth

Nordic has positioned itself to support new features in the Bluetooth 6.0 standard and Channel Sounding. This technology enhances the precision of distance measurement and presence detection, expanding the range of potential applications for Bluetooth LE. Nordic plans to incorporate these capabilities in the forthcoming nRF54 Series, set for release later this year, highlighting its commitment to staying at the forefront of connectivity innovation.

Commitment to supply chain resilience

The company's engagement in the semiconductor industry extends beyond product innovation to enhancing supply chain resilience. This quarter, Nordic joined industry leaders at the groundbreaking ceremony of TSMC's first European semiconductor fab in Dresden, Germany. This new facility marks a significant step toward strengthening Europe's semiconductor ecosystem, enabling localized advanced manufacturing capabilities. As a fabless company, Nordic benefits from this development, which underscores the strategic importance of a robust and self-sufficient supply chain within the region.

Customer Success Stories: Versatility Across Technologies

Nordic continues to leverage synergies across its product lines, investing in compute performance, security, software development, and power management. The company's evolution from a Bluetooth connectivity provider to a robust IoT solutions leader is evident as it develops ecosystems that offer integrated solutions, enabling seamless customer experiences throughout the design and deployment process.

Nordic's comprehensive product suite continues to enable customers across diverse sectors to develop innovative and energy-efficient solutions. Below are a few examples:

In the Industrial market, a nRF52840-powered wireless monitor has been instrumental in helping retailers maintain stock availability and monitor the conditions of commercial fridges and freezers. Leveraging its

extremely low power consumption and ambient energy harvesting, the monitor ensures continuous operation and reliable data transfer for up to 36 months.

Nordic's focus on integrated solutions was evident in several successful deployments this quarter, for example in smart home, audio, and healthcare:

A recently launched smart lock utilizes both the nRF5340 SoC and nRF7002 Wi-Fi 6 companion IC to deliver secure Matter over Wi-Fi connectivity, supporting remote and local access.

In the audio category, an Auracast-enabled TV streamer uses the combination of the nRF5340 SoC and the nRF21540 RF range extender to deliver high-quality, reliable audio streaming.

In healthcare, a wearable device designed for individuals with Alzheimer's and dementia employs the nRF9160 in conjunction with the nPMI300 and nRF Cloud. This setup enables accurate low-power location tracking, enhancing the safety and independence of users.

Expansion in Wi-Fi modules

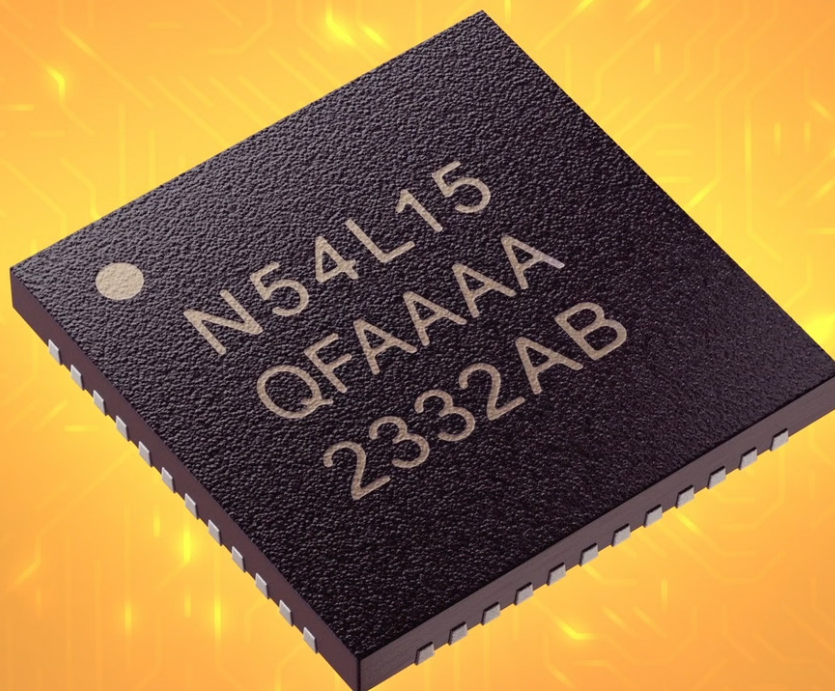
Nordic-powered Wi-Fi modules using the nRF7002 Wi-Fi 6 companion IC have seen increasing adoption. These modules offer high throughput and low power connectivity across sectors like industrial IoT, smart home, healthcare, and automotive, demonstrating the versatility and wide appeal of Nordic's connectivity solutions. As a key enabler of Nordic's broad market strategy, these Wi-Fi modules enhance the company's ability to deliver comprehensive, integrated solutions that address the diverse connectivity needs of the IoT ecosystem.

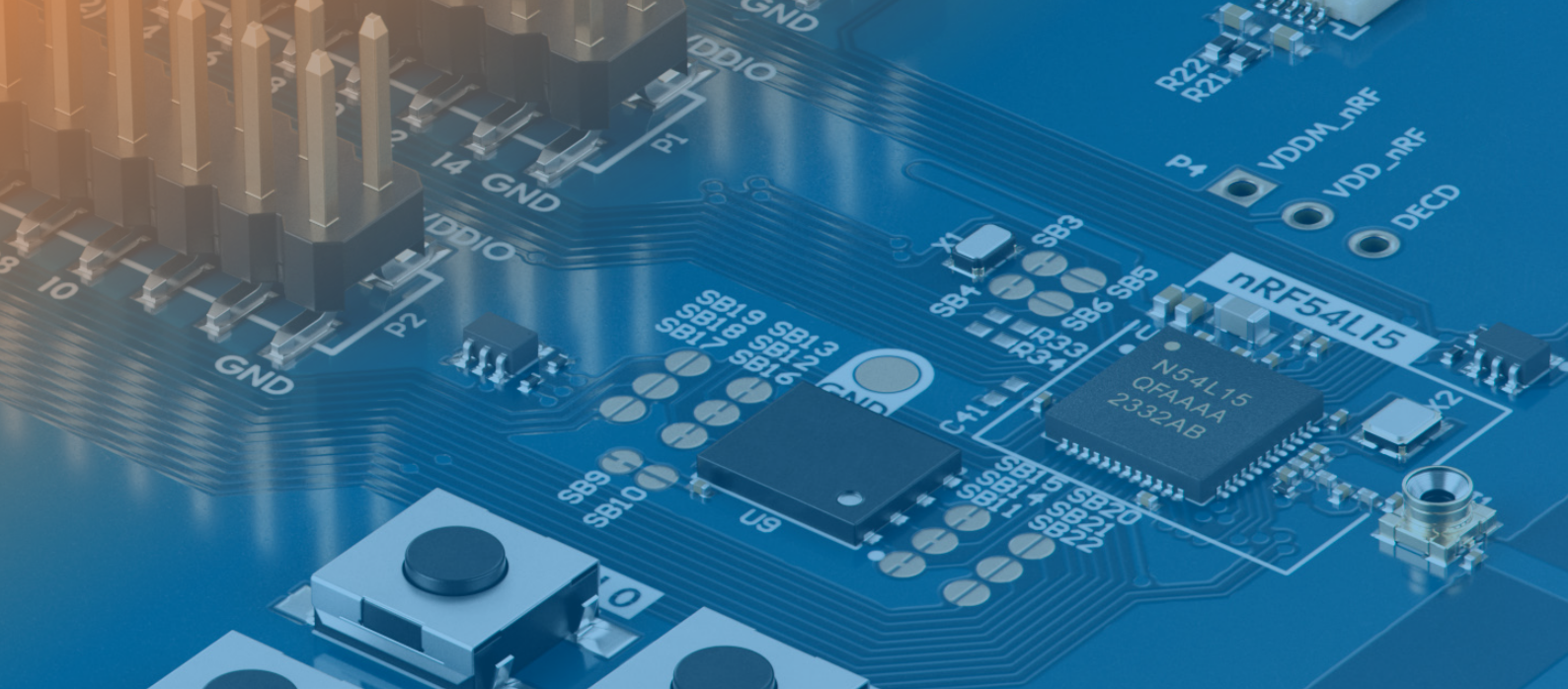
Signed LOI for potential acquisition of Novelda AS

On October 16th, Nordic signed a Letter of Intent (LOI) to acquire the Norwegian ultra-wideband wireless technology company Novelda AS for an undisclosed sum. The potential acquisition is subject to satisfactory due diligence, final board approval and certain other conditions.

Novelda has built a strong technology position in ultra-wideband, which is complementary to Nordic's world leading wireless technologies. The company is in an early commercial phase.

The due diligence processes will start immediately and is planned to be concluded no later than by the end of November.





Financial results

	Q3			01.01-30.09		
	2024	2023	Change	2024	2023	Change
Amounts in USD thousand						
Gross profit	78 658	68 157	15.4%	168 180	227 455	-26.1%
Gross margin %	49.5%	50.5%	-0.9 p.p.	46.6%	52.3%	-5.8 p.p.
Adjusted gross margin %	49.5%	50.5%	-0.9 p.p.	49.3%	52.3%	-3 p.p.
Operating expenses excl. depreciation and amortization	62 493	55 311	13.0%	182 077	171 536	6.1%
EBITDA	16 165	12 846	25.8%	-13 897	55 919	-124.9%
Adjusted EBITDA	16 165	12 846	25.8%	-3 897	55 919	-107.0%
EBITDA %	10.2%	9.5%	0.7 p.p.	-3.8%	12.9%	-16.7 p.p.
Depreciation, amortization and impairments	9 980	10 747	-7.1%	30 197	33 192	-9.0%
EBIT	6 185	2 099	194.7%	-44 094	22 728	-294.0%

Gross profit

Gross profit was USD 78.7 million in Q3 2024, a increase from USD 68.2 million in Q3 2023. The reported gross margin decreased to 49.5% in Q3 2024 from 50.5% in Q3 2023. The decline is mainly driven by a customer and product mix change. Compared to last quarter, gross margin is flat.

For the first nine months in 2024 gross profit decreased to USD 168.2 million from USD 227.5 million in 2023, with the gross margin decreasing to 46.6% from 52.3% in the same period last year. Adjusted for inventory write-down the gross margin was 49.3% in the first nine months of 2024. Changes in gross margin mainly reflect changes in customer and product mix.

Operating expenses

Nordic has had strict cost control and focus on returning to operating profitability, while at the same time delivering on all key projects.

Operating expenses excluding depreciation and amortization amounted to USD 62.5 million in Q3 2024, This represents a 13% increase in cost compared to USD

55.3 million in Q3 2023. A stringent focus on spending reduced other operating expenses by USD 1.2 million, which partially offset a high year-over-year increase in payroll expenses. This year's high increase in payroll expenses should be viewed in context with last year's low increase, indicating a normal development over the past two years.

Total cash operating expenses increased by 7.6% in Q3 2024 from 58.6 million in Q3 2023 to USD 63.0 million. Cash operating expenses are calculated by adding back capitalized development expenses and deducting depreciation and equity-based compensation from total operating expenses. The increase is primarily driven by salary increases during Q2 2024 described above and higher variable pay accruals, offset by fewer employees.

Of the cash operating expenses, USD 42.6 million were related to payroll expenses, compared to USD 38.2 million in Q3 2023.

The total number of Nordic employees was 1383 at the end of Q3 2024, a year-on-year decrease of 10%.

Other cash operating expenses amounted to USD 20.4 million in Q3 2024, compared to USD 20.4 million in Q3 2023.

For the first nine months of 2024, operating expenses excluding depreciation and amortization increased 6.1% to USD 182.1 million, up from USD 171.5 million in 2023.

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 0.6 million.

In Q3 2024 R&D costs amounted to USD 41.5 million, compared to USD 36.8 million in Q3 2023. USD 24.9 million was related to the short-range business (including PMIC), USD 12.2 million to cellular, and USD 4.4 million to Wi-Fi. In Q3 2024, Nordic capitalized a total of USD 4.5 million in development expenses, compared to USD 5.7 million in Q3 2023.

The generally high capitalization rate over the past years mainly reflects development of the nRF54 SoC Series. Nordic commenced capitalization of R&D after customer sampling which started late Q1 2023. The decrease from Q3 2023 to Q3 2024 can be attributed to allocation of resources to projects in other stages in the development cycle. The capitalized expenses in Q3 2024 include USD 0.1 million to long-range, and USD 4.4 million to the short-range business.

Profit

In Q3 2024, EBITDA was USD 16.2 million, compared to USD 12.8 million in Q3 2023. The improved EBITDA can be explained by higher revenue and gross margin, partially offset by an increase in payroll expenses.

For the first nine months of 2024, EBITDA showed a loss of USD 13.9 million, compared to a profit of USD 55.9 million in the same period last year. The adjusted EBITDA for the first nine months of 2024 showed a loss of USD 4.0 million when excluding the inventory write-down made in Q2 2024. Besides the write-down, the change is mainly due to the revenue shortfall in the comparison period.

Depreciation, amortization and impairments decreased to USD 10.0 million in Q3 2024, compared to USD 10.7 million in Q3 2023. The decrease mainly reflects completion of depreciation or amortization period for existing assets, while awaiting the start of depreciation on current capitalized assets along with impairment of unused software. Amortization of internally developed R&D amounted to USD 2.3 million in Q3 2024 and depreciation of leased assets to USD 2.3 million.

Reported operating profit (EBIT) was USD 6.2 million in Q3 2024, compared to USD 2.1 million in Q3 2023. For the first nine months of the year the reported EBIT decreased to loss of USD 44.1 million from a profit of USD 22.7 million in the same period last year.

Net financial items resulted in a loss of USD 0.6 million in Q3 2024, compared to a loss of USD 0.4 million in Q3 2023. The difference is mainly explained by USD/NOK movements and interest differences on bond and placements.

The reported profit before tax was USD 5.5 million in Q3 2024, compared to a profit before tax of USD 1.7 million in Q3 2023. The tax income in Q3 2024 was USD 0.7 million, compared to a tax expense of USD 0.5 million in Q3 2023. The reported net profit was hence USD 6.2 million in Q3 2024, compared to USD 1.2 million in Q3 2023.

For the first nine months of 2024, the reported loss before tax was USD 43.1 million compared to a profit of USD 29.7 million in 2023, whereas the reported net loss was USD 34.6 compared to a net profit of USD 20.1 million in the same period last year.

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	30.09.2024	31.12.2023	30.09.2023
Capitalized development expenses	44 269	38 938	34 504
Total non-current assets	259 000	253 008	225 102
Inventory	181 475	163 090	158 229
Cash and cash equivalents	260 850	290 957	228 726
Total current assets	572 619	609 237	565 506
Total assets	831 619	862 245	790 608
Total equity	573 791	602 077	611 947
Equity percentage	69.0%	69.8%	77.4%
Total liabilities	257 828	260 168	178 661
Total equity and liability	831 619	862 245	790 608

Total shareholders' equity amounted to USD 573.8 million at the end of Q3 2024, down from USD 602.1 million at the end of 2023. The decline mainly reflects the losses in the period, including a USD 10 million adverse effect of inventory write-down in Q2 2024 relating to cellular IoT components.

The Group equity ratio was 69.0% of a total asset base of USD 831.6 million.

Cash and cash equivalents amounted to USD 260.8 million at the end of Q3 2024, compared to USD 291.0 million at the end of 2023. The main reason for the decline is the operating loss and increased inventory.

Net working capital was USD 209.5 million at the end of Q3 2024, down from USD 228.8 million at the end of Q3 2023. Measured as a percentage of last 12 months revenue, net working capital increased to 44.6% from 36.5% at the end of Q3 2023.

Following a period with supply constraints in 2023, Nordic has strategically built inventory of key components through 2023 and 2024. Therefore, the year-over-year changes in net working capital mainly reflect increase in inventory to USD 181.5 million in Q3 2024 from USD 158.2 million in Q3 2023.

Accounts receivable decreased to USD 110.6 million at the end of Q3 2024 from USD 160.5 million at the end of Q3 2023, reflecting improved collection during the quarter. Accounts payable also decreased by USD 3.7 million to USD 32.0 million.

Total current assets amounted to USD 572.6 million at the end of Q3 2024, up from USD 565.5 million at the end of the Q3 2023.

Non-current assets amounted to USD 259.0 million at the end of Q3 2024, compared to USD 225.1 million at the end of Q3 2023. The change is explained by leasing contracts and capitalized development expenses offset by reduction in fixed assets.

Current liabilities amounted to USD 115.1 million, compared to USD 151.2 million at the end of Q3 2023. The decrease reflects a drop in income tax payable due to a decrease in taxable position, as well as a decrease in accounts payable.

Non-current liabilities amounted to USD 142.7 million, compared to USD 27.5 million at the end of Q3 2023. Non-current liabilities in Q3 2024 mainly consist of a NOK 1.0 billion bond with an outstanding balance of USD 94.4 million which was issued in Q4 2023. Additionally, non-current lease liabilities have increased as a result of new contracts and extensions of existing contracts.

Cash flow

Amounts in USD thousand	Q3		01.01-30.09	
	2024	2023	2024	2023
Cash flows from operations	13 823	-12 634	11 208	-110 073
Cash flows from investing activities	-7 597	-7 703	-18 964	-33 584
Cash flows from financing activities	-4 772	-2 345	-18 403	-6 453
Change in cash and cash equivalents	2 884	-23 287	-30 107	-150 378
Cash and cash equivalents at the end of the period	260 850	228 726	260 850	228 726

Cash flow from operating activities was USD 13.8 million in Q3 2024, compared to an outflow of USD 12.6 million in Q3 2023. The operating cash flow in Q3 2024 reflects the cash operating profit of the period, interest received on long term financial assets offset by increased net working capital.

Cash flows from investing activities resulted in an outflow of USD 7.6 million in Q3 2024, compared to an outflow of USD 7.7 million in Q3 2023. Capital expenditures (including software) amounted to USD 3.1 million, down from USD 2.0 million in the third quarter last year. Capitalized development expenses decreased to USD 4.5 million in Q3 2024 from USD 5.7 million in the same period last year.

Cash flows from financing activities resulted in an outflow of USD 4.8 million compared to an outflow of USD 2.3 million in Q3 2023. The higher cash outflow is a result of payments related to interest bearing debt and increased leasing payments.

Funding

The Group's cash position was USD 260.8 million at the end of Q3 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.

The issued bond is denominated 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. The change in the NOK cash position due to fluctuations in NOK/USD exchange rate is included in the line "Effects of exchange rate changes on cash and cash equivalents" in the cash flow statement, whereas 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 461 million. The undrawn RCF expires in June 2026.

Outlook

Nordic Semiconductor reported revenue of USD 159 million in the third quarter 2024, marking both a sequential increase and a return to year-on-year growth on a quarterly basis.

The year-on-year improvement reflects a stabilizing underlying market, with the sequential improvement supported by seasonally higher demand.

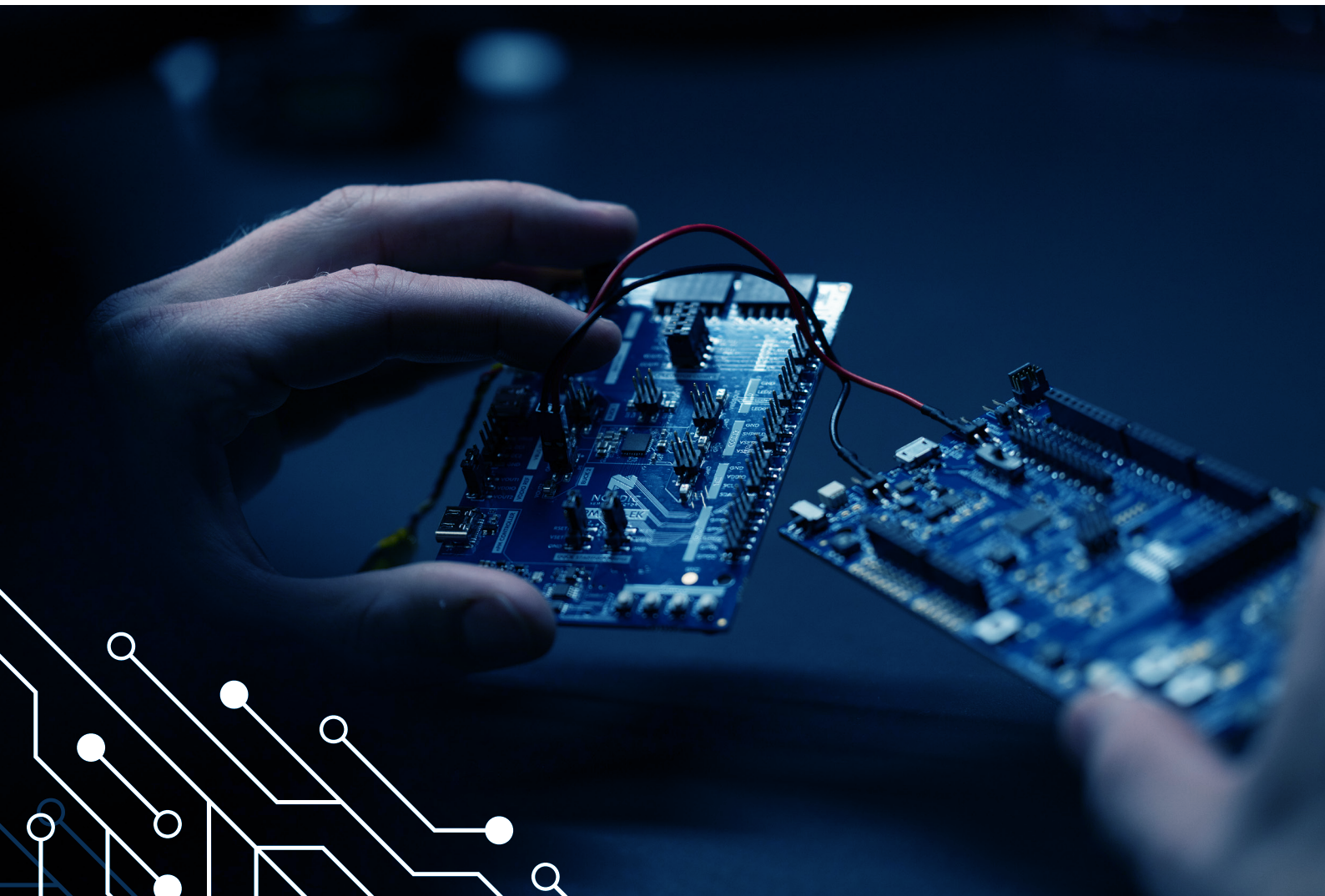
Following historical seasonal patterns, demand is expected to decline sequentially from the third to the fourth quarter of the year. Nordic expects revenue in the fourth quarter of USD 130-150 million.

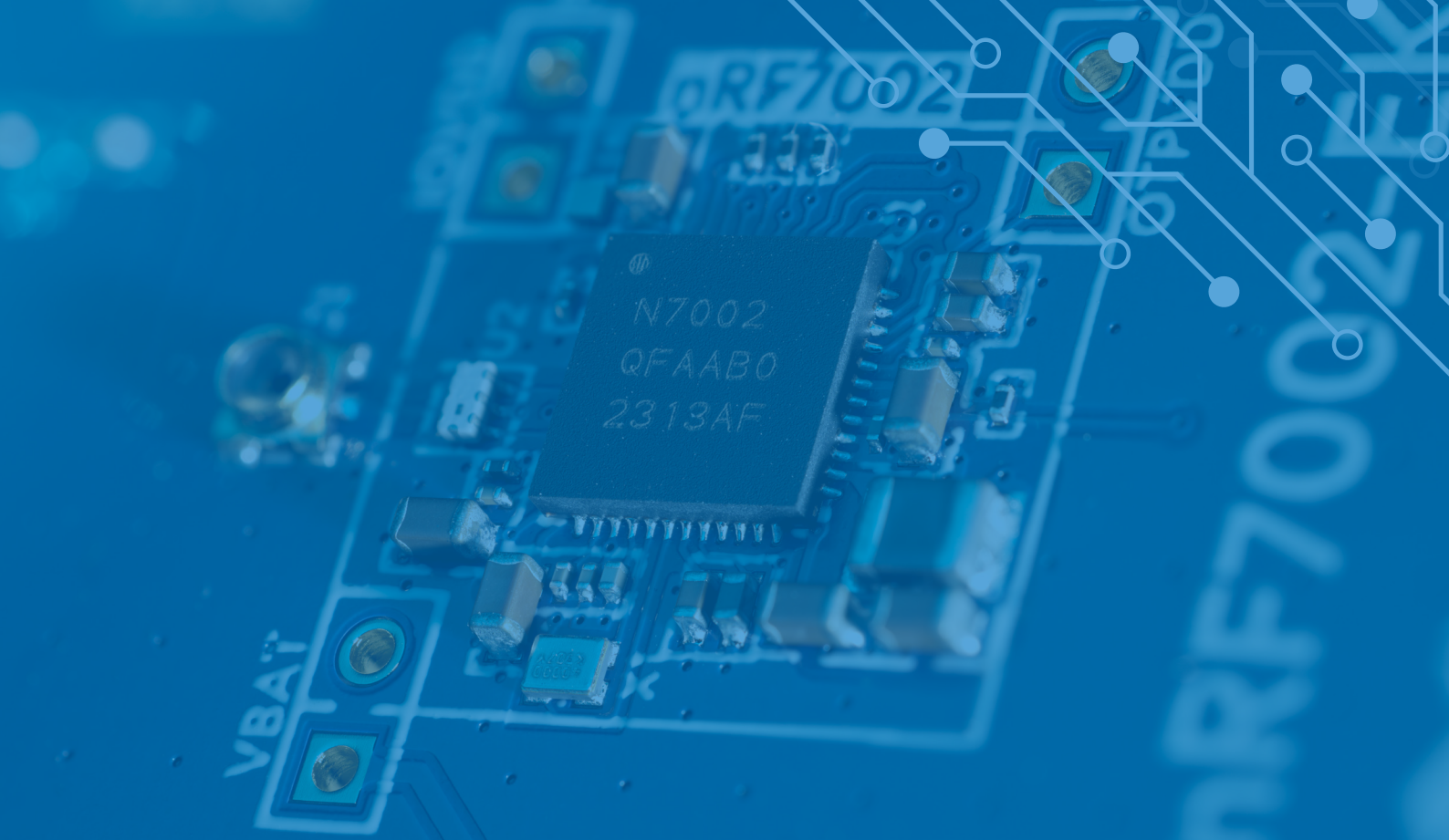
Gross margin was 50% in the third quarter, and is expected to come in at around this level also in the fourth quarter. Nordic reiterates its long-term ambition to maintain a gross margin level above 50%.

On the Capital Markets Day in September 2024, Nordic outlined an ambition to grow its Short-range business

faster than its markets over time, driven by new product launches. During the fourth quarter, the company launches the first products in its new nRF54 Series, which is expected to be a key growth driver for the Short-range business over the years to come. Allowing time for customer design-ins and commercial scaling, Nordic currently expects modest growth with only limited effect of nRF54 in 2025, and accelerating growth from 2026 onwards.

Nordic's longer-term financial ambition on the Group level is to deliver average annual revenue growth above 20% through the decade, and to move towards its operating model profitability level of ~25% EBITDA margin within five years.





Oslo, October 23, 2024

Anita Huun
Board member

Birger Steen
Chair

Inger Berg Ørstavik
Board member

Snorre Kjesbu
Board member

Vegard Wollan
Chief Executive Officer

Annastiina Hints
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

Krishna Shingala
Board member, employee

Condensed financial information

Income statement

Amounts USD thousand	Note	Q3		01.01-30.09		Full year
		2024	2023	2024	2023	2023
Total revenue	4	158 773	135 031	361 220	434 676	542 869
Cost of materials		-80 115	-66 875	-193 040	-207 221	-259 157
Gross profit		78 658	68 157	168 180	227 455	283 712
Payroll expenses		-43 934	-35 447	-126 573	-112 599	-152 990
Other operating expenses		-18 559	-19 863	-55 504	-58 936	-81 691
EBITDA		16 165	12 846	-13 897	55 919	49 031
Depreciation, amortization and impairments	6	-9 980	-10 747	-30 197	-33 192	-44 329
Operating Profit		6 185	2 099	-44 094	22 728	4 702
Share of profit from associates		-116	—	-232	—	—
Net interest income		-1 143	521	-213	3 593	6 036
Net foreign exchange gains (losses)		575	-915	1 430	3 359	1 358
Profit before tax		5 501	1 705	-43 109	29 680	12 096
Income tax expense		671	-527	8 500	-9 607	-4 447
Net profit after tax		6 172	1 178	-34 609	20 073	7 650
Earnings per share						
Ordinary earning per share (USD)		0.032	0.006	-0.180	0.105	0.040
Fully diluted earning per share (USD)		0.032	0.006	-0.178	0.104	0.039
Weighted average number of shares						
Basic		192 260	192 302	192 174	192 008	192 306
Fully diluted		195 131	193 791	194 578	193 157	193 913
Net profit after tax		6 172	1 178	-34 609	20 073	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)				-27		-37
Income tax effect				6		8
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:						
Currency translation differences		1 408	-882	327	-283	1 109
Total comprehensive income		7 580	296	-34 303	19 790	8 730

Consolidated statement of financial position

Amounts USD thousand	Note	30.9.24	31.12.23	30.9.23
ASSETS				
Non-current assets				
Goodwill		10 934	10 891	10 338
Capitalized development expenses	5/6	44 269	38 938	34 504
Software and other intangible assets	5/6	14 506	19 063	10 955
Deferred tax assets		16 942	5 872	3 671
Fixed assets	6	23 624	29 095	30 751
Right-of-use assets	6	55 453	54 670	34 882
Investments in joint ventures		205	6	—
Other long term assets		93 067	94 473	100 000
Total non-current assets		259 000	253 008	225 102
Current assets				
Inventory		181 475	163 090	158 229
Accounts receivable		110 595	133 316	160 456
Other current receivables		19 700	21 874	18 095
Cash and cash equivalents		260 850	290 957	228 726
Total current assets		572 619	609 237	565 506
Total assets		831 619	862 245	790 608
EQUITY				
Share capital		317	317	317
Treasury shares		-1	-1	-1
Share premium		235 448	235 448	235 448
Other equity		338 027	366 313	376 182
Total equity		573 791	602 077	611 947
LIABILITIES				
Non-current liabilities				
Pension liability		646	661	675
Borrowings	7	94 364	97 491	
Non-current lease liabilities		47 725	47 864	26 802
Total non-current liabilities		142 735	146 016	27 478
Current liabilities				
Accounts payable		31 984	12 201	35 694
Income taxes payable		1 606	5 640	34 458
Public duties		5 214	6 334	4 443
Current lease liabilities		10 585	9 897	8 743
Other current liabilities		65 704	80 079	67 843
Total current liabilities		115 092	114 151	151 183
Total liabilities		257 828	260 168	178 661
Total equity and liability		831 619	862 245	790 608

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						-34 609	-34 609
Other comprehensive income					327	-21	306
Share based compensation		0		9 826			9 826
Repurchase of own shares		0				-3 808	-3 808
Equity as of 30.9.24	317	-1	235 448	24 986	37	313 004	573 791
Equity as of 1.1.23	317	-2	235 448	5 358	-1 399	343 821	583 544
Net profit for the period						20 073	20 073
Other comprehensive income					-283		-283
Share based compensation		0		5 470			5 470
Consideration shares in business combination		0		3 141			3 141
Equity as of 30.9.23	317	-1	235 448	13 970	-1 682	363 894	611 947



Statement of cash flows

		Q3		01.01-30.09		Full year
Amount in USD thousand	Note	2024	2023	2024	2023	2023
Cash flows from operating activities						
Profit before tax		5 501	1 705	-43 109	29 680	12 096
Taxes paid for the period		-621	-740	-6 072	-16 703	-41 948
Depreciation, amortization and impairments		9 980	10 747	30 197	33 192	44 329
Net interest		1 143	-521	213	-3 593	-6 036
Interest received		3 293	1 233	8 945	5 627	9 552
Change in inventories, trade receivables and payables		-7 672	-17 445	24 123	-39 908	-41 153
Share-based compensation		3 954	2 357	9 826	5 358	6 548
Movement in pensions		-10	-20	-15	1	-17
Prepayments		—	—	—	-100 000	-100 000
Other operations related adjustments		-1 745	-9 950	-12 899	-23 726	-2 345
Net cash flows from operating activities		13 823	-12 634	11 208	-110 073	-118 973
Cash flows used in investing activities						
Capital expenditures (including software)	6	-3 109	-2 033	-6 352	-12 302	-25 529
Capitalized development expenses	6	-4 488	-5 670	-12 181	-15 282	-21 973
Investment in associate company		—	—	-431	—	-6
Business Combination, net of cash acquired		—	—	—	-6 000	-6 000
Net cash flows used in investing activities		-7 597	-7 703	-18 964	-33 584	-53 502
Cash flows from financing activities						
Repurchase of treasury shares		—	—	-3 808	—	—
Proceeds from issuance of bond		—	—	—	—	92 935
Payment of interest		-1 865	—	-5 571	—	—
Repayment of lease liabilities		-2 677	-2 174	-8 134	-5 942	-8 426
Credit facility fee		-230	-171	-890	-510	-811
Net cash flows from financing activities		-4 772	-2 345	-18 403	-6 453	83 698
Effects of exchange rate changes on cash and cash equivalents		1 429	-605	-3 948	-268	630
Net change in cash and cash equivalents		2 884	-23 287	-30 107	-150 378	-88 147
Cash and cash equivalents beginning of period		257 966	252 013	290 957	379 104	379 104
Cash and cash equivalents at end of period		260 850	228 726	260 850	228 726	290 957

Notes

Note 1: General

The Board of Directors approved the condensed third quarter interim financial statements for the three months ended September 30, 2024 for publication on October 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 Niensens 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 Q3 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	Q3		01.01-30.09		Full year
Specification of capital expenditures, balance sheet	2024	2023	2024	2023	2023
Capitalized development expenses (payroll expenses)	2 708	4 283	9 502	12 756	16 155
Capitalized acquired development expenses	1 780	1 387	2 679	2 525	5 818
Capital expenditures (including software)	3 109	2 033	6 352	12 302	25 529
Right-of-use assets (non-cash)	1 195	1 129	7 604	19 361	41 348
Acquisition (net)	—	—	431	10 172	10 172
Currency adjustments	362	-189	178	-60	398
Total	9 154	8 643	26 746	57 056	99 420
Depreciation and amortization					
Capitalized development expenses	2 288	2 266	6 848	7 386	9 644
Software and other intangible assets	1 836	1 300	5 507	4 301	6 202
Fixed assets	3 157	5 073	10 588	15 610	20 389
Impairment software	431		431		
Right-of-use assets	2 268	2 108	6 823	5 894	8 094
Total	9 980	10 747	30 197	33 192	44 329

At each reporting date the group evaluates whether there is an indication of impairment by reference to internal and external factors. In Q3 2024 there were such indications by internal factors, and therefore impairment tests were performed for unused software, resulting in a recognized impairment loss of USD 431 000.

Note 7: Net interest-bearing debt

The Group has a bond of USD 94 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 2026, with option to extend. As of September 30, 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 8: 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 24, 2024, Nordic Semiconductor, on May 3, 2024, granted 946,922 RSUs and PSUs to employees, including the executive management team. This is equivalent to 0.49% of the company's outstanding share capital. 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.

	01.01-30.09		Full year
	2024	2023	2023
Outstanding RSUs beginning of period	1 404 565	1 002 504	1 002 504
Granted	1 355 419	958 462	958 462
Forfeited	121 556	41 484	146 600
Released	375 650	409 801	409 801
Outstanding end of period	2 262 778	1 509 681	1 404 565

	01.01-30.09		Full year
	2024	2023	2023
Outstanding performance shares beginning of period	77 357	109 632	109 632
Granted	516 983	43 861	43 861
Forfeited	38 931	—	21 929
Performance adjusted	(17 375)	43 371	43 371
Released	—	97 578	97 578
Outstanding end of period	538 034	99 286	77 357

Note 9: 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 10: Events after the balance sheet

Since September 30, 2024, Nordic Semiconductor has signed a Letter of Intent to acquire the ultra-wideband wireless technology company Novelda AS. No other significant events have occurred after the balance sheet date and no events impact the figures reported.

Financial Calendar 2024:

- February 5, 2025 - 4th Quarter 2024

For further information, please contact:

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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.

	Q3		01.01-30.09		Full year
	2024	2023	2024	2023	2023
Gross profit	78.7	68.2	168.2	227.5	283.7
Total revenue	158.8	135.0	361.2	434.7	542.9
Gross margin	49.5%	50.5%	46.6%	52.3%	52.3%

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

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

	Q3		01.01-30.09		Full year
	2024	2023	2024	2023	2023
Operating Profit	6.2	2.1	-44.1	22.7	4.7
Depreciation, amortization and impairments	10.0	10.7	30.2	33.2	44.3
EBITDA	16.2	12.8	-13.9	55.9	49.0

- EBITDA margin. EBITDA divided by Total Revenue.

	Q3		01.01-30.09		Full year
	2024	2023	2024	2023	2023
EBITDA	16.2	12.8	-13.9	55.9	49.0
Total revenue	158.8	135.0	361.2	434.7	542.9
EBITDA margin	10.2%	9.5%	-3.8%	12.9%	9.0%

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

	Q3		01.01-30.09		Full year
	2024	2023	2024	2023	2023
Payroll expenses	43.9	35.4	126.6	112.6	153.0
Other operating expenses	18.6	19.9	55.5	58.9	81.7
Depreciation, amortization and impairments	10.0	10.7	30.2	33.2	44.3
Total operating expenses	72.5	66.1	212.3	204.7	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.

	Q3		01.01-30.09		Full year
	2024	2023	2024	2023	2023
Total operating expenses	72.5	66.1	212.3	204.7	279.0
Depreciation, amortization and impairments	-10.0	-10.7	-30.2	-33.2	-44.3
Option expense	-4.0	-2.4	-9.8	-5.4	-6.5
Capitalized expenses	4.5	5.7	12.2	15.3	22.0
Cash operating expenses	63.0	58.6	184.4	181.5	250.1

- EBITDA margin excluding Long-range and Wi-Fi. 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.

	Q3		01.01-30.09		Full year
	2024	2023	2024	2023	2023
Reported EBITDA	16.2	12.8	-13.9	55.9	49.0
Long-range (cellular IoT) EBITDA loss	11.5	10.4	44.1	33.3	45.5
Wi-Fi expense	4.4	4.0	12.8	12.5	16.5
EBITDA excluding Long-range and Wi-Fi	32.0	27.2	43.0	101.8	111.0
Total revenue (excluding cellular IoT revenue)	156.3	130.8	351.2	423.1	525.3
EBITDA margin excluding Long-range and Wi-Fi	20.5%	20.8%	12.2%	24.1%	21.1%

- 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.

	Q3 2024	Q3 2023
Total operating expenses	286.6	278.6
Depreciation, amortization and impairments	-41.3	-45.0
Operating expenses excluding depreciation and amortization	245.2	233.6
Total revenue LTM	469.4	626.1
LTM opex / LTM revenue	52.2%	37.3%

- 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.

	Q3 2024	Q3 2023
Current assets	572.6	565.5
Cash and cash equivalents	-260.8	-228.7
Current liabilities	-115.1	-151.2
Current financial liabilities	0.7	—
Current lease liabilities	10.6	8.7
Income taxes payable	1.6	34.5
Net working capital	209.5	228.8
Total revenue LTM	469.4	626.1
NWC / LTM revenue	44.6%	36.5%

- Adjusted Gross Margin. Gross margin excluding exceptional items like restructuring costs, write downs and other items outside of regular business specified upon occurrence. This APM shows Nordic's profit margin excluding items outside of regular business.

	Q3		01.01-30.09	
	2024	2023	2024	2023
Gross profit	78.7	68.2	168.2	227.5
Write down	—	—	10.0	—
Adjusted Gross profit	78.7	68.2	178.2	227.5
Total revenue	158.8	135.0	361.2	434.7
Adjusted Gross margin	49.5%	50.5%	49.3%	52.3%

- Adjusted EBITDA. EBITDA excluding exceptional items like restructuring costs, write downs and other items outside of regular business specified upon occurrence. This APM shows Nordic's profitability excluding items outside of regular business.

	Q3		01.01-30.09	
	2024	2023	2024	2023
Reported EBITDA	16.2	12.8	-13.9	55.9
Write down	0.0	0.0	10.0	0.0
Adjusted EBITDA	16.2	12.8	-3.9	55.9

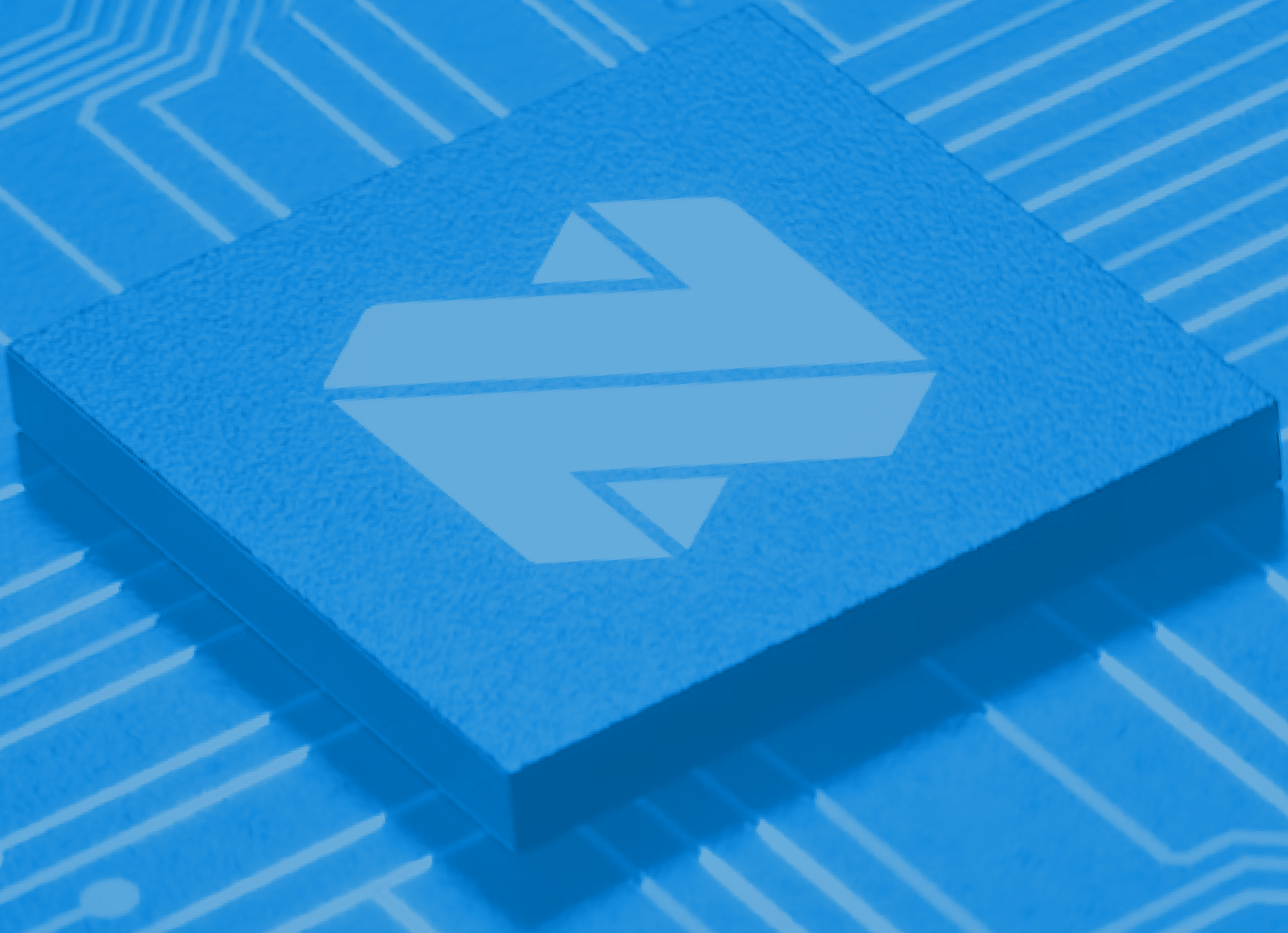
Cautionary note

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.



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