

Q4

& preliminary full year
2024 report



NORDIC[®]
SEMICONDUCTOR

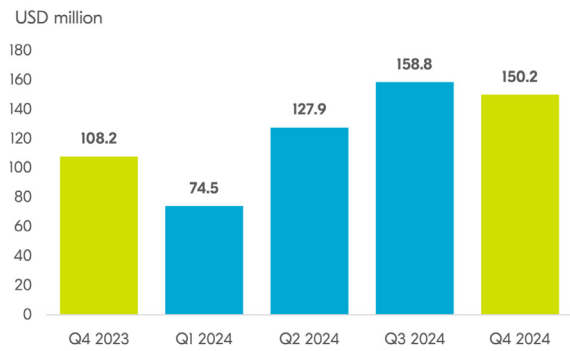
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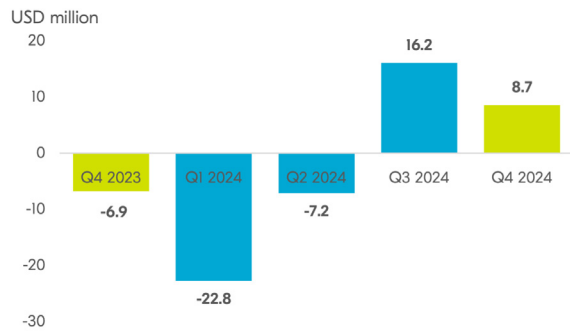
Q4 Highlights

- Revenue of USD 150 million, up 39% from Q4 2023
- Gross margin of 49%
- Reported EBITDA of USD 9 million
- Launched the first three products in the groundbreaking nRF54 Series
- nRF54H20 securing two prestigious awards

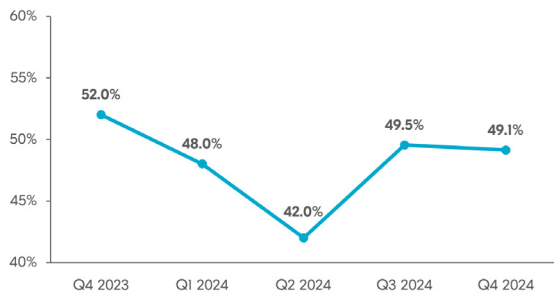
Revenue



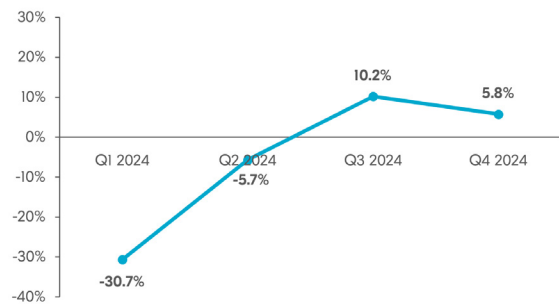
EBITDA



Gross margin



EBITDA margin



Key figures

Q4 & FY2024 financial summary

Amount in USD million	Q4			Full year		
	2024	2023	Change	2024	2023	Change
Revenue	150.2	108.2	38.8%	511.4	542.9	-5.8%
Gross profit	73.8	56.3	31.2%	242.0	283.7	-14.7%
Gross margin %	49.1%	52.0%	-2.9 p.p.	47.3%	52.3%	-4.9 p.p.
Adjusted gross margin %	49.1%	52.0%	-2.9 p.p.	49.3%	52.3%	-3 p.p.
EBITDA	8.7	-6.9	NA	-5.2	49.0	NA
Adjusted EBITDA	11.9	-2.0	NA	8.0	53.9	-85.2%
EBITDA %	5.8%	-6.4%	12.1 p.p.	-1.0%	9.0%	-10.1 p.p.
Operating profit (EBIT)	-1.7	-18.0	90.5%	-45.8	4.7	NA
Operating profit % (EBIT)	-1.1%	-16.7%	15.5 p.p.	-9.0%	0.9%	-9.8 p.p.
Net profit after tax	-3.9	-12.4	68.6%	-38.5	7.6	NA
Cash and cash equivalents				287.9	291.0	-1.0%
LTM Opex excluding depreciation / LTM revenue				48.3%	43.2%	5.1 p.p.
Net working capital / LTM revenue				34.1%	40.6%	-6.5 p.p.
Equity ratio				70.6%	69.8%	0.8 p.p.
Number of employees				1363	1493	-8.7%



Q4 & FY2024 review

Revenue amounted to USD 150 million in the fourth quarter of 2024, an increase of 39% from the same quarter last year. The revenue increase reflects a gradual demand recovery among both key customers and the broad market. Compared to the fourth quarter of 2023, Nordic drove a year-on-year growth across both short-range and long-range wireless components, and in all end-user markets.

Stabilizing market

Nordic reported total revenue of USD 150.2 million in Q4 2024, which was an increase of 39% from USD 108.2 million in Q4 2023 and a decline of 5% from Q3 2024.

The year-on-year improvement reflects a gradual recovery in the underlying market, with the sequential decline from the third quarter following normal seasonal demand patterns, as expected. Compared to the fourth quarter of 2023, Nordic experienced growth year-over-year across both Short-range and Long-range and in every end-user market, with consumer electronics customers in the US and Asia leading the gradual demand recovery.

Revenues composition

Nordic has reported on the revenue contribution from short-range wireless components, long-range (cellular IoT) wireless components, ASIC components and other. Other revenues have included PMIC, front end modules and Wi-Fi components, as well as development tool sales and services.

Short-range wireless components has been split between Bluetooth and Proprietary solutions.

Bluetooth revenue amounted to USD 131.9 million in Q4 2024, an increase of 46% year-on-year and down 8% from the previous quarter. Bluetooth share of total revenue was 88% in Q4 2024, and 88% for the full year 2024.

The Bluetooth revenue development reflects improving demand from both larger key customers and smaller customers in the broad market.

The top-10 Bluetooth customers accounted for 58% of revenue in 2024, although Nordic has seen an increasing number of broad market customers returning to the market during 2024.

Nordic launched its first products in its new and groundbreaking nRF54 Series at the Electronica industry fair in Germany in November, introducing three variants of the nRF54L SoC.

The company sees high design activity also with its nRF54H SoC, and are currently focusing on key customers and early adopters in key target markets. Nordic is working to provide the software support required to enable design and mass production of end-products.

The nRF54 Series offers step-changes in performance in terms of processing power and energy-efficiency, both compared to the competition and Nordic's own nRF52 Series.

Proprietary product revenue amounted to USD 8.3 million in Q4 2024, a decrease of 15% year-on-year and down 31% from the previous quarter. Proprietary share of total revenue was 6% in Q4 2024 and 7% for the full year 2024. Proprietary revenue for the full year 2024 increased by 9.1% to 37.6 million. The full year revenue increase mainly reflects a demand recovery for PC accessories and home office equipment.

Amounts in USD thousand	Q4			Full year		
	2024	2023	Change	2024	2023	Change
Bluetooth	131 891	90 065	46.4%	449 758	483 866	-7.0%
Proprietary wireless	8 336	9 833	-15.2%	37 578	34 449	9.1%
Short-range wireless components	140 227	99 898	40.4%	487 336	518 315	-6.0%
Cellular IoT	6 954	6 014	15.6%	16 951	17 553	-3.4%
ASIC components	967	1 297	-25.4%	2 547	4 701	-45.8%
Other	2 046	984	107.9%	4 581	2 301	99.1%
Total revenue	150 195	108 193	38.8%	511 415	542 869	-5.8%

Long-range (cellular IoT) revenue amounted to USD 7.0 million in Q4 2024. This was an increase of 16% year-on-year, reflecting improving demand from customers in the industrial asset tracking market. Revenue increased by 181% from the previous quarter, during which distributor inventories were being reduced. The Long-range share of total revenue was 5% in Q4 2024 and 3% for the full year 2024.

Nordic sees increasing interest and demand for its new nRF9151 SiP (System-in-Package) which was launched during the third quarter. 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 1.0 million in Q4 2024, compared to USD 1.3 million in Q4 2023 and USD 0.1 million in Q3 2024. Other revenues

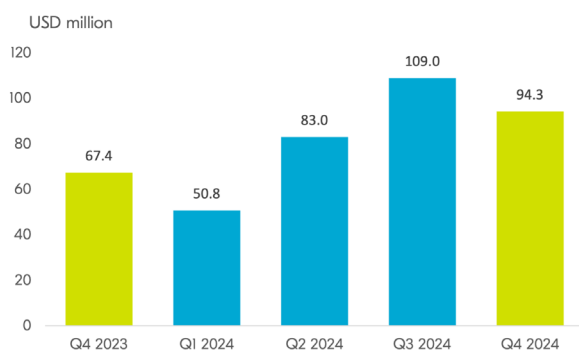
amounted to USD 2.0 million, compared to USD 1.0 million in Q4 2023 and USD 1.0 million in Q3 2024.

During 2024, Nordic reorganized its operations into four business units: Short-range, Long-range, Wif-Fi, and PMIC. While the technology development in Wi-Fi and PMIC is progressing as planned, these business units are still an early commercial phase. In 2025, the company will shift to reporting revenue for Short-range, Long-range and Other, with the latter including both Wi-Fi and PMIC, as well as any other revenue, with separate reporting on the two business units once they start generating meaningful revenue.

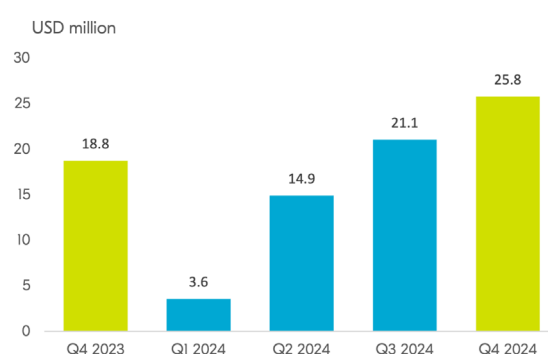
Revenue by end-user market

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

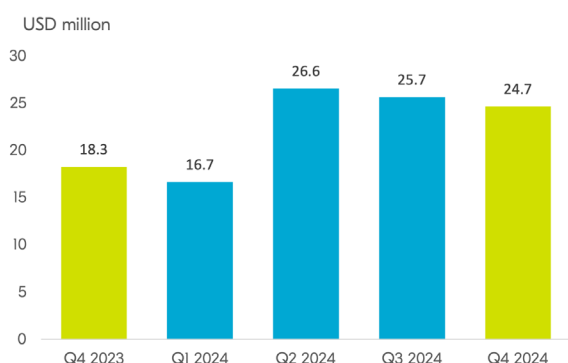
Consumer



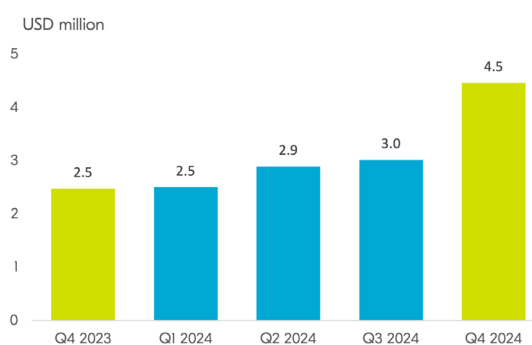
Healthcare



Industrial



Other



Revenues by end-product markets Amounts in USD thousand	Q4			Full year		
	2024	2023	Change	2024	2023	Change
Consumer	94 312	67 411	39.9%	337 150	302 486	11.5%
Industrial	24 654	18 260	35.0%	93 535	117 203	-20.2%
Healthcare	25 800	18 752	37.6%	65 313	103 325	-36.8%
Other	4 462	2 474	80.4%	12 869	15 153	-15.1%
Total revenue excl. ASIC & Consulting	149 228	106 896	39.6%	508 868	538 168	-5.4%

Consumer amounted to USD 94 million in Q4 2024, and remained by far the largest end-user market with 63% of total revenues in Q4 2024 and 66% for the full year 2024. Revenue in the fourth quarter increased by 40% year-on-year, while declining by 13% sequentially in reflection of seasonally lower demand. The year-on-year increase reflects a broad-based improvement across consumer electronics, with PC accessories and gaming/VR continuing to lead the market recovery. Consumer revenue increased by 11% for the full year 2024, leading the gradual demand recovery.

Industrial revenue amounted to USD 25 million in Q4 2024, accounting for 17% of total revenue and 18% for the full year 2024. Revenue increased by 35% from Q4 2023 and showed a 4% revenue decline quarter-on-quarter. Demand from the industrial sector remained particularly slow in Europe. For the full year 2024, Industrial revenue declined by 20%.

Healthcare revenue amounted to USD 26 million in Q4 2024, accounting for 17% of total revenue in Q4 2024 and 13% for the full year 2024. This was an increase of 38% from Q4 2023 and up 23% from Q3 2024. As discussed in previous quarterly reports, revenue in the Healthcare area remains dependent on a relatively small number of customers and is exposed to relatively wide variations from quarter to quarter. For the full year 2024, Healthcare decreased 37% mainly as a result of an exceptionally strong 2023.

To avoid speculation about the performance of individual customers and protect the integrity of its customers and customer relationships, the company will change the reporting of its end-user markets with effect from the first quarter 2025. Industrial and Healthcare will be combined into one reporting unit, which in 2024 would have had revenue of USD 158 million and accounted for 31% of total revenue.

'Other' revenue accounted for USD 4.5 million in Q4 2024, or 3% of total revenue. This compares to USD 2.5 million in Q4 2023 and USD 3.0 million in Q3 2024.

Design certifications

Based on data available from Bluetooth SIG, Nordic estimates that it had a share of 35% of new Bluetooth SIG design certifications in the Bluetooth Low Energy for the full year 2024, despite a drop in the share of certifications to an estimated 26% in the fourth quarter of the year.

In 2024, the total number of new Bluetooth LE designs certified by the Bluetooth SIG was 1 260, of which 437 featured Nordic components. Consequently, the company remained a clear leader, with more than four times as many certified designs featuring Nordic components as those of any competitor.

Nordic believes the relatively low design win share in the fourth quarter reflects an increase in the number of low-end designs where Nordic currently does not participate.

The numbers also likely reflect a drop ahead of the transition from nRF52 to Nordic's new nRF54 Series SoCs. The current certification numbers do not include any nRF54 designs, and given the high design activity with the new products, the company expects this to gradually translate into more product certifications through 2025 and into 2026..

As previously communicated, restrictions regarding distribution of Bluetooth SIG data may at some point require Nordic to further modify or discontinue its quarterly reporting of certification data.

Strengthening Nordic's local presence in APAC

Building on its broad market strategy, Nordic has expanded its distribution agreement with Rutronik this quarter to include India, Sri Lanka, Bangladesh, and Pakistan. This strategic move provides developers in this region with enhanced access to Nordic's comprehensive suite of low power wireless connectivity solutions, driving IoT innovation to the next level in this region.

Industry recognition for excellence

Nordic's next-level wireless solutions are receiving significant industry recognition. The nRF54H20 received two prestigious awards this quarter: The 2024 World Electronics Achievement Award for its revolutionary processing power, memory capacity, and efficiency, and the Best RF/Wireless IC of the year in the EE Awards Asia program.

Other Nordic products were also recognized: The nPMI300 won "Best Power Semiconductor of the Year" (EE Awards Asia) and the Power Product category at the Electronic Specifier Electronics Excellence Awards; The nRF Cloud secured the "Best Technology Platform Award" (EE Awards Asia); and the nRF9151 SiP earned the Best-in-Show Award for Wired and Wireless Connectivity at the Embedded Computing Design Award, highlighted at Electronica, Munich.

Innovation and new product launches

Nordic continues to lead in ultra-low power wireless connectivity with the launch of its fourth-generation nRF54L Series Bluetooth LE SoCs; the nRF54L15, nRF54L10, and nRF54L05 at Electronica in November. These SoCs support a broad range of Bluetooth LE and IoT applications with unparalleled energy efficiency and flexibility. High interest from third-party module partners resulted in multiple nRF54L15-powered modules becoming market-ready at launch. Module partners include amongst others Ezurio, Fanstel, Kaga Fei, Raytac, U-blox, and Minew.

To further simplify cellular IoT development, Nordic launched the Thingy:91 X, a globally certified, battery-operated prototyping platform for cellular IoT and Wi-Fi locationing. It is powered by the award-winning products, the nRF9151 SiP, nPM1300 PMIC, and nRF7002 Wi-Fi companion IC, and connects seamlessly to the nRF Cloud.

In collaboration with Kigen, a global leader in eSIM security, Nordic is further accelerating cellular IoT deployments by combining Kigen's eSIM IoT Remote Manager with the Thingy:91 X and nRF9151 SiP. This partnership exemplifies Nordic's commitment to delivering robust, secure, and low-power, easy-to-use cellular IoT solutions.

Continued momentum in smart home and Matter

Nordic's traction in the smart home segment continues to be strong, supported by its contributions to Matter, the open standard for seamless device connectivity. Secuyou has integrated the nRF52840 SoC into its smart door locks, enabling secure Matter over Thread connectivity. Additionally, ION Industries has incorporated the nRF52840 into its LED Matter Dimmer, allowing users to control their lighting alongside other smart home devices through a single application. Nordic's nRF Connect SDK and world-class technical support were pivotal in both companies' development processes, enabling faster time-to-market.

Customer success stories in cellular IoT solutions and Power Management

Nordic's nRF91 Series low-power cellular IoT solutions, often paired with Bluetooth LE, continue to drive innovative customer applications: QuarterPoint: Their Seedbox solution for farmers was upgraded from the nRF9160 to the nRF9151 SiP, offering enhanced location monitoring, container fill level, and seed inventory quality. Monil Collar: This Norwegian company's cattle position monitor combines the nRF9160 SiP and nRF52833, eliminating the need for traditional fences. It also provides vital data on livestock wellbeing. Jetbeep's Parcel Locker Controller integrates both the nRF9160 and nRF5430, enabling locker operation on a single battery for up to four years.

An innovative AI-powered ski trainer for real-time coaching leverages the nRF52832 SoC as its central processor, along with the nPM1100 PMIC for superior power management. This compact device, which clips onto a ski boot, delivers personalized real-time coaching by capturing high-resolution motion data. It is designed for reliable power delivery and stable operation, ensuring maximum battery life during training sessions.





Made for developers

Financial results

Amounts in USD thousand	Q4			Full year		
	2024	2023	Change	2024	2023	Change
Gross profit	73 789	56 257	31.2%	241 969	283 712	-14.7%
Gross margin %	49.1%	52.0%	-2.9 p.p.	47.3%	52.3%	-4.9 p.p.
Adjusted gross margin %	49.1%	52.0%	-2.9 p.p.	49.3%	52.3%	-3 p.p.
Operating expenses excl. depreciation and amortization	65 124	63 145	3.1%	247 201	234 681	5.3%
EBITDA	8 664	-6 889	NA	-5 233	49 031	NA
Adjusted EBITDA	11 859	-2 029	NA	7 962	53 891	-85.2%
EBITDA %	5.8%	(6.4%)	12.1 p.p.	-1.0%	9.0%	-10.1 p.p.
Depreciation, amortization and impairment	10 377	11 137	-6.8%	40 573	44 329	-8.5%
EBIT	-1 712	-18 026	90.5%	-45 806	4 702	NA

Gross profit

Gross profit was USD 73.8 million in Q4 2024, an increase from USD 56.3 million in Q4 2023. The reported gross margin decreased to 49.1% in Q4 2024 from 52.0% in Q4 2023, mainly reflecting changes in customer and product mix. The gross margin was flat compared to the previous quarter.

For the full year 2024, gross profit decreased to USD 242.0 million from USD 283.7 million in 2023, with the gross margin decreasing to 47.3% in 2024 from 52.3% in 2023. Adjusted for an inventory write-down earlier in the year the gross margin was 49.3% for the full year 2024, with the change in underlying margin mainly reflecting changes in customer and product mix.

Operating expenses

Nordic has a sharp focus on returning to strong operating profitability, requiring strict cost control while at the same time delivering on all key projects. During Q4 2024, Nordic executed a strategic resource realignment including a global workforce reduction of approximately 8% of the company's total workforce. The total expenses of USD 3.2 million related to this have been accounted for in the Q4 numbers. The full effect of the headcount reduction will not be visible until Q1 2025.

Operating expenses excluding depreciation and amortization amounted to USD 65.1 million in Q4 2024. This was a 3% cost increase compared to USD 63.1 million in Q4 2023. The Q4 2023 accounts included USD 4.9 million in restructuring expenses, compared to the above-mentioned USD 3.2 million in Q4 2024. Adjusted for restructuring in both periods, operating expenses excluding depreciation and amortization increased to

USD 61.9 million in Q4 2024 from USD 58.3 million in Q4 2023. The increase in underlying operating expenses mainly reflects increased payroll expenses, which were partially offset by a stringent focus on spending which reduced other operating expenses by USD 1.4 million.

The increase in payroll expenses in 2024 should be seen in context with wage freezes which lowered the cost increase temporarily in 2023.

Total cash operating expenses increased by 2.9% to USD 70.5 million in Q4 2024 from 68.6 million in Q4 2023. Cash operating expenses are calculated by adding back capitalized development expenses and deducting depreciation and equity-based compensation from total operating expenses. The increase was primarily driven by salary increases and higher variable pay accruals, offset by a lower number of employees.

USD 46.1 million of the cash operating expenses were related to payroll expenses, compared to USD 44.0 million in Q4 2023.

The total number of Nordic employees at the end of Q4 2024 was 1363, representing a year-on-year decrease of 9%.

Other cash operating expenses amounted to USD 24.3 million in Q4 2024, compared to USD 24.7 million in Q4 2023.

For the full year of 2024, operating expenses excluding depreciation and amortization increased 5.3% to USD 247.2 million, up from USD 234.7 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 Q4 2024 R&D costs amounted to USD 40.2 million, compared to USD 41.1 million in Q4 2023. USD 22.9 million was related to the Short-range business (including PMIC), USD 13.3 million to Long-range (cellular), and USD 4.0 million to Wi-Fi. In Q4 2024, Nordic capitalized a total of USD 7.2 million in development expenses, compared to USD 6.7 million in Q4 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 slight increase from Q4 2023 to Q4 2024 can be attributed to allocation of resources to projects in other stages in the development cycle. The capitalized expenses in Q4 2024 include USD 0.1 million to long-range and USD 7.1 million to the short-range business.

Profit

In Q4 2024, EBITDA was USD 8.7 million, compared to a negative USD 6.9 million in Q4 2023. The improved EBITDA can be explained by higher revenue and gross profit, partially offset by an increase in payroll expenses.

EBITDA was USD 11.9 million adjusted for restructuring expenses in Q4 2024, compared to USD -2.0 million in Q4 2023.

For the full year 2024, EBITDA showed a loss of USD 5.2 million, compared to a profit of USD 49.0 million in 2023. Adjusted EBITDA for the full year 2024 showed a profit of USD 8.0 million, when excluding an inventory write-down in Q2 2024 and restructuring costs in Q4 2024. This compares to an adjusted EBITDA of USD 53.9 million in 2023. The reduced EBITDA can primarily be explained by lower revenue, especially in the first part of the year, and by lower gross margins.

Depreciation, amortization and impairment decreased to USD 10.4 million in Q4 2024, compared to USD 11.1 million in Q4 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 1.4 million in Q4 2024 and depreciation of leased assets to USD 2.2 million.

Reported operating profit (EBIT) was a loss of USD 1.7 million in Q4 2024, compared to a loss of USD 18.0 million in Q4 2023. For the full year reported EBIT decreased to loss of USD 45.8 million from a profit of USD 4.7 million in 2023.

Net financial items resulted in a gain of USD 1.7 million in Q4 2024, compared to a gain of USD 0.4 million in Q4 2023. The gain in Q4 2024 is mainly due to USD/NOK movements offset only by interest differences on bond and placements.

Reported profit before tax was a loss of USD 0.1 million in Q4 2024, compared to a loss before tax of USD 17.6 million in Q4 2023. The tax expense in Q4 2024 was USD 3.8 million, compared to a tax income of USD 5.2 million in Q4 2023. The reported net loss was hence USD 3.9 million in Q4 2024, compared to a loss of USD 12.4 million in Q4 2023.

For the full year, the reported loss before tax was USD 43.2 million compared to a profit of USD 12.1 million in 2023, whereas the reported net loss was USD 38.5 million compared to a net profit of USD 7.6 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	31.12.2024	31.12.2023
Capitalized development expenses	50 076	38 938
Total non-current assets	253 444	253 008
Inventory	171 907	163 090
Cash and cash equivalents	287 914	290 957
Total current assets	553 262	609 237
Total assets	806 706	862 245
Total equity	569 766	602 077
Equity percentage	70.6%	69.8%
Total liabilities	236 940	260 168
Total equity and liability	806 706	862 245

Total shareholders' equity amounted to USD 569.8 million at the end of Q4 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 70.6% of a total asset base of USD 806.7 million.

Cash and cash equivalents amounted to USD 287.9 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 partly offset by reduced working capital.

Net working capital was USD 174.2 million at the end of Q4 2024, down from USD 220.4 million at the end of Q4 2023. Measured as a percentage of last 12 months revenue, net working capital decreased to 34.1% from 40.6% at the end of Q4 2023.

Following a period with supply constraints in 2022, Nordic has strategically built inventory of key components through 2023 and 2024. Inventory at the end of 2024 increased to USD 171.9 million in Q4 2024 from USD 163.1 million in Q4 2023.

Accounts receivable decreased to USD 66.4 million at the end of Q4 2024 from USD 133.3 million at the end of Q4 2023, reflecting improved collection. Accounts payable increased by USD 11.7 million to USD 23.9 million, mainly as a result of higher raw material deliveries during Q4 2024 compared to Q4 2023.

Total current assets amounted to USD 553.3 million at the end of Q4 2024, down from USD 609.2 million at the end of the Q4 2023.

Non-current assets amounted to USD 253.4 million at the end of Q4 2024, compared to USD 253.0 million at the end of Q4 2023. The change is explained by leasing contracts and capitalized development expenses offset by reduction in fixed assets.

Current liabilities amounted to USD 103.1 million, compared to USD 114.2 million at the end of Q4 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 133.9 million, compared to USD 146.0 million at the end of Q4 2023. Non-current liabilities in Q3 2024 mainly consist of a NOK 1.0 billion bond with an outstanding balance of USD 87.3 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	Q4		Full year	
	2024	2023	2024	2023
Cash flows from operations	49 166	-8 900	60 374	-118 973
Cash flows from investing activities	-10 620	-19 918	-29 584	-53 502
Cash flows from financing activities	-4 779	90 150	-23 182	83 698
Change in cash and cash equivalents	27 064	62 231	-3 042	-88 147
Cash and cash equivalents at the end of the period	287 914	290 957	287 914	290 957

Cash flow from operating activities was USD 49.2 million in Q4 2024, compared to an outflow of USD 8.9 million in Q4 2023. The operating cash flow in Q4 2024 reflects a reduction in net working capital in the quarter.

Cash flows from investing activities showed an outflow of USD 10.6 million in Q4 2024, compared to an outflow of USD 19.9 million in Q4 2023. Capital expenditures (including software) amounted to USD 3.5 million, down from USD 13.2 million in the fourth quarter last year. The high amount in Q4 2023 related to the USD 8.5 million purchase of IP from Atlazo. Capitalized development expenses increased to USD 7.2 million in Q4 2024 from USD 6.7 million in the same period last year.

Cash flows from financing activities resulted in an outflow of USD 4.8 million compared to an inflow of USD 90.2 million in Q4 2023. The cash outflow is a result of payments related to interest bearing debt and increased leasing payments, compared to issue of bond in Q4 2023

Funding

The Group's cash position was USD 287.9 million at the end of Q4 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.

Nordic issued in November 2024 a five year bond of NOK 1 billion. The 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 488 million. The undrawn RCF expires in June 2026.

Outlook

Nordic Semiconductor reported revenue of USD 150 million in the fourth quarter 2024, representing a year-on-year growth of 39%. Revenue for the full year 2024 amounted to USD 511 million, a decline of 7% from the previous year.

The year-on-year revenue increase in the fourth quarter reflects a gradually improving underlying market and inventory adjustments in the fourth quarter 2023, whereas the sequential decline from the third quarter was explained by normal seasonal demand patterns.

Looking ahead, Nordic expects revenue for the first quarter 2025 of USD 140-160 million.

Gross margin was 49% in the fourth quarter, and 49% for the full year when excluding an inventory write-down of cellular assets earlier in the year. For the first quarter 2025, Nordic expects a gross margin level of around 50%, and the company reiterates its long-term ambition to maintain a gross margin level above 50%.

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.

Nordic's Short-range business is the by far largest business unit, and the ambition for this area is to grow faster than the addressable market over time, driven by new product launches. Nordic successfully launched the first products in its new nRF54 Series during the fourth quarter, and expects this new product series to become a gradually stronger growth driver over the years to come. Allowing time for customer design-wins and commercial scaling, Nordic sees limited revenue effect of the nRF54 launch in 2025 and expects accelerating growth from 2026 onwards.





Oslo, February 4, 2025

Anita Huun

Board Member,
Audit Com. Chair

Birger Steen

Board Chair

Inger Berg Ørstavik

Board Member,
Sustainability Com. Chair

Snorre Kjesbu

Board member

Vegard Wollan

Chief Executive Officer

Annastiina Hintsa

Board Member,
People and Compensation Com. Chair

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

Monika Lie Larsen

Board member, employee

Condensed financial information

Income statement

Amounts USD thousand	Note	Q4		Full year	
		2024	2023	2024	2023
Total revenue	4	150 195	108 193	511 415	542 869
Cost of materials		-76 406	-51 936	-269 446	-259 157
Gross profit		73 789	56 257	241 969	283 712
Payroll expenses		-43 749	-40 391	-170 321	-152 990
Other operating expenses		-21 376	-22 754	-76 880	-81 691
EBITDA		8 664	-6 889	-5 233	49 031
Depreciation, amortization and impairments	6	-10 377	-11 137	-40 573	-44 329
Operating Profit		-1 712	-18 026	-45 806	4 702
Share of profit from associates		-28	—	-260	—
Net interest income		-729	2 443	-942	6 036
Net foreign exchange gains (losses)		2 389	-2 001	3 819	1 358
Profit before tax		-80	-17 583	-43 189	12 096
Income tax expense		-3 815	5 160	4 685	-4 447
Net profit after tax		-3 895	-12 423	-38 504	7 650
Earnings per share					
Ordinary earning per share (USD)		-0.020	-0.065	-0.200	0.040
Fully diluted earning per share (USD)		-0.020	-0.064	-0.198	0.040
Weighted average number of shares					
Basic		192 261	192 306	192 196	192 085
Fully diluted		195 126	193 913	194 717	193 350
Net profit after tax		-3 895	-12 423	-38 504	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)		-105	-37	-132	-37
Income tax effect		23	8	29	8
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Currency translation differences		-2 241	1 392	-1 914	1 109
Total comprehensive income		-6 218	-11 060	-40 521	8 730

Consolidated statement of financial position

Amounts USD thousand	Note	31.12.24	31.12.23
ASSETS			
Non-current assets			
Goodwill		10 880	10 891
Capitalized development expenses	5/6	50 076	38 938
Software and other intangible assets	5/6	13 762	19 063
Deferred tax assets		13 097	5 872
Fixed assets	6	21 955	29 095
Right-of-use assets	6	52 358	54 670
Investments in joint ventures		177	6
Other long term assets		91 140	94 473
Total non-current assets		253 444	253 008
Current assets			
Inventory		171 907	163 090
Accounts receivable		66 412	133 316
Other current receivables		27 029	21 874
Cash and cash equivalents		287 914	290 957
Total current assets		553 262	609 237
Total assets		806 706	862 245
EQUITY			
Share capital		317	317
Treasury shares		-1	-1
Share premium		235 448	235 448
Other equity		334 001	366 313
Total equity		569 766	602 077
LIABILITIES			
Non-current liabilities			
Pension liability		765	661
Borrowings	7	87 336	97 491
Non-current lease liabilities		45 752	47 864
Total non-current liabilities		133 853	146 016
Current liabilities			
Accounts payable		23 918	12 201
Income taxes payable		1 799	5 640
Public duties		6 024	6 334
Current lease liabilities		10 360	9 897
Other current liabilities		60 985	80 079
Total current liabilities		103 087	114 151
Total liabilities		236 940	260 168
Total equity and liability		806 706	862 245

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						-38 504	-38 504
Other comprehensive income					-1 914	-103	-2 017
Share based compensation		0		11 661			11 661
Repurchase of own shares		0				-3 808	-3 808
Consideration shares in business combination		0		359			359
Equity as of 31.12.24	317	-1	235 448	27 180	-2 204	309 027	569 766
Equity as of 1.1.23	317	-2	235 448	5 358	-1 399	343 821	583 544
Net profit for the period						7 650	7 650
Other comprehensive income					1 109	-29	1 080
Share based compensation		0		6 660			6 660
Consideration shares in business combination		0		3 141			3 141
Equity as of 31.12.23	317	-1	235 448	15 160	-290	351 442	602 077

Statement of cash flows

Amount in USD thousand	Note	Q4		Full year	
		2024	2023	2024	2023
Cash flows from operating activities					
Profit before tax		-80	-17 583	-43 189	12 096
Taxes paid for the period		-1 755	-25 245	-7 827	-41 948
Depreciation, amortization and impairments		10 377	11 137	40 573	44 329
Net interest		729	-2 443	942	-6 036
Interest received		2 232	3 925	11 176	9 552
Change in inventories, trade receivables and payables		45 685	-1 245	69 808	-41 153
Share-based compensation		1 836	1 190	11 661	6 548
Movement in pensions		119	-18	104	-17
Prepayments		—	—	—	-100 000
Other operations related adjustments		-9 975	21 381	-22 875	-2 345
Net cash flows from operating activities		49 166	-8 900	60 374	-118 973
Cash flows used in investing activities					
Capital expenditures (including software)	6	-3 457	-13 227	-9 809	-25 529
Capitalized development expenses	6	-7 162	-6 692	-19 343	-21 973
Investment in associate company		—	—	-431	-6
Business Combination, net of cash acquired		—	—	—	-6 000
Net cash flows used in investing activities		-10 620	-19 918	-29 584	-53 502
Cash flows from financing activities					
Repurchase of treasury shares		—	—	-3 808	—
Proceeds from issuance of bond		—	92 935	—	92 935
Payment of interest		-1 782	—	-7 353	—
Repayment of lease liabilities		-2 767	-2 484	-10 901	-8 426
Credit facility fee		-230	-301	-1 120	-811
Net cash flows from financing activities		-4 779	90 150	-23 182	83 698
Effects of exchange rate changes on cash and cash equivalents		-6 702	899	-10 650	630
Net change in cash and cash equivalents		27 064	62 231	-3 042	-88 147
Cash and cash equivalents beginning of period		260 850	228 726	290 957	379 104
Cash and cash equivalents at end of period		287 914	290 957	287 914	290 957

Notes

Note 1: General

The Board of Directors approved the condensed fourth quarter interim financial statements for the three months ended December 31, 2024 for publication on February 5, 2025.

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 Q4 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	Q4		Full year	
Specification of capital expenditures, balance sheet	2024	2023	2024	2023
Capitalized development expenses (payroll expenses)	4 198	3 399	13 700	16 155
Capitalized acquired development expenses	2 964	3 293	5 643	5 818
Capital expenditures (including software)	3 457	13 227	9 809	25 529
Right-of-use assets (non-cash)	434	21 987	8 040	41 348
Acquisition (net)	—	—	431	10 172
Currency adjustments	-431	458	-677	398
Total	10 622	42 364	36 947	99 420
Depreciation and amortization				
Capitalized development expenses	1 357	2 258	8 205	9 644
Software and other intangible assets	1 697	1 900	7 203	6 202
Fixed assets	3 794	4 779	14 382	20 389
Impairment software	—	—	431	—
Right-of-use assets	2 211	2 200	9 034	8 094
Impairment right-of-use assets	1 318	—	1 318	—
Total	10 377	11 137	40 573	44 329

At each reporting date the group evaluates whether there is an indication of impairment by reference to internal and external factors. In Q4 2024 there were no such indications by internal factors.

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 December 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 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.

	Full year	
	2024	2023
Outstanding RSUs beginning of period	1 404 565	1 002 504
Granted	1 355 419	958 462
Forfeited	462 508	146 600
Released	375 650	409 801
Outstanding end of period	1 921 826	1 404 565

	Full year	
	2024	2023
Outstanding performance shares beginning of period	77 357	109 632
Granted	516 983	43 861
Forfeited	69 431	21 929
Performance adjusted	-169 120	43 371
Released	—	97 578
Outstanding end of period	355 789	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 December 31, 2024, no significant events have taken place that would affect the assessment of the provided accounts.

Financial Calendar 2025:

- March 20, 2025 - Annual Report 2024
- April 29, 2025 - 1st Quarter 2025
- July 10, 2025 - 2nd Quarter & half-year 2025
- October 29, 2025 - 3rd Quarter 2025
- February 5, 2026 - 4th Quarter 2025

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.

	Q4		Full year	
	2024	2023	2024	2023
Gross profit	73.8	56.3	242.0	283.7
Total revenue	150.2	108.2	511.4	542.9
Gross margin	49.1%	52.0%	47.3%	52.3%

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

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

	Q4		Full year	
	2024	2023	2024	2023
Operating Profit	-1.7	-18.0	-45.8	4.7
Depreciation, amortization and impairments	10.4	11.1	40.6	44.3
EBITDA	8.7	-6.9	-5.2	49.0

- EBITDA margin. EBITDA divided by Total Revenue.

	Q4		Full year	
	2024	2023	2024	2023
EBITDA	8.7	-6.9	-5.2	49.0
Total revenue	150.2	108.2	511.4	542.9
EBITDA margin	5.8%	-6.4%	-1.0%	9.0%

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

	Q4		Full year	
	2024	2023	2024	2023
Payroll expenses	43.7	40.4	170.3	153.0
Other operating expenses	21.4	22.8	76.9	81.7
Depreciation, amortization and impairments	10.4	11.1	40.6	44.3
Total operating expenses	75.5	74.3	287.8	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.

	Q4		Full year	
	2024	2023	2024	2023
Total operating expenses	75.5	74.3	287.8	279.0
Depreciation, amortization and impairments	-10.4	-11.1	-40.6	-44.3
Option expense	-1.8	-1.2	-11.7	-6.5
Capitalized expenses	7.2	6.7	19.3	22.0
Cash operating expenses	70.5	68.6	254.9	250.1

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

	Q4		Full year	
	2024	2023	2024	2023
Reported EBITDA	8.7	-6.9	-5.2	49.0
Long-range (cellular IoT) EBITDA loss	11.2	10.4	55.3	43.7
Wi-Fi expense	4.0	3.9	16.8	16.5
Restructuring costs	3.2	4.9	3.2	4.9
EBITDA excluding Long-range, Wi-Fi and restructuring	27.1	12.3	70.1	114.1
Total revenue (excluding cellular IoT revenue)	143.2	102.2	494.5	525.3
EBITDA margin excluding Long-range, Wi-Fi and restructuring	18.9%	12.0%	14.2%	21.7%

- 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.

	Q4 2024	Q4 2023
Total operating expenses	287.8	279.0
Depreciation, amortization and impairments	-40.6	-44.3
Operating expenses excluding depreciation and amortization	247.2	234.7
Total revenue LTM	511.4	542.9
LTM opex / LTM revenue	48.3%	43.2%

- 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.

	Q4 2024	Q4 2023
Current assets	553.3	609.2
Cash and cash equivalents	-287.9	-291.0
Current financial assets	-0.8	—
Current liabilities	-103.1	-114.2
Current financial liabilities	0.6	0.7
Current lease liabilities	10.4	9.9
Income taxes payable	1.8	5.6
Net working capital	174.2	220.4
Total revenue LTM	511.4	542.9
NWC / LTM revenue	34.1%	40.6%

- **Adjusted Gross Margin.** Gross margin excluding exceptional items such as 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.

	Q4		Full year	
	2024	2023	2024	2023
Gross profit	73.8	56.3	242.0	283.7
Write down	—	—	10.0	—
Adjusted Gross profit	73.8	56.3	252.0	283.7
Total revenue	150.2	108.2	511.4	542.9
Adjusted Gross margin	49.1%	52.0%	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.

	Q4		Full year	
	2024	2023	2024	2023
Reported EBITDA	8.7	-6.9	-5.2	49.0
Write down	—	—	10.0	—
Restructuring costs	3.2	4.9	3.2	4.9
Adjusted EBITDA	11.9	-2.0	8.0	53.9

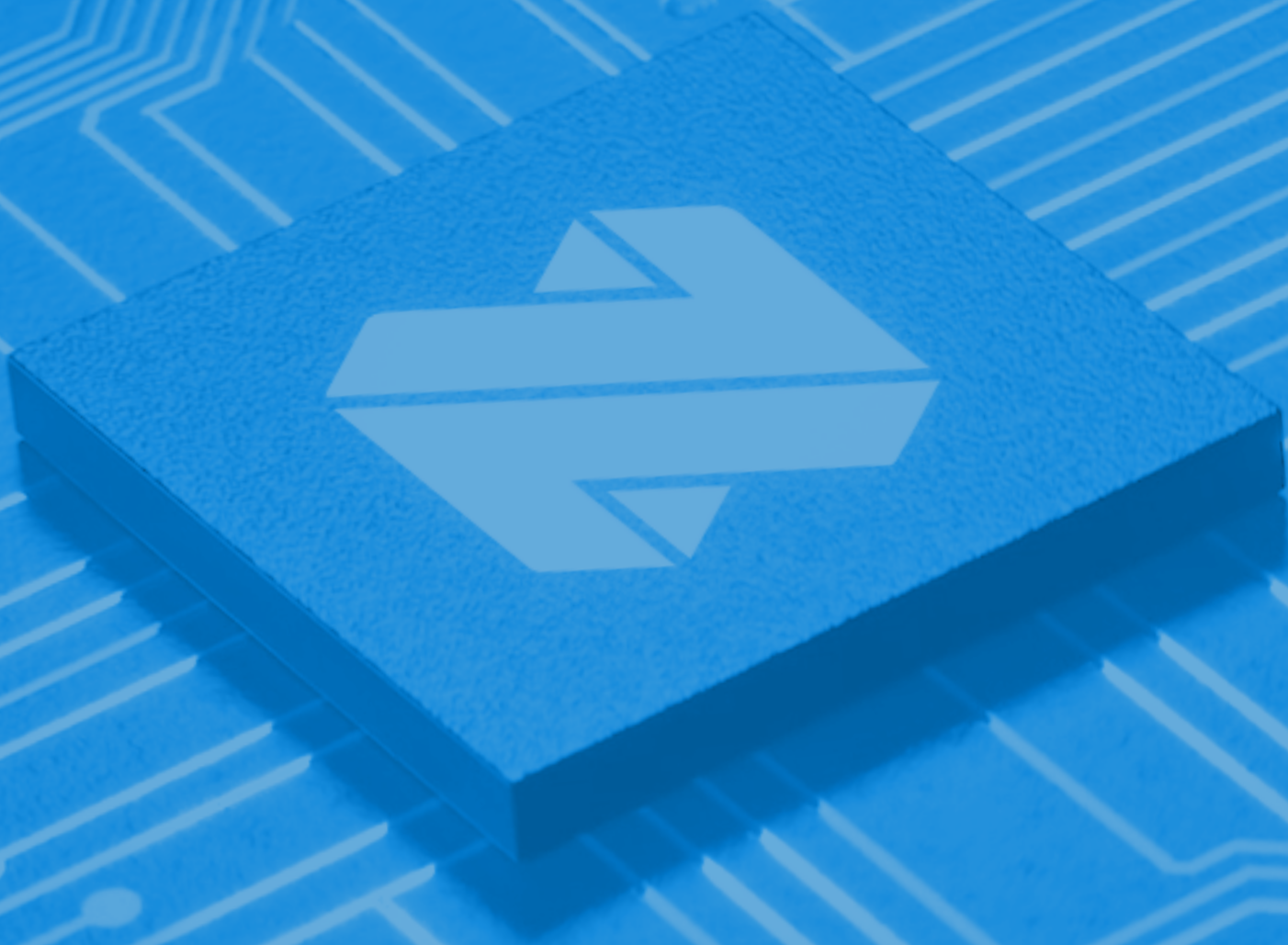
Cautionary note

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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