

ANNUAL REPORT 2025



NORDIC[®]
SEMICONDUCTOR

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We are delivering on our promise to renew our product portfolio

Message from the CEO

2025 was a good year for Nordic Semiconductor, as we demonstrated solid progress operationally, organizationally, strategically, and financially. Execution of our product renewal program and the transition to new production platforms remains on track, supporting our progress toward the long-term financial ambitions presented at the 2024 Capital Markets Day.

Operationally, we are delivering on our promise to renew the core product portfolio in the short-range Bluetooth Low Energy market, launching a wide range of products in the next-generation nRF54 Series. We now offer seven variants of nRF54 Series wireless SoCs (Systems-on-Chip) in the market, ranging from high-end, high-performance versions for complex applications to entry-level SoCs for more cost-constrained applications, as well as fit-for-purpose versions tailored to end-user markets with specific requirements. Common across the entire nRF54 Series is the ability to deliver more value-adding features, market leading ultra-low-power edge AI capabilities, step-change improvements in computing performance, and power efficiency that far surpasses our competitors.

While the bulk of our revenue and earnings is still generated by high-volume products from our well-established and trusted nRF52 Series, we expect the nRF54 Series to gradually take over as our main revenue engine. All our key customers are now designing products with nRF54 Series SoCs, fortifying already strong and long-standing customer relationships, and we also see an increasing number of customers in the broad market deploying nRF54 Series in their product designs.

We are also making operational progress in the long-range cellular business. The nRF9151 SiP module launched in 2024 has attracted customers in more

industrial verticals, and we are also beginning to see traction in some consumer segments. During the year we also expanded the addressable market by adding satellite or 3GPP non-terrestrial network (NTN) capabilities to the nRF91 Series. While 4G/LTE technology covers around 90% of the world's population, it only covers around 15% of the earth's surface. Adding satellite coverage to our solutions opens new market opportunities within tracking, infrastructure monitoring and other IoT applications that require truly global coverage. We are looking forward to introducing the next-generation nRF92 Series in 2026, bringing higher performance and cost advantages that will enable us to service even larger parts of the global market.

Our Power Management (PMIC) and Wi-Fi businesses remain 'start-ups' in the broader context. We are steadily gaining ground with our growing PMIC family and see an increasing number of our existing short- and long-range customers also deploying our power management solutions. Within the more competitive Wi-Fi segment we expect that the introduction of the new nRF71 Series on the more cost-efficient 22nm production platform later this year will establish a commercially attractive offering. The strategic rationale remains strong for building a Wi-Fi-position in mid-range connectivity alongside our short-range and long-range offerings, even though sales of the current nRF70 Series companion chip are limited.

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Organizationally, the establishment of the four business units under dedicated leadership has served us well. As I wrote in the Annual Report last year, this creates a sharper customer focus, accountability and a sharpened sense of urgency to capitalize on our R&D and innovation. Over the past two years we have reallocated significant resources within the organization, focusing on engineering execution and on securing timely progress on key product roadmaps.

Strategically, we have strengthened our position considerably over the past year, both organically with the ongoing renewal of our product portfolio, and through acquisitions that add significant strategic value. The acquisition of Neuton AI strengthened our position in machine learning and AI, adding ultra-tiny ML modelling capabilities that complement the hardware and software technologies we acquired with Atlazo in 2023. This will unleash ultra-efficient and easy-to-use machine learning with Nordic's nRF54 Series, representing a leap forward in terms of scalable, accessible intelligence at the edge.

The larger acquisition of Memfault will help transform us from a hardware and product-oriented company to a complete solutions provider. Through this acquisition we became the first semiconductor company to combine best-in-class hardware, software and cloud services to create a complete chip-to-cloud platform for lifecycle management of connected products. We are making it faster, simpler, and more secure for our customers to develop, maintain and improve connected products through their entire lifecycle. Our 'nRF Cloud – powered by Memfault' was up and running already in September - within three months of the acquisition – and is gaining good customer traction.

Financially, we also took significant steps in the right direction in 2025. We saw healthy demand from our key customers throughout the year and increasing orders from both existing and new customers in the broad market. As a result, revenue increased by a solid 31% to USD 668 million in 2025, which was higher than we expected coming into the year.

The gross margin increased to 52% in 2025, mainly reflecting changes in product and customer mix but partly explained by a reversal of previous write-downs. Adjusted for the effects of the write-downs, our gross profit increased by 35% in 2025. Operating costs increased by 13% year-on-year, reflecting a higher activity level, new business initiatives, and M&A. Going into the year, I said we were committed to restore profitability, and it is good to see that we managed to improve our EBITDA-margin to 10% in 2025.

Summing up, we had a solid first year on our way to fulfil the overarching ambitions we outlined at the Capital Markets Day in 2024, and we are well on track to fulfil our ambition to generate average revenue growth of more than 20% from 2024 through to the end of the decade, and to move towards the operating model profitability of 25% EBITDA margin for the Group.

That growth is not going to be linear and will reflect both our own and our customers' roadmaps and product launches, but the way I see it, growth will be supported by four strong drivers. Firstly, we see the wireless connectivity megatrend continue to drive market growth as more IoT devices are being connected. Secondly, the new features, higher performance, lower energy consumption and higher cost efficiencies of our next-generation products are enabling new IoT applications and expanding our addressable market. Thirdly, the wave of new products will strengthen our competitive position and enable us to gain market shares in all business areas. And lastly, cross-selling, upselling and bundling of our broad portfolio of connectivity standards, power management solutions and Cloud services will enable us to increase ASP per edge node device.

I would like to take the opportunity to thank all my colleagues for the hard and dedicated work they are putting in to make this happen. I would also like to thank our customers for their trust and collaboration, our Board of Directors for their advice and guidance, and our shareholders for their continued support as we continue our growth journey!

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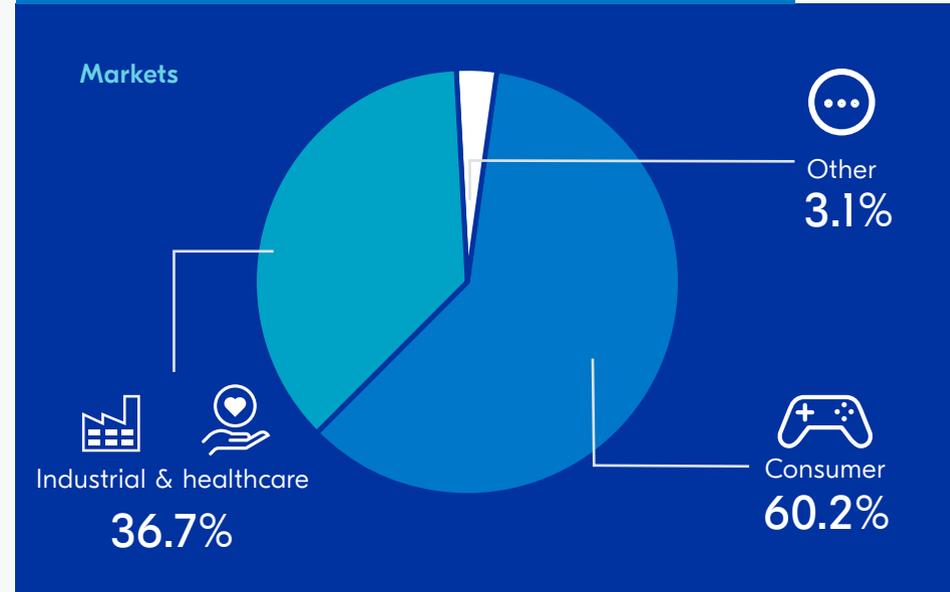
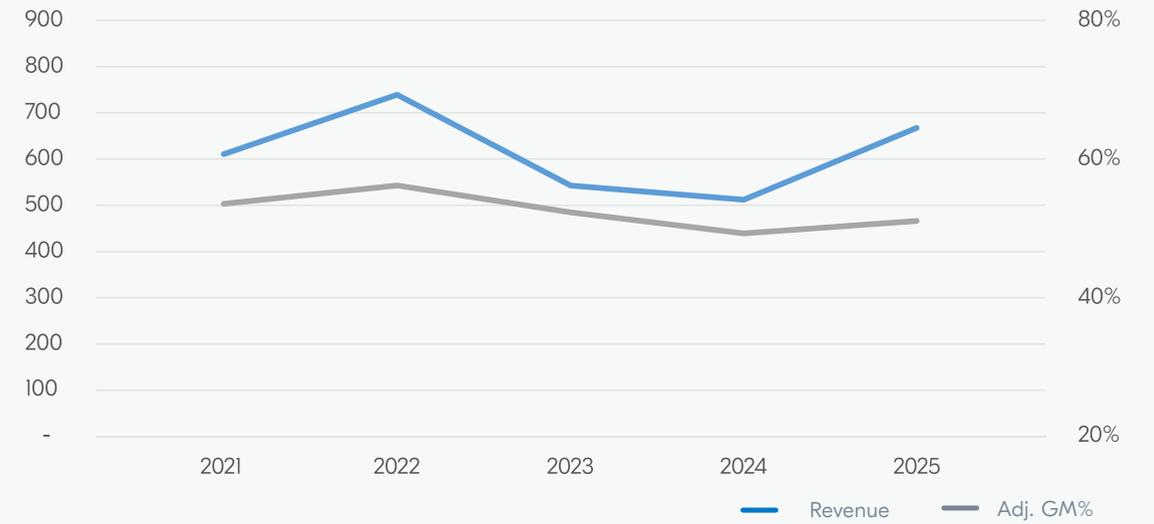
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Financial highlights

” Driving profitable growth

Margins development



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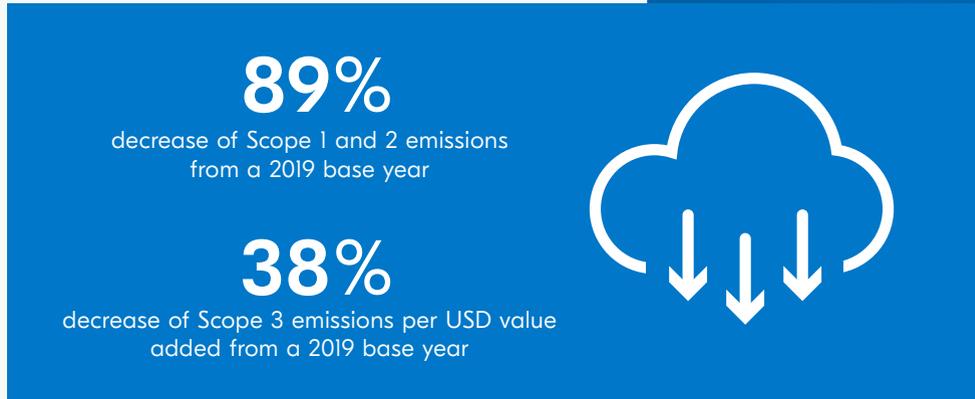
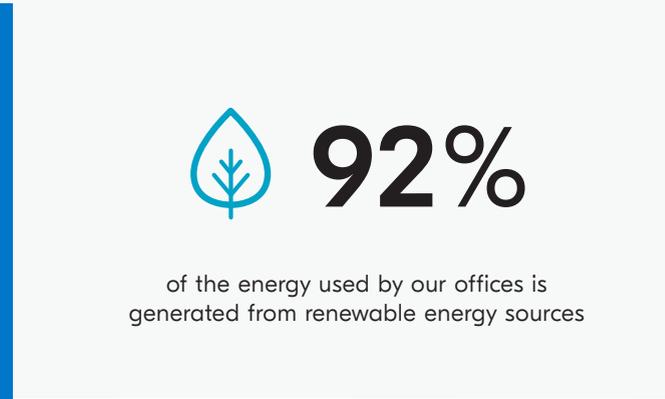
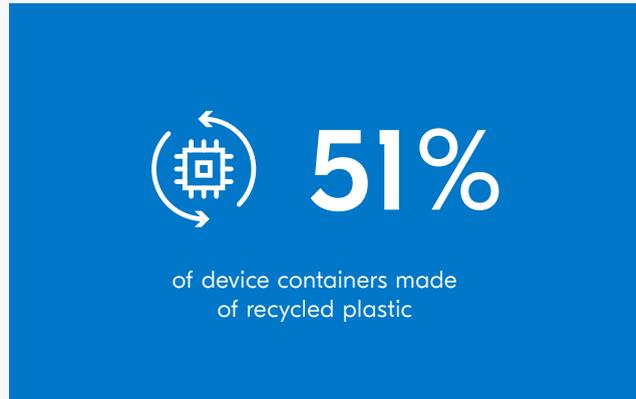
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ESG Highlights



Climate Change rating



Nordic named as one of the World's most sustainable companies by TIME

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● Long-Range
Scaling in a growing market, leveraging a strong foundation from proven solutions



○ Wi-Fi
Early mover in new and growing market leveraging foundation from recognized solutions



○ Short-Range
Market leader with proven performance from recognized solutions



● Power management
Providing solutions for optimal energy consumption and connectivity requirements



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2025 marked a defining year in Nordic's long-term strategy. Building on the organizational changes implemented in 2024, the Group completed a key strategic transition - from a traditional hardware supplier to a complete chip-to-cloud solution partner offering world-class hardware, embedded software, and cloud services. This evolution, enabled by investments and recent technology acquisitions, significantly expands Nordic's ability to support customers through the entire product lifecycle at scale. Alongside this strategic shift, Nordic delivered solid operational progress, including the continued expansion of the nRF54 Series, advancement of the modern 22nm production platforms, and strengthened positioning in emerging satellite NTN IoT markets. Together, these achievements reinforce Nordic's competitiveness and support long-term, profitable growth.

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



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Group overview

Nordic Semiconductor (Nordic or "the Group") is a global leader in low power wireless connectivity solutions, providing the essential platform and wireless technologies that connect the world's IoT devices. Nordic delivers world-class hardware, embedded software, development tools, power management, cloud lifecycle services, and world-class support. This simplifies the development of reliable, scalable, and future-proof connected products.

Nordic was established in 1983, is headquartered in Norway, and has about 1450 employees across the globe. Its award-winning Bluetooth LE solutions pioneered ultra-low power wireless, making it the global market leader. Nordic's reputation has been built by supplying leading-edge wireless technologies supported by development tools that shield the designer from RF complexity, allowing anyone with a bright idea to build innovative IoT products.

Nordic's approach covers all leading wireless technologies – including Bluetooth Low Energy, cellular IoT, NTN satellite communication, DECT NR+, Wi-Fi, Matter, Thread, and Zigbee – ensuring optimized performance, ultra-low power consumption, advanced security across diverse applications – and true global coverage. That's why world-leading brands across consumer, industrial, and healthcare industries trust Nordic's award-winning ultra-low power wireless solutions in everything from wearables and smart homes to asset tracking, industrial automation, and more. By simplifying IoT development and enabling seamless, chip-to-cloud solutions, Nordic empowers businesses to create smarter, more sustainable, and connected products transforming lives and industries.

The Group is a fabless semiconductor company, utilizing leading subcontractors in Europe and Asia for manufacturing, assembly, and packaging. Nordic distributes its products to branded electronics manufacturers through a broad network of global and regional distribution partners.

Nordic Semiconductor ASA ("The Company") is the Group parent, headquartered in Trondheim, Norway. As of year-end 2025, the Group has offices in Trondheim and Oslo (Norway); Beijing, Shanghai, Shenzhen, and Hong Kong (China); Oulu, Espoo, Tampere, and Turku (Finland); Düsseldorf and Berlin (Germany); Hyderabad (India); Tokyo (Japan); Manila (the Philippines); Krakow and Wrocław (Poland); Singapore (Singapore); Seoul (South Korea); Stockholm and Lund (Sweden); Taipei, Taoyuan, and Hsinchu (Taiwan); Bristol and Hatfield (UK); and Boston, New York, San Francisco, Seattle and San Diego (USA).

Strategy and ambitions

From transformation to focused execution and renewed growth

Following the structural and strategic changes implemented in 2024, 2025 marked a shift from transformation to focused execution and renewed growth for Nordic. With improving market conditions, the company delivered strong growth while progressing on key strategic priorities, including portfolio renewal, scaling new growth platforms, and strengthening the software and services offering. Nordic continued to progress its next-generation roadmap across short-range and long-range, expanded its Wi-Fi and Power Management offerings, and strengthened its position as a complete solutions provider. The company also reinforced its ability to serve both key customers and the broad market in parallel, supported by strong developer tools, ecosystem engagement and global customer support.

Nordic's strategic direction remains anchored in ultra-low-power wireless connectivity, where the company continues to lead in Bluetooth LE and multiprotocol solutions. At the same time, Nordic is expanding its scope beyond the core by scaling adjacent technologies and increasing solution breadth to address a wider set of customer needs and applications. This strategy is intended to support sustained growth, strengthen competitiveness, and increase value creation through higher customer relevance and increased content per end product.

A complete solutions provider: from chip to cloud

A core strategic theme for Nordic is the continued evolution from a hardware supplier to a complete solutions provider, combining hardware, software and lifecycle services to create stronger customer value and long-term differentiation.

Nordic's hardware leadership provides a secure and energy-efficient foundation for connected devices. This is complemented by software capabilities through development tools and software stacks that reduce complexity and shorten customer development time. In addition, lifecycle services enable customers to provision, monitor, update and manage devices in the field, supporting products across the full lifecycle and addressing increasing requirements for reliability, security, and maintainability over time. By strengthening the full chip-to-cloud value proposition, Nordic aims to simplify customer deployment at scale and strengthen customer engagement through a more complete offering, enabling customers to differentiate and innovate on top of Nordic's platforms and accelerate time-to-market.

In 2025, Nordic strengthened this direction through expanded cloud-enabled capabilities and developer services. The acquisition of Memfault was a key step in accelerating Nordic's lifecycle management capabilities, supporting improved device observability, monitoring and over-the-air update workflows, and further strengthening nRF Cloud as a platform available across Nordic's entire connectivity portfolio. In addition, the acquisition of Neuton.AI core technology and team supports Nordic's ambition to enable ultra-low-power edge AI, complementing Nordic's connectivity leadership by helping customers add intelligence locally in battery-powered devices where energy efficiency is critical.

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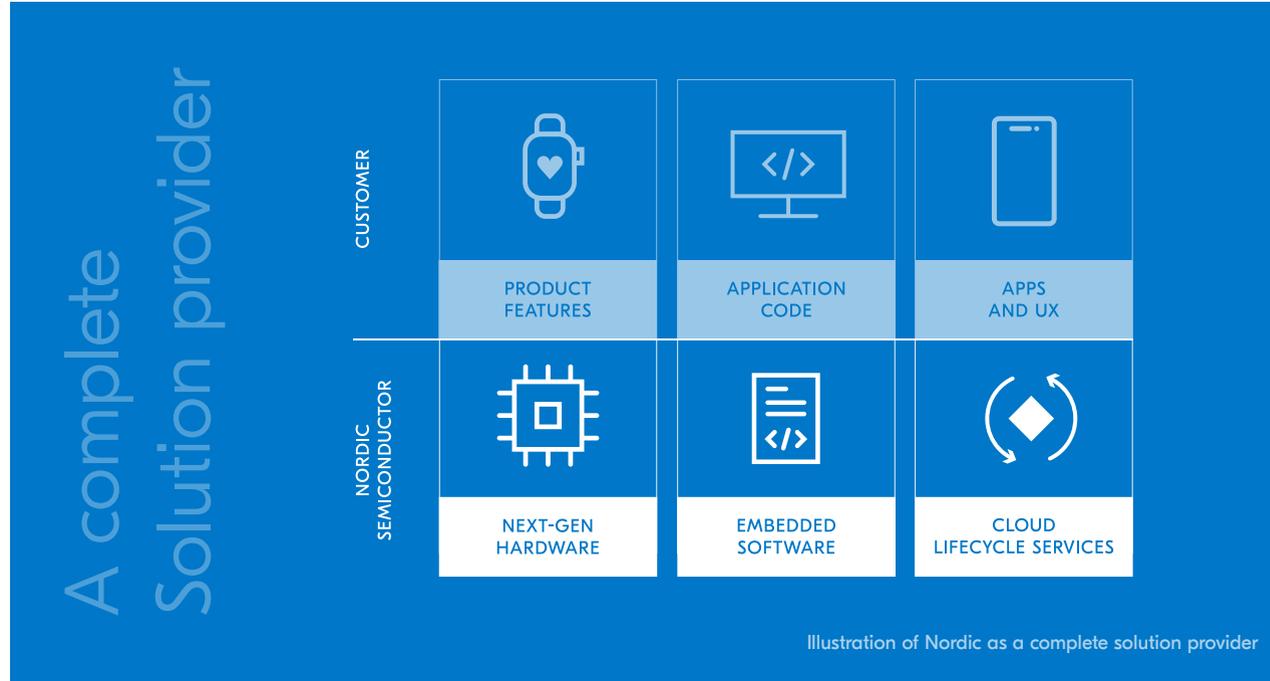
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Expanding the platform: portfolio renewal and scaling new growth engines

Nordic's strategy is built around both portfolio renewal in the core business and scaling new growth platforms to expand the company's addressable market and increase the value per device over time.

In Short-Range, portfolio renewal is a strategic priority to sustain momentum and strengthen leadership. The nRF54 Series is designed to deliver major improvements in processing capability, energy efficiency, security and scalability. Nordic is broadening the nRF54 product family through a structured rollout, enabling the company to address a wider range of applications and cost points, while maintaining strong software compatibility and developer support. The nRF54 platform is expected to be a key driver of growth over the coming years by strengthening competitiveness and enabling new use cases.

Beyond Short-Range, Nordic is scaling Long-Range, Wi-Fi and Power Management as additional growth platforms. In Long-Range, Nordic is expanding cellular IoT capabilities and strengthening its position in key focus markets and verticals where coverage, reliability and energy efficiency are critical. In Wi-Fi, Nordic continues to build a position in low-power Wi-Fi for IoT and strengthen developer enablement and coexistence solutions across the connectivity portfolio. In Power Management, Nordic is expanding its PMIC offerings to simplify system design, extend battery life, reduce solution size and increase Nordic's share of customer bill-of-materials. Combined, these technologies support a multi-technology strategy where customers increasingly blend connectivity options to optimize performance, coverage and user experience.

Execution model and financial ambition

Nordic executes its strategy through focused business units — Short-Range, Long-Range, Wi-Fi and Power Management — reflecting different maturity levels across different technologies. This operating model is intended to sharpen accountability and execution while maintaining the benefits of shared platforms, common software and strong global customer support.

A key execution priority is balanced growth, combining continued success with key customers while scaling the broad market in parallel. Nordic aims to deepen long-term strategic customer relationships through leading technology and strong customer support, while accelerating broad market momentum through a compelling product roadmap, ease-of-use, developer tools, and ecosystem enablement that supports faster time-to-market across a wide range of applications.

As communicated at the 2024 Capital Markets Day, Nordic's overall financial ambition remains to deliver annual average revenue growth above 20% through the decade, and to move towards an operating model of around 25% EBITDA margin.

Empowering a skilled and diverse workforce

The employees are the Group's greatest asset, and Nordic remains committed to maintaining a highly skilled, diverse, and inclusive workforce comprising a multitude of different nationalities. Developing and launching world-class products in the semiconductor industry requires both experience and cutting-edge competencies. With an average tenure of more than six years, the Group's global workforce of more than 1,400 people is well equipped for the task. In 2025, Nordic also welcomed new colleagues through the Memfault and Neuton.AI acquisitions, further strengthening the Group's competencies across software, services and edge AI.

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Operational review

Demand and market development

Nordic reported revenue of USD 668 million for 2025, an increase of 31% from the previous year. Demand improved throughout the year as the market continued to recover, supported by both larger key customers and an improved contribution from smaller customers in the broad market. Nordic continues to focus on building a balanced customer base, combining long-term relationships with key customers and with scalable growth through distribution in the broad market.

The top ten customers continued to show strong and consistent demand throughout the period, reflecting the value of Nordic's strategic priorities and long-term relationships. At the same time, the broad market also continued to regain traction during the year, supported by portfolio renewal, improved developer tools, and strong customer support, which remain important to increase resilience and reduce volatility.

In 2025, Nordic maintained a strong presence in the Bluetooth LE market, achieving an approximately 32% share of new Bluetooth LE product design certifications for the full year. This share was based on 460 certifications featuring Nordic technology out of a total 1,446 certifications. Nordic continued to have around three to four times as many certified designs featuring its components as any competitor. This continued strength supports Nordic's position in large-volume applications and underpins commercial momentum across both key customers and the broad market.

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Product launches and technology advancements

Throughout 2025, Nordic continued to execute on its product portfolio renewal and strengthen its position as a provider of complete ultra-low-power IoT solutions, combining leading wireless technologies with compute and power management, software, and cloud-enabled services. The year included important launches and technology milestones across Short-Range, Long-Range, Wi-Fi, Power Management, and device lifecycle management.

In Short-Range, Nordic further broadened the fourth-generation nRF54 platform and progressed the transition toward a next-generation product family designed to deliver major improvements in processing capability, energy efficiency, security, and scalability. Since the first nRF54 launch in late 2024, Nordic has launched seven different nRF54 products, spanning devices from high-end performance to entry-level, cost-optimized solutions. During 2025, key additions included the nRF54LM20A, a high-memory SoC aimed at more advanced Bluetooth® LE and Matter designs, and the nRF54LV10A, a low-voltage Bluetooth LE SoC targeting highly space- and power-constrained applications such as healthcare wearables. Nordic also continued to advance Bluetooth innovation through support for emerging capabilities such as Bluetooth Channel Sounding. In parallel, the company strengthened the software offering around the platform, including the introduction of an nRF Connect SDK “Bare Metal” option for the nRF54L Series, intended to broaden development choices and reduce barriers for simpler applications.

Expanding the nRF54 Series portfolio

HIGH-END

MID-RANGE

ENTRY-LEVEL



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In Long-Range, Nordic continued to build the business around nRF9151, strengthening its cellular IoT offering with an improved cost point and a sharper focus on priority end markets such as asset tracking, metering, and industrial applications. At the same time, Nordic accelerated satellite-enabled connectivity as a key technology advancement and progressed its position in cellular IoT and non-terrestrial networks (NTN), reinforcing momentum in space-enabled IoT connectivity. Nordic achieved successful direct-to-LEO satellite transmissions using its nRF91 Series, while also

launching NTN-ready software, a development kit, and certifications intended to lower the barrier for customers targeting satellite IoT at scale. Nordic demonstrated connectivity across leading NTN satellite operators, including Iridium, Myriota, Sateliot, Skylo and OQ Technology, highlighting interoperability across different space network architectures. These milestones underline Nordic's role as a key technology enabler in the convergence of cellular, satellite and space-based IoT, supporting use cases ranging from global asset tracking to remote and mission-critical deployments.



Within Power Management, Nordic continued to expand the PMIC portfolio to increase system-level value and enable smaller, more energy-efficient end-products. The company launched the nPM2100 for products using non-rechargeable batteries, a product that won the Electronics Excellence Awards in 2025. Nordic also added the nPM1304 with fuel-gauging capabilities to its growing product portfolio. These additions come on top of the award-winning nPM1300 and support Nordic's strategy of delivering more complete solutions that combine connectivity, power management, and software to help customers reduce complexity and optimize battery lifetime from battery to antenna.

In Wi-Fi, Nordic continued to build out its low-power Wi-Fi offering and strengthened development options for multi-protocol solutions. The company expanded the development ecosystem for the nRF54L Series by introducing the nRF7002 EBII board to add Wi-Fi 6 connectivity, supporting customers developing devices that combine Wi-Fi with Nordic's short-range technologies.

A key theme for Nordic during 2025 was continued investment in software and cloud-enabled capabilities. Following the acquisition of Memfault, Nordic launched nRF Cloud "powered by Memfault," adding device observability, diagnostics and lifecycle management capabilities that support monitoring and maintaining deployed devices at scale, strengthening Nordic's position in device lifecycle management as part of the broader "chip-to-cloud" strategy.





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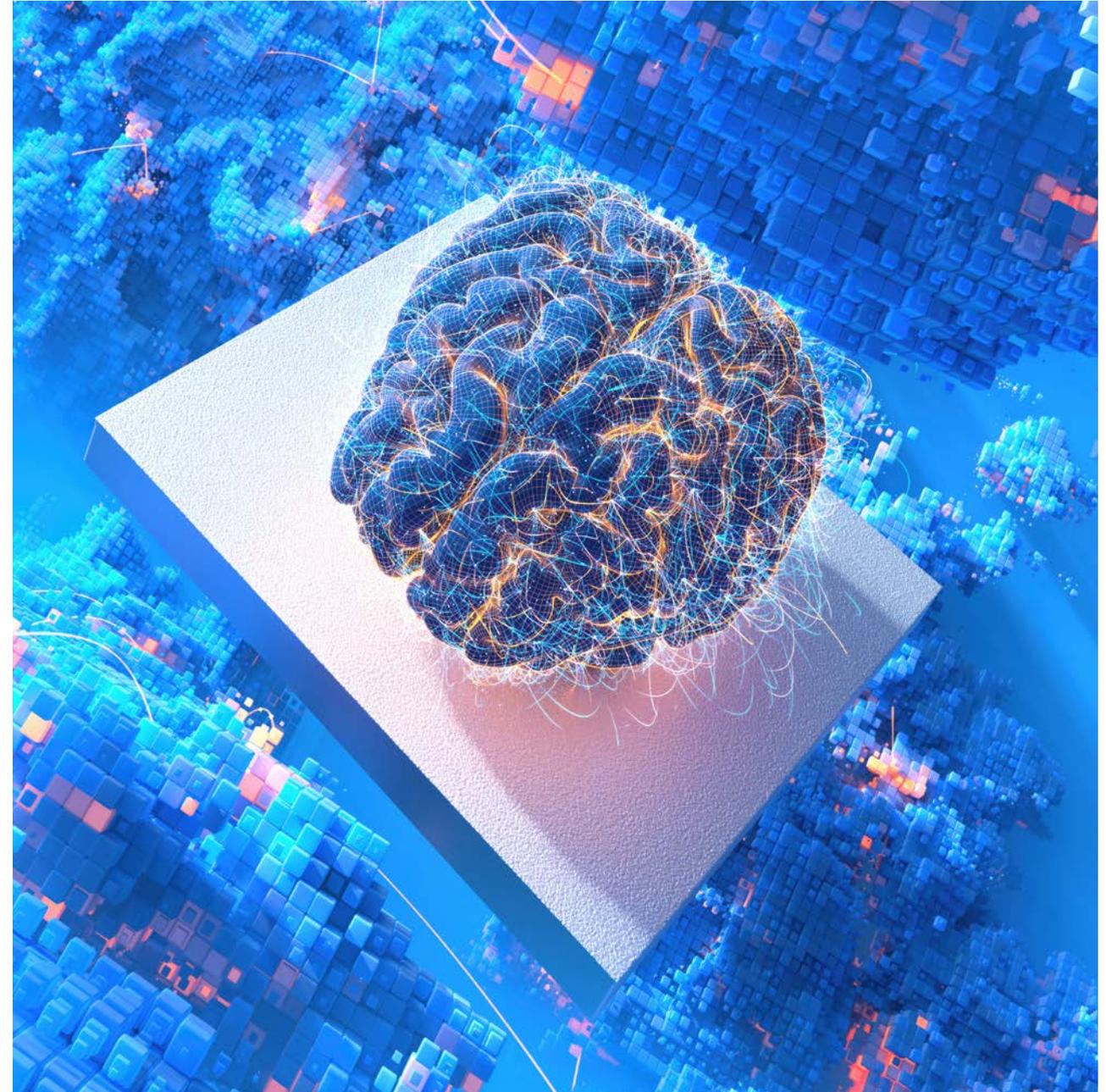
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Nordic also progressed ultra-low-power edge AI enablement, combining hardware acceleration and developer tooling with pre-optimized models from the Neuton.AI acquisition, further extending Nordic's approach to delivering complete solutions for intelligent, battery-powered IoT products.



Together, these product launches and technology advancements reflect Nordic's continued focus on extending leadership in ultra-low-power wireless connectivity while expanding into adjacent layers of value creation—power management, satellite-enabled connectivity, developer tooling, lifecycle management, and edge AI — supporting both broader market adoption and higher solution value for key customers.



Board of Directors



Dieter May | Chair, shareholder elected independent director

Chair of the Board since 2025. Board member since 2024. Member of the People & Compensation Committee

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

Board meeting attendance: 17 of 17 possible. PCC attendance: 4 out of 4 possible.

Holdings in the company: 13,547 shares



Inger Berg Ørstavik | Shareholder elected independent director

Board member since 2017. Member of the Audit Committee.

Inger Berg Ørstavik is a professor at the Department of Private Law, University of Oslo. She has previously been a partner at the law firm Schjødt AS and a lawyer at the office of the Attorney General for Civil Affairs. Mrs. Ørstavik has a law degree from the University of Oslo, a LL.M. from Ruprecht-Karls-Universität in Heidelberg, Germany, and a Ph.D. from the University of Oslo in the areas of intellectual property law and competition law. She has taught international human rights law at Fudan University in Shanghai, China where she resided from 2005 to 2009. Mrs. Ørstavik has previously served as a Non-Executive Director of REC Silicon ASA.

Board meeting attendance: 17 of 17 possible, AC attendance: 9 of 9 possible

Holdings in the company: 8,207 shares

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Anita Huun | Shareholder elected independent director

Board member since 2019. Chair of the Audit Committee.

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

Board meeting attendance: 17 of 17 possible, AC attendance: 9 of 9 possible
Holdings in the company: 15,607 shares



Annastiina Hintsa | Shareholder elected independent director

Board member since 2019. Chair of the People & Compensation Committee.

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

Board meeting attendance: 17 of 17 possible, PCC attendance: 4 of 4 possible
Holdings in the company: 6,607 shares

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Helmut Gassel | Shareholder elected independent director

Board member since 2024. Member of the Audit Committee

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

Board meeting attendance: 15 of 17 possible, **AC attendance:** 9 of 9 possible
Holdings in the company: 1,688 shares



Anja Dekens | Employee elected director

Board member since 2022. Member of the People & Compensation Committee

Anja Dekens joined Nordic in 2014 and is currently working as a Project Manager. Prior to this role, she worked as a Hardware Designer in IC development and led the Digital Design Discipline team, which is responsible for the methodology used by all digital designers at Nordic. Anja studied Electrical Engineering at Karlsruhe University in Germany and NTNU in Trondheim, and holds a PhD from the University of Twente in the Netherlands.

Board meeting attendance: 16 of 17 possible, **PCC attendance:** 4 of 4 possible
Holdings in the company: 1,430 shares and 1,430 RSUs



Jon Helge Nistad | Employee elected director

Board member since 2017.

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

Board meeting attendance: 17 of 17 possible
Holdings in the company: 1,519 shares and 1,454 RSUs



Monika Lie Larsen | Employee elected director

Board member since 2024.

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

Board meeting attendance: 16 of 17 possible
Holdings in the company: 1,663 shares and 1,589 RSUs

Executive Management



Vegard Wollan | Chief Executive Officer / President

CEO & President since 2024.

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

Holdings in the company: 151,090 shares, 33,484 RSUs and 39,360 performance shares



Øyvind Birkenes | EVP BU Long-Range

Member of the Executive Management Team since 2024.

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

Holdings in the company: 10,790 shares and 10,599 RSUs and 13,399 performance shares



Ola Boström | SVP Quality

Member of the Executive Management Team since 2022.

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

Holdings in the company: 6,177 shares and 9,619 RSUs and 11,382 performance shares

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Pål Elstad | Chief Financial Officer / EVP Finance

Member of the Executive Management Team since 2014.

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

Holdings in the company: 44,138 shares, 14,760 RSUs and 17,464 performance shares



Joakim Ferm | SVP BU Wi-Fi

Member of the Executive Management Team since 2024.

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

Holdings in the company: 2,824 shares and 7,673 RSUs and 8,436 performance shares



Kjetil Holstad | EVP Corporate Strategy and BU PMIC

Member of the Executive Management Team since 2019.

Member of the Executive Management Team since 2019, Mr. Holstad took on the corporate strategy role in July 2023. He holds a B.Sc degree in Electronics from Sør-Trøndelag University College (HiST). After working 15 years in various technical and marketing positions related to MCUs and wireless technologies at Atmel Corporation and Texas Instruments, he joined Nordic in 2015 as a Product Manager for the short-range wireless business, before taking over all Product Management in 2019. Kjetil Holstad is currently EVP Strategy and also heads BU PMIC. He is based in Oslo, Norway.

Holdings in the company: 19,859 shares and 14,145 RSUs and 16,738 performance shares



Sonja Kusmin | SVP People & Culture

Member of the Executive Management Team since 2024.

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

Holdings in the company: 2,801 shares and 5,275 RSUs and 6,109 performance shares

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Geir Langeland | EVP Sales and Marketing

Member of the Executive Management Team since 2005.

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

Holdings in the company: 224,411 shares and 15,620 RSUs and 18,482 performance shares



Ole-Fredrik Morken | EVP Supply Chain

Member of the Executive Management Team since 2010.

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

Holdings in the company: 207,721 shares and 13,252 RSUs and 15,845 performance shares



Øyvind Strøm | EVP BU Short-Range

Member of the Executive Management Team since 2024.

Mr. Strøm holds a Master of Science degree from Delft University of Technology and a PhD in Computer Architecture from the Norwegian University of Science and Technology. He comes with more than 25 years of experience from the semiconductor industry where he has held various global product- and business leadership roles. In 2000 Mr. Strøm joined Atmel where he headed the global microcontroller business, and has held similar positions with Microchip Technology after their acquisition by Atmel in 2016. He joined Nordic from the position as CEO of the Schibsted owned company Sentinel Software. Øyvind Strøm is based in Trondheim and Oslo, Norway.

Holdings in the company: 10,000 shares and 10,599 RSUs and 13,399 performance shares



Ståle "Steel" Ytterdal | SVP IR

Member of the Executive Management Team since 2019.

Mr. Ytterdal holds a Bachelor of Electronics Engineering and Business Administration from NKI College of Engineering in Oslo, Norway. He worked several years in Ericsson Standard Component before starting in Nordic as Regional Sales Manager for Asia and the Pacific in 2001. Between 2004 and 2019, Mr. Ytterdal was stationed in Hong Kong as Director of Sales & Marketing in APAC, establishing Nordic's presence in the region. He also held a position as Director of the Board of the Norwegian Chamber of Commerce in Hong Kong from 2005-2008. Mr. Ytterdal moved back to Oslo, Norway in 2019, where he now has his base.

Holdings in the company: 143,708 shares and 8,766 RSUs and 10,092 performance shares

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Financial

Nordic reported revenue of USD 668 million for 2025 representing a 31% increase compared to 2024. This reflects that Nordic has retained a strong competitive position in a recovering Short-range market, built a gradually stronger position in both cellular and satellite within Long-range, and added Cloud services revenue with the strategic acquisition of Memfault. Short-range revenue increased by 28% to USD 625 million, while Long-range revenue doubled to USD 34 million. The 2025 adjusted gross margin was 51% and adjusted EBITDA margin was 10%.

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Review of the annual accounts

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

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

Income statement

The Group classifies its revenues by technology and end-user markets.

Nordic reports on the revenue contribution from Short-range wireless components (Short-range), Long-range wireless components (Long-range), and Other. Short-range includes multiprotocol products including Bluetooth Low Energy, Thread, Zigbee, and Matter as well as proprietary products, whereas Long-range includes cellular products, proprietary products and Cloud services, including the recently acquired Memfault business. The Other category includes the early-stage businesses in PMIC and Wi-Fi as well as ASIC components and development tools.

Revenue by technology

USDm	2025	2024	Change
Short-range	625.4	487.3	28.3%
Long-range	33.6	17.0	98.2%
Other	8.7	7.1	21.4%
Total	667.6	511.4	30.5%

Total revenue increased by 30.5% to USD 667.6 million in 2025, up from USD 511.4 million in 2024. This increase reflects that Nordic has retained a strong competitive position in a recovering Short-range market and built a gradually stronger position in cellular within Long-range.

Revenue from Short-range increased by 28.3% to USD 625.4 million in 2025. Short-range accounted for 94% of total revenue in 2025. The revenue level demonstrates the persisting competitive strength of Nordic's product portfolio in the nRF52 and nRF53 Series products. Revenue contribution from the new and groundbreaking nRF54 Series products was limited in 2025 and will start to contribute meaningfully to revenue from 2026 onwards.

Revenue from Long-range doubled to USD 33.6 million in 2025. The increase reflects higher demand on the back of the nRF9151 launch late 2024 with sales to a broader set of industrial verticals. The growth also reflects increasing Cloud services revenue after the acquisition of Memfault, which has performed in line with the expectations outlined in connection with the acquisition.

Other revenue increased by 21.4% to USD 8.7 million in 2025. This includes the early-stage businesses in PMIC and Wi-Fi, where commercial progress continues to depend on expansion of the product portfolios and broader customer adoption.

Short-range and cellular components by end-product markets

USDm	2025	2024	Change
Consumer	400.3	349.6	14.5%
Industrial & healthcare	244.5	146.8	66.5%
Other	20.5	12.5	64.2%
Total	665.3	508.9	30.7%

The Group reports on the three end-user markets Consumer, Industrial and Healthcare, and Other.

Consumer revenue increased by 14.5% in 2025. The growth was relatively modest, following last year's especially strong demand in PC accessories and gaming/VR.

Industrial & healthcare revenue increased by 66.5% in 2025 to USD 244.5 million. The increase partly reflects the strong growth in Long-Range including services, which mainly is Industrial customers. The Group continues to view healthcare as a market with potentially disruptive growth possibilities and one of the key growth drivers for combined short-and long-range products and solutions. However, revenues are still dependent on a relatively small number of customers and are hence prone to wide variations.

Other revenue increased by 64.2% in 2025 to USD 20.5 million.

Gross profit

USDm	2025	2024	Change
Gross profit	346.0	242.0	43.0%
Gross margin	51.8%	47.3%	4.5 p.p.
Adjusted gross profit	341.1	252.0	35.4%
Adjusted gross margin	51.1%	49.3%	1.8 p.p.

Gross profit amounted to USD 346.0 million, an increase of 43.0% from the previous year. Hence, gross margin increased to 51.8% in 2025 from 47.3% in 2024. Reported gross margin included a partial reversal of a write-down of long-range components made in 2024.

Adjusted gross margin was 51.1%, reflecting an improvement of 1.8 percentage from 2024. Adjusted gross margin excludes the impact of the inventory write-down recognized in 2024 and the corresponding partial reversal in 2025. This improvement from 2024 was primarily driven by changes in customer and product mix, higher sales in the broad market, and positive contribution from Cloud services revenue after the Memfault acquisition.

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Operating expenses

USDm	2025	2024	Change
Payroll expenses	194.0	170.3	13.9%
Other OPEX	85.8	76.9	11.6%
OPEX excl. D&A	279.8	247.2	13.2%
Depr., amort & impairments	43.1	40.6	6.1%
Total	322.8	287.8	12.2%

Operating expenses excluding depreciation and amortization amounted to USD 279.8 million in 2025. This was an increase of 13.2% from USD 247.2 million in 2024.

The increase in expenses is due to a combination of increase in variable compensation, salary adjustments, acquisition of Memfault and Neuton.AI and a weaker USD, offset by restructuring costs in the prior year.

Measured by function, R&D accounted for USD 174.7 million of operating expenses in 2025, compared to USD 161.2 million excluding restructuring costs in 2024. R&D intensity, measured as a percentage of revenue, decreased from 32% in 2024 to 26% in 2025. This is primarily due to revenue growth. Nordic has a strong commitment to innovation, and will continue to target a long term R&D investment level of 15%-20% of revenue in existing and new markets.

SG&A increased to USD 99.8 million from USD 82.8 million excluding restructuring costs in 2024. As a percentage of revenue, SG&A decreased from 16% in 2024 to 15% in 2025 due to both revenue fluctuations and cost development.

Total cash operating expenses amounted to USD 278.8 million in 2025, when adjusting for non-cash items, capitalized development expenses, equity-based compensation, and depreciation, amortization and impairments. This was an increase from USD 254.9 million in 2024.

Nordic capitalized USD 15.6 million development expenses in 2025, down from USD 19.3 million in 2024. The reduced capitalization of development costs in 2025 reflects lower allocation of resources to projects in development phases where capitalization is applicable. Equity-based compensation was USD 16.6 million in 2025, compared to USD 11.7 million in 2024. See the section on Alternative Performance Measures for more details.

EBITDA and operating profit

USDm	2025	2024	Change
EBITDA	66.3	-5.2	NA
EBITDA margin	9.9%	-1.0%	10.9 p.p.
Adjusted EBITDA	66.5	8.0	735.2%
Adjusted EBITDA margin	10.0%	1.6%	8.4 p.p.
Operating profit (EBIT)	23.2	-45.8	NA
EBIT margin	3.5%	-9.0%	12.4 p.p.

Earnings before interest, tax, depreciation, and amortization (EBITDA) amounted to USD 66.3 million, an increase from negative USD 5.2 million in 2024. The corresponding EBITDA margin increased 10.9 percentage points to 9.9%.

Adjusted EBITDA totaled USD 66.5 million, equivalent to a margin of 10.0% in 2025. This compares to an Adjusted EBITDA of USD 8.0 million and a margin of 1.6% in 2024. The adjustment reflects that a portion of the consideration for the acquisition of Memfault is in the form of a share-based remuneration program to retain key employees over a three-year period. This portion of the total consideration is being expensed over the length of the program rather than capitalized as an investment. In addition, Adjusted EBITDA excludes the positive impact from the reversal of previously written down inventory.

Depreciation, amortization and impairments amounted to USD 43.1 million in 2025, compared to USD 40.6 million in 2024. The increase was partially driven by a USD 2.0 million write-down of a previously capitalized R&D project.

Operating profit (EBIT) amounted to USD 23.2 million, compared to a loss of USD 45.8 million in 2024. The EBIT margin increased to 3.5% in 2025 from -9.0% in 2024.

Net financial items

USDm	2025	2024
Net interest	-3.3	-0.9
Net financial items	-6.9	3.8
Total	-10.2	2.9

Nordic had a net interest expense of USD 3.3 million in 2025, compared to a net interest expense of USD 0.9 million in 2024. In 2025, the net interest is influenced by the bond and the bridge loan taken in connection with the acquisition of Memfault.

Profits and taxes

USDm	2025	2024
Profit before tax	12.6	-43.2
Income tax expense	3.7	4.7
Net profit after tax	16.4	-38.5

The Group recognized a tax gain of USD 3.7 million in 2025, compared to a tax gain of USD 4.7 million in 2024.

The parent company's statutory tax rate is 22%. The Group presents its accounts in USD, with the parent company's profits translated into NOK for taxation purposes. The tax income in 2025 is mainly due to currency losses from translating the accounts into NOK.

Taxes payable amounted to USD 2.6 million in 2025, compared to USD 1.8 million in 2024.

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Financial position

Balance sheet

Nordic had total assets of USD 983.4 million at the end of 2025, of which USD 582.8 million were current assets and USD 400.5 million were non-current assets.

These assets were financed by total equity of USD 679.6 million at the end of 2025, non-current liabilities of USD 158.4 million, and current liabilities of USD 145.4 million.

Current assets were USD 582.8 million at the end of 2025, compared to USD 553.3 million at the end of 2024. This included cash and cash equivalents of USD 307.4 million at the end of 2025, up from USD 287.9 million at the end of 2024.

Inventory decreased to USD 155.0 million from USD 171.9 million at the end of 2024.

Accounts receivable increased to USD 93.5 million from USD 66.4 million at the end of 2024, reflecting higher revenue.

Overall, net working capital amounted to USD 145.7 million, compared to USD 174.2 million at the end of 2024. Measured as a percentage of full year revenue, net working capital decreased to 21.8% from 34.1% at the end of 2024. This reflects lower inventory and higher accounts payable in 2025, combined with higher revenue, which reduces net working capital as a percentage of revenue.

Non-current assets increased to USD 400.5 million at the end of 2025 compared to USD 253.4 million at the end of 2024. The increase is primarily attributable to the acquisition of Memfault and the recognition of goodwill and identifiable intangible assets as part of the purchase price allocation, see Note 13: Business combinations for further information.

Fixed assets totaled USD 28.8 million at year end, up from USD 22.0 million in 2024. Software and other intangible assets increased to USD 54.1 million from 13.8

million reflecting the purchase of IP and core technology assets from Neuton.AI. Capitalized development expenses increased to USD 52.9 million from USD 50.1 million at the end of 2024.

Total shareholders' equity amounted to USD 679.6 million at the end of 2025, up from USD 569.8 million at the end of 2024. The increase reflects both the net profit, and a share issue in which the Group raised gross proceeds of USD 105 million. The Group equity ratio was 69.1% at the end of 2025, compared to 70.6% at the end of 2024.

Total liabilities amounted to USD 303.8 million in 2025, compared to USD 236.9 million at the end of 2024. Non-current liabilities increased to USD 158.4 million from USD 133.9 million, mainly due to currency effects on the issued NOK bond. Deferred tax liabilities are related to recognized intangible assets in connection with the acquisition of Memfault, see Note 13: Business combinations for details. Lease liabilities of USD 50.8 million are included in the non-current liabilities.

Current liabilities increased to USD 145.4 million, from USD 103.1 million at the end of 2024. The increase is mainly explained by an increase in accounts payable and in other current liabilities.

Cash flow and funding

USDm	2025	2024
Net cash flow from:		
Operating activities	115.7	60.4
Investing activities	-162.3	-29.6
Financing activities	51.1	-23.2
Currency adj.	15.1	-10.7
Net change in cash and cash equivalents	19.5	-3.0
Cash and cash equivalents 1.1	287.9	291.0
Cash and cash equivalents 31.12	307.4	287.9

Cash flow from operating activities was USD 115.7 million in 2025, compared to USD 60.4 million in 2024. The strong operating cash flow in 2025 was primarily driven by higher EBITDA and lower working capital.

Cash flow used for investing activities had an outflow of USD 162.3 million in 2025, compared to an outflow of USD 29.6 million in 2024. The change is primarily attributable to two acquisitions. The acquisition of Memfault resulted in a net cash outflow of USD 105.3 million (net of acquired cash), while capital expenditure increased to USD 40.8 million from USD 9.8 million, mainly due to the purchase of IP and core technology assets from Neuton.AI. Capitalized development expenses decreased to USD 15.6 million from USD 19.3 million due to regular variation between projects in capitalization phase.

Cash flow from financing activities was an inflow of USD 51.1 million in 2025 compared to an outflow of USD 23.2 million in 2024. The cash inflow in 2025 mainly reflects the capital increase of net USD 102.9 million completed in Q3 2025. The cash inflow was partially offset by share buybacks under two programs: one related to the Memfault founders' reinvestment in Nordic, and one related to the Group's long-term equity-linked incentive programs.

Including the effect of exchange rates, net change in cash and cash equivalents was a cash inflow of USD 19.5 million in 2025, compared to a cash outflow of USD 3.0 million in 2024. Cash and cash equivalents increased to USD 307.4 million at the end of 2025, from USD 287.9 million at the end of 2024. To minimize the impact of currency fluctuations, the cash is primarily held in the Group's functional currency, USD, except for the cash and cash equivalents maintained in NOK to counterbalance the bond exposure in NOK.

In addition to cash at hand, Nordic has undrawn revolving credit facility (RCF) of USD 200 million. In total, available cash amounted to approximately USD 507 million at the end of 2025.

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

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Risk management

The Group's corporate level risk management framework aims to proactively identify, assess and manage risks that may impact the Group's ability to achieve its strategic objectives. Risk management is integrated into planning, capital allocation and operational decision-making processes. The Executive Management Team (EMT) is accountable for managing risks and opportunities at a consolidated corporate level. The Board of Directors oversees risk management through reviews of key risk exposures and controls twice a year, and ongoing oversight of material operational and business initiatives.

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Nordic Semiconductor's risk framework

Framework

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

Process

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

Categories

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



Risk	Influence	Impact
Strategic risks		
Cyclical nature of semiconductor industry	◑	●
Constraints in the supply of wafers and assembly & test capacity	◑	●
Customer concentration	◐	●
Attraction and retention of key talent	◐	●
Competitiveness of Nordic products	◐	●
Adverse global economic conditions, geopolitical risks and trade tensions	◑	●
Uncertainty arising from the emergence of artificial intelligence and machine learning	◐	●
Operational, Financial & Legal risks		
Product ramp	◐	●
Product liability warrant claims	◐	●
Product security	◐	●
Credit risk	◐	●
Intellectual property rights	◑	●
Information security and cyber risks	◑	●
Acute physical events and natural disasters	◒	●
Failure to comply with regulatory requirements	◐	●
Exchange rate and interest rate risk	◐	●



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Risk factors

In conducting business, the Group faces risks that may affect its objectives. Based on the information currently available to the Group, the key risks are outlined below. While the Group implements risk mitigation measures, certain risks may still materialize, and additional risks may arise as market, regulatory, and geopolitical conditions evolve. The risks described in this section should therefore be considered carefully. For further details on environmental, climate-related, and other sustainability-related risks, please refer to the [Sustainability statement](#) section of the Annual Report.

Theme	Risk	Response
Cyclical nature of the semiconductor industry	<p>The semiconductor industry is inherently cyclical and characterized by periodic fluctuations in demand and supply that can significantly impact the financial performance and stability of companies operating within this sector. The industry faces rapid technological shifts, swift product obsolescence, volatile pricing, evolving standards, short life cycles, and erratic supply and demand, which contribute to cyclical volatility.</p> <p>Downturns are often associated with maturing product cycles of semiconductor companies and their customers' products, inventory corrections and macroeconomic slowdowns, and may result in reduced product demand, declines in average selling prices, decreased revenues, underutilized production capacity and increasing inventory levels.</p> <p>In addition, recent imbalances between supply and demand for certain semiconductor components, such as memory chips, may result in price increases and higher input costs for end-product manufacturers. Higher component costs can lead to higher prices for finished consumer products and may reduce end-customer demand. Lower demand for such products may in turn reduce demand for complementary products that use other semiconductor components, including connectivity solutions supplied by the Group.</p> <p>Nordic has historically experienced adverse effects on its results of operations and cash flows during such downturns, primarily in the form of decreased revenue due to reduced demand from end-customers and increased inventory levels. The Group may experience similar adverse effects in future cycles, which could be severe or prolonged. The Group's ability to reduce costs during downturns through reductions in capital expenditure and research and development expenses or other means may be constrained by the need to maintain its competitive position.</p>	<p>Nordic maintains a strong balance sheet with sufficient liquidity to withstand periods of reduced demand. The Group continues to invest in research and development strategically to support its position at the forefront of technological innovation, which can provide a competitive edge and potentially stabilize revenue streams during industry downturns. As a fabless company, Nordic retains operational flexibility by leveraging its ability to adjust inventory levels more swiftly and with lower overhead costs compared to traditional manufacturers, which supports resilience during industry downturns.</p>



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Theme	Risk	Response
Constraints in the supply of wafers and assembly & test capacity	<p>As a fabless semiconductor company, Nordic outsources the capital-intensive production of silicon wafers, packaging, and testing of its products to third-party suppliers, mainly in Asia. The manufacturing pipeline involves multiple stages and suppliers. Disruption at any of these third-party suppliers could negatively affect revenue and customer relationships.</p> <p>Nordic does not normally have long-term supply contracts with its suppliers, and delivery of materials and services depends on the suppliers' ability to deliver the requested volumes. Third-party wafer, assembly and test (A&T) subcontractors typically do not guarantee that adequate capacity will be available within the time required to meet demand for the Group's products. Qualification of a new vendor can take more than twelve months and requires customer involvement, as the customer must also qualify the vendor.</p> <p>Capacity constraints may arise not only at the wafer fabrication stage but also within assembly and test operations, including outsourced semiconductor assembly and test (OSAT) providers. Increasing demand for advanced semiconductor products, including those used in artificial intelligence and high-performance computing applications, may intensify competition for both front-end wafer capacity and back-end packaging and test capacity. Such competition could affect lead times, pricing or the availability of manufacturing capacity for the Group's products.</p> <p>Over recent years, the semiconductor industry has faced significant global demand fluctuations, as well as supply issues of various origins. Examples include macroeconomic volatility, supply chain disruptions and geopolitical tensions. For Nordic Semiconductor, the combined effect of these factors resulted in a prolonged shortage of wafer supply during 2021 and 2022, which in turn resulted in limited delivery capabilities for certain products, notably in the higher-end Bluetooth® Low Energy series. Based on current demand and supply forecasts, wafer and assembly capacity are expected to meet present requirements. However, future supply constraints cannot be ruled out in the supply of wafers and assembly & test capacity.</p>	<p>Nordic maintains close dialogue with customers and suppliers to identify and address supply risks. The standard practice of keeping buffer stock of wafers and finished goods continues. Supply chain options are considered when selecting suppliers and technologies to minimize impact of future supply constraints, including sourcing of materials from different regions.</p> <p>Long term supply agreements have been used in connection with introduction of new technologies.</p> <p>Nordic seeks to have insurance to cover financial losses from supply disruptions related to disasters. However, insurance cannot completely mitigate the risk.</p>
Customer concentration	<p>In 2025, Nordic derived around 57% of its total revenue from its 10 largest customers. As a result of its customer concentration and the size of existing customer base, Nordic's revenue may fluctuate materially and could be disproportionately impacted by the decisions of its largest customers, if they were to cancel or reduce their purchase commitments.</p> <p>Furthermore, in the event that Nordic's largest customers experience a dramatic decline in sales, fail to compete with their competitors due to oversupply or overcapacity in the market, or decide to alter the product mix, Nordic's business, financial condition, and results of operations could be materially and adversely affected. Additionally, customer concentration is a magnifier of other risks, including but not limited to adverse global economic conditions, geopolitical risks and trade tensions.</p>	<p>Nordic seeks to maintain a balanced mix between large and broad market customers and to allocate supply across its customer base.</p> <p>Nordic seeks to expand its customer base with new platforms and technologies.</p>



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Theme	Risk	Response
Attraction and retention of key talent	Nordic's operational excellence and technological competitiveness are significantly driven by the expertise and leadership of its senior executives, engineers, and other key staff members. The Group's ability to maintain its competitive stance in the high-tech semiconductor industry hinges on the retention of these key individuals and the continuous attraction of new talent, particularly in specialized technical roles essential for product development and technological advancement.	Nordic focuses on talent attraction, recruitment, and retention, as well as succession planning and continues to develop its organizational culture and branding. The Group is continuously improving and adapting its employer value proposition.
	As technology advances, the complexity of semiconductor manufacturing increases. Developing smaller, more powerful chips requires significant R&D investment and can strain existing manufacturing capabilities. Competition for qualified employees among companies that rely heavily on engineering and technology is intense, and the loss of qualified employees or an inability to attract, retain and motivate highly skilled employees required for the operation and expansion of the Group's business could hinder its ability to conduct research and development activities successfully and develop marketable products.	The Group also uses acquisitions to strengthen its technology capabilities and access specialized talent. The integration of acquired businesses is supported through defined integration planning and retention measures for key personnel.
	The Group has completed a couple of acquisitions in recent years, including during 2025, as part of its strategy to strengthen its technical capabilities and talent base. Acquisitions involve integration risks, including challenges related to organizational alignment, retention of key employees, cultural integration and realization of expected benefits. If the Group is unable to effectively integrate acquired businesses or retain key personnel following an acquisition, anticipated synergies may not be achieved	
	The Group's success in the future depends in part on its ability to continue to recruit, train, develop and retain such personnel, and if it loses key personnel to competitors or at a rate greater than it anticipates, or if it has difficulty attracting new, highly talented employees, its reputation and its business, financial condition and results of operations could be adversely affected.	
Competitiveness of Nordic products	The semiconductor industry is extremely competitive. Competition is driven by product performance, ultra-low-power characteristics, feature set, quality and reliability, pricing and cost structure, product availability, delivery timing, and engineering, sales and technical support. Nordic competes with both large international semiconductor companies offering broad portfolios and smaller specialists focused on specific technologies or end markets, and many competitors may have greater financial, technological, personnel or other resources than the Group in certain markets. Competition may also be influenced by industrial policy initiatives that support domestic semiconductor ecosystems and may alter competitive dynamics over time.	Nordic continues to invest in developing competitive products, software and development tools, and in executing its product portfolio renewal and platform transitions.
	If Nordic does not keep pace with technology development and customer requirements, or if the Group is not successful in executing its strategy and product roadmaps, it could lose design wins and market share, which may have a material adverse effect on the Group's financial condition and results of operations.	The Group strengthens its position through multiprotocol solutions and a broad connectivity portfolio, supported by ecosystem engagement and participation in relevant industry bodies and standards development. Nordic also continues to expand solution breadth through complementary offerings and services, and works to ensure robust quality, delivery performance and customer support. The Group monitors market and competitive developments and adjusts priorities to maintain a relevant product portfolio and strong execution.



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Theme	Risk	Response
Adverse global economic conditions, geopolitical risks and trade tensions	<p>Nordic's growth depends, in part, on demand for its customers' end products, primarily in the IoT, consumer, healthcare and industrial sectors. Industry downturns that adversely affect the Group's customers or their customers could also adversely affect demand for the Group's products. Additionally, global or regional economic slowdowns that affect business and consumer confidence could lead to a decline in demand for semiconductor products.</p> <p>Rising tensions and deteriorating military, political and economic relations between China and Taiwan could disrupt the operations of third-party foundries, assembly and test subcontractors, which could severely impact Nordic's ability to manufacture the majority of its products and, as a result, adversely affect its business, revenues and results of operations. Globally, more than 50% of semiconductor wafers are sourced from Taiwan; therefore, increased tensions between China and Taiwan can significantly impact the Group's customers' ability to manufacture their products.</p> <p>In addition, there are uncertainties in the global economy due to geopolitical risks, including armed conflicts and regional instability, supply chain disruptions and delays, increases in global energy prices, rising inflation and continued trade frictions. Geopolitical conflicts and sanctions regimes may contribute to volatility in financial and commodity markets, including energy markets and semiconductor manufacturing inputs. Such developments are difficult to predict and could contribute to broader global or regional economic slowdowns, which may adversely affect the Group's business, financial condition and results of operations.</p> <p>Political and trade tensions among several of the world's major economies, including the US, China and the EU, remain volatile and difficult to predict. This may lead to further implementation of tariffs and non-tariff trade barriers, including export controls and licensing requirements, as well as sanctions against certain countries, sectors and companies. Trade restrictions might apply to Nordic's supply chain, its products or its customers.</p> <p>Since 2022, sanctions and export control limitations imposed by, inter alia, the EU, Norway, the US and the UK on Russia and Belarus, along with increased circumvention risks, have created a complex framework for Nordic entities to operate within.</p> <p>The ongoing geopolitical and economic uncertainty, in particular the United States—China relationship, and the uncertain impact of current and future regulations on international trade and the flow of products may cause disruptions in the semiconductor industry and its supply chain. Such disruptions may increase production costs for the Group's end-customers and/or limit their ability to source certain components required to produce their end-products.</p> <p>In addition, trade tensions can increase protectionism, limiting the Group's ability to sell in certain regions. Some of the Group's products are partly assembled in China, and increased tensions between the US and China can reduce the Group's ability to sell to US customers. Revenue from China developed broadly in line with overall Group revenue for FY2025.</p>	<p>Nordic seeks to mitigate the effects of current and potential economic slowdowns through close dialogue with customers and suppliers, credit risk management and operational cost control.</p> <p>The Group also strengthens preparedness and resilience through dual sourcing planning, business contingency planning and maintaining a strong balance sheet.</p> <p>Nordic continuously monitors geopolitical and trade developments and their potential implications for its business operations. The Group implements a Sanctions and Trade Controls compliance program to ensure compliance with increasingly complex regulations.</p> <p>Diversification of capacity and supply chain options, including in Europe, may reduce the effects of geopolitical tensions.</p>
	Uncertainty arising from the emergence of artificial intelligence (AI) and machine learning (ML)	<p>The rapid development and adoption of AI and ML technologies may influence productivity, product development processes, customer expectations and competitive dynamics. If the Group does not monitor and appropriately adopt relevant AI/ML technologies, it may risk falling behind competitors in operational efficiency, innovation and time-to-market. At the same time, increased use of AI-enabled tools may introduce new risks, including cyberattacks, social engineering, data leakage, reliance on inaccurate information, and potential non-compliance with applicable and emerging regulatory requirements. Given the pace of development and evolving regulatory frameworks, there remains uncertainty regarding the longer-term implications of AI and ML for the Group's operations, competitiveness and risk profile.</p>



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Theme	Risk	Response
Product ramp	There is a risk that Nordic may not be able to ramp up production of new products in line with customer demand, resulting in reduced or delayed market absorption of products, reduced revenue growth and/or high yield loss.	Given the timelines for key product introductions, Nordic maintains tight control over the New Product Introduction process, including quality assurance during high volume product ramps. In addition, Nordic has established in-house production qualification and test laboratory capabilities to support efficient validation and product qualification processes, which may help reduce time to market and mitigate ramp-up risks.
Product liability and warranty claims	<p>The Group makes highly complex electronic components and, accordingly, there is a risk that defects may occur in its products that are not detected during the development and manufacturing process. Such defects can give rise to significant costs for the Group, including expenses relating to recalling products; replacing defective items; writing down defective inventory; delays in, cancellations of, rescheduling or return of orders or shipments; and loss of potential sales. In addition, the occurrence of such defects may give rise to product liability and warranty claims, including liability for damages caused by such defects. Moreover, since the cost of replacing defective products is often much higher than the value of the products themselves, the Group may at times face damage claims from customers in excess of its warranty obligations or the relevant sales amounts, including consequential damages.</p> <p>The Group also faces exposure to potential liability resulting from how its customers typically integrate the semiconductors it sells into numerous products, which are then in turn sold on the marketplace. These end products are often highly complex and may occasionally involve the use of the Group's product in ways not originally envisioned by it. In these cases, the Group's products can only be fully tested when deployed in the end products, and its customers may discover defects or errors only after the end products have been deployed. In addition, the Group may be named in product liability claims relating to such end products even if there is no evidence that the Group's products caused a loss. Product liability claims could result in large expenses relating to defense costs or damages awards. Such events could have a material negative impact on the Group's reputation, business, financial condition, and results of operations.</p>	Nordic follows very high standards in terms of quality assurance. Investing in lab equipment and testers reduces time used on fault-finding, enables workarounds to be implemented faster, and effectively screens production defects. Nordic aims to limit the contractual liability to an acceptable level in the industry and seeks adequate insurance coverage.
Product security	There is a risk that released products have security vulnerabilities, and that Nordic may not meet all customers' security expectations with regard to preferred mitigating measures, which may vary from application to application and across end markets. Even if cybersecurity incidents originate in end products or broader customer systems, security events may negatively affect Nordic's reputation, lead to claims, increase support and remediation costs, and adversely impact customer relationships.	Nordic continues to invest in security architecture and in processes intended to identify, assess and mitigate vulnerabilities throughout the product lifecycle. The Group aligns products with relevant security standards and, where appropriate, certification requirements. Nordic maintains established incident management and vulnerability-handling processes, including structured reporting and coordinated disclosure, and engages with external researchers through an external bug bounty program. Dedicated security roles and cross-functional response processes support continuous improvement, customer communication and timely mitigation actions when needed.



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Theme	Risk	Response
Credit risk	Nordic is exposed to credit risk pursuant to trade credit arrangements with its distributors and certain customers. The main counterparties are international distributors of electronic components. The Group has not historically suffered any significant credit losses pursuant to its trade credit arrangements with its distributors or customers, however if such distributors or customers were to experience financial difficulties or any deterioration in their ability to satisfy their obligations to the Group, the Group's cash flow could be materially and adversely affected.	Credit monitoring routines are integrated into new credit lines, requiring security in the form of payment guarantees or advance payment requirements if needed.
Intellectual property rights	<p>The semiconductor and software industries have a history of litigation over patents and other intellectual property rights. Third parties, including non-practicing entities, may claim that the Group's products or the communication technologies and standards used in the industry infringe on their intellectual property. Patents for industry standards within IoT are held by a large number of different owners, and consistent licensing arrangements are not always available.</p> <p>The Group has contractual obligations to defend and indemnify certain customers against infringement claims, although obligations to customers do not generally extend to claims relating to industry standards and standard-essential patents. Any litigation could subject the Group to liability, invalidate its intellectual property rights, distract management, consume R&D resources, and prove costly.</p> <p>The Group's competitive position depends on its proprietary technologies and know-how, safeguarded through a combination of patents, copyrights, trademarks, trade secrets, and confidentiality agreements. Despite these measures, there is a risk that the Group's technology could be used without authorisation, and no certainty that pending patent applications will be granted or provide sufficient protection.</p> <p>The Group's products also integrate third-party technologies. Although licence agreements typically include indemnification clauses, these are often limited in scope or could prove unenforceable, meaning the Group could still face infringement claims in respect of technology it did not develop.</p>	The Group has designated processes for protecting its information and intellectual property rights, including through contractual mitigation, and advocates for fair and transparent licensing of standard-essential patents.
Information security and cyber risks	<p>Nordic relies heavily on information technology systems across its operations, including procurement, research and development, sales, delivery, and other business processes and transactions. The Group's ability to effectively manage its business and coordinate the production, distribution, and sale of its products depends significantly on the reliability, capacity and security of these systems.</p> <p>The Group may be subject to attempts to gain unauthorized access to its systems through the Internet, including through phishing attacks and other forms of social engineering, introduce malicious software to its information systems or otherwise disrupt its information infrastructure. If successful, such incidents could expose the Group and any other affected parties to loss or misuse of proprietary or confidential information, disruption of business operations, delays in customer service, loss of customer trust, reduced operational efficiency, significant remediation costs or reputational harm.</p> <p>Failure of the Group's information technology systems to operate effectively, transition to upgraded or replacement systems, guard against material network breaches as a result of a cyberattack or other incident, or otherwise maintain continuous and secure operations could adversely affect the Group's business, financial condition and results of operations.</p>	<p>Employing robust data protection is a top priority, in addition to reducing risks related to human behavior by providing regular cybersecurity awareness training to all employees, including training focused on phishing and social engineering risks.</p> <p>Nordic has implemented disaster recovery plans and backup routines to mitigate the effects of potential cyberattacks and maintain appropriate insurance coverage.</p> <p>Nordic has a strong focus on building resilience in internal and external systems by identifying and addressing security weaknesses. Nordic conducts regular cyber risk assessments, including cyber posture and readiness assessments performed by third parties, and continues work to remediate and reduce identified risks. Nordic carries out data governance projects to mitigate risks related to data loss.</p>



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Theme	Risk	Response
Acute physical events and natural disasters	The nature of the business as a fabless manufacturer means that Nordic is heavily reliant on semiconductor manufacturing in Taiwan, as well as testing and assembly in Asia. Acute physical events potentially related to climate change could affect suppliers located in Southeast Asia, where tropical cyclones and flooding, or natural disasters such as earthquakes, have the potential to damage production facilities and infrastructure. Such events could impact Nordic's delivery capability in the short-to-medium term. If a major incident occurs, it is unlikely that Nordic would have short-term access to sufficient capacity.	Nordic has established a short-to-medium term strategy for reducing the risk of supply disruptions caused by natural disasters or other severe weather events. In the short term, Nordic maintains a reserve of wafers or finished products to address temporary shortages. For medium-term risk mitigation, Nordic utilizes a second-sourcing strategy to mitigate widespread supply disruptions. In addition, Nordic has partial insurance coverage. For long-term risk mitigation, Nordic's key manufacturing partners have contingency plans to reduce such chronic risks.
Failure to comply with regulatory requirements	<p>Nordic is subject to the regulatory regimes of each country in which it operates, including, among others, those relating to antitrust, anti-corruption, sanctions and export controls, corporate governance, labor, tax, customs, sustainability reporting requirements (e.g., CSRD/ESRS), product safety and cybersecurity regulations, and environmental regulations.</p> <p>Although the Group has internal controls and compliance systems to comply with such laws and regulations, there can be no assurance that such systems, and the Group's other efforts to promote compliance, will be effective. Any violation of the relevant regulations could result in criminal penalties, sanctions, significant fines, or mandatory suspension from certain business activities. It could also adversely affect the Group's reputation, business, and results of operations.</p> <p>The Group may also invest significant resources to enhance its compliance functions as regulations and laws change and become more complex.</p>	Nordic seeks to continuously enhance its compliance system and programs, internal controls, and risk-mitigating measures, including training, monitoring, whistleblowing mechanisms, and Board-level oversight, to strengthen its culture of integrity.
Exchange rate and interest rate risk	Nordic operates globally and is exposed to foreign currency risk, as its sales revenue and direct production costs are almost entirely denominated in USD, whereas approximately 40% and 20% of its operating expenses were denominated in NOK and EUR, respectively, in 2025. Fluctuations in the exchange rates between the USD, NOK or EUR currencies may have an adverse effect on the Group. A 10% change in USD/NOK and USD/EUR exchange rates impacts approximately USD 0.8 million and USD 0.5 million, respectively, in monthly costs.	Nordic keeps most funds in USD, but seeks to have available NOK and EUR to fulfill ongoing obligations. The bond proceeds are in NOK, which is a natural hedge of the bond denominated in NOK.

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Sustainability statement

The Sustainability Statement outlines Nordic’s approach, performance, and governance in relation to sustainability matters, in accordance with the European Sustainability Reporting Standards (ESRS). It aims to provide transparent, comparable information on the Group’s most material impacts, risks, and opportunities, and on how these factors affect its business model, strategy, and financial performance. The statement is structured into four sections – General Information, Environmental Information (including the EU Taxonomy), Social Information, and Governance Information – and is intended to support stakeholders’ understanding of how sustainability is integrated into Nordic’s operations, value chain, and decision-making processes.

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Basis for preparation

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

This Sustainability Statement covers the period from January 1, 2025, to December 31, 2025. It constitutes Nordic's statutory sustainability reporting prepared in accordance with Sections 2-4 and 2-5 of the Norwegian Accounting Act, the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the EU Sustainable Finance Taxonomy.

Consolidation basis

The Sustainability Statement is prepared on a consolidated basis, covering the same reporting entities as the Group's consolidated financial statements for the year ended 2025. It therefore includes the parent company, Nordic Semiconductor ASA, and all subsidiaries listed in [Note 17.2 Subsidiaries](#).

Alignment with financial reporting

The scope of consolidation for sustainability reporting is the same as that of the financial statements.

Coverage of the value chain

The Sustainability Statement covers Nordic's own operations and relevant upstream and downstream activities, including suppliers, contract manufacturers, logistics partners, distributors, product use, and end-of-life stages. Comparative information is provided where prior-year data are available and reliable; where not feasible, the absence of comparatives is disclosed in the relevant topical sections.

Value-chain data are obtained through third-party supplier assessments, including RBA audits and ESG rating platforms (e.g., EcoVadis), combined with direct supplier engagement and Nordic's internal Sustainability Reporting Process embedded in the Quality Management System. Any limitations are disclosed in the respective topical standards.

Omission of information

No material information has been omitted on the grounds of intellectual property, know-how, or the results of innovation.

Use of exemption under Directive 2013/34/EU

Nordic has not used the exemption related to impending developments or matters under negotiation.

Additional clarification

Nordic distinguishes between:

- the Double Materiality Assessment (DMA), which covers upstream and downstream impacts, risks, and opportunities;
- policies, actions, and targets, which apply primarily to Nordic's own operations but are being progressively extended to material suppliers, where relevant and feasible; and
- value-chain data in metrics, which remain under development. In 2025, value-chain information has been incorporated where data quality allows, with further expansion expected over subsequent reporting cycles.

The basis for all calculations and methodologies is described in the respective topical standards. The Sustainability Reporting Process supports traceability, data quality, and assurance readiness.

ESRS 2 BP-2 Disclosures in relation to specific circumstances

No material prior-period errors were identified. The 2025 cycle incorporates clarifications from the Omnibus / "Quick Fix" package. Nordic introduced a limited set of new or refined metrics aligned with the updated strategy and DMA. Comparative information is presented on the same basis as previously reported.

Certain upstream and downstream metrics rely partly on estimated inputs, notably Scope 3 GHG emissions, supplier water data, and selected S2 indicators. Estimates draw on supplier-reported information, third-party ESG assessments (including EcoVadis), RBA audits, and modelled data aligned with ESRS 1 Section 5. Measurement uncertainty is moderate and primarily reflects the quality of supplier data. Nordic is improving accuracy through expanded coverage of third-party ESG assessments, strengthened supplier engagement, and enhanced internal systems.

Nordic has not identified any quantitative metrics subject to a high level of measurement uncertainty, based on its current assessment. The metrics with the most significant (moderate) uncertainty are Scope 3 GHG emissions, supplier water consumption, and selected human rights indicators. Assumptions and allocation factors are described in the relevant topical standards.

This Sustainability Statement also fulfills requirements under the Norwegian Accounting Act, including disclosures on equality, diversity, and central intangible resources. Nordic does not apply other voluntary frameworks beyond ESRS requirements except where explicitly cross-referenced, and it does not use incorporation by reference.

A transitional provision under ESRS 1, Section 10.2 (no. 132), remains in use for value-chain information where supplier or customer data are incomplete. Nordic currently expects to phase out this provision after the 2026 reporting cycle, subject to data availability and quality.

Data collection and reporting follow Nordic's internal Sustainability Reporting Process within the Quality Management System.

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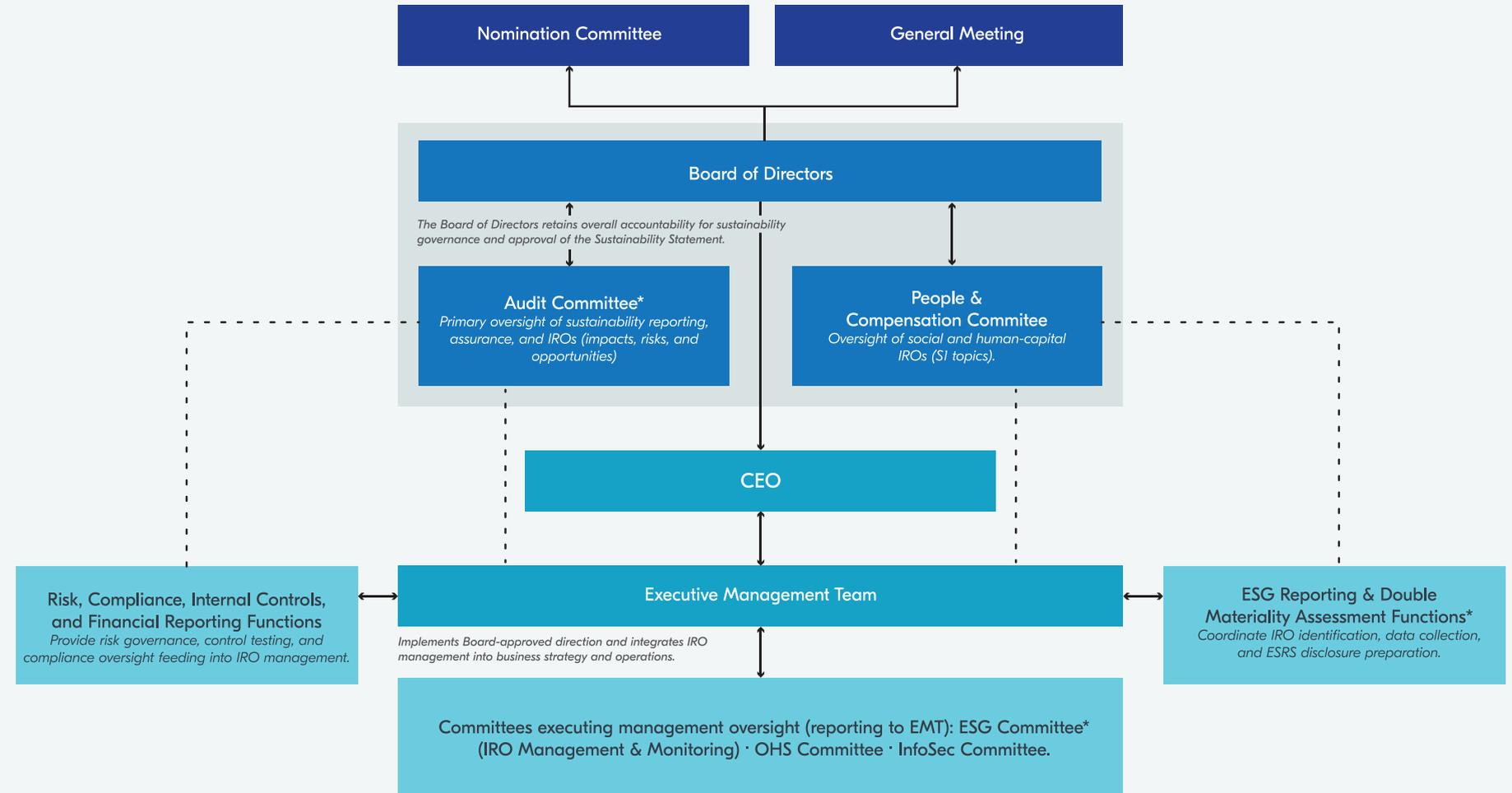
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ESRS 2 GOV-I The role of the administrative management and supervisory bodies



— Formal reporting/accountability
- - - Functional coordination or oversight (non-reporting)

*Bodies with specific IRO oversight responsibilities

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Governance structure

Nordic's governance model consists of two main bodies:

- The Board of Directors (BoD), acting as the supervisory body with overall accountability for sustainability governance, risk oversight, and approval of the Sustainability Statement; and
- The Executive Management Team (EMT), serving as the administrative and management body responsible for daily operations, internal control, and implementation of Board-approved strategies, including sustainability-related targets.

The figure above illustrates Nordic's governance structure and the allocation of oversight responsibilities for IROs. The ESG Committee is a management-level forum within the EMT structure and is distinct from the former Board-level Sustainability Committee, which was dissolved in 2024.

Composition and diversity

The BoD comprises eight members: five shareholder-elected independent directors and three employee-elected directors representing Nordic's workforce.

- Independence: all five shareholder-elected directors (62.5%) are independent.
- Representation: three employee-elected members (37.5%) provide direct input on workplace and social matters.
- Gender diversity: five female (62.5%) and three male (37.5%) members.
- Shareholder-elected members: three female (60%) and two male (40%).
- Employee-elected members: two female (67%) and one male (33%).

The EMT comprises eleven executive members, all of whom are employed by Nordic. As of December 31, 2025, the composition consists of one female (9%) and ten male (91%) members. EMT members bring expertise in operational execution, risk management,

and integrating sustainability into business processes. This range of competencies supports the integration of sustainability into business strategy, risk management, and operational decision-making across the company's global semiconductor value chain.

Collectively, the BoD and EMT possess broad expertise in semiconductors, technology, cybersecurity, finance, sustainability, and corporate governance. These competencies support the oversight of Nordic's material IROs, including climate transition, responsible supply chains, and workforce capability.

Roles and responsibilities

Board of Directors (BoD)

The BoD has ultimate responsibility for sustainability governance, strategy integration, and risk management. Oversight of sustainability-related IROs and reporting is delegated to the Audit Committee (AC), while oversight of workforce-related matters is vested in the People & Compensation Committee (PCC).

During 2024, sustainability matters were overseen by a dedicated Sustainability Committee of the Board. In 2025, oversight of sustainability reporting and related governance was integrated into the mandate of the Audit Committee to align sustainability reporting with financial reporting, internal controls, and assurance processes.

- Audit Committee (AC) – Primary oversight of sustainability and IROs
 - Monitors the effectiveness of sustainability-reporting controls, data integrity, and assurance readiness.
 - Reviews climate- and environment-related risk management, double materiality outcomes, and non-financial disclosures.
 - Oversees compliance, ethics, and business-conduct matters, including anti-corruption and trade controls.
 - Meets at least six times per year and receives scheduled semiannual updates on sustainability reporting, assurance readiness, and IRO-related risks.

- Reports directly to the BoD.
- People & Compensation Committee (PCC)
 - Oversees remuneration policy, leadership development, and social and human-capital IROs (ESRS SI topics).
 - Monitors alignment between incentives and workforce policies and sustainability objectives.
 - Meets quarterly and reports findings to the BoD.

The BoD receives semiannual updates through the AC on sustainability reporting, internal controls, and IRO-related risks. The AC reports its findings and recommendations to the BoD, which reviews overall sustainability performance and approves annual targets in connection with strategic planning and the Sustainability Statement.

Executive Management Team (EMT)

The EMT is responsible for operational execution and internal governance. It implements BoD decisions and integrates IRO management into day-to-day operations.

- The EMT oversees sustainability matters through the ESG Committee, comprising all EMT members and meeting at least quarterly.
- The ESG Committee monitors sustainability-related IROs, evaluates progress against Board-approved targets, and reviews the status of sustainability-data validation prior to reporting.
- Reporting lines flow from business units to the EMT / ESG Committee, then to the AC and BoD.
- Processes supporting IRO management and sustainability reporting are documented within Nordic's Quality Management System and embedded in established internal governance processes.

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Oversight of target-setting and monitoring

The EMT, through the ESG Committee, proposes and monitors sustainability targets informed by the Double Materiality Assessment and aligned with the company's approved Sustainability Strategy and Climate Transition Plan. The AC receives semiannual updates on overall sustainability performance, assurance readiness, and IRO-related risks. The BoD reviews sustainability progress annually, in connection with the strategic planning process and approval of the Sustainability Statement.

Access to sustainability expertise and skills

The BoD and EMT maintain access to internal sustainability expertise and external advisers when needed. Their collective competencies, supported by periodic briefings and specialist input, support the oversight of material environmental, social, and governance matters.

ESRS 2 GOV-1-GI Business-conduct oversight

The AC oversees Nordic's business conduct framework, including compliance, anti-corruption, data protection, and trade controls, and is supported by the Legal & Compliance function. Following the transfer of responsibilities from the former Sustainability Committee in 2025, the AC also oversees sustainability-related governance, reporting integrity, and assurance readiness. The Committee receives semiannual updates on business conduct performance, investigations, remedial actions, and the operation of the Code of Conduct, Supplier Code of Conduct, and Integrity Line. The BoD and the AC have experience in corporate governance, compliance, and risk management, and they draw on internal and external expertise when needed.

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

Information flow

Material IROs and the implementation status of related policies, actions, and targets are reported through structured processes, as appropriate, at both management and Board levels:

Management and administrative body (EMT):

- Regular ESG Committee meetings, chaired by the CEO, where sustainability performance, material IROs, and progress on sustainability actions are reviewed.
- Functional reporting from the Quality, Supply Chain, and People & Culture departments on environmental, supplier, and workforce metrics.
- Targeted briefings on regulatory developments and assurance requirements, coordinated by the Compliance function in collaboration with Finance and Quality.

Supervisory body (BoD):

- Semiannual AC updates covering sustainability reporting, assurance readiness, and business-conduct risks.
- Quarterly PCC meetings addressing workforce, diversity, and human-capital IROs.
- Annual BoD review of the sustainability strategy, climate-transition plan, and approval of the Sustainability Statement.

Consideration of impacts, risks, and opportunities (IROs)

The BoD considers sustainability-related IROs in connection with its annual strategy reviews, approval of long-term objectives, and oversight of the climate transition plan. When assessing major transactions or investment priorities, the BoD evaluates potential trade-offs between financial, environmental, and social outcomes.

The AC focuses on sustainability governance and reporting integrity. At the same time, the PCC oversees social and human capital-related risks and monitors the alignment between remuneration and sustainability objectives.

The EMT, through the ESG Committee, oversees the implementation of the Group's sustainability framework, including environmental and climate performance and sustainability due diligence processes. Progress is monitored through:

- implementation of Board-approved policies;
- completion of action plans linked to material IROs; and
- evaluation of performance against sustainability and climate targets.

External specialists, including Position Green, support updates to the Double Materiality Assessment and the development of climate-transition plans, helping management and the Board strengthen the accuracy and comparability of information.

Material IROs addressed

During 2025, the BoD and EMT addressed material IROs identified in the updated Double Materiality Assessment (ESRS 2 SBM-3). Key matters discussed during the period include:

- Climate change
- Resource efficiency
- Worker safety
- Cybersecurity
- Diversity and inclusion
- Ethics/business conduct

A complete overview of Nordic's material IROs is provided in the Material impacts, risks, and opportunities (ESRS 2 SBM-3) chapter.

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ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

The purpose of this disclosure is to explain whether and how sustainability-related performance is integrated into incentive schemes for members of Nordic's governance bodies during the reporting period.

Management and administrative body (EMT)

Key characteristics

Nordic operates short-term and long-term incentive programs for eligible employees, including EMT members. The structure, performance criteria, and weightings of incentive schemes are governed by the Group's remuneration framework and subject to Board approval.

Sustainability-related performance in incentive schemes

Short-term incentive (STI)

In 2025, sustainability-related performance is integrated into the STI framework at the corporate level. ESG-related performance metrics form part of the annual performance evaluation. For the 2025 performance year, ESG-related metrics account for 10% of the total STI performance weighting.

Long-term incentive (LTI)

The LTI plan covering the 2025–2027 performance period includes performance share units (PSUs) subject to corporate performance criteria approved by the Board. For awards granted during the reporting period, the PSU performance conditions consist of:

- Total Shareholder Return (TSR) (45% weighting);
- Financial performance criteria (45% weighting); and
- ESG-related performance criteria (10% weighting).

Accordingly, sustainability-related performance measures form part of the vesting conditions for PSUs granted during the reporting period.

ESRS 2 GOV-3-EI Climate-related considerations in remuneration

In 2025:

- A climate-related performance metric linked to Scope 1 and Scope 2 GHG emissions reduction relative to the 2019 baseline formed part of the STI framework (10% of total STI weighting), with performance assessed against the company's climate targets disclosed under ESRS EI-4.
- ESG-related performance measures, including climate-related metrics, also formed part of the PSU performance criteria within the LTI framework (10% weighting).

Proportion of variable remuneration linked to sustainability

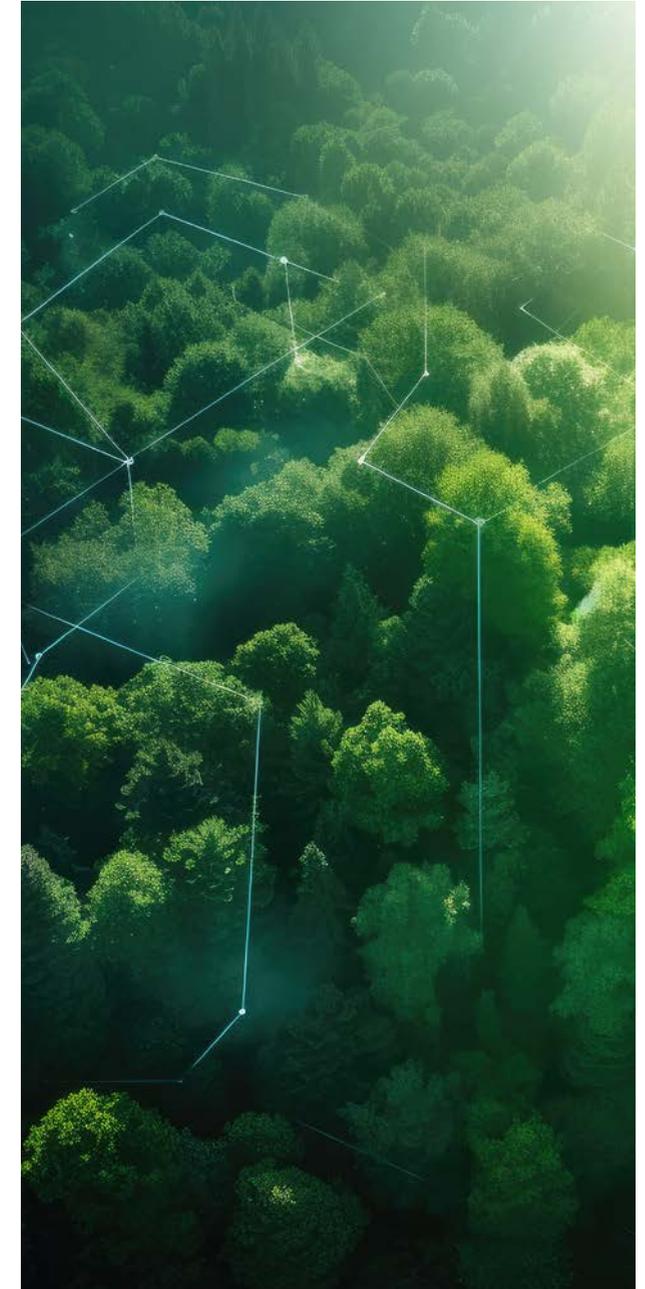
- STI: ESG-related metrics represent 10 % of the annual performance evaluation for eligible employees, including EMT members.
- LTI: ESG-related metrics represent 10 % of the PSU performance criteria applicable to awards granted during the reporting period.

Approval level

The PCC reviews the structure, performance criteria, and weighting of incentive schemes. The BoD approves the applicable performance conditions.

Supervisory body (BoD)

Remuneration of Board members does not include sustainability-linked performance metrics. The BoD oversees the design of executive incentive schemes and periodically reviews whether sustainability-related performance measures should be integrated into future remuneration frameworks.



ESRS 2 GOV-4 Statement on due diligence

The following table maps the information in this Sustainability Statement to the due diligence process.

Core elements of due diligence	Pages in the Sustainability Statement	Does the disclosure relate to people and/or the environment?	
a) Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-2, page 41	People and environment	
	ESRS 2 GOV-3, page 42	People and environment	
	ESRS 2 SBM-3, pages 50-58	People and environment	
	E1-ESRS 2 SBM-3, pages 78-79 E2-ESRS 2 SBM-3, pages 88-89 E3-ESRS 2 SBM-3, page 92 E5-ESRS 2 SBM-3, pages 94-95	Environment	
	S1-ESRS 2 SBM-3, pages 104-105 S2-ESRS 2 SBM-3, pages 114-115 S4-ESRS 2 SBM-3, pages 119-120	People	
	G1-ESRS 2 SBM-3, pages 124-125	People and environment	
	b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2, page 41	People and environment
		ESRS 2 SBM-2, pages 48-49	People and environment
		ESRS 2 IRO-1, pages 59-66	People and environment
		ESRS 2 MDR-P: E1-2, page 79 E2-1, pages 89-90 E3-1, pages 92-93 E5-1, page 95	Environment
ESRS 2 MDR- P: S1-1, page 106 S2-1, pages 115 S4-1, page 120		People	
Topical ESRS: G1-1, page 125		People and environment	
Topical ESRS: S1-2, pages 106-107 S2-2, pages 115-116 S4-2, page 120		People	
c) Identifying and assessing adverse impacts		ESRS 2 IRO-1, pages 59-66	People and environment
		ESRS 2 SBM-3, pages 50-58	People and environment
		E1-ESRS 2 SBM-3, pages 78-79 E2-ESRS 2 SBM-3, pages 88-89 E3-ESRS 2 SBM-3, page 92 E5-ESRS 2 SBM-3, pages 94-95	Environment
	S1-ESRS 2 SBM-3, pages 104-105 S2-ESRS 2 SBM-3, pages 114-115 S4-ESRS 2 SBM-3, pages 119-120	People	
	G1-ESRS 2 SBM-3, pages 124-125	People and environment	

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Core elements of due diligence	Pages in the Sustainability Statement	Does the disclosure relate to people and/or the environment?
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A: E1-3, pages 79-80 E2-2, page 90 E3-2, page 93 E5-2, pages 95-96	Environment
	ESRS 2 MDR-A: S1-4, page 108 S2-4, pages 116-117 S4-4, page 121	People
	Topical ESRS: E1-1, pages 76-77	Environment
	Topical ESRS: G1-1, page 125	People and environment
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M: E1-5, page 83 E1-6, pages 84-87 E2-5, page 91 E5-4, pages 96-98 E5-5, page 98	Environment
	ESRS 2 MDR-M: S1-9, page 112 S1-13, page 112 S1-14, page 112 S1-15, page 112 S1-16, pages 112-113 S1-17, page 113	People
	ESRS 2 MDR-T: E1-4, pages 81-83 E2-3, pages 90-91 E3-3, page 93 E5-3, page 96	Environment
	ESRS 2 MDR-T: S1-5, pages 108-109 S2-5, page 117 S4-5, pages 121-122	People
	Topical ESRS: Entity-specific metrics: value chain workers, page 118 Entity-specific metrics: cybersecurity, page 126 Entity-specific metrics: whistleblowing and retaliation prevention, page 126	People



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

The purpose of this disclosure is to describe the main features of Nordic's risk-management and internal-control processes in relation to sustainability reporting.

Scope and main features

Sustainability-related risks are incorporated into Nordic's corporate-level risk framework, which is designed to proactively and systematically manages risks and opportunities that may affect strategic objectives. In 2025, Nordic advanced the alignment of the Double Materiality Assessment (DMA) and the Enterprise Risk Management (ERM) framework. The integration of sustainability-related risks into the ERM system will continue in the next reporting cycle.

Nordic's internal control environment for sustainability reporting is based on established responsibilities within business units, central functions, and oversight bodies. It follows the same risk-governance principles applied across the Group's enterprise risk-management framework. Control activities for sustainability reporting are informed by the results of the DMA and are designed to focus on material environmental, social, and governance topics. Key elements include:

- documented ownership of sustainability data and reporting processes;
- defined roles for Finance, Quality, Supply Chain, People & Culture, and Compliance in coordinating sustainability reporting; and
- established reporting lines through the ESG Committee, the EMT, the AC, and the BoD.

Elements of the sustainability-reporting process are documented in Nordic's Quality Management System, supporting consistency, traceability, and assurance-readiness.

Risk-assessment approach

Sustainability-reporting risks are assessed using Nordic's standard ERM methodology, which evaluates each risk according to likelihood, potential impact, and strategic relevance.

Risks are prioritized using a weighted scoring matrix, consistent with the approach applied to other corporate-level risks.

Main risks and mitigation strategies

Principal sustainability-reporting risks include:

- Data quality and completeness: inconsistent or missing information from internal or external sources.
- Estimation uncertainty: reliance on assumptions for Scope 3 emissions and value-chain indicators.
- Human error and control gaps: manual data handling during consolidation.
- Timing of information: delays in receiving supplier or downstream data.

Mitigation measures include:

- Data-validation controls: automated and manual checks embedded in templates and reporting workflows.
- Competence development: targeted training on sustainability metrics, definitions, and documentation requirements.
- Supplier engagement: collaboration to improve transparency and reporting timelines for value-chain data.
- Control reviews: periodic assessments of sustainability-reporting processes carried out by responsible functions and aligned with Nordic's corporate-level risk framework.

Integration of findings into internal processes

Findings from sustainability risk assessments and control reviews are integrated into internal processes through cross-functional collaboration among Finance, Quality, Supply Chain, People & Culture, and Compliance.

Corrective actions arising from sustainability-risk assessments and control reviews are tracked by the responsible functions within their respective follow-up systems. Progress is consolidated and reviewed through the ESG Committee, and significant process improvements are incorporated into existing internal processes.

Periodic reporting and oversight

Results of sustainability risk assessments, control reviews, and progress on mitigation are reported semi-annually to the AC, which oversees the design and effectiveness of internal controls, including those related to sustainability reporting.

The EMT reviews results through the ESG Committee prior to escalation to the AC.

The BoD conducts bi-annual reviews of major exposures and internal controls and considers sustainability-related risks as part of its ongoing oversight of strategic matters.



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Strategy & business model

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

Strategic context and linkage to sustainability matters

Nordic's strategy and business model are connected to the sustainability matters identified as material in the 2025 Double Materiality Assessment. The updated sustainability framework is structured around three Sustainability Building Blocks—Products, People, and Production—which guide how material impacts, risks, and opportunities (IROs) influence strategic priorities:

- Products: ultra-low-power semiconductor technologies and lifecycle-enhancing software capabilities;
- People: a skilled, inclusive, and engaged workforce;
- Production: responsible and resilient supply-chain practices, including ESG-based supplier management, PFAS-free qualification, climate-related planning, and resource efficiency.

Products and services

Nordic designs and sells low-power wireless connectivity solutions and power-management devices. In 2025, Nordic reports on the following product groups:

- Short-range (multiprotocol products including Bluetooth Low Energy, Thread, Zigbee, and Matter, and proprietary products)
- Long-range (cellular products, proprietary products and Cloud services)
- Other (PMIC, Wi-Fi, ASIC components and development tools)

These groups collectively account for the majority of Group revenues. They are linked to material sustainability matters, including climate change mitigation (energy efficiency), pollution (substances of concern), circularity (product durability), and working conditions in the upstream value chain.

In 2025, Nordic also strengthened its product ecosystem by integrating lifecycle-management capabilities via the acquired Memfault platform and by expanding its edge AI capabilities through the acquisition of Neuton AI. These integrations support Nordic's long-term product strategy but do not constitute standalone revenue-generating product groups in 2025.

Markets and customer groups

Customer groups include:

- Consumer
- Industrial and Healthcare
- Other

Demand from these markets is linked to downstream positive impacts such as energy efficiency and product durability, as well as risks related to data security and end-of-life treatment.

Headcount by geographic area

Nordic's workforce is located primarily in:

- Europe: Norway, Finland, Sweden, Germany, Poland
- Asia: Taiwan, Philippines, China, Singapore, Japan, South Korea, India
- North America: United States

A quantitative breakdown of headcount by region is provided in the SI Own workforce disclosure.

Sustainability-related goals linked to products, services, markets, and stakeholders

Nordic's sustainability goals focus on improving energy efficiency, strengthening inclusion and workforce engagement, and advancing supply-chain sustainability performance across its key markets and manufacturing regions. These goals reflect expectations from customers, investors, employees, and suppliers and inform Nordic's approach to product development and value-chain engagement.

Assessment of products, services, markets, and customer groups in relation to sustainability goals

Nordic's product and service groups support sustainability goals by enabling low-energy IoT applications, reducing resource use, and extending device lifetimes through lifecycle-management capabilities. Upstream environmental and social impacts, particularly GHG emissions, water consumption, and working conditions, require continued supplier engagement and improved data systems.

Main challenges ahead and critical projects

Key challenges include renewable-energy constraints in the upstream chain, limited comparative ESG data from suppliers, and implementation of the Climate Transition Plan. Nordic's 2025 work program focuses on enhanced data-collection systems, supply-chain improvement plans, PFAS-free qualification activities, and lifecycle-management initiatives.

Business model and value chain

Nordic's inputs consist primarily of semiconductor design expertise, engineering talent, and outsourced manufacturing capacity, supported by long-term partnerships and continuous competence development.

Nordic's outputs are low-power semiconductor devices and associated software tools supporting energy efficiency, product durability, and reliable IoT performance.

The upstream value chain includes wafer fabrication, assembly, test, and packaging, primarily in Taiwan and the Philippines, and accounts for the majority of Nordic's environmental footprint.

The downstream value chain comprises distributors, OEMs, and end-users across consumer, industrial, and healthcare applications. Key IROs include product durability, use-phase energy efficiency, and end-of-life treatment.

Nordic occupies a mid-chain position as a fabless semiconductor designer dependent on collaboration with manufacturing partners and distributors.

Nordic Semiconductor Business Model

Core Technology Portfolio

Bluetooth Low Energy

Cellular IoT

Low power Wi-Fi

Multiprotocol solutions

Product Portfolio

Bluetooth Low Energy

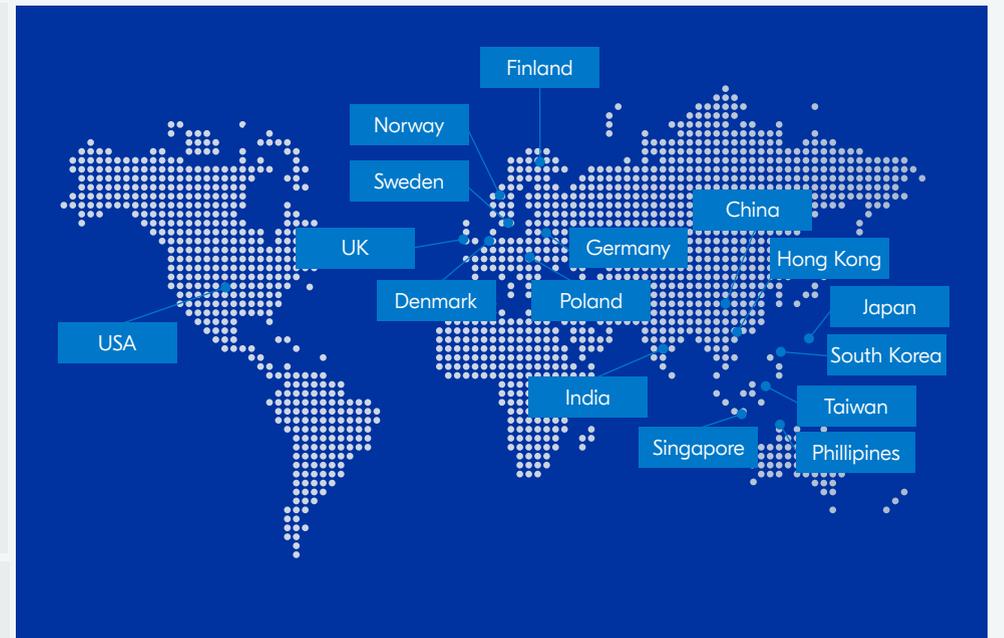
Cellular IoT

Low power Wi-Fi

Power management ICs

Software development tools & device lifecycle powered by

Global Presence



Value Chain



Illustrating Nordic's business model and value chain (ESRS 2 SBM-I)

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Nordic's stakeholders

ESRS 2 SBM-2 Interests and views of stakeholders

This disclosure explains how the interests and views of Nordic's stakeholders inform the strategy and business model. Engagement activities provide insight into how its strategy and business model relate to material impacts on workforce members (S1), value chain workers (S2), and consumers and end-users (S4). Affected communities (S3) are not material in the 2025 Double Materiality Assessment (DMA) and are therefore not included.

Summary of stakeholder engagement

Category	Key stakeholders	How engagement is organized	Purpose of engagements	How outcomes inform Nordic's business
Market	<ul style="list-style-type: none"> Suppliers Distributors Customers End-users (S4) Competitors Stock exchange Insurers & banks Value chain workers (S2) 	<ul style="list-style-type: none"> Supplier meetings and surveys (annual and ad hoc) RBA audits and HRDD questionnaires EcoVadis supplier ratings Distributor interaction and quarterly reviews Customer meetings (1–2 times per year) Industry association forums Insurance negotiations Sustainability-linked financing dialogue 	<ul style="list-style-type: none"> Obtain due diligence information Support supplier ESG performance Understand customer and end-user requirements Discuss product sustainability and security Monitor market expectations 	<ul style="list-style-type: none"> Supplier ratings and GHG data inform supplier selection and development Due diligence results guide supply-chain management Customer and end-user feedback informs product-development priorities Industry expectations support ESG planning KPI results influence management targets
Society	<ul style="list-style-type: none"> Local communities (S3) Industry associations NGOs Authorities Regulators Media Nature 	<ul style="list-style-type: none"> HRDD assessments Dialogue with community and NGO stakeholders Industry-forum participation Regulatory consultations Press releases and interviews Environmental impact assessments Resource-use monitoring 	<ul style="list-style-type: none"> Maintain constructive dialogue and support transparent communication Support industry standards Promote adherence to applicable requirements Minimize environmental impacts 	<ul style="list-style-type: none"> HRDD and regulatory findings guide supply-chain risk mitigation Environmental data informs resource-efficiency measures Standards development informs product governance Media insights inform communication strategy
Internal	<ul style="list-style-type: none"> Board of Directors EMT (ESG Committee) Employee representatives (S1) Employees (S1) 	<ul style="list-style-type: none"> Board meetings Audit Committee oversight Quarterly ESG Committee reviews Employee-representative forums (monthly) Pulse survey (introduced in 2025) Exit interviews 	<ul style="list-style-type: none"> Strategic oversight Address workplace matters Monitor engagement, inclusion, and well-being Collect operational feedback 	<ul style="list-style-type: none"> Governance-body input directs sustainability-strategy execution Pulse-survey results inform inclusion, training, and well-being initiatives Employee feedback shapes workplace and HR policies Exit-interview findings support retention measures
Owners	<ul style="list-style-type: none"> Shareholders Analysts Rating agencies 	<ul style="list-style-type: none"> General meetings ESG reporting and investor briefings Analyst meetings Annual rating reviews 	<ul style="list-style-type: none"> Provide transparent performance information Meet ESG-disclosure expectations Support investment analysis 	<ul style="list-style-type: none"> Rating feedback shapes governance updates Investor expectations guide disclosure maturity Analyst insights support strategic planning

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Stakeholder interests and views, and how they inform Nordic's strategy and business model

ESRS 2 SBM-2-S1 Workforce interests and views

Employees highlighted integrity, workplace fairness, inclusion, and opportunities for development as priorities. These insights informed Nordic's People building bloc, contributing to equal-opportunity measures, improving training data systems for workforce development planning, and expanding its learning and development offerings.

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

Responsible Business Alliance (RBA) audits, Human Rights Due Diligence (HRDD) questionnaires, and third-party ESG assessments highlighted expectations regarding fair working conditions, accommodation, safety, and effective grievance mechanisms. These insights informed the Production building block by strengthening supplier engagement requirements and prioritizing supply chain risks, including PFAS-free qualification pathways and enhanced labor rights controls in upstream manufacturing.

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

Customers and end-users expressed expectations for energy efficiency, durability, security, and transparency throughout the lifecycle. These views informed the Products building block by reinforcing priorities for product energy-efficiency improvements and lifecycle management functionality. They informed enhancements to product security governance that support responsible product use and protects end users' rights.

Amendments to strategy and business model

Stakeholder insights contributed to the following adjustments in 2025:

Refinements made

- Consolidation of the Sustainability Strategy into the three building blocks: Products, People, and Production.
- Introduction of pulse surveys to support more frequent insight into workforce expectations.

- Strengthened supplier-engagement processes, including third-party ESG ratings and enhanced HRDD assessments.
- Adjustments to product-development priorities based on customer and end-user expectations for energy efficiency, durability, and secure operation.

Further steps planned

- Planned expansion of supplier-rating coverage during 2025–2026.
- Ongoing use of quarterly workforce survey insights to inform people-related priorities and actions under the Sustainability Strategy throughout 2025–2026.
- Continued strengthening of product-security governance during 2025–2026.

These developments are intended to support the continued integration of stakeholder perspectives into strategic priorities and help align stakeholder expectations with the business's direction.

Governance-body oversight

The following governance bodies are informed about stakeholder interests and sustainability-related impacts:

- Board of Directors: reviews strategic sustainability matters, including stakeholder expectations and relevant due diligence findings.
- Audit Committee: oversees the integrity of sustainability disclosures, value-chain due diligence outcomes, internal-control considerations, and the updated DMA results.
- ESG Committee (Executive Management Team): meets quarterly to review stakeholder insights from engagement activities, HRDD findings, third-party ESG ratings, pulse surveys, and customer dialogue, and supports their integration into operational and strategic decision-making.

This governance structure supports the consideration of stakeholder perspectives—particularly those of workforce members (S1), value chain workers (S2), and consumers and end users (S4)—in the assessment and adaptation of Nordic's strategy and business model.

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Material impacts, risks, and opportunities

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

Nordic's 2025 Double Materiality Assessment (DMA) identifies material impacts, risks, and opportunities (IROs) across the upstream value chain, own operations, and downstream product use. These IROs inform strategic priorities, resource allocation, and business-model adaptation, and the associated policies, actions, targets, and metrics are presented under the topical standards.

Material environmental impacts arise primarily upstream and relate to GHG emissions, water use, pollution, and resource intensity in manufacturing and logistics. Material social impacts mainly occur at Tier 1 and Tier 2 suppliers, with additional impacts in Nordic's own operations related to working conditions, representation, and health. Downstream impacts include product-enabled environmental effects, circularity considerations, and security-related implications associated with customer device-level implementation. These impacts affect people and the environment through labor rights conditions, pollution, and resource use, as well as downstream energy efficiency gains, and they occur across the short-, medium-, and long-term horizons, as reflected in the materiality tables that follow.

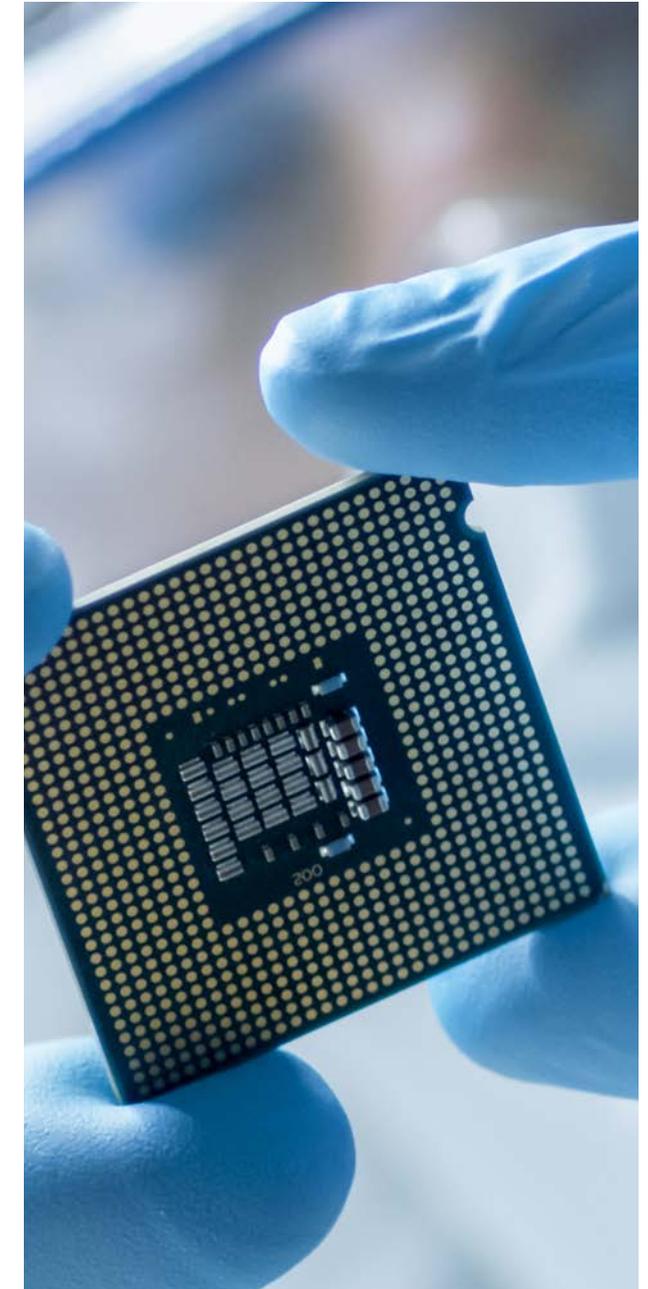
Material IROs guide the execution of Nordic's three Sustainability Building Blocks. Upstream negative impacts and risks drive supplier engagement and responsible sourcing expectations under the Production building block. Downstream positive impacts and opportunities support Nordic's Products building block through R&D focus on energy-efficient product design. Workforce-related impacts guide the People building block through further development of equal-opportunity and capability-building initiatives across the organization. Current financial effects relate primarily to upstream decarbonization costs, regulatory compliance, and cybersecurity safeguards.

Nordic assesses resilience annually through the DMA, climate risk evaluation, and supplier risk assessments. The fabless model provides structural flexibility, as Nordic does not own fabrication facilities and can in principle adjust manufacturing partners. In practice, however, supplier diversification and dual sourcing are constrained by technological requirements, qualification cycles, and the limited number of suppliers capable of meeting Nordic's specifications. Nordic's strategy is designed to remain resilient, supported by its scalable low-power product portfolio, its established relationships with global manufacturing partners, its secure-by-design development practices, and the ongoing development of capabilities to incorporate climate-related risks and opportunities into future planning. These assessments cover the short-, medium-, and long-term time horizons defined in ESRS 1.

Compared with 2024, the 2025 DMA shows several changes:

- Corporate culture (G1) was reassessed and did not meet the thresholds for inclusion as a material IRO for 2025;
- Corruption and bribery (G1) were reassessed and did not meet the thresholds for inclusion as a material financial risk for 2025;
- Equal treatment and opportunities (S1) remain material but are now classified under impact instead of double materiality;
- Positive impacts have been added for product durability (E5) and peer learning (S1);
- Desk-based health impacts (S1) were reclassified from borderline to material; and
- Upstream decarbonization cost exposure has increased significantly due to supplier policy developments.

All material IROs fall within ESRS topical standards or within Nordic's configured Custom Matters (Cybersecurity) under the Governance pillar. No additional entity-specific IROs have been identified for 2025.



Nordic's Comprehensive Materiality Matrix

Materiality Distribution of all ESRS sub-topics

● Environmental ● Social ● Governance

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Impact	Double
<ul style="list-style-type: none"> ● Water ● Pollution of air ● Substances of very high concern ● Resources inflows, including resource use ● Resource outflows related to products and services ● Waste ● Substances of concern 	<ul style="list-style-type: none"> ● Climate change mitigation ● Information-related impacts for consumers and/or end-users ● Cybersecurity
Not material	Financial
<ul style="list-style-type: none"> ● Marine resources ● Microplastics ● Pollution of living organisms and food resources ● Direct impact drivers of biodiversity loss ● Impacts on the state of species and the extent and condition of ecosystems ● Impacts and dependencies on ecosystem services ● Pollution of water and soil ● Energy 	<ul style="list-style-type: none"> ● Climate change adaptation

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EI Climate change

Material impacts, risks, and opportunities

		Location in Value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<p>Reducing emissions from customers using energy-efficient technology Nordic's ultra-low-power connectivity and power-management technologies enable measurable reductions in energy consumption within customer applications, particularly in smart lighting, environmental monitoring, smart agriculture, and other IoT deployments. Documented customer use cases (e.g., Acuity's lighting solutions) demonstrate that such reductions already occur in practice. These benefits arise downstream, outside Nordic's Scope 1–3 accounting, and are assessed as a positive impact in their own right in accordance with ESRS 1.</p>	Actual positive impact			●	●		
<p>GHG emissions from energy use and supplier operations Nordic's contribution to climate change is primarily linked to two sources: 1. own office energy consumption (Scope 2), including purchased electricity and heating/cooling; and 2. supplier-related emissions (Scope 3), particularly from electricity usage in outsourced production facilities upstream. Although Nordic has transitioned most office energy consumption to renewable sources through energy attribute certificates (e.g., GOs, RECs), residual emissions from fossil fuels persist. Supplier operations remain the most significant contributor to Nordic's carbon footprint, with emissions primarily from electricity usage and limited influence over renewable energy sourcing.</p>	Actual negative impact	●	●		●		
<p>Opportunities in climate-resilient products While our path to net zero is ambitious and challenging, it also presents opportunities for sustainable growth through product innovation, where low-power IoT technology has a remarkable role. Developing our IoT product portfolio with low-energy solutions lets us empower our customers to produce end devices with a reduced carbon footprint. For example, the use of smart lighting, powered by Nordic's technology, has enabled customers to reduce emissions and support their decarbonization efforts. Nordic's technology solutions, particularly those enabling better tracking and monitoring, could help customers design products that will reduce substantial CO2 emissions.</p>	Opportunity		●	●		●	
<p>Upstream decarbonization-related cost exposure Nordic faces increasing financial exposure from upstream decarbonization measures and emerging climate-related regulations. As wafer fabrication foundries and assembly/test subcontractors transition toward renewable energy, low-carbon processes, or comply with carbon-pricing regimes, associated production costs are expected to rise and may be passed through the value chain. These cost increases relate to energy procurement, carbon taxes, and capital investments in cleaner technologies. Because Nordic relies on external manufacturing partners and has limited influence over their decarbonization pathways, the company is indirectly exposed to higher manufacturing input costs linked to Scope 3 purchased goods and services.</p>	Risk	●				●	

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E2 Pollution

Material impacts, risks, and opportunities

		Location in Value chain			Time horizon			
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term	
<p>Air pollution from transport and outsourced production Nordic's air pollution impact stems primarily from two sources: 1. upstream component production occurs when suppliers release emissions such as volatile organic compounds (VOCs) and other process gases during wafer processing or assembly; 2. downstream transportation emissions, primarily from air freight, are used to distribute lightweight products globally. As a fabless company, Nordic does not operate manufacturing plants, but its logistics and supplier base contribute to pollution that harms air quality and the climate. These emissions are indirect yet attributable to Nordic's product life cycle and have recognized environmental implications. The impact reflects a mix of localized and globally distributed pollution sources, particularly from aviation logistics and outsourced industrial processing.</p>	Actual negative impact	●		●		●		
<p>Presence of regulated substances and substances of very high concern in downstream products Nordic's products contain trace amounts of regulated substances and certain substances of very high concern (SVHCs), all within applicable RoHS and REACH thresholds. These substances may persist through end-of-life, particularly in regions with weak e-waste infrastructure or enforcement. Although individual quantities are low, cumulative dispersion can contribute to localized environmental pollution and potential exposure risks for nearby communities. Nordic mitigates these impacts through compliance with RoHS/REACH, material composition monitoring, supplier declarations, and design reviews aimed at reducing or substituting substances where technically feasible. Residual impacts remain where downstream waste management practices are insufficient.</p>	Actual negative impact			●		●		



E3 Water & marine resources

Material impacts, risks, and opportunities

		Location in Value chain			Time horizon			
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term	
<p>Water consumption in upstream production Semiconductor production at supplier facilities is highly water-intensive, requiring significant volumes for wafer cleaning, cooling, and dicing. This is an ongoing and significant environmental impact, with key suppliers such as TSMC in Taiwan operating in regions that have experienced severe droughts in recent years, creating operational and community water stress. Supplier surveys also confirm that facilities in the Philippines rely directly on freshwater sources. As Nordic does not operate these sites directly, the impact arises through the upstream value chain.</p>	Actual negative impact	●				●		

E5 Resource use & circular economy
Material impacts, risks, and opportunities

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		Location in Value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<p>Resource use linked to component and packaging material inputs Nordic's operations and upstream partners rely on finite materials—such as metals, silicon, and plastic—for manufacturing and shipment. Rare minerals may be used to produce integrated circuits, while cardboard and plastic are used in packaging. Although total material use is modest, recovering high-purity metals remains technically challenging. Most packaging materials are recyclable, but upstream manufacturing inputs remain primarily virgin resources, which intensifies depletion pressures. Sourcing is typically geographically dispersed and dependent on purity and performance specifications.</p>	Actual negative impact	●	●		●		
<p>Product durability and reliability supporting circularity Nordic's products are designed for durability and long-term reliability, supported by JEDEC reliability standards and robust design practices. These measures reduce premature device replacement and support circular-economy principles. Lifecycle-management functionalities (e.g., Memfault or nRF Cloud) may support product longevity when implemented, but they are not considered primary drivers of this positive impact for 2025.</p>	Potential positive impact			●	●		
<p>Downstream waste treatment of EEE components Downstream disposal of end products containing Nordic components may cause environmental harm if final devices are not treated in accordance with appropriate e-waste standards. Nordic's components represent only a small share of finished electronics. Still, when these products are landfilled or mismanaged, the materials they contain could have been recovered and would have contributed to broader e-waste burdens. Nordic provides environmental datasheets and material disclosures to support correct handling by customers, but treatment practices vary globally and remain outside Nordic's control.</p>	Potential positive impact			●	●		
<p>Supplier and distributor waste generation (manufacturing scrap and packaging) Upstream manufacturing and supplier activities, as well as downstream distribution and packaging, generate various waste streams, including component production scrap, process residues, and packaging materials. These may include non-hazardous scrap and packaging sent for incineration or landfill disposal, with limited visibility into handling standards across geographies. While volumes vary, both upstream suppliers and downstream distributors generate waste that has indirect environmental impacts due to sorting inefficiencies and differing local treatment practices. Nordic does not directly control these processes, but it recognizes the potential ecological burden in both the upstream and downstream stages of the value chain.</p>	Actual negative impact	●		●		●	

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SI Own workforce
Material impacts, risks, and opportunities

		Location in Value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<p>Representation and equal opportunities Structural underrepresentation—particularly of women in technical and leadership roles—may limit equitable access to development and progression. This creates systemic risks to inclusion, engagement, and long-term retention. The impact is material due to its scale across regions and its strategic relevance for innovation and talent pipelines.</p>	Potential negative impact		●			●	
<p>Strategic talent development Insufficient structured development pathways can create uneven access to growth opportunities, leading to mid-term skill gaps and long-term talent shortages. The impact is material because it may affect a large share of the workforce, with higher severity for employees in transition roles, smaller teams, or underrepresented groups.</p>	Potential negative impact		●		●		
<p>Collaborative peer learning Peer-based learning is embedded in Nordic’s engineering workflows, creating continuous skill transfer, faster onboarding, and improved problem-solving. The impact is material because the scale and persistence of these cultural practices generate organization-wide benefits and directly support innovation capacity, which is central to the business model.</p>	Actual positive impact		●		●		
<p>Desk-based health risks Prolonged desk-based work exposes employees to musculoskeletal strain and other chronic health risks. Although individual cases remain limited, the exposure is broad and persistent across functions, suggesting significant long-term potential severity. This justifies materiality despite a moderate likelihood.</p>	Potential negative impact		●			●	
<p>Workload demands during peak times Recurring high workloads inherent to project-driven R&D may create stress, fatigue, and risks to well-being. The exposure affects multiple teams during peak cycles, and unmanaged strain may impair performance and retention. Materiality arises from both the severity of possible long-term effects and the systemic nature of the risk.</p>	Potential negative impact		●		●		



S2 Workers in the value chain
Material impacts, risks, and opportunities

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		Location in Value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<p>Gender-based role segregation and unequal treatment Disparities in gender distribution across roles in Tier 1 manufacturing suppliers present a risk of unequal treatment. Factory-level jobs tend to be filled by women, while higher-skilled or managerial roles show male overrepresentation. Although suppliers are certified to ISO 9001 and provide skills training, internal assessments suggest that the work structure and career progression may perpetuate gender imbalances. These patterns can result in constrained advancement opportunities and unequal access to compensation or training. This may impact well-being, morale, and the right to equal treatment and tungsten.</p>	Potential negative impact	●					●
<p>Child and forced labor risks in raw material and Tier 2+ suppliers Child and forced labor risks may arise in upstream raw-material supply chains and Tier 2+ suppliers due to limited transparency, weak governance, and jurisdiction-specific vulnerabilities. In mining, smelting, and lower-tier manufacturing, children may be exposed to hazardous tasks or educational disruption, and workers may face coercive practices such as excessive recruitment fees or document retention. Nordic does not operate at these tiers, but the risk affects the value chain and may result in severe and lasting harm to affected individuals.</p>	Potential negative impact	●			●		
<p>Impacts on migrant workers' rights at Tier 1 suppliers Migrant workers at Tier 1 suppliers may face heightened vulnerability due to recruitment practices, employment conditions, and employer-provided accommodation in certain jurisdictions. Documented risks include forced-labor indicators such as excessive recruitment fees, retention of identity documents, restricted movement, and coercive practices, as well as inadequate or overcrowded living conditions affecting health, privacy, and dignity. These risks can cause severe and sometimes lasting harm to affected workers' fundamental rights. While Nordic does not directly control Tier 1 operations, these risks occur within the upstream value chain and are addressed through RBA-based requirements, supplier assessments, and corrective action follow-up.</p>	Potential negative impact	●			●		
<p>Safe and fair working risks in upstream and Tier 2+ facilities Workers in upstream supply chains may face unsafe or unfair working conditions due to hazardous mining and smelting environments, excessive working hours, low wages, or insecure employment arrangements at Tier 2+ supplier facilities. These risks are heightened in jurisdictions with weak labor protections, limited enforcement, and reliance on migrant or temporary workers. Nordic does not control upstream operations directly, but sourcing activities may be linked to such conditions. The risks are addressed through RBA-aligned supplier requirements, responsible minerals due diligence, and, where feasible, cascading expectations to lower-tier suppliers.</p>	Potential negative impact	●			●		
<p>Safe and fair working risks at Tier 1 suppliers Workers at Tier 1 suppliers may face unsafe or unfair working conditions, including insecure employment arrangements, excessive working hours, physically strenuous tasks, and limited labor protections. These risks are heightened in jurisdictions with weaker labor enforcement or reliance on migrant/contracted labor. While Nordic does not directly control these suppliers, sourcing and logistics activities may be linked to such practices. Nordic addresses these risks through RBA-aligned requirements, supplier assessments, and cascading expectations.</p>	Potential negative impact	●	●		●		

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S4 Consumers and end-users
Material impacts, risks, and opportunities

		Location in Value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<p>Enabling sustainable applications through low-energy connectivity Nordic's low-energy connectivity technology enables a wide range of sustainable applications across sectors such as agriculture, healthcare, environmental monitoring, tracking, and measurement. By supporting devices that enhance access to information, improve resource efficiency, and reduce operational costs, Nordic contributes to positive environmental and social outcomes for end-users and customers. These benefits are realized through the downstream integration of Nordic-enabled products into connected solutions that deliver measurable sustainability gains.</p>	Actual positive impact			●	●		
<p>Financial risks related to end-user privacy and information impacts Failures in end-user privacy or personal data protection in downstream products using Nordic technology may create financial and reputational risks. While Nordic does not process consumer data directly, its components support applications that do. Inadequate safeguards, unauthorized data use, or privacy-related incidents may undermine customer confidence, reduce demand, and affect long-term revenue.</p>	Risk			●		●	
<p>Financial risks related to product-security information impacts Vulnerabilities in devices using Nordic components may compromise product integrity, safety, or secure operation. Weaknesses such as flawed encryption, inadequate patch management, or exploitable design elements could result in product recalls, regulatory actions, and reputational damage. Customers in security-sensitive or regulated markets may switch to alternative suppliers following significant vulnerabilities, leading to reduced revenue and long-term erosion of market share. Although Nordic does not control downstream device architectures, product-security failures linked to Nordic technologies may result in material financial consequences.</p>	Risk			●		●	

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GI Business conduct

Material impacts, risks, and opportunities

		Location in Value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<p>Cybersecurity incidents affecting data protection and business conduct Cybersecurity incidents—such as data breaches, IP theft, or system disruptions—may expose personal information, disrupt customer access to secure and reliable services, and affect confidence in Nordic’s business conduct. These events may compromise privacy rights, cause stress and uncertainty for affected individuals, and disrupt business-critical operations and confidentiality. Preventive controls and monitoring mechanisms are in place; however, residual risk persists due to the evolving threat landscape. Governance practices, including clear expectations for ethical conduct and responsible information handling, help mitigate these risks.</p>	Potential negative impact		●	●	●		
<p>Potential impact related to whistleblower protection and retaliation Whistleblower protection is important for maintaining transparency and accountability. Retaliation—whether direct or indirect—may deter individuals from reporting concerns, leading to unaddressed misconduct and a decline in confidence in Nordic’s ethical environment. Nordic maintains an external reporting channel and a non-retaliation policy, yet a residual risk remains that individuals may experience adverse treatment. Governance structures, including leadership practices and expectations for respectful behavior, support the effectiveness of these protection mechanisms.</p>	Potential negative impact		●		●		
<p>Financial risks arising from cybersecurity incidents Cybersecurity failures—whether caused by external attacks or insider threats—may expose Nordic to material financial losses. Incidents can lead to IP theft, data leaks, system downtime, and unauthorized access to sensitive information, triggering litigation, regulatory scrutiny, remediation expenses, and operational disruption. Reputational damage and reduced customer confidence may further affect revenue and long-term competitiveness. Although Nordic operates robust controls, including monitoring and access management, the sophistication of external threat actors and the difficulty of detecting insider misuse sustain a residual level of financial exposure.</p>	Risk		●	●	●		

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Materiality assessment process

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

This disclosure explains the process by which Nordic identifies, assesses, and prioritizes impacts, risks, and opportunities (IROs) based on their materiality. The method determines which sustainability matters are reported in the sustainability statement and follows the ESRS double-materiality principles.

Process to identify and assess material IROs

Nordic conducts an annual Double Materiality Assessment (DMA) covering the Group on a consolidated basis. The 2025 DMA was conducted using an ESRS-aligned digital workflow (Position Green) to document scoring, rationales, and outputs, replacing the Excel-based approach used in 2024. The process is designed to support traceability at the disclosure-requirement level, comparative reporting, and integration into Nordic's Sustainability Reporting Process, documented in the Quality Management System. The transition to the Position Green workflow strengthened documentation, traceability, and governance of the DMA process but did not materially change the overall outcome compared with the prior year.

Nordic's own operations are office-based, with limited direct environmental impacts. Most material IROs arise in the upstream value chain and, to a lesser extent, in downstream product use.

Methodologies and assumptions

For impact materiality, Nordic applies severity and likelihood criteria aligned with ESRS 1 and operationalized through configured scoring parameters, including:

- Negative impacts: Severity = (Scale + Scope + Remediability) / 3
- Positive impacts: Severity = (Scale + Scope) / 2

- Human rights: the severity threshold is adjusted downward by 0.5 before comparison with other impacts as configured in the scoring model used for the DMA
- Position Green's native severity thresholds are applied by likelihood level.

Impacts exceeding the combined severity–likelihood threshold are classified as material.

For financial materiality, Position Green's 5×5 matrix assesses the magnitude of a potential financial effect relative to its likelihood of occurrence. Items are classified as financially material when their placement on the matrix lies above the model's diagonal materiality threshold, meaning they combine at least a moderate likelihood with a moderate-to-very-high financial effect, or a high-to-almost-certain likelihood with even lower financial effects.

Key assumptions include:

- regulatory requirements applicable to first-wave CSRD reporters, based on information available at the time of reporting;
- consistency in calculation methodologies to enable comparative reporting;
- reliance on supplier-provided information and third-party assessment outputs (including RBA-aligned audit information and supplier rating outputs, such as EcoVadis, where applicable), internal systems, and Subject Matter Expert (SME) judgment;
- group-wide coverage, including manufacturing partners, suppliers, and downstream users.

Identification, assessment, prioritization, and monitoring of impacts

Focus on heightened-risk areas

The process identifies geographies, business relationships, and activities with elevated risk, including upstream manufacturing (wafer fabrication, assembly/test), water-intensive and energy-intensive processes in Asia and Europe, and human-rights-relevant suppliers.

Own operations and business relationships

Nordic evaluates impacts arising from its own operations, Tier 1 suppliers, critical component manufacturers, service providers, distribution partners, and downstream product use.

Stakeholder and expert consultation

Engagement is conducted through structured SME interviews, RBA audit outcomes, supplier assessments, internal workforce feedback (pulse surveys), and customer inputs on sustainability expectations. External experts (for example, Position Green) contribute to methodology and climate-related impact evaluation.

Prioritization criteria

Negative impacts are prioritized based on relative severity and likelihood. Positive impacts are prioritized based on relative scale and scope. Human-rights impacts receive heightened consideration, consistent with ESRS and OECD due diligence standards. Materiality thresholds follow ESRS 1 guidance and are operationalized using Position Green's configured thresholds. SME rationales for each materiality judgment are documented in Position Green.

Identification, assessment, prioritization, and monitoring of financially material risks and opportunities

Connections between impacts, dependencies, risks, and opportunities

The process examines how Nordic's impacts and dependencies (for example, reliance on carbon-intensive manufacturing, water use, and secure supply chains) give rise to financial risks and opportunities, including supply disruption, cost changes, regulatory exposure, and strategic market opportunities in low-power IoT.

Assessment criteria

Financial effects are assessed using Position Green's likelihood–magnitude thresholds, taking into account revenue, costs, value chain continuity, operational impacts, and reputational effects.



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Prioritization relative to other risks

Sustainability-related risks are not yet integrated into Nordic's Enterprise Risk Management (ERM) framework. In 2025, sustainability risks were assessed through the DMA, while corporate risks continued to be evaluated through the ERM process. For the current reporting cycle, Nordic verified that material sustainability-related risks identified in the DMA are, where relevant, reflected in the Group's enterprise risk assessment (ERA). Further alignment between the two frameworks is planned for future reporting cycles.

Decision-making and internal control procedures

Decision-making follows defined steps in the Sustainability Reporting Process:

- SME scoring and documentation in Position Green;
- quality assurance by the ESG Reporting Specialist;
- validation by the ESG Committee (all EMT members);
- oversight by the Audit Committee;
- Board approval prior to publication.

Controls include documented methodologies, review logs, traceability documentation, and alignment with the Group's internal-control principles.

Integration with risk management and overall management processes

The DMA and the ERM framework remained largely separate in 2025. Sustainability-related risks were assessed using the DMA methodology, while corporate risks were managed through Nordic's established ERM processes. During the year, Nordic performed a limited alignment check to confirm consistency between material DMA risks and relevant ERA entries. Beyond this consistency check, no process integration was implemented in 2025. Alignment between the two frameworks remains an objective for future reporting cycles.

As described in GOV-5, material topics inform the focus of internal controls, data-owner responsibilities, and reporting lines across business units and central

functions. Control activities for sustainability reporting follow the same risk-governance principles applied across Nordic's broader internal-control environment. They are escalated through the ESG Committee, the EMT, the Audit Committee, and the Board.

Opportunities identified through the DMA are considered in management processes where relevant, including product development, supply-chain planning, and the Sustainability Strategy's Products, People, and Production building blocks.

Corrective actions and process improvements arising from the DMA are tracked by responsible functions and consolidated for review through the ESG Committee, with escalation to the Audit Committee as required.

Input parameters and changes from the prior period

Key input parameters include DMA outputs, RBA audits, supplier rating outputs (including EcoVadis where applicable), supplier data, employee surveys, internal governance documents, product information, and regulatory updates. Updates are provided to relevant risk owners during the ESG Committee's regular reviews.

Changes introduced in 2025 include:

- adoption of Position Green's DMA module;
- DR-level traceability for assurance;
- explicit year-over-year comparison with 2024 results;
- updated severity thresholds based on Position Green methodology;
- consideration of updated strategy work, transition-plan development, and enhanced data-collection requirements arising from the 2025 reporting cycle.

The DMA was last updated in Q3 2025. The next full revision is scheduled for Q3 2026, with annual monitoring and interim updates as required.

All topical assessments (E1–E5 and G1) follow the process described under ESRS 2 IRO-1, applying ESRS 1 severity-likelihood criteria and Position Green's

materiality thresholds. For E2–E5, Nordic applies a proportionate ESRS-compliant assessment approach, aligned with the DMA methodology, which draws on available supplier information, audit outcomes, SME input, and Position Green's screening prompts. Nordic did not apply the TNFD LEAP approach in 2025; screening was conducted using a proportionate, ESRS-aligned approach based on available data. The sections below outline only topic-specific screening considerations, consultations, and outcomes.

ESRS 2 IRO-1-EI Description of the process to identify and assess material climate-related IROs

Impacts on climate change, in particular, GHG emissions
Nordic screens its activities and value chain to identify actual and potential GHG-emission sources:

- Scope 1 and 2: energy use in Nordic's office-based facilities, including R&D workplaces;
- Scope 3: upstream emissions from wafer fabrication, assembly/test operations, capital goods, and purchased goods and services; downstream use of sold products is assessed as not material in the DMA for 2025.

Screening is based on internal energy usage data, supplier disclosures, third-party assessment information (including RBA-aligned audit information), and Position Green's emissions-calculation module. Nordic evaluates potential drivers of future emissions, including changes in production volumes, supplier base, energy sources, and technology transitions.

Climate-related physical risks

Identification of climate-related hazards

Nordic identifies physical climate hazards over the short-, medium-, and long-term, focusing on extreme weather and water-stress-related hazards relevant to semiconductor supply chains. The assessment screens for exposure in Nordic's own small office footprint and—more materially—across upstream manufacturing locations in Southeast Asia and Europe.

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Exposure and sensitivity analysis

Nordic assesses exposure by considering geographic vulnerability and local climate trends; supplier infrastructure resilience; the sensitivity of wafer fabrication and assembly/test operations to water stress and extreme weather; and the availability of supplier business continuity planning measures.

Nordic has not yet applied geospatial coordinate-based modeling for physical risk assessment. Still, it intends to refine the granularity of assessments in future cycles as part of planned scenario analysis development.

Use of climate scenario analysis

Nordic has not yet conducted climate-related scenario analysis. Accordingly:

- physical-risk identification has not yet been informed by a range of scenarios;
- high-emission climate scenarios have not yet been incorporated; and
- the planned scenario-analysis framework will align with ESRS E1 and TCFD guidance and is expected to be implemented in a later reporting cycle.

Climate-related transition risks and opportunities

Identification of transition events

Nordic identifies transition events over the short-, medium-, and long-term, including regulatory requirements for upstream decarbonization, renewable-energy availability in manufacturing regions, customer expectations, technology changes in semiconductor manufacturing, and associated cost impacts.

Exposure and sensitivity analysis

Nordic assesses exposure to transition drivers based on the concentration of production in regions with constrained renewable energy supplies, the sensitivity of customer expectations to suppliers' decarbonization maturity, potential cost implications of renewable energy sourcing, and opportunities arising from Nordic's product portfolio that enable energy-efficient IoT solutions.



Incompatibility with a climate-neutral economy

Nordic identifies the following areas requiring significant effort to align with a climate-neutral economy:

- reliance on wafer fabrication processes powered largely by non-renewable electricity;
- high embedded ("locked-in") emissions in upstream production;
- supplier infrastructure limitations that delay renewable-energy adoption.

Conclusion and next steps

The identification and assessment of climate-related IROs in 2025 are based on Nordic's DMA methodology supplemented with climate-specific considerations under ESRS E1. Nordic did not undertake scenario analysis in 2025. Future steps include developing a scenario-analysis framework, increasing the granularity of physical risk assessments, and further aligning supplier engagement practices with the Climate Transition Plan. The TCFD-aligned tables that follow provide an overview of the transition and physical risks and opportunities identified through this process, together with Nordic's existing resilience measures.

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TCFD disclosure

Nordic applies a structured approach to identifying climate risks and opportunities, aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. In 2025, this approach did not include scenario analysis.

Transition risks and opportunities related to the transition to a low-carbon economy	
Risks	Opportunities
<p>Policy and legal</p> <p>Upstream decarbonization-related cost exposure: Nordic faces financial risks from increased production costs driven by supplier decarbonization measures and emerging climate-related regulations. As upstream partners, including wafer fabrication foundries and assembly/test subcontractors, adopt renewable energy or low-carbon processes, costs associated with manufacturing inputs are expected to increase. These changes may be triggered by carbon pricing mechanisms, emission limits, renewable energy sourcing, or capital investments in energy-efficient technologies, which are partially passed along the value chain. While these regulatory shifts and supplier decarbonization measures aim to advance global climate goals, Nordic's exposure arises from its reliance on external manufacturing partners. With limited direct control over supplier operations, Nordic faces indirect financial vulnerability from Scope 3 emissions associated with purchased goods and services.</p>	<p>Resource/Product energy efficiency</p> <p>Nordic seeks to develop products with enhanced intelligence and energy efficiency, focusing on reducing power consumption across successive product generations. Through low-power Internet of Things (IoT) solutions, Nordic has an opportunity to contribute to solutions for energy efficiency and energy management, attract new customers, and increase demand for its products. These present an opportunity to capitalize on market demand for lower energy consumption in end-user devices and to expand the energy-saving capabilities of its IoT solutions.</p> <p>Opportunities in climate-resilient products: Nordic has the opportunity to develop and market products and services that support climate-resilient infrastructure. This could include climate-resilient technologies, such as smart sensors, cellular IoT, and energy harvesting, as well as infrastructure designed to withstand extreme weather or changing environmental conditions. Such innovation helps businesses prepare for climate risks, strengthen customer relationships, and open new revenue streams. As more sectors recognize the importance of resilience, demand for such solutions is expected to grow.</p>

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Transition risks and opportunities related to the transition to a low-carbon economy

Risks	Opportunities
Technology	Energy source Nordic is working to increase the use of renewable energy and reduce GHG emissions in its offices. In its European offices, most of the energy comes from renewable sources. More than 50% of its employees work in energy-efficient buildings with green building certifications such as BREEAM and LEED. Outsourced manufacturing partners are focused on implementing new energy-saving measures to increase energy efficiency and the use of renewable energy in the production process.
<p>As a fabless company with outsourced production, the ability to adapt, invest, and support new energy-saving and GHG-emissions-reduction technologies lies with its manufacturing suppliers. Nordic's business model is not affected by technological shifts towards a low-carbon economy, allowing it to benefit from these advancements without bearing the risks itself.</p>	
Market	
<p>Semiconductor manufacturing consumes a significant amount of energy. The markets indicate rising energy costs alongside growing demand for products with a low carbon footprint.</p> <p>Nordic has taken actions to lower its carbon footprint by purchasing renewable energy verified by Guarantees of Origin (GOO), International Renewable Energy Certificates (I-REC), Taiwan Renewable Energy Certificates (T-REC), Renewable Energy Guarantees of Origin certificates (REGO), and Renewable Gas Guarantees of Origin certificates (RGGO). In 2024, Nordic's science-based GHG emission targets were approved by the Science Based Targets initiative (SBTi). As part of Nordic's long-term strategy and to minimize the risk of losing market share, the SBTi targets aim to achieve net-zero emissions by 2050.</p>	
Reputation	
<p>Taking environmental and climate change effects into account is crucial for Nordic's brand recognition. Poor performance or increased concern/negative feedback about climate change and GHG emissions could harm its brand value and lead to customer loss due to changing preferences and expectations regarding climate change. Nordic's strategy involves engaging and maintaining close relationships with suppliers, conducting annual carbon accounting, regularly reviewing operations, implementing GHG reduction initiatives, and being transparent in reporting.</p>	

Physical risks related to climate change

Acute risks (event-driven)	Resilience
<p>Acute physical events from climate change could affect Nordic's manufacturing suppliers, especially those in Southeast Asia, where tropical cyclones and floods could damage production facilities and infrastructure. Such events are likely to impact suppliers' production capacity and delivery capability in the short-to-medium term and may negatively affect Nordic's revenue.</p>	<p>Nordic has established a short- to medium-term strategy to reduce the risk of supply disruptions from natural disasters. These are addressed in Nordic's enterprise risk assessment and business continuity plans. In the short term, it maintains a reserve of wafers and finished products to operate under extreme weather conditions and address any temporary shortage. To mitigate medium-term risk, Nordic uses a dual-sourcing strategy to protect against widespread supply disruptions. To mitigate long-term risk, its key manufacturing partners have their own business continuity plans to reduce such chronic risks.</p>
Chronic risks (long-term shifts in climate patterns)	
<p>Long-term changes and extreme variability in climate patterns, as well as events like droughts and floods, can affect access to clean water and production capacity for Nordic's manufacturing suppliers. Such events can affect its ability to deliver products to customers and result in reduced/delayed revenue. Nordic has already experienced water rationing in some of the countries where its manufacturing suppliers operate.</p>	

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ESRS 2 IRO-I-E2 Description of the process to identify and assess material pollution-related IROs

Screening, methodologies, and assumptions

Nordic screens its operations and value chain to identify actual and potential pollution-related IROs. Screening incorporates:

- RBA audit results on environmental management, chemical handling, air emissions, water discharge, and waste controls;
- supplier assessment data and supplier rating outputs relevant to the topic;
- supplier declarations covering RoHS, REACH, PFAS-free qualification, and substances of very high concern;
- Nordic's product design and material-composition reviews;
- Position Green's ESRS E2 screening prompts within the Double Materiality module.

Consultation

Nordic's pollution-related consultation processes focus on engagement with:

- manufacturing suppliers, through RBA audits, supplier self-assessments, and direct dialogue on hazardous substances, chemical management, wastewater treatment, and environmental-performance expectations;
- supplier sustainability assessments and related feedback loops, providing structured feedback loops between Nordic and suppliers;
- internal SMEs from Quality, Supply Chain, Product, and Compliance.

Nordic does not operate industrial facilities, and its office-based operations do not create local community pollution impacts. Supplier-level engagement remains the primary mechanism for stakeholder consultation under ESRS E2.

Outcome of the assessment

The DMA identifies the following as material or of heightened relevance for pollution-related IROs:

- upstream wafer-fabrication sites (Asia and Europe), due to potential air emissions, wastewater discharge, and hazardous-substance use;
- assembly/test facilities, due to chemical usage and waste streams;
- business activities involving material-composition management, design choices related to hazardous substances, and PFAS-free qualification;
- packaging-related processes, where emerging microplastic regulations may create new expectations.

Findings are recorded in Position Green and inform the development of Nordic's pollution-related monitoring and supplier-engagement practices.

ESRS 2 IRO-I-E3 Description of the process to identify and assess material water and marine resource-related IROs

Screening, methodologies, and assumptions

Nordic screens its operations and value chain to identify actual and potential water- and marine-resources-related IROs using:

- WWF Water Risk Filter to screen supplier geographies at country, regional, and river-basin level (for example, water stress, water scarcity, pollution indices), together with qualitative operational-risk screening;
- RBA audit information on water use, wastewater treatment, and environmental-management systems;
- supplier assessment data and supplier rating outputs relevant to the topic;
- supplier environmental disclosures on water use, water-stress exposure, and discharge practices;
- internal SME input from Quality, Supply Chain, and Compliance;
- Position Green's ESRS E3 screening prompts within the Double Materiality module.

Consultation

Nordic engages through RBA audits and supplier self-assessments on water use and discharge, as well as supplier sustainability assessments, related feedback loops, and internal SMEs across Quality, Supply Chain, and Compliance. Nordic does not operate industrial facilities and therefore has no direct water- or marine-related impacts on local communities from its own operations. Supplier-level engagement remains the primary form of consultation.

Outcome of the assessment

The DMA identifies as material or of heightened relevance:

- geographical areas: regions and river basins with elevated water stress where key wafer-fabrication and assembly/test suppliers operate;
- marine-interface sites: coastal supplier locations where improper discharge could affect marine ecosystems;
- sectors/business segments: semiconductor wafer fabrication (high withdrawal dependency) and assembly/test (discharge sensitivity).

Nordic does not depend on marine-resource commodities such as seafood or extracted marine products. Findings are recorded in Position Green and inform Nordic's supplier engagement and water management expectations.

ESRS 2 IRO-I-E4 Description of the process to identify and assess material biodiversity- and ecosystems-related IROs

Screening, methodologies, and assumptions

Nordic screens its operations and value chain to identify actual and potential biodiversity- and ecosystems-related IROs using:

- RBA audit indicators on environmental management, land-use interfaces, chemical use, and waste;
- supplier assessment data and supplier rating outputs relating to habitat proximity and resource use;

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- publicly available regional information on sensitive habitats and protected areas;
- supplier environmental disclosures and internal SME input on upstream processing activities;
- Position Green's ESRS E4 screening prompts within the Double Materiality module.

Supplier-specific geospatial data (e.g., exact coordinates or detailed habitat maps) is unavailable. Nordic's office-based operations have no direct interface with natural habitats.

Consultation

Nordic engages with suppliers through RBA audits, supplier sustainability assessments, related feedback loops, and direct dialogue on environmental management expectations. Nordic does not operate industrial or land-intensive facilities and therefore has no direct impact on biodiversity or local ecosystems. Engagement with upstream suppliers remains the primary mechanism for consultation and collaboration.

Outcome of the assessment

The 2025 DMA concludes that Nordic does not have material biodiversity- or ecosystems-related IROs under ESRS E4. This conclusion reflects:

- the office-based nature of Nordic's own operations and the absence of identified sites in or near biodiversity-sensitive areas;
- no biodiversity-specific mitigation measures identified as necessary based on available information for the reporting period for Nordic's own operations or known supplier sites;
- the lack of material dependencies beyond general freshwater availability;
- absence of downstream biodiversity interfaces in Nordic's product lifecycle.

Nordic will continue to refine its assessment as upstream environmental data maturity increases.

ESRS 2 IRO-I-E5 Description of the process to identify and assess material resources and circular economy-related IROs

Screening, methodologies, and assumptions

Nordic screens its operations and value chain to identify actual and potential resource- and circular-economy-related IROs using:

- supplier environmental disclosures, including RoHS/REACH declarations, PFAS-free qualification status, and material-composition data;
- RBA audit information on material use, waste handling, chemical management, and resource efficiency;
- supplier assessment data and supplier rating outputs on resource use and waste;
- internal SME input from Quality, Supply Chain, and Compliance;
- Position Green's ESRS E5 screening prompts within the Double Materiality module.

Nordic does not currently use Environmental Footprint (EF) methods, Material Flow Analysis (MFA), or mass-balance modelling. Screening is therefore qualitative and proportionate, relying on available supplier data and process-level information.

Consultations

Nordic engages with suppliers through RBA audits, environmental-survey processes, and direct dialogue on resource use and waste management. Nordic's own operations do not have community-level impacts on resource use or circularity. Supplier-level engagement remains the primary mechanism for consultation and collaboration.

Outcomes of the assessment

The DMA identifies resource- and circular-economy-related IROs primarily in the upstream value chain. Key themes include reliance on non-renewable and critical materials; challenges related to material complexity and recyclability; upstream waste-management practices and hazardous-waste handling; risks associated with regulatory change; material scarcity and supply-chain concentration; and opportunities linked to resource efficiency, improved

supplier practices, and design considerations. Findings are documented in Position Green and will be revisited as supplier data and circular-economy expectations evolve.

ESRS 2 IRO-I-G1 Description of the process to identify and assess material business-conduct and corporate-culture-related IROs

Screening of locations, activities, sectors, and transaction structures

To identify actual and potential business-conduct-related IROs, Nordic applies the four criteria required under ESRS G1:

Location assessment

Nordic screens the geographical locations in which it operates and sources, taking into account regulatory corruption risks, local business conduct, human rights risks, and geopolitical stability. The screening is updated at least annually and whenever new markets are entered. Higher-risk locations trigger enhanced due diligence and monitoring requirements.

Activity analysis

Nordic evaluates core business activities for business conduct exposure, focusing on procurement, supplier engagement, and third-party interactions, as well as the handling of confidential information and integrity risks related to sales and contract negotiations. Position Green's G1 assessment prompts guide the classification of activities against materiality thresholds.

Sector evaluation

Nordic assesses semiconductor-sector-specific risks, including intellectual property protection, export control exposure, and ethical conduct expectations embedded in sector standards, such as the RBA. Sector developments and customer requirements inform refinements to the assessment.

Transaction-structure review

Contracts, partnerships, and high-risk transactions are reviewed using a risk-based approach that considers payment structures, use of intermediaries, due diligence results, and contractual safeguards relating to ethical conduct and grievance mechanisms.



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Methodologies, assumptions, and tools

Nordic applies Position Green's ESRS G1 assessment prompts. It uses internal governance documents (including the Code of Conduct and Supplier Code of Conduct), RBA audit indicators, and supplier ethics and business-conduct assessment metrics as information inputs for the screening. The assessment is further informed by SME input from Legal & Compliance, People & Culture, Supply Chain, Quality, and Information Security. Screening is qualitative and proportionate to Nordic's operational footprint.

Assessment of impacts, risks, and opportunities

Nordic evaluates impacts, risks, and opportunities using ESRS 1 severity-likelihood principles and Position Green's financial-materiality matrix. This includes impacts arising from unethical behavior or control weaknesses, risks associated with supplier misconduct or labor rights breaches, and opportunities to enhance due diligence processes, supplier engagement, and internal culture.

Consultations

Nordic consults with relevant stakeholders through supplier engagement mechanisms, including RBA audits, supplier sustainability assessments, related feedback loops, and direct interactions on business conduct expectations. Internal consultation occurs through employee pulse surveys, grievance and whistleblowing channels, and cross-functional discussions. As Nordic's operations are office-based and do not have community-level business conduct impacts, no community-level consultations were identified as necessary in 2025.

Outcome of the assessment

The DMA identifies business-conduct-related IROs primarily in the upstream value chain and in Nordic's internal governance processes. Themes include corruption-exposure risks in certain geographies, sector-related ethical expectations, labor-practice risks at supplier sites, and considerations linked to integrity and workplace behavior. Findings are documented in Position Green and inform Nordic's governance and compliance activities.



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

Process for determining material information

Nordic determines the content of its sustainability statement based on the outcomes of its Double Materiality Assessment (DMA). Disclosure requirements (DRs) are included where the related sustainability topics are assessed as material from an impact and/or financial perspective.

Topics assessed as not material are omitted from the sustainability statement, and the corresponding DRs are therefore not disclosed. These omissions reflect the results of the DMA and do not indicate the absence of impacts, risks, or opportunities; rather, they indicate that such topics did not meet the ESRS materiality criteria for the reporting period.

For topics assessed as material, Nordic has assessed the applicability of all relevant DRs and disclosed those that are applicable, in accordance with ESRS requirements.

An overview of the DRs in Nordic’s sustainability statement, following the materiality assessment, along with corresponding page references, is provided below. A table of data points derived from other EU legislation is provided in Appendix B.

List of material DRs	Page number
ESRS 2 - General Disclosures	
BP-1 General basis for preparation of the sustainability statement	Page 38
BP-2 Disclosures in relation to specific circumstances	Page 38
GOV-1 The role of the administrative, management, and supervisory bodies	Pages 39-41
GOV-2 Information provided to and sustainability matters addressed by the undertaking’s administrative, management, and supervisory bodies	Page 41
GOV-3 Integration of sustainability-related performance in incentive schemes	Page 42
GOV-4 Statement on due diligence	Pages 43-44
GOV-5 Risk management and internal controls over sustainability reporting	Page 45
SBM-1 Strategy, business model, and value chain	Pages 46-47
SBM-2 Interests and views of stakeholders	Pages 48-49
SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model	Pages 50-58
IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities	Pages 59-60
IRO-2 Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement	Pages 67-74
EI - Climate change	
ESRS 2 GOV-3-EI Integration of sustainability-related performance in incentive schemes	Page 42
EI-1 Transition plan for climate change mitigation	Pages 76-77
EI-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	Pages 78-79
ESRS 2 IRO-1-EI Description of the processes to identify and assess material climate-related impacts, risks, and opportunities	Pages 60-61
EI-2 Policies related to climate change mitigation and adaptation	Page 79
EI-3 Actions and resources in relation to climate change policies	Pages 79-80
EI-4 Targets related to climate change mitigation and adaptation	Pages 81-83
EI-5 Energy consumption and mix	Page 83
EI-6 Gross Scopes 1, 2, 3, and Total GHG emissions	Pages 84-87
EI-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Page 87

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List of material DRs	Page number
E2 - Pollution	
E2-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	Pages 88-89
ESRS 2 IRO-1-E2 Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities	Page 64
E2-1 Policies related to pollution	Pages 89-90
E2-2 Actions and resources related to pollution	Page 90
E2-3 Targets related to pollution	Pages 90-91
E2-5 Substances of concern and substances of very high concern	Page 91
E3 - Water and marine resources	
E3-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	Page 92
ESRS 2 IRO-1-E3 Description of the processes to identify and assess material water and marine resources-related impacts, risks, and opportunities	Page 64
E3-1 Policies related to water and marine resources	Pages 92-93
E3-2 Actions and resources related to water and marine resources	Page 93
E3-3 Targets related to water and marine resources	Page 93
E4 - Biodiversity and ecosystems	
ESRS 2 IRO-1-E4 Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, and opportunities	Pages 64-65
E5- Resource use and circular economy	
E5-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	Pages 94-95
ESRS 2 IRO-1-E5 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities	Page 65
E5-1 Policies related to resource use and circular economy	Page 95
E5-2 Actions and resources related to resource use and circular economy	Pages 95-96
E5-3 Targets related to resource use and circular economy	Page 96
E5-4 Resource inflows	Pages 96-98
E5-5 Resource outflows	Page 98
S1- Own workforce	
ESRS 2 SBM-2-S1 Interests and views of stakeholders	Page 49
S1-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	Pages 104-105
S1-1 Policies related to own workforce	Page 106
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	Pages 106-107
S1-3 Processes to remediate negative impacts and channels for the own workforce to raise concerns	Page 107
S1-4 Taking action on material impacts on own workforce, approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Page 108
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Pages 108-109
S1-6 Characteristics of the undertaking's employees	Pages 109-111
S1-7 Characteristics of non-employees in the undertaking's own workforce	Page 112
S1-9 Diversity metrics	Page 112
S1-13 Training and skills development metrics	Page 112
S1-14 Health and safety metrics	Page 112

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List of material DRs	Page number
S1-15 Work-life balance metrics	Page 112
S1-16 Remuneration metrics (pay gap and total remuneration)	Pages 112-113
S1-17 Incidents, complaints, and severe human rights impacts	Page 113
S2- Workers in the value chain	
ESRS 2 SBM-2-S2 Interests and views of stakeholders	Page 49
S2-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	Pages 114-115
S2-1 Policies related to value chain workers	Page 115
S2-2 Processes for engaging with value chain workers about impacts	Pages 115-116
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	Page 116
S2-4 Taking action on material impacts on value chain workers, approaches to managing material risks and pursuing material opportunities related to value chain workers, and the effectiveness of those actions	Pages 116-117
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 117
S4- Consumers and End-users	
ESRS 2 SBM-2-S4 Interests and views of stakeholders	Page 49
S4-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	Pages 119-120
S4-1 Policies related to consumers and end-users	Page 120
S4-2 Processes for engaging with consumers and end-users about impacts	Page 120
S4-4 Taking action on material impacts on consumers and end-users, approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and the effectiveness of those actions	Page 121
S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Pages 121-122
G1 - Business Conduct	
G1-ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model	Pages 124-125
ESRS 2 GOV-1-G1 The role of the administrative, management, and supervisory bodies	Page 41
ESRS 2 IRO-1-G1 Description of the processes to identify and assess material business conduct and corporate culture-related impacts, risks, and opportunities	Pages 65-66
G1-1 Business conduct policies and corporate culture	Pages 125

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ESRS 2 Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislations

Disclosure requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material / Non-material	Page number
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 40
ESRS GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 40
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	Pages 43-44
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	Page 76
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Material	Pages 76-77
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	Pages 81-83

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Disclosure requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material / Non-material	Page number
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not material	
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	Page 83
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not material	
ESRS E1-6 Gross Scope 1, 2, 3, and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	Pages 84-85
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	Page 85
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not material	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			Not material	

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Disclosure requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material / Non-material	Page number
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Material	Pages 92-93
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
E4-ESRS 2 SBM-3 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
E4-ESRS 2 SBM-3 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
E4-ESRS 2 SBM-3 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable land/ agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans/ seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
ESRS 2 SBM2-S1 Risk of incidents of forced labor paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				Not material	
ESRS 2 SBM2-S1 Risk of incidents of child labor paragraph 14 (g)	Indicator number 12 Table #3 of Annex 1				Not material	

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ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3, and Indicator number 11 Table #1 of Annex I				Material	Page 106
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 106
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	Page 106
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	Page 106
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	Page 107
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 112
ESRS S1-14 Number of days lost to injuries, accidents, fatalities, or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	Page 112
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 112-113
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	Page 113
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	Page 113
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1, and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	Page 113
S2-ESRS 2 SBM-3 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #3 of Annex I				Material	Pages 114-115
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3, and Indicator n. 11 Table #1 of Annex I				Material	Page 115
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex I				Material	Page 115

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ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (I)		Material	Page 115
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 115
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	Pages 116-17
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1, and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (I)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3, and Indicator number 11 Table #1 of Annex 1				Material	Page 120
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (I)		Material	Page 120
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	Page 125
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	Page 125
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Not material	



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Environment

Nordic acknowledges the environmental impact of its business operations and products on the planet and society. Environmental responsibility and sustainability are integral to its long-term success. By producing energy-efficient solutions, Nordic supports energy efficiency in downstream applications and contributes to climate-change mitigation through its product portfolio.

76 [E1 Climate Change](#)

88 [E2 Pollution](#)

92 [E3 Water and Marine Resources](#)

94 [E5 Resource and use of circular economy](#)

99 [EU taxonomy](#)

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E1 Climate change

Strategy

Climate change is an integral part of Nordic's approach to sustainability, shaping its strategic priorities and guiding the sustainability targets it sets, with actions intended to address long-term environmental challenges. In response to climate change and global warming, Nordic is committed to reducing its environmental impact and conducting business in a way that supports the transition to a sustainable, low-carbon future.

Nordic's strategic ambition is to reduce environmental impact, take responsibility for climate impacts across its organization and, where relevant, across its value chain, and systematically manage its climate-related risks and opportunities. To support accountability and structured progress, Nordic has set targets aligned with the Science Based Targets initiative (SBTi). Through the SBTi-validated targets, Nordic's strategic ambition is to deliver progress toward its 2030 targets for Scope 1, 2 and 3 GHG emission reduction targets and shift towards net-zero GHG emissions across its value chain by 2050. To drive towards these targets, transition to renewable energy in its offices will continue, alongside ongoing engagement with its outsourced manufacturing suppliers to encourage reductions in their own GHG emissions and climate impact. Nordic also continues its collaboration with customers and offers low-power solutions that help address climate change challenges. The emissions reduction targets are further explained in section E1-4: Targets related to climate change mitigation and adaptation.

Nordic has not yet conducted a formal climate-related scenario analysis. Climate risk identification in 2025 is based on the Double Materiality Assessment and other qualitative risk inputs. Nordic plans to develop and apply a scenario-analysis framework in a later reporting cycle to strengthen its assessment of resilience and to support strategic decision-making.

EI-1 Transition plan for climate change mitigation

Nordic began formulating a transition plan to mitigate climate change in 2024. The qualitative transition plan was approved in 2025 by Nordic's Executive Management Team and the Board of Directors as part of the 2025 strategy. The plan is embedded in and aligned with its overall strategy and annual business. It informs strategic decision-making and operational initiatives. Financial planning reflects relevant decarbonization initiatives through dedicated budgets, supporting alignment with Nordic's climate strategy. Funding is provided through Nordic's ordinary financial planning and budgets for decarbonization-related initiatives; taxonomy-aligned CapEx KPIs and related disclosures are presented in the EU Taxonomy section in accordance with Commission Delegated Regulation (EU) 2021/2178. The plan also informs risk management and opportunity assessment, supporting preparedness for transition-related risks in a low-carbon economy. Governance structures, including board-level oversight and executive management accountability, ensure that progress against the transition plan is monitored and reported.

The transition plan outlines the pathway to decarbonize its value chain and achieve its SBTi-aligned GHG emission reduction targets for 2030 and 2050. The plan aligns with a 1.5°C pathway, as reflected in Nordic's SBTi-validated targets, with the Paris Agreement, and is consistent with EU climate ambitions. The targets, covering scopes 1, 2, and 3, are further explained in section E1-4.

To achieve the emission reduction targets, Nordic has developed a transition plan that defines key decarbonization levers and associated actions, as further detailed in E1-3. Given that the vast majority of Nordic's emissions arise in the value chain, the transition

plan primarily focuses on Scope 3 decarbonization levers, as outlined below:

- Engagement with manufacturing suppliers: maintaining regular reporting and dialogue with manufacturing partners to support realistic target-setting and to monitor progress on their planned decarbonization actions.
- Engagement with non-manufacturing suppliers: implementing a reporting framework to improve data quality, increase understanding of its suppliers' practices, and support target setting.
- Engagement with customers: working collaboratively with its customers to add leverage towards manufacturing suppliers and their actions.
- Engagement with industry peers: participating in the Semiconductor Climate Consortium to collaborate with industry peers on addressing decarbonization challenges and advancing collective climate action.

Scope 1 and 2 emissions are managed through operational measures, including energy efficiency improvements and renewable energy sourcing.

The successful implementation of these decarbonization levers relies on supplier cooperation and external market factors, with Nordic focused on influencing, engaging, and aligning stakeholders through value-chain and industry initiatives. In 2025, progress focused on continued supplier engagement, further development of supplier reporting frameworks, participation in industry collaboration, and continued renewable electricity sourcing for own operations, as further described in E1-3.

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Nordic is not excluded from the EU Paris-aligned Benchmarks. The company does not conduct any activities that would trigger exclusion under the regulation, including involvement in controversial weapons, tobacco production, or significant fossil-fuel-related operations. Nordic also adheres to the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises, with no identified violations.

Nordic does not currently identify any significant locked-in GHG emissions for Scope 1 and 2. For emissions associated with purchased goods and services from manufacturing suppliers, even when orders for further wafer production exist, these emissions are not considered locked-in, as suppliers retain discretion to implement measures to reduce the emission intensity of their production processes.

Nordic does not currently assess these locked-in emissions as jeopardizing the achievement of its GHG emission reduction targets; the related transition risk is managed primarily through supplier engagement and other decarbonization measures described in EI-3.

The cumulative locked-in GHG emissions from the direct use-phase of sold products have been calculated by multiplying the 2025 product sales volume by the total estimated direct-use-phase emissions over their expected five-year lifetimes. The estimated locked-in emissions for 2025 are 3743 tCO₂, compared to 3172 tCO₂ in 2024.

As described in the [EU Taxonomy](#) section, Nordic has limited taxonomy-relevant activities. For FY2025, Nordic reports no taxonomy-aligned turnover, CapEx, or OpEx, and taxonomy considerations are therefore not a primary mechanism for implementing the transition plan; Nordic will continue to monitor how taxonomy eligibility and alignment may evolve over time in line with the EU framework and the development of supporting evidence.



Impacts, risks, and opportunities

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

Nordic's 2025 Double Materiality Assessment (DMA) identified the following impacts, risks, and opportunities related to climate change.

Climate Change Mitigation

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Reducing emissions from customers using energy-efficient technology	Actual positive impact			●	●		
GHG emissions from energy use and supplier operations	Actual negative impact	●	●		●		
Upstream decarbonization-related cost exposure	Risk	●					●

Climate Change Adaptation

Opportunities in climate-resilient products	Opportunity		●	●		●	
--	-------------	--	---	---	--	---	--

Nordic's process for identifying and assessing material climate-related impacts, risks, and opportunities is based on the double materiality principle, applied across the Group's own operations and value chain. Climate-related material risks and opportunities are identified and assessed through the DMA and related qualitative risk inputs, with reference to the Group's risk management processes where relevant.

Climate change remains the most significant environmental issue for Nordic and its stakeholders. Semiconductor manufacturing is energy-intensive, and Nordic recognizes the impacts and risks associated with energy dependency and the contribution of GHG emissions to climate change. While Nordic's fabless business model limits direct operational exposure and keeps climate-related risk relatively low for its own operations, semiconductor manufacturing remains energy-intensive. Nordic's manufacturing partners are exposed to climate-related challenges, including physical risks that vary by geographic location, such as extreme weather, as well as transition risks arising from regulatory changes and evolving industry standards.

Through its materiality assessment, Nordic has identified the climate-related material impacts, as detailed in the table above. The TCFD disclosure under ESRS 2 IRO-I-EI provides details on Nordic's climate-related risks and opportunities for climate change mitigation and adaptation.



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Reducing emissions from customers using energy-efficient technology

While Nordic's path to net zero is ambitious and challenging, its product innovations offer sustainable opportunities. This informs both its strategic decisions and R&D initiatives, guiding the development of its IoT portfolio with ultra-low-power, energy-efficient solutions. When integrated into customers' devices, Nordic's low-power technologies can reduce energy consumption during the use phase compared with higher-power alternatives. The extent of any resulting emissions reduction depends on the customer's end-product design, usage patterns, and electricity mix. Nordic considers this an actual downstream positive impact but does not quantify avoided emissions in this reporting period.

GHG emissions from energy use and supplier operations

As a fabless company, Nordic's direct energy use is primarily associated with office operations, with GHG emissions resulting from purchased electricity and heating. Over 90% of this energy comes from renewable sources, while a small portion comes from fossil fuels. Over 50% of its employees work in green-certified offices, such as BREEAM and LEED. This reflects its fabless business model and supports its efforts to reduce operational emissions through renewable energy sourcing and energy efficiency.

In contrast, semiconductor manufacturing is highly energy-intensive, primarily due to electricity consumption, and is a major contributor to Nordic's Scope 3 emissions. As external suppliers carry out these operations, they are inherently linked to the company's fabless business model. To address this, Nordic engages closely with key manufacturing suppliers to define ambitious GHG reduction targets, support the adoption of renewable energy, and promote the implementation of energy-efficient production practices. While many of its suppliers are increasingly investing in renewable energy and low-carbon technologies, production-related emissions remain significant, and Nordic has limited control over suppliers' energy choices. Mitigating these impacts requires a combination of long-term strategic planning, active value chain engagement, and continuous monitoring.

Impact, risk, and opportunity management

EI-2 Policies related to climate change mitigation and adaptation

Nordic's Climate Change Policy sets requirements for responsible practices across the Group's own operations and value chain. The policy addresses all its identified material IROs related to climate change, as disclosed in the table for ESRS 2 SBM-3, and outlines the Group's approach and commitment to climate action. This includes implementing measures for climate change mitigation through GHG emissions reductions in line with SBTi targets, and for climate change adaptation through assessing climate risks and enhancing resilience to climate impacts. The policy outlines Nordic's approach to improving energy efficiency and increasing the use of renewable energy in its own operations. It also describes expectations for suppliers' collaboration, sustainable sourcing practices, and ongoing refinement of environmental management across its business activities.

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

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

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

Nordic undertakes measures to reduce GHG emissions across its value chain as part of its climate-related commitments. Through its science-based targets validated by SBTi in April 2024, Nordic's ambition is to reduce absolute emissions and emission intensity to achieve near- and long-term targets outlined in section EI-4.

Nordic's approach towards climate change mitigation encompasses a diverse array of strategies, including decarbonization levers, as listed in the following paragraphs. These represent the key actions it has undertaken during the reporting year, as well as

the planned actions intended to reduce its carbon footprint. For example, Nordic engages with key suppliers on emission-related topics and monitors their decarbonization plans. Nordic also maintains dialogue with customers on climate expectations, which informs its interactions with manufacturing partners regarding their planned mitigation measures.

Nordic reports achieved and expected GHG emission reductions associated with its climate-related measures, based on available calculation methodologies. It tracks relevant emissions data to provide visibility into the effects of these measures and to support transparent reporting. It remains focused on achieving measurable reductions in line with its targets. This supports monitoring of performance over time and informs continuous improvement efforts.

As of 2025, compared to 2019, Nordic's Scope 3 emissions intensity (emissions per USD value added) has decreased by 38%, while Scope 3 absolute emissions have increased by 42%. Nordic expects an increase in Scope 3 absolute emissions in the near future while achieving further reductions in Scope 3 emissions intensity in line with its science-based targets.

The implementation of Nordic's climate change mitigation actions does not require significant CapEx or OpEx expenditure at this stage. Its ability to implement these actions depends on the continuous availability and strategic allocation of resources, including financial investments, technological innovation, and collaboration with its partners. Nordic aims to manage these resources transparently and to support progress on climate mitigation and adaptation.

Engagement with manufacturing suppliers

Due to the advanced, capital-intensive technologies required for semiconductor fabrication, which are provided by only a few manufacturing suppliers, such as TSMC and GlobalFoundries, Nordic is limited in its choice of wafer suppliers. Additionally, Nordic's strict performance and reliability standards for critical applications further narrow the pool of qualified

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suppliers. As such, the key action for reducing emissions from purchased goods and services is to engage with its outsourced manufacturing suppliers, which have the largest impact, accounting for roughly 70% of its total GHG emissions.

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

Engagement with the manufacturing suppliers is an ongoing action and will continue long-term as Nordic works towards its emission reduction targets.

Engagement with non-manufacturing suppliers

Nordic is implementing a structured third-party supplier sustainability assessment framework (currently supported by EcoVadis) to engage with non-manufacturing suppliers. This framework aims to improve the quality and reliability of supplier-provided data and enhance understanding of suppliers' practices and emission-reduction initiatives. By systematically collecting and analyzing supplier information, Nordic can monitor progress, identify risks and opportunities, and strengthen collaboration to drive emissions reductions.

Engagement with customers

Nordic collaborates with its customers to amplify climate action across the value chain, particularly by influencing manufacturing suppliers. Through this engagement, it encourages suppliers to adopt practices that reduce greenhouse gas emissions, improve energy efficiency, and support the achievement of Nordic's and its customers' shared emission reduction and climate

targets. This collaborative approach helps extend the impact of its climate strategy beyond its direct operations and drives collective progress toward net-zero objectives.

Engagement with industry peers

In 2025, Nordic joined the Semiconductor Climate Consortium (SCC) to collaborate with industry peers on decarbonization challenges. Through this engagement, it aims to contribute to the development of industry-wide emission-reduction strategies and to advance collective climate action. Participation in the SCC enables Nordic to align efforts across the semiconductor sector and support the achievement of shared sustainability goals.

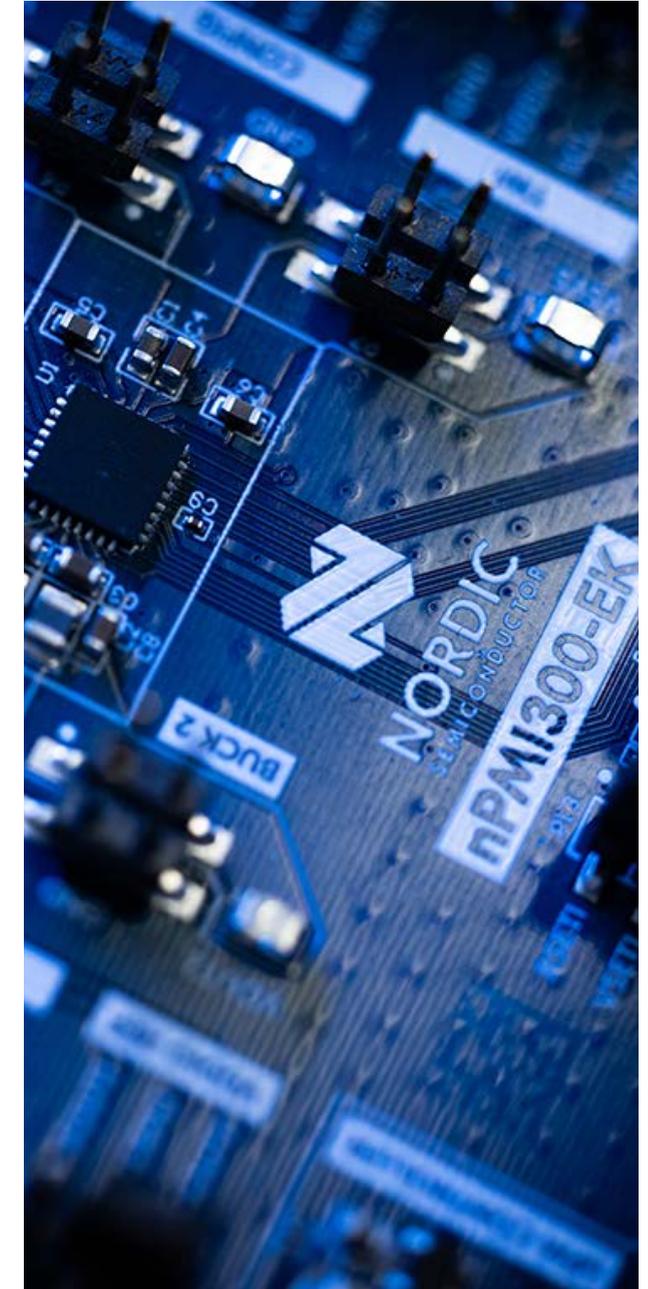
Renewable electrification of own operations

To meet the scope 1 & 2 targets, Nordic remains committed to purchasing renewable energy for its offices. By investing in renewables, 92% of the energy purchased for Nordic's own operations in 2025 originated from renewable sources. Compared to the 2019 baseline, this represents a 89% reduction in scope 2 market-based emissions.

Investing in renewable energy sourcing is integrated into its financial planning, but it depends on the availability of renewable energy instruments for countries where Nordic's offices are located. By 2030, Nordic aims to reach 100% of its electricity consumption from renewable sources.

Energy-efficient product design

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



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Metrics and targets

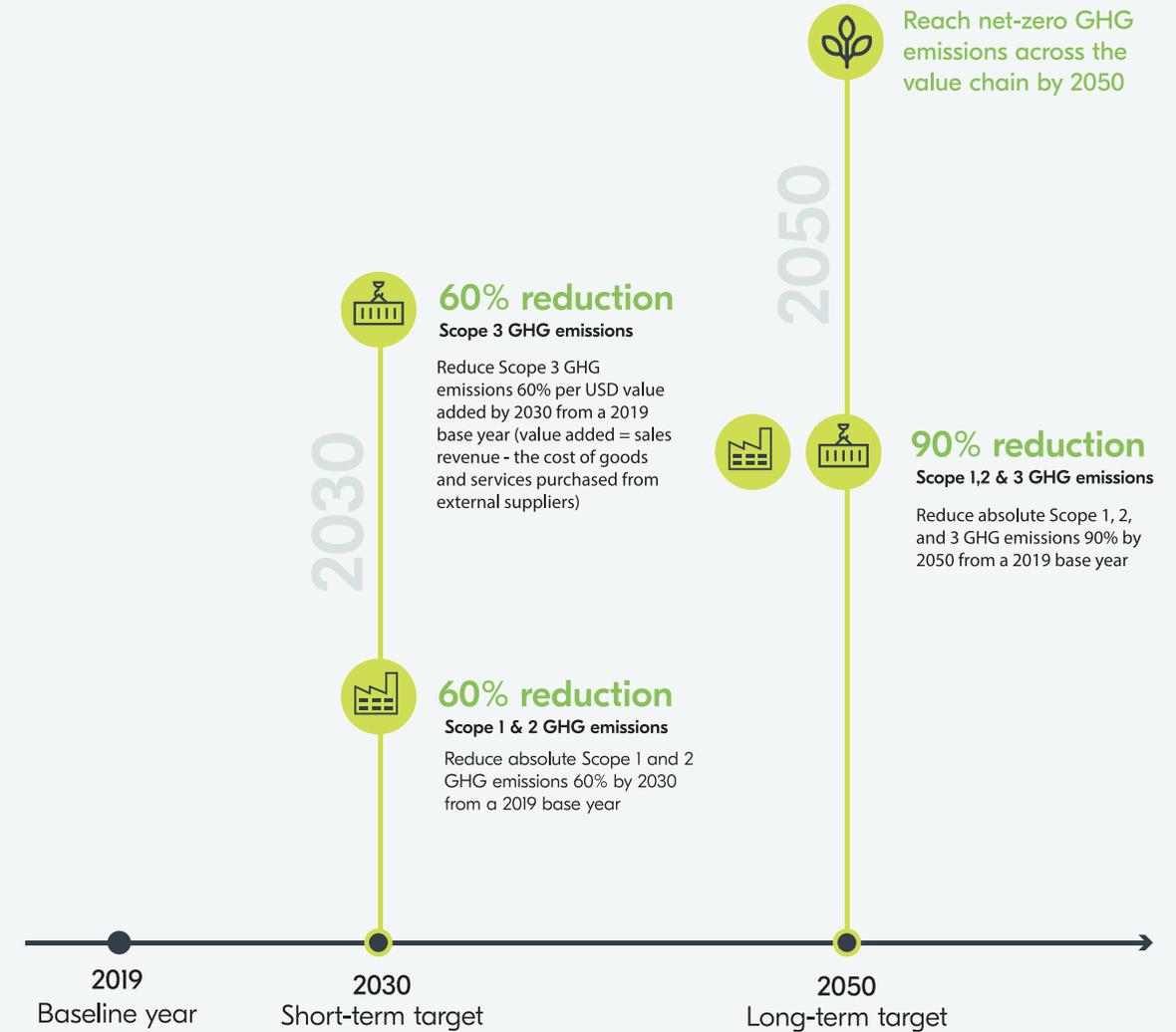
EI-4 Targets related to climate change mitigation and adaptation

In response to the contribution to climate change and global warming, Nordic is committed to reducing GHG emissions in line with the science-based targets set by the SBTi. These targets were developed in collaboration with Nordic's Quality and Supply Chain departments and approved by the Executive Management Team. The targets support the Group's climate change policy objectives by translating GHG reduction commitments into measurable targets.

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

Purchasing renewable energy for its offices is a significant factor in achieving its Scope 1 and 2 GHG emission reduction targets by 2030. By transitioning to renewable energy sources, Nordic can significantly reduce its dependence on fossil fuels. This leads to a direct reduction in emissions associated with its energy consumption, helping Nordic meet its Scope 1 and 2 GHG emission reduction targets. In 2025, Nordic's Scope 1 and 2 emissions accounted for 0.1% of its total emissions. Relative to the 2019 base year, Nordic's Scope 1 and 2 emissions have decreased by 89% in 2025, well beyond the 60% target.

Targets/KPIs



Nordic's GHG emissions reduction targets and decarbonization levers



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Nordic aims to reduce its Scope 3 emissions intensity by 60% from the 2019 baseline year by 2030. It is essential that targets based on a baseline accurately reflect the activities included and consider the potential impacts of external factors. This is why Nordic is committed to updating its targets at the latest five years after setting the initial target, in line with SBTi criteria.

By taking future developments into account, Nordic has set targets based on emission intensity. This approach allows the targets to be adjusted in line with developments in Nordic's business model, including new technologies and factors that may affect future emissions as the business evolves. Together with an annually updated climate risk assessment, it supports evaluation of future developments that could impact Nordic, as well as to understand the influence of Nordic's activities on those developments.

Scope 3 emissions from Nordic's outsourced manufacturing account for about 70% of its total emissions, compared to 74% in 2024. Many of Nordic's manufacturing suppliers are already transitioning to renewable energy and adopting new technologies to reduce emissions, yet manufacturing emissions remain significant. This underscores the need for continued engagement with manufacturing suppliers to address production-related GHG emissions collaboratively and support Nordic's efforts to achieve its emission-reduction targets.

Due to increased production activities with its manufacturing suppliers, Nordic anticipates an increase in absolute Scope 3 emissions until renewable energy availability improves in the countries where its suppliers are located, while still reducing Scope 3 emissions intensity.

Nordic's GHG emission reduction targets are monitored through structured processes. Nordic collects energy and emissions data from its own operations and supply chain and assesses the progress against its 2019 GHG emission baseline levels and emission reduction targets. The performance and metrics related to Nordic's GHG emission reduction targets are regularly reviewed in management meetings.



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Target identifier	Scope	Baseline			Target				Absolute max value (tons CO2e)
		Year	Value	Unit	Year	Reduction	Target value	Unit	
NT ABSI	Scope 1+2 (market-based)	2019	717	tons CO2e	2030	60%	287	tons CO2e	287
NT INT1	Scope 3 (all categories)	2019	692	tons CO2e per MUSD value added*	2030	60%	277	tons CO2e per MUSD value added*	0
LT ABSI	Scope 1+2+3	2019	79577	tons CO2e	2050	90%	7958	tons CO2e	7958
NZ	Scope 1+2+3	2019	79577	tons CO2e	2050	100%	0	tons CO2e	0

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

EI-5 Energy consumption and mix

Energy consumption and mix	Comparative (2024)	2025
Total electricity consumption from fossil sources (MWh)	53	117
Share of fossil sources in total energy consumption (%)	0.8	2
Total electricity consumption from nuclear sources (MWh)	5	8
Share of consumption from nuclear sources in total energy consumption (%)	0.1	0.1
Total heating from non-renewable sources (MWh)	279	336
Total non-renewable energy consumption (MWh)	337	461
Fuel consumption for renewable sources, including biomass (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	6487	5352
Consumption of self-generated non-fuel renewable energy (MWh)	43	72
Total renewable energy consumption (MWh)	6530	5424
Share of renewable sources in total energy consumption (%)	95	92
Total energy consumption (MWh)	6867	5885
Energy consumption per revenue (MWh/MUSD)	12.6	8.8

Energy consumption overview

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

Nordic's approach to measuring GHG emissions follows the European Sustainability Reporting Standards (ESRS), and, according to ESRS, uses guidance from the Greenhouse Gas Protocol (ghgprotocol.org). Applying the GHG protocol principles supports Nordic in accounting for relevant GHG emissions and in preparing GHG disclosures that follow a consistent methodological approach.

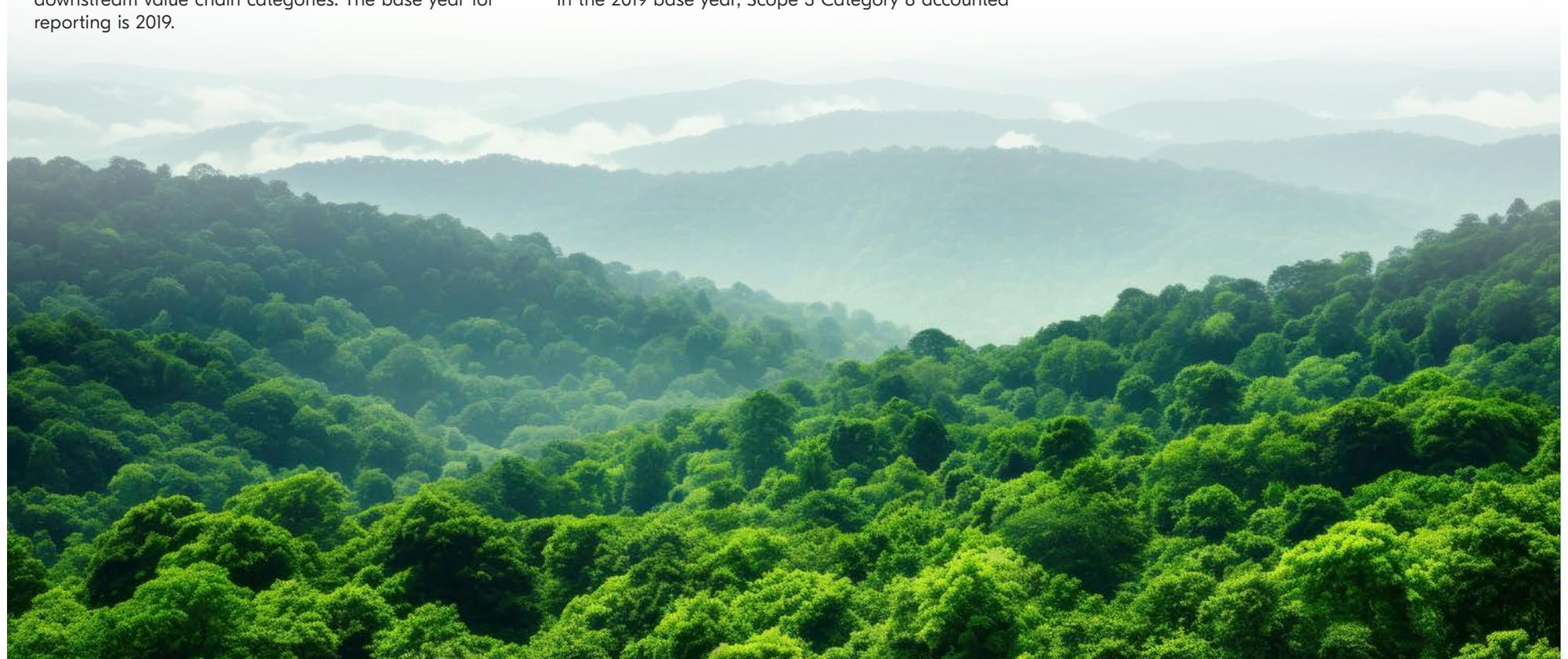
Nordic reports its GHG emissions across all three scopes. To consolidate emissions in the GHG inventory, Nordic has used the operational control approach outlined in the GHG Protocol. The GHG inventory covers Nordic's own operations and relevant upstream and downstream value chain categories. The base year for reporting is 2019.

In 2025, Nordic refined its GHG emissions inventory methodology and excluded emissions related to Scope 3 Category 8 (Upstream leased assets). The associated emissions from leased facilities, machinery, and equipment are already accounted for under Scope 2. Therefore, to avoid double-counting, Category 8 has been removed from Nordic's Scope 3 disclosures. This adjustment aligns the reporting boundary with the operational control approach, in line with applicable methodological guidance.

Nordic recalculates its base year emissions when changes or corrections in the reporting year result in a decrease or increase of 5% or more in the base year emissions for the relevant scopes (Scopes 1–3). In the 2019 base year, Scope 3 Category 8 accounted

for less than 0.5% of total Scope 3 emissions. As the exclusion of Scope 3 Category 8 from the 2025 GHG inventory has an impact below the 5% recalculation threshold, the base year emissions remain unchanged.

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



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GHG emissions for the period 2025-01-01 to 2025-12-31	Retrospective				Milestones and target years			
	Base year (2019)	Comparative (2024)	2025	% 2025/2024 - 1	2026	2030	2050	Annual % target / Base year
Scope 1 GHG emissions								
Gross scope 1 GHG emissions (tCO ₂ eq)	0,7	0	0	0%	0,5	0	0	0%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	0%				
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	324	1352	1104	(19)%				
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	717	41	79	93%	443	287	72	5%
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	78860	95870	111782	17%			7886	5%
1. Purchased Goods and Services	59371	84201	91187	8%				
2. Capital goods	13593	5183	13393	158%				
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	38	43	96	129%				
4. Upstream transportation and distribution	101	87	83	(4)%				
5. Waste generated in operations	2	3	1	(78)%				
6. Business travel	1896	1128	1852	64%				
7. Employee commuting	205	413	421	2%				
8. Upstream Leased Assets	198	341	-	-				
9. Downstream transportation and distribution	1005	1122	794	(29)%				
10. Processing of sold products	149	155	187	20%				
11. Use of sold products	2279	3172	3743	18%				
12. End-of-life treatment of sold products	21	22	25	14%				
13. Downstream leased assets	-	-						
14. Franchises	-	-						
15. Investments	-	-						
Total GHG emissions								
Total GHG emissions (location-based) (tCO₂eq)	79185	97222	112886	16				
Total GHG emissions (market-based) (tCO₂eq)	79577	95911	111861	17			7958	

Nordic's GHG inventory. Each scope and category is explained in the following paragraphs.

GHG intensity per net revenue	Comparative (2024)	2025	% 2025/2024-1
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/USD 1000)	0.190	0.169	(11)%
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/USD 1000)	0.188	0.168	(11)%

Nordic's GHG emission intensity per revenue. The revenue used for calculating GHG emissions intensity: 511,415 USD 1000 for 2024, 667,619 USD 1000 for 2025. This corresponds to the revenue reported in the 2024 and 2025 financial statements.



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Scope 1 emissions

Scope 1 emissions are reported in accordance with the GHG Protocol Corporate standard. Nordic's Scope 1 emissions include all direct emissions from the Group and its operations. As a fabless semiconductor company, Nordic controls and owns very few GHG sources. Scope 1 emissions are minor and generated only in abnormal situations. Data for Scope 1 emissions is collected annually through service reports from the 3rd party service provider. Emissions are calculated using IPCC emission factors. In 2025, Nordic's Scope 1 emissions were 0 tCO2eq (2024: 0 tCO2eq).

Scope 2 emissions

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

In 2025, Nordic purchased renewable energy for its offices, verified by Guarantees of Origin (GOOs), International Renewable Energy Certificates (I-RECs), Taiwan Renewable Energy Certificates (T-RECs), Renewable Energy Guarantees of Origin (REGOs), and Renewable Gas Guarantees of Origin (RGGOs). This approach is consistent with Nordic's renewable energy sourcing in 2024.

In 2025, 92% of the energy used in its offices originated from renewable energy sources. This includes electricity purchased from electricity providers, as well as solar energy generated on-site at Nordic's head office in Trondheim.

Sustainable design and operation of the building are considered in selecting Nordic's office facilities. This includes various aspects, such as using less energy and water and creating less waste. Currently, more than

50% of Nordic's employees work in office buildings with green building certifications, like BREEAM and LEED.

Scope 3 emissions

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

Category 1: Purchased goods and services

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

For outsourced manufacturing, emissions are calculated using a hybrid method from the GHG Protocol, combining supplier-specific annual emission factors and Nordic's own production records.

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

In Nordic's GHG inventory, purchased goods and services are the largest contributor. In 2025, this category accounted for 82% of the total GHG emissions, while manufacturing processes alone accounted for 71%.

Category 2: Capital goods

This category includes emissions related to investments in office and lab equipment, machinery, and certain software procurement. The data for capital goods is based on Nordic's financial reports for the reporting year. GHG emissions calculations are based on the average-spend-based method of the GHG Protocol, using the economic value of goods purchased and

emission factors from Climatiq and Position Green. In 2025, emissions from this category represented 12% of the total GHG inventory.

Category 3: Fuel- and energy-related activities

This category includes upstream emissions of fuel and energy generation, as well as energy transmission and distribution (T&D) losses. GHG emissions are calculated using the average data method of the GHG Protocol, with Well-To-Wheel (WTW) emission factors for purchased fuel, electricity, and heat, and T&D factors for purchased electricity and heat provided by IEA. This category accounts for a very small share of Nordic's GHG inventory (less than 0.1% in 2025).

Category 4: Upstream transportation and distribution

Upstream transportation and distribution includes emissions related to the transport of goods purchased by Nordic, including inbound logistics, outbound logistics, and transportation and distribution between the company's own facilities. For upstream transportation and distribution, Nordic receives shipping data, including weight, distance, and transportation mode for shipments from the transport company on an annual basis. GHG emissions are calculated using the GHG Protocol's distance-based method, shipping data from the transport company, and Well-To-Tank (WTT) and Tank-To-Wheel (TTW) emission factors for freight provided by Defra. This category accounts for a very small share of Nordic's GHG inventory (less than 0.1% in 2025).

Category 5: Waste generated in operations

This category includes emissions related to third-party disposal and treatment of waste generated in Nordic's operations. GHG emissions are calculated using quantified waste information from the major offices for the reporting year and extrapolated to cover all Nordic sites. Emissions are calculated using the GHG Protocol's average data method and emission factors from Defra for different waste treatment methods. This category accounts for a very small share of Nordic's GHG inventory (less than 0.1% in 2025).



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Category 6: Business travel

For business travel, GHG emissions are calculated and reported for Nordic's business air travel. Reported GHG emissions are based on air travel distance and travel class data received from travel companies for the reporting year, and are calculated using Defra's business travel emission factors, applying the distance-based method of the GHG Protocol. In 2025, emissions from business travel accounted for a relatively small share of Nordic's GHG inventory (1.7%). In the coming years, Nordic will focus on calculating emissions for all types of business travel.

Category 7: Employee commuting

For employee commuting, Nordic has included emissions associated with employees traveling between home and work. Reported data is based on employee survey results detailing transportation modes used for daily commuting, how often employees commute to work, and the distance traveled daily. GHG emissions are calculated using Defra and NTMCalc emission factors for different transport modes, using the GHG Protocol's average-data method. In 2025, emissions from this category represented 0.4% of the total GHG inventory.

Category 8: Upstream leased assets

This category has been excluded from the GHG inventory since 2025. The associated emissions from leased facilities and equipment are already accounted for under Scope 2.

Category 9: Downstream transportation and distribution

Emissions in this category are related to the transportation and distribution of Nordic products after the point of sale and are paid for by third parties in the reporting year. Emissions are calculated using supplier-specific GHG Protocol methods, point-of-sale data, and Defra WTT and TTW emission factors for freight. In 2025, emissions from this category accounted for 0.7% of the total GHG inventory.

Category 10: Processing of sold products

Nordic's products are electronic components that its customers assemble into their end products. Nordic has several hundred customers, and there are significant differences in their production processes (production line size, efficiency, location, end-product design, other components and materials in the design, and potential end-product programming and testing). Nordic lacks insight into these production processes, and there is currently no industry data or models available to calculate such emissions for its product categories directly. The estimated emissions for category 10 are rough and based on the article "Comparing Embodied Greenhouse Gas Emissions of Modern Computing and Electronics Products" (from [acs.org](https://www.acs.org)). By averaging out emissions per weight of electronics as listed in this article, it can extrapolate the total emissions of all Nordic products sold within a specific timeframe.

Category 11: Use of sold products

Emissions in this category include total expected lifetime emissions from the use of Nordic products incorporated into customers' end products. To calculate the GHG emissions of its products, Nordic has used data on the number of products produced per year and power consumption in normal operation, assuming the customer-end product is powered on 100% of the time during its 5-year lifetime and operates within a realistic duty cycle. Emissions are calculated using the GHG Protocol's direct use-phase emissions method and global emission factors from the IEA. This Scope 3 category accounts for a relevant part of Nordic's GHG inventory (3.3% in 2025).

Category 12: End-of-life treatment of sold products

This category includes the total expected end-of-life emissions from Nordic products sold annually, assuming that all Nordic products sold are eventually recycled. Nordic lacks visibility into consumers' waste-disposal behavior. Nordic has estimated that, of the units sold and eventually scrapped each year, an equal number

will be recycled, incinerated, or sent to landfills. Emissions are calculated using a waste-type-specific method by GHG Protocol and WEEE emission factors from Defra for different waste treatment methods. The estimated emissions from this category represent a very small part of Nordic's GHG inventory (less than 0.1% in 2025).

Category 13: Downstream leased assets

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

Category 14: Franchises

This category is not applicable. Nordic does not have franchise operations.

Category 15: Investments

This category is not applicable. Nordic is not an investor company.

EI-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

For this disclosure requirement, Nordic has chosen a phase-in option for this year's reporting. Nordic will begin reporting in future reporting cycles.

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E2 Pollution

Impacts, risks, and opportunities

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

Nordic's 2025 Double Materiality Assessment (DMA) has identified the following impacts in relation to pollution.

Pollution of the air

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Air pollution from transport and outsourced production	Actual negative impact	●		●	●		

Substances of concern and very high concern

Substances of concern and of very high concern in Nordic's products	Actual negative impact			●	●		
--	------------------------	--	--	---	---	--	--

In its own operations, Nordic uses small amounts of laboratory chemicals, the majority of which are recycled, reducing the need for disposal. The remaining quantities are very small and are assessed as not material for pollution impacts in Nordic's own operations. While pollution poses minimal risk to the company's direct operations, it primarily arises from manufacturing activities at suppliers' sites and downstream product transportation.

Air pollution from transport and outsourced production

In semiconductor manufacturing, air pollution is generated, particularly through the emission of volatile organic compounds (VOCs) during wafer processing. This impact is connected to Nordic's fabless business model and manufacturing value chain. While the scale of air emissions is moderate, suppliers report measures to control emissions, including technology and process improvements. Nordic's strategic response involves supplier collaboration and technology adoption decisions. However, due to the inherent nature of semiconductor manufacturing, emissions cannot be entirely avoided, and complete elimination remains a challenge.

The use of fossil fuels in the downstream transportation of Nordic products generates harmful pollutants, including NOx, SO2, ozone, and particulate matter. This impact is directly linked to its distribution model and value chain structure. While Nordic's lightweight products reduce shipping weight, reliance on fossil-fuel-powered air transport contributes to air pollution in the value chain, both in the short and long term. The transportation of Nordic products downstream is managed by its distributors and customers, over which Nordic has no direct control. This aspect of its business model is considered in decisions on distribution partnerships and logistics.

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Substances of concern and substances of very high concern in Nordic's products

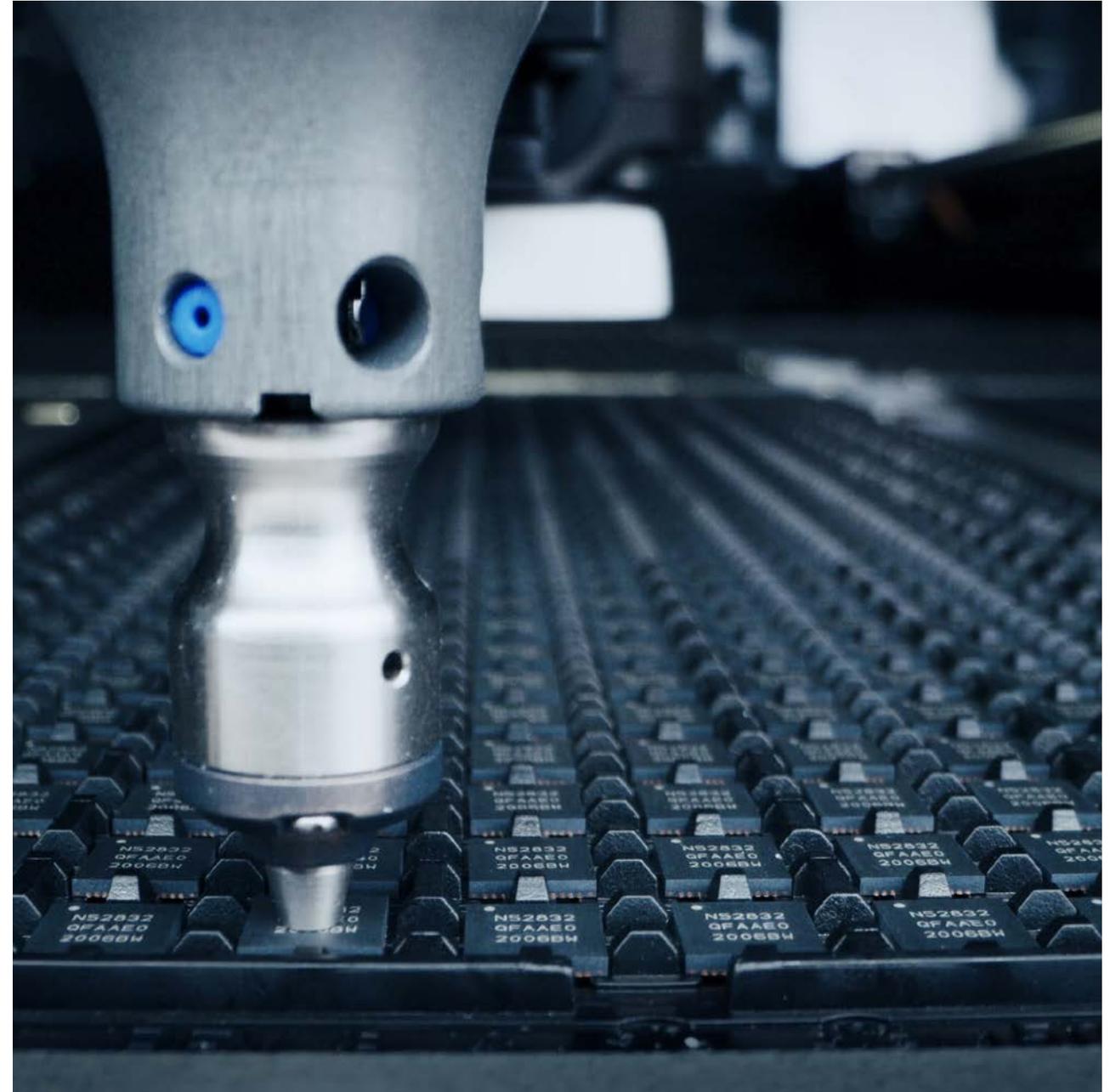
Certain substances of concern and very high concern, such as NMP, PFAS, boron oxide, and lead oxide, are used in manufacturing processes and present in Nordic's products. While the quantities in individual products are small and within permitted regulatory thresholds, their characteristics, such as toxicity, persistence, and bioaccumulation potential, pose potential risks to health and the environment. These substances can contribute to localized pollution, increase potential exposure for communities, and result in significant long-term consequences, particularly where end-of-life management is insufficient and public health safeguards are limited.

The presence of hazardous substances in Nordic's products and their associated impacts are directly linked to its product design decisions and manufacturing processes. Active management of these substances, including reductions or substitutions where technically and commercially feasible, supports the resilience of its business model and is managed through risk mitigation measures such as design reviews, supplier compliance, and material declarations.

Impact, risk, and opportunity management

E2-1 Policies related to pollution

Nordic's Environmental Impact Reduction policy addresses its identified pollution-related material impacts. These include air pollution during product production and transportation, as well as hazardous substances in products, as described under ESRS 2 SBM-3 for pollution-related material impacts. The policy outlines the company's commitment to environmental protection and pollution prevention and control. The policy sets requirements for identifying, controlling, and monitoring pollution sources within Nordic's operations, and to reduce potential releases to air, water, and soil. The policy encourages waste reduction and promotes reuse and recycling. It aims to minimize the use of substances of concern and replace substances





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of very high concern by promoting the adoption of safer alternatives or technologies where technically and economically feasible. The policy requires Nordic to comply with applicable regulatory and customer requirements. It also sets expectations for suppliers to meet Nordic's pollution prevention standards and to follow procedures for reporting and managing pollution incidents and emergencies.

The implementation of Nordic's Environmental Impact Reduction policy falls under the Chief Executive Officer's accountability. The policy adheres to internationally recognized standards, such as ISO 14001 for environmental management. In formulating the policy, Nordic has considered the interests of key stakeholders, including regulatory bodies, customers, and suppliers. Direct stakeholder engagement sessions and feedback mechanisms, including surveys, have informed Nordic's policy development. The policy is available to all employees and stakeholders through the company's website, intranet platforms, and distributed internal communications. Training programs and periodic updates are provided to strengthen employee awareness and understanding, with a particular focus on roles that interface with suppliers.

E2-2 Actions and resources related to pollution
Substances of concern and of very high concern in Nordic's products

Global environmental regulations, industry standards, and customer requirements impose restrictions on substances that are harmful to the environment. To uphold Nordic's standards for the use of hazardous substances and pollution prevention, manufacturing suppliers must sign and adhere to a declaration confirming their compliance with the requirements outlined in the Hazardous Substances Specification for Suppliers. This specification outlines requirements for substances such as volatile organic compounds (VOCs), ozone-depleting substances (ODCs), and substances of very high concern (SVHCs). The specification is reviewed and updated as needed to maintain alignment with applicable requirements.

Nordic's products undergo testing to verify compliance with relevant hazardous substance requirements. Nordic's products undergo testing to verify compliance with relevant hazardous-substance requirements, including independent third-party testing where applicable. Material composition reports and hazardous substance testing certificates for all products are available on the company website (<https://docs.nordicsemi.com/>).

In 2025, Nordic continued to use its supplier environmental survey to assess the use of substances of concern and substances of very high concern in manufacturing processes. The survey is systematically distributed to manufacturing suppliers. Ongoing use of the survey provides input for assessing environmental aspects of supplier operations and supports Nordic's monitoring of applicable legal and customer requirements.

In 2025, Nordic also continued its PFAS-free material qualification program. In recent years, Per- and polyfluoroalkyl substances (PFAS) have been subject to increasing regulatory restrictions worldwide. Due to their strong carbon-fluorine bonds, PFAS are highly persistent in the environment and are commonly referred to as "forever chemicals." PFAS are currently used in Nordic products delivered as CSP packages. In response to growing concerns and restrictions, Nordic is qualifying PFAS-free materials for its existing and future CSP product portfolio.

Air pollution from transport and outsourced production

To address air pollution from product transportation, Nordic has mapped its distributor partners to better understand relevant transport routes and practices. Air pollution from outsourced production is monitored annually, including suppliers' emission sources and the treatment measures implemented.

The implementation of these actions is integrated into Nordic's operational framework and managed with resources allocated from its Quality and Supply Chain

departments and Compliance unit. In 2026, Nordic will continue implementing these actions and its efforts to strengthen collaboration with its suppliers and enhance visibility into suppliers' plans and ongoing pollution prevention initiatives. These actions are not anticipated to require significant operational (OpEx) or capital (CapEx) expenditures.

Metrics and targets

E2-3 Targets related to pollution

PFAS-free material qualification

PFAS-free material refers to substances that do not contain per- and polyfluoroalkyl substances. PFAS are restricted in materials used in Nordic products in accordance with applicable regulatory and customer requirements. Nordic is qualifying PFAS-free materials for CSP packages as part of a phased transition.

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

The target aligns with anticipated future regulations to restrict PFAS use. It reinforces Nordic's commitment to ensuring compliance with evolving regulatory standards and customer requirements, and to advancing its efforts to minimize environmental and health risks. The methodology for achieving this target involves identifying all existing CSP products containing PFAS and qualifying PFAS-free alternatives for the products. The transition away from PFAS materials depends on collaboration with Nordic's manufacturing suppliers, particularly regarding material selection and qualification processes. Nordic engages closely with its suppliers to drive progress toward the PFAS reduction target.

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In setting its target, Nordic considered regulatory and customer expectations and involved key stakeholders from its Quality and Supply Chain departments to assess feasibility and alignment with operational capabilities. The Executive Management Team has approved the target.

A qualification program for PFAS-free materials began in 2023, progressively replacing PFAS with safer, more sustainable alternatives. For 2025, Nordic set a target to have 90% of its CSP products qualify as PFAS-free. Actual completion in 2025 was 64.5%. While the target was not fully achieved due to low demand and delays in qualifying certain CSP products, progress was made. In 2026, it continues to advance PFAS-free solutions across its CSP product portfolio to achieve the 90% coverage.

Air pollution in the production process

As a fabless semiconductor company, Nordic does not have direct control over air pollution generated in the manufacturing processes. While Nordic has not set targets for air pollution in the production process, it collaborates with suppliers to communicate pollution-prevention expectations and monitor the measures they implement to control and reduce air pollution.

Air pollution from the transportation of products

Regarding air pollution generated in the transportation of Nordic's products, the company has not established specific targets. Nordic's distributors manage these operations, and Nordic does not have direct control over them. However, by mapping its distributor partners, Nordic aims to improve visibility into transport routes and related practices.

E2-5 Substances of concern and very high concern

The semiconductor manufacturing process involves several substances of concern or very high concern. Nordic acknowledges that the inherent toxicity of these substances poses risks to human health and the environment, with the potential to cause substantial adverse effects over time. To address these risks, Nordic has integrated controls into its design and manufacturing processes, ensuring alignment with environmental regulations and standards, such as RoHS, REACH, and the EU Persistent Organic Pollutants (POP) Regulation.

Nordic is dedicated to conducting its operations in a way that aims to safeguard human health and ecosystems through pollution-prevention controls and compliance with applicable requirements. Through the reinforcement of its environmental policy and focus on pollution prevention, the Group is committed to systematically identifying, assessing, and managing pollution sources, and to maintaining alignment with applicable regulations and standards.

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

Substance group	Hazard class	Total weight in Nordic products (g)	
		Comparative (2024)	2025
Substances of concern	Carcinogenicity, categories 1 and 2	1663.2	3144.1
	Germ cell mutagenicity category 2	993.9	1879.0
	Reproductive toxicity category 1	993.9	1879.0
	Respiratory sensitization category 1	993.9	1879.0
	Skin sensitization category 1	1645.5	3110.4
	Chronic hazard to the aquatic environment categories 1 to 4	8236.1	12871.1
	Specific target organ toxicity - repeated exposure categories 1 and 2	651.6	1231.4
Substances of very high concern	Carcinogenicity categories 1 and 2	16190.9	6762.7
	Reproductive toxicity category 1	16392.0	6871.2
	Persistent, Bioaccumulative, and Toxic (PBT)	16190.9	6762.7
	Endocrine disruption for human health	16190.9	6762.7

Summary of Substances of Concern and Substances of Very High Concern in Nordic's IC products in 2025

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E3 Water and Marine Resources

Impacts, risks, and opportunities

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

Nordic's 2025 Double Materiality Assessment (DMA) identified one material negative impact arising from water consumption in upstream production.

Water

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Water consumption in upstream production	Actual negative impact	●			●		

Due to the Group's fabless structure and low water consumption volumes, Nordic's own water consumption is assessed as not material in the 2025 DMA.

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

Water consumption in upstream production

As a fabless semiconductor producer, Nordic must recognize and understand the water-related impacts associated with its outsourced manufacturing activities. In semiconductor manufacturing processes, water is a fundamental resource for surface cleaning, cooling, and mechanical operations such as dicing and sawing, and must meet high purity standards. The high water demand and the risk of water shortages and pollution highlight the importance of engaging suppliers on their water-management practices, including water consumption, wastewater treatment, and contingency measures for potential shortages. Nordic's strategic response focuses on supplier engagement and risk management. This approach reflects Nordic's consideration of water-related challenges within its supplier engagement and risk-management activities across the manufacturing value chain.

Impact, risk, and opportunity management

E3-1 Policies related to water resources

Nordic's [Environmental Impact Reduction policy](#) includes provisions for water, including all geographies in which Nordic operates. The Chief Executive Officer is accountable for implementing the policy. The Environmental Impact Reduction policy adheres to internationally recognized standards such as ISO 14001 for environmental management.

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Nordic's Environmental Impact Reduction policy covers water consumption reduction, reuse and recycling, wastewater treatment, and pollution prevention in its suppliers' operations. The policy's general objectives are to reduce negative environmental impacts proactively and to mitigate risks that could affect health, the environment, or business continuity.

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

Nordic's Environmental Impact Reduction policy is readily accessible to all employees and stakeholders involved in implementation through the company's website, intranet platforms, and distributed internal communications. Training programs and periodic updates are provided to strengthen employee awareness and understanding, with a particular focus on roles that interface with suppliers.

E3-2 Actions and resources related to water resources

In line with its Environmental Impact Reduction policy and to address the identified material impact, Nordic continued in 2025 to monitor water withdrawal, consumption, treatment, and discharge in outsourced manufacturing operations. This monitoring is expected to provide:

- Reliable and quantifiable data on water usage across its outsourced production processes
- Insights into suppliers' potential water pollutants
- Enhanced ability to identify and assess water-related risks, particularly in water-stressed regions
- Better understanding of necessary contingency measures for facilities in medium to high-water-risk areas.

To further strengthen its understanding of water-related risks in its supply chain, Nordic has conducted a risk

assessment using external resources, such as the WWF Water Risk Filter. The majority of Nordic's outsourced production is located in Southeast Asia, a region WWF classifies as having medium physical water risk.

In 2025, Nordic conducted an assessment of its manufacturing subcontractors' water use and conservation practices. The insights from this assessment informed the planning and establishment of its water resource target for 2026.

Implementing the water resources action plan does not require significant operational expenditures (OpEx) or capital expenditures (CapEx).

Scope and stakeholder involvement

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

Time horizons

In the coming year, Nordic will continue monitoring water use within its supply chain, enabling it to track progress toward its established water target and make informed decisions based on risks. Engagement with subcontractors for water conservation and contingency is ongoing and will continue in the long term, especially for areas of high water stress.

Metrics and targets

E3-3 Targets related to water resources

In 2025, Nordic established a water-related target for 2026 to address material impacts associated with water consumption in upstream production and, in line with Nordic's policy objectives for water, to promote responsible water stewardship in outsourced manufacturing. The target is based on supplier-reported data, including environmental surveys and publicly

available information, and uses 2025 as the baseline year. It applies to Tier-1 manufacturing suppliers included in Nordic's supplier monitoring scope, including those operating in medium- to high-water-risk regions. Supplier engagement and monitoring activities provide input for assessing progress toward the target.

Target for 2026: Maintain a minimum of 70 percent water-management-target coverage (covering water withdrawal, conservation, or consumption) among Tier-1 manufacturing suppliers.

Nordic has not established ESRS-aligned outcome targets related to water consumption or water reduction in the value chain. Instead, Nordic applies a process-based indicator to monitor supplier engagement on water stewardship.

In 2025, 70% of Tier-1 manufacturing suppliers reported having established water-management targets. For the purpose of this indicator, a supplier is considered to have a water-management target where it has documented at least one quantitative goal related to water withdrawal, water consumption reduction, or water conservation, with a defined baseline and target year, either publicly disclosed or reported through Nordic's environmental survey.

The figure is calculated as the number of suppliers meeting these criteria divided by the total number of Tier-1 suppliers within the monitoring scope. The indicator, therefore, reflects the defined level of ambition for 2026 and functions as a process indicator of supplier engagement rather than an outcome-based environmental target.

The target was developed in consultation with stakeholders from the Quality and Supply Chain departments. Progress against this target is monitored through periodic reviews of suppliers' water-management-target coverage and through established supplier-management routines.

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E5 Resource use and circular economy

Impacts, risks, and opportunities

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

Nordic's 2025 Double Materiality Assessment (DMA) identified the following impacts related to resource use and the circular economy.

Resource inflows, including resource use

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Resource use linked to component and packaging material inputs	Actual negative impact	●	●		●		

Resource outflows related to products and services

Product durability and reliability supporting circularity	Potential positive impact			●	●		
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Waste

Downstream waste treatment of EEE components	Potential negative impact			●	●		
Supplier and distributor waste generation (manufacturing scrap and packaging)	Actual negative impact	●		●	●		

Resource use linked to the component and packaging material

The manufacturing of integrated circuits relies on a variety of raw materials, including metals, silicon, and rare-earth minerals, which are essential to the performance and functionality of electronic components. These materials are often sourced through global mining operations, which can lead to resource depletion and environmental degradation from extraction and processing. Moreover, strict purity standards required for semiconductor manufacturing make it challenging to use recycled materials, reinforcing reliance on virgin resources and driving the depletion of finite materials, such as rare metals. This challenge requires long-term strategic planning in Nordic's value chain material sourcing.

In Nordic's own operations and value chain, plastic and cardboard are the primary materials used for packing and shipping products. This is directly connected to Nordic's distribution model and operational practices. A portion of Nordic's packaging is produced from recycled or recyclable materials. Plastic packaging is subject to reduction and recycling initiatives, and the majority of cardboard meets FSC sustainability standards. However, a portion of packaging still relies on non-renewable resources, which continues to contribute to the depletion of natural resources. A considerable amount of these materials is sourced globally, including Asia, where resource extraction and production require higher energy, water, and other resource inputs, resulting in greater environmental impacts. Nordic's business strategy focuses on evaluating packaging alternatives and supplier locations to minimize these impacts.



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Product durability and reliability supporting circularity

Nordic's products are designed for durability and long-term reliability, supported by robust design practices, lifecycle testing, and adherence to JEDEC reliability standards. These characteristics are intended to reduce the likelihood of early device replacement and support circular-economy objectives by extending product use.

Lifecycle-management functionalities, such as Memfault and nRF Cloud, are adopted across a measurable number of devices using Nordic technology, supporting extended product use by enabling remote diagnostics and updates. While these capabilities may contribute to durability when implemented, they are not considered primary drivers of the positive impact for 2025. Upon consolidation, documented adoption levels of these practices are intended to inform future assessments of their contribution to product longevity and circularity outcomes.

Downstream waste treatment of EEE components

Nordic's products are electronic components that are assembled into final products by downstream customers. Once the final products reach the end of their life, the improper end-of-life treatment of electronic waste by end-users or customers may release hazardous chemicals into the air and contaminate soil and water sources, especially if hazardous substances are incinerated without proper pollution controls or disposed of in landfills. Nordic supports responsible waste handling by providing information on it through product data sheets. However, waste management is the responsibility of customers and end-users, and waste treatment practices and standards can vary significantly by region. As a strategic response, Nordic addresses waste impacts through product design considerations and end-user education initiatives.

Supplier and distributor waste generation (manufacturing scrap and packaging)

As part of Nordic's fabless business model and manufacturing partnerships, semiconductor manufacturing processes generate waste, including defective wafers and chips, process chemicals, and

packing materials. While production waste is handled by manufacturing suppliers through established recycling processes, it still contributes to the overall environmental footprint of Nordic's operations. Continuous improvement in manufacturing efficiency and waste reduction is relevant for managing waste-related risks in the upstream value chain.

Packaging waste generated by Nordics' customers and distributors adds another layer of environmental impact, particularly when recycling capacity is limited, disposal practices vary, or oversight of waste management is limited. While some recycling initiatives exist, overall waste management remains inconsistent, and the ongoing use of plastic packaging continues to pose challenges.

Environmental impacts are further amplified by inefficiencies in waste sorting, differences in local waste treatment practices, and limited visibility into waste handling across different regions, affecting both semiconductor production and downstream packaging management. Nordic's strategy focuses on improving packaging design, enhancing waste management practices across the value chain, and promoting circularity to minimize environmental impacts.

Impact, risk, and opportunity management

E5-1 Policies related to resource use and circular economy

Nordic has implemented an Environmental Impact Reduction policy that provides a framework for promoting sustainable resource use and fostering circular-economy principles across the company's own operations and its manufacturing suppliers. The policy aims to reduce reliance on virgin resources where relevant by prioritizing sustainable material choices and integrating renewable or recycled content into products and packaging. The policy also promotes practices to minimize waste in production and responsible recycling of Nordic's products, addressing the material impacts related to resource use in semiconductor manufacturing and packaging, downstream waste treatment of electronic components, and waste generated across the supply chain. The policy does not explicitly

address product durability and reliability as circularity measures. Still, it requires Nordic to promote circular-economy principles, reflecting its intention to reduce environmental impact and support the sustainable product lifecycle.

The policy outlines requirements to explore and adopt innovative solutions to reduce dependence on virgin resources, prioritize the procurement of sustainable, responsibly sourced materials, and integrate recycled and recyclable materials into product designs and packaging. The policy sets expectations for practices aimed at reducing Nordic's operations and production processes, and supporting responsible recycling activities.

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

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

The actions described in this section support the objectives of Nordic's Environmental Impact Reduction policy by promoting responsible resource use, improving waste management practices in the upstream value chain, and contributing to longer product lifecycles.

Waste management in production

As a fabless semiconductor company, Nordic sets expectations for its manufacturing suppliers to handle production-related waste responsibly. Effective waste management practices at suppliers' sites are essential for minimizing waste and addressing potential waste-related risks in the upstream value chain.

Nordic engages with its manufacturing suppliers on waste-management practices, including waste sorting and recycling in line with local requirements. As part of the 2025 annual environmental survey, Nordic collected production waste data from manufacturing suppliers, supported by resources provided by its Quality and

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Supply Chain departments. This allowed Nordic to better understand waste generation in outsourced production and the waste handling practices of suppliers. This initiative will continue in 2025, with a focus on supporting effective waste-management practices at suppliers' sites. Implementing this action does not require significant operational (OpEx) and/or capital (CapEx) expenditures.

Raw materials usage in Nordic components

While Nordic does not purchase raw materials directly from mining companies and has no influence over mining operations, the company strengthens oversight of material use by systematically collecting and maintaining material composition reports and material safety data sheets for each component. These documents provide visibility into the types and quantities of materials used in components, including metals, plastics, and other critical inputs. This approach enables Nordic to track the material content of its products, assess associated environmental risks, and verify compliance with relevant regulations.

This action is integrated into Nordic's operational framework and is overseen by the Supply Chain department. It does not require significant operational (OpEx) and/or capital (CapEx) expenditures.

Recycled plastic material for Nordic product packaging

In 2021, Nordic launched a plastic reduction program in collaboration with assembly suppliers in its upstream value chain. The program aims to conserve natural resources and reduce the use of virgin plastic in device packaging, thereby preventing waste. Within this program, assembly suppliers have gradually shifted to using recycled plastic component reels for packing Nordic's devices. The first reels made of recycled plastic were qualified and introduced for Nordic devices in 2022. Since 2022, the plastic reduction program has been an ongoing activity in Nordic's operations and has continued through 2025 with resources allocated by its Quality and Supply Chain departments. This action does not require significant operational (OpEx) and/or capital (CapEx) expenditures.

While Nordic aims to maximize the use of recycled plastics, some of its customers still require devices packed in trays for which no recycled-plastic version is available. This limits the portion of production volumes that can use recycled plastics.

Strengthening product longevity

In 2025, Nordic acquired the cloud platform provider Memfault. By integrating Memfault's cloud-based device management services with Nordic's wireless connectivity platforms, Nordic enables capabilities such as remote diagnostics, device monitoring, and firmware updates for connected devices built using Nordic's chips and associated cloud services. These capabilities can support improved reliability and longer product lifecycles for devices deployed in IoT applications where remote maintenance and software updates are feasible. The action primarily supports downstream product longevity through customer implementation, while Nordic provides the enabling tooling and documentation. Integration is planned to progress over the medium term, including 2026–2027, through Nordic's existing cloud platform, R&D, and product-management resources, and is not expected to require significant operational (OpEx) or capital (CapEx) expenditures.

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

Waste generation in the downstream value chain
 Nordic has not set any actions for this material impact, as the Group does not have control or influence over how its distributors and customers manage packaging waste.

Downstream waste treatment of EEE components

As described under ESRS 2 SBM-3 for this material impact, Nordic provides guidance in its product data sheets to help customers manage waste responsibly. The responsibility for actual waste disposal lies with customers, and Nordic has no means to verify this.

Metrics and targets

E5-3 Targets related to resource use and circular economy

Nordic has not set any measurable targets for resource use and the circular economy. Further groundwork is required before setting goals, including defining their scope, measurement approach, and appropriate timeframes.

Waste management at Nordic's manufacturing suppliers' sites is material; however, because it is outside Nordic's direct control, the company has not set targets for this material impact. By regularly monitoring and analyzing waste data collected from its suppliers, Nordic can monitor the implementation of its policy and actions in this area, using 2024 as a baseline year.

Aligned with its Environmental Impact Reduction policy and commitment to reducing reliance on virgin plastic resources, Nordic focuses on using recycled plastic for device packaging (see Recycled plastic material for Nordic products packing as described in E5-2 above). To evaluate progress in recycled plastic use, Nordic monitors the share of containers made from recycled plastic and the total volume of recycled plastic used in their production, with 2021 as the baseline year.

E5-4 Resource inflows

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

In 2025, Nordic product manufacturing used approximately 38 tons of materials, compared to 32 tons in 2024, including all substances and components used in the products. This metric is based on product material composition reports, which provide accurate product weight data and Nordic's internal production records for 2025.

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

In 2025, the share of device containers made from recycled plastic was 51% (46% in 2024). The total weight of plastic used for device containers in 2025 was 51577 kg, of which 21881 kg (42%) was recycled plastic. Comparative 2024 figures were 39019 kg total and 16444 kg recycled (42%). Recycled plastics usage data is tracked and verified through supplier documentation. The methodology involves cross-referencing supplier-provided data on recycled materials with Nordic's internal procurement records to support consistency and validate the information used.

	Base year (2021)	Comparative (2024)	2025
Share of device containers made from recycled plastic (%)	0%	46%	51%
Total weight of plastic in containers (kg)	105870	39019	51577
Weight of recycled plastic in containers (kg)	0	16444	21881
Weight percentage of recycled plastic in containers (%)	0%	42%	42%

Plastics usage in device containers

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

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

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

E5-5 Resource outflows

Nordic's approach to resource outflow emphasizes responsible waste management and the application of circular principles into product design.

Circular product design

Supporting technology nodes at the nanometer scale requires materials that meet high-purity standards, making recycled materials unsuitable for the manufacturing process. However, the metals contained in the components are recyclable and can be effectively recovered and repurposed through appropriate processing methods. For example, aluminum can be reused in automotive parts and copper in electrical components. The average recyclable content of Nordic's products is 53% for QFN components and 22% for CSP components, based on the weight of the metals relative to the total material weight, as specified in the product material composition reports.

Nordic's products are designed with an emphasis on reliability (durability and long-lasting performance), with a minimum expected operational lifespan of 9 years. The lifespan is based on a 1000-hour HTOL (High-Temperature Operating Life) test, with an acceleration factor (Arrhenius equation) of 78.6, using an activation energy of 0.7 eV and a use temperature of 55 °C. Nordic products are ultra-low power solutions, meaning operating voltages and currents are very low. Nordic's processes for product development and reliability testing are aligned with, and in some cases exceed, JEDEC standards. However, industry-averaged semiconductor durability data are not publicly available for direct comparison. While Nordic products are not designed for repair, the ability to perform firmware updates over the air keeps them functional and up to date without requiring remanufacturing, further extending their lifespans and supporting sustainable practices by minimizing waste and resource consumption.

Nordic's circular product design not only prioritizes the product itself but also extends to include sustainable practices in product packaging. By using reels made from recycled plastic, Nordic can support circular principles and reduce reliance on virgin plastic packaging materials. Reels are also 100% recyclable, further contributing to circularity and sustainable practices. In addition, packaging for development kits is made of 100% recyclable FSC-certified cardboard.

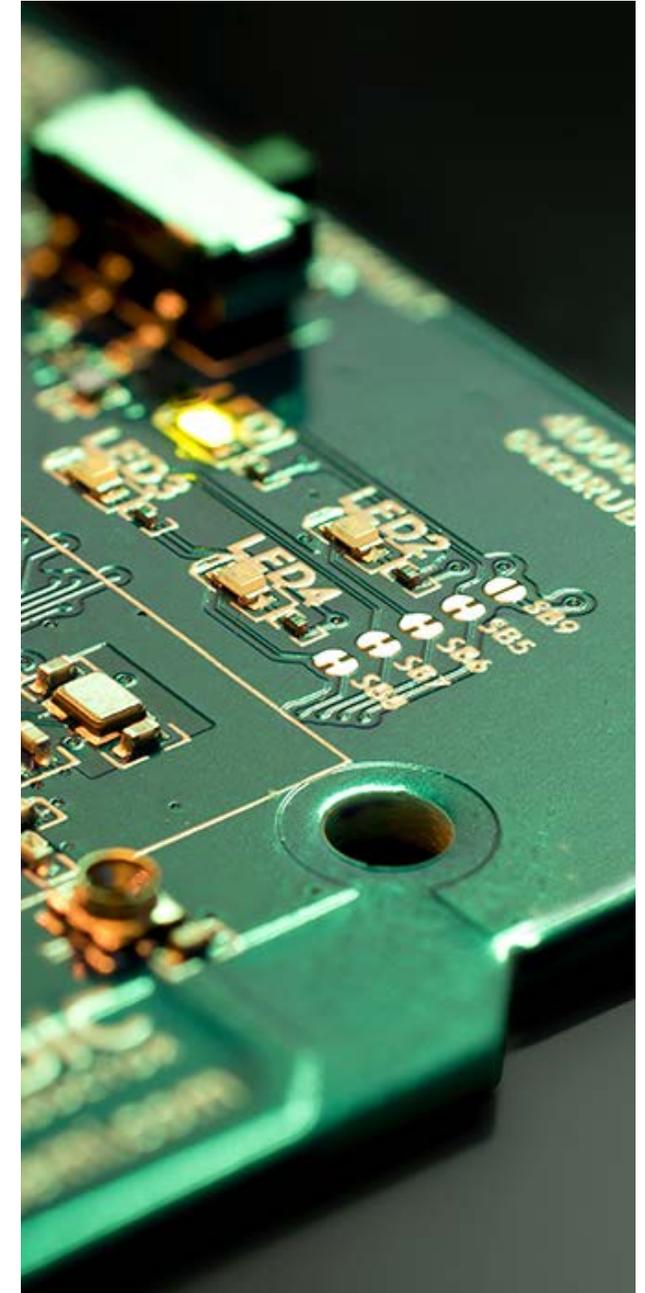
The metrics related to Nordic's resource outflows have not been validated by external bodies other than its assurance provider.

Waste reduction and management strategy

Nordic collaborates with suppliers on measures related to production yields, material use, and waste-management practices, including sorting and recycling in line with applicable local requirements. To support effective waste management practices, Nordic qualifies all manufacturing suppliers and mandates that they obtain ISO 14001 certification as a standard for environmental management.

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

Nordic components are supplied to customers (electronics manufacturers), who integrate them into end products sold to end-users globally. Nordic lacks visibility or control over the disposal of its products at the end of their lifecycles. To support responsible waste management, product data sheets include guidelines for proper disposal.



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EU taxonomy

Introduction

The EU taxonomy is a classification system designed to help companies and investors identify environmentally sustainable economic activities, thereby facilitating sustainable investment decisions. These activities should make a substantial contribution to at least one of the EU's climate and environmental objectives, without significantly harming any of them, and in accordance with minimum safeguards.

Nordic provides low-power connectivity and device-management solutions that can enable resource efficiency and monitoring in certain downstream applications. The EU Taxonomy assessment below addresses taxonomy-relevant activities within the scope of the Taxonomy disclosure framework. In this section, "taxonomy-relevant" refers to activities that potentially correspond to EU Taxonomy activity descriptions and are therefore screened for eligibility and assessed for KPI materiality.

The EU taxonomy framework and related delegated acts continue to evolve, and future amendments are expected. The current scope of the standard captures only a limited portion of Nordic's business model. For the 2025 assessment, two taxonomy-relevant activities have been identified: Activity 7.7: Acquisition and ownership of buildings (climate change mitigation and climate change adaptation), and Activity 4.1: Provision of IT/OT data-driven solutions (transition to a circular economy).

Activity 7.7 is assessed for taxonomy eligibility and alignment. Activity 4.1 is screened for taxonomy eligibility and assessed for KPI materiality under the Omnibus provisions. For FY 2025, Activity 4.1 is non-material for turnover and OpEx under the Omnibus 10% threshold per KPI, and is therefore reported as "non-material activities not assessed" for those KPIs. For CapEx, Activity 4.1 is treated as material and is reported as taxonomy-eligible but not aligned (A.2).



Activity 8.1 (previously used for nRF Cloud) is retained only as contextual information explaining the reclassification to Activity 4.1 and is not considered taxonomy-relevant for Nordic in 2025.



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Basis of preparation

Nordic is required to comply with the EU Taxonomy reporting requirements in accordance with the Norwegian Accounting Act (Nw: Regnskapsloven) § 2-3. The Group's financial disclosures are prepared under IFRS, and the taxonomy-related KPIs are derived from the consolidated financial statements. The 2025 reporting year marks Nordic's third EU Taxonomy assessment and the second year of mandatory public disclosure.

The 2025 assessment builds on prior-year methodology and reflects internal developments, including the acquisition of Memfault, as well as regulatory developments, including the Omnibus amendments to Commission Delegated Regulation (EU) 2021/2178.

Reporting

Nordic reports on turnover, capital expenditure, and operating expenses associated with taxonomy-relevant activities in accordance with Regulation (EU) 2020/852 and the methodology in Delegated Regulation (EU) 2021/2178. The three KPIs are disaggregated across A.1 (aligned), A.2 (eligible but not aligned), and B (non-eligible) categories in the Article 8 templates.

For FY 2025, Nordic applies the Omnibus materiality provisions separately for turnover, CapEx, and OpEx. Nordic retains the OpEx KPI and does not use the option to omit the activity-level OpEx assessment entirely. Where taxonomy-relevant items fall below the 10% threshold, they are reported as "non-material activities not assessed."

The Omnibus amendments were published in the Official Journal on January 8, 2026, and include transitional provisions that provide an option for the reporting cycle covering FY2025 to apply either the amended rules or the rules applicable as of December 31, 2025. Nordic applies the Omnibus amendments in its FY 2025 EU Taxonomy assessment based on its internal assessment methodology and supporting documentation.

Accounting policy

Right-of-use assets recognized in accordance with IFRS 16 are considered to fall under the scope of Activity 7.7 (Acquisition and ownership of buildings).

For FY2025 taxonomy reporting, the CapEx KPI denominator comprises additions to tangible and intangible assets recognized during the year, including additions arising from business combinations and IFRS 16 right-of-use assets. The denominator is derived from the consolidated additions disclosures in the annual report [Notes 14.3 \(goodwill and intangible assets\)](#), [15.2 \(fixed assets\)](#), and [16.2 \(leases\)](#), and totals USD 92,911 thousand. Additions arising from the Memfault acquisition are identified and supported through the business combination disclosures and purchase price allocation in [Note 13](#). Goodwill is excluded from both the numerator and denominator.

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

Nordic applies the Omnibus 10% materiality threshold separately for turnover, CapEx, and OpEx.

Activity 4.1 is below the Omnibus 10% materiality threshold for the Turnover and OpEx KPIs and is therefore reported as "non-material activities not assessed" for those KPIs, without classification under A.1 or A.2. For CapEx, Activity 4.1 is treated as material under the Omnibus 10% threshold. It is therefore classified as taxonomy-eligible but not aligned (A.2).

Capital expenditure

For FY 2025, taxonomy-eligible CapEx is driven by Activity 7.7 (Acquisition and ownership of buildings) and Activity 4.1 (Provision of IT/OT data-driven solutions). For Activity 7.7, the eligible CapEx numerator is based on IFRS 16 right-of-use asset movements recognized during the year for office space, including additions and lease modifications/remeasurements ("adjustments"). For FY2025, this results in eligible CapEx for Activity 7.7, while no aligned CapEx (A.1) is reported in the KPI tables, as no aligned CapEx amount is recognized in FY2025.

For Activity 4.1, CapEx is reported as taxonomy-eligible but not aligned (A.2). The CapEx attributed to Activity 4.1 is limited to the Memfault "technology" intangible recognized in connection with the Memfault business combination ([Note 13](#)), based on its direct linkage to the Group's IT/OT data-driven solutions. Other Memfault purchase price allocation items (brand and customer relationships intangibles) and the related minor fixed-asset addition are included in the CapEx KPI denominator in accordance with the CapEx definition, but are allocated to category B (non-eligible) as they are not attributable to Activity 4.1.

Operating expenditure

The OpEx pertains to direct costs that are not capitalized. For FY 2025, Nordic retains the OpEx KPI, reports total taxonomy-defined OpEx in the denominator, and treats taxonomy-relevant OpEx as non-material under the Omnibus materiality provisions. Accordingly, Nordic does not disaggregate OpEx by activity in the KPI tables for FY2025, and taxonomy-relevant OpEx is reflected only through the "non-material activities not assessed" presentation in Table I.

Turnover

The turnover numerator relates to net turnover attributable to taxonomy-aligned activities. For FY 2025, Nordic reports no taxonomy-aligned turnover (A.1). Turnover related to Activity 7.7 (subletting) and Activity 4.1 (cloud-based service offerings, including the Memfault solution) is below the Omnibus 10% materiality threshold for the Turnover KPI and is therefore reported in Table I under "non-material activities not assessed," without classification under A.1 or A.2.



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Assessment of regulatory compliance

Nordic identifies taxonomy-relevant activities by reviewing the EU Taxonomy activity list using the prior-year assessment as a baseline and considering relevant internal developments, including the acquisition of Memfault and the continued expansion of cloud-based digital services. Eligible activities are assessed against substantial contribution, DNSH, and minimum safeguards, unless scoped out as non-material for the relevant KPI under the Omnibus threshold.

7.7 Acquisition and ownership of buildings

Activity 7.7 is taxonomy eligible for Nordic's leasing of office locations. The Leangen (Trondheim) office has been assessed as taxonomy-aligned for climate change mitigation, supported by documented energy performance information and BREEAM NOR certification, and climate risk and vulnerability assessment documentation. However, no aligned amounts are recognized in the FY2025 KPI tables, as no aligned turnover or OpEx is reported, and no aligned CapEx amount is recognized for FY2025. Other office locations are taxonomy-eligible but not aligned due to insufficient evidence of compliance with all substantial contribution or DNSH criteria. None of the evaluated buildings meets the substantial contribution criteria for climate change adaptation, primarily due to limited documentation of climate risk and adaptation measures.

4.1 Provision of IT/OT data-driven solutions

Activity 4.1 relates to Nordic's nRF Cloud platform and Memfault device-intelligence solution, which supports remote monitoring, diagnostics, and over-the-air updates that can extend product lifetimes. For FY 2025, Activity 4.1 has turnover; however, it remains below the Omnibus 10% materiality threshold for the Turnover and OpEx KPIs and is therefore reported as "non-material activities not assessed" for those KPIs. For CapEx, Activity 4.1 is treated as material and is reported as taxonomy-eligible but not aligned (A.2). No Activity 4.1 CapEx is classified as aligned (A.1) in FY 2025.

Minimum safeguards

Compliance with the minimum safeguards is assessed in accordance with Article 18 of Regulation (EU) 2020/852 and relevant guidance. Nordic bases its self-assessment on the EU Platform on Sustainable Finance's Final Report on Minimum Safeguards, which operationalizes minimum safeguards across four key areas: human rights, anti-corruption, taxation, and fair competition. The assessment is performed through Nordic's governance and due diligence framework, including compliance risk assessments, relevant policies and training, internal control activities, and grievance and reporting mechanisms. For the 2025 reporting year, Nordic identified no substantiated allegations of breaches within these four areas through its established processes.



Contextual information about KPIs

For FY 2025, Nordic's taxonomy KPI outcomes are driven by Activity 7.7 and Activity 4.1. While Leangen (Trondheim) is assessed as taxonomy-aligned under Activity 7.7, no aligned amounts are recognized in the FY2025 KPIs under the IFRS 16 right-of-use asset movements (additions and adjustments) approach applied for the CapEx KPI. Other assessed office locations are taxonomy-eligible but not aligned (A.2) due to limitations in documentation and evidence.

Activity 4.1 is screened for eligibility and, for FY2025, is reported as non-material activities not assessed for Turnover and OpEx, and as taxonomy-eligible but not aligned (A.2) for CapEx.

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Financial year (N)	2025	Breakdown by environmental objectives of Taxonomy-aligned activities														
		Proportion of Taxonomy eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in the previous financial year (N-1)	Proportion of Taxonomy-aligned activities in the previous financial year (N-1)	
																%
Text	USD 1,000	%	USD 1,000	%	%	%	%	%	%	%	%	%	%	USD 1,000	%	
Turnover	667 619	0.0%	—	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	—	0.0%
CapEx	92 911	25.0%	—	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3 585	9.5%	
OpEx	45 715	0.0%	—	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%	—	0.0%	

Reported KPI (Turnover/CapEx/OpEx)		CapEx		Environmental objective of Taxonomy-aligned activities													
Financial year (N)		2025		Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover/CapEx/OpEx)	Taxonomy aligned KPI (monetary value of Turnover/CapEx/OpEx)	Taxonomy aligned KPI (Proportion value of Turnover/CapEx/OpEx)	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
Text		%	USD 1,000														
Acquisition and ownership of buildings	CCM 7.7	9.6%	—	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%	
IT/OT data-driven solutions (Memfault technology intangible)	CE 4.1	15.4%	—	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%	
Sum of alignment per objective								0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
Total KPI (Turnover/CapEx/OpEx)		25.0%	—	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%	

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

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SI Own Workforce

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

Nordic's employees are a key asset, driving innovation, developing high-quality products, and maintaining its competitive edge in a rapidly evolving industry. Its strategic emphasis on employee well-being and engagement aligns with its commitment to producing cutting-edge technology and meeting global market demands.

Nordic's double materiality assessment identified material impacts, risks, and opportunities in relation to the following topics:

Working conditions

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Health and well-being	Potential negative impact		●		●		●

Equal treatment and opportunities for all

Representation and equal opportunities	Potential negative impact		●				●
Training and skill development	Actual positive and potential negative impact		●		●	●	

Material impacts

Nordic's double materiality assessment identified several workforce-related impacts, both positive and negative, that are material to its business success and stakeholder value. These impacts vary across employee groups, including both permanent employees (full-time and part-time) and contractors.

The actual and potential negative impacts identified below are systemic and affect its operations globally. This requires coordinated, organization-wide measures as detailed in its action plans.

Training and skill development

Nordic operates in a rapidly evolving, highly knowledge-intensive industry, where its people and their specialized skills are central to its R&D-driven business model and growth strategy. Continuous learning, upskilling, and deep technical expertise are critical to driving innovation and ensuring operational excellence. It assessed this material topic as having both positive and negative impacts on its people.

Collaborative peer learning – actual positive impact

Continuous learning and skill development are an important part of Nordic's daily work as an engineering-focused organization. In particular, employees in R&D build new technical skills and problem-solving capabilities through close collaboration, cross-functional teamwork, and the shared resolution of complex project challenges.

This culture of collaborative peer learning supports agile and flexible upskilling, with benefits that materialize across multiple time horizons: from faster onboarding and team inclusion, through continuous development and increased self-confidence, to enhanced engagement and employability. While the benefit is organization-wide, it is especially pronounced



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among engineers, who constitute the majority of its workforce. Employee survey results, including indicators on peer relations and support, consistently indicate these impacts: scores related to peer relationships and support have historically been high and reached a peak in this reporting period. Open comments highlight the value employees place on shared learning and teamwork. This suggests that the positive impact is systemic and reflected in its culture and ways of working—rather than the result of isolated initiatives.

Strategic talent development – potential negative impact

Structured pathways for learning and development support equal access to career advancement. In the absence of sufficiently formalized pathways, there is a potential risk of uneven development opportunities across functions or geographies. Over time, this could affect engagement, confidence, and internal mobility if not appropriately managed.

This represents a structural risk inherent in a decentralized, fast-growing organization and is particularly relevant for employees at critical transition points, such as those moving into high-impact technical roles, first-time managers transitioning into leadership, and senior leaders preparing for executive responsibilities. Additionally, the absence of structured development disproportionately affects employees with limited peer networks or collaboration opportunities—such as those in smaller teams, remote locations, or minority groups. This can create uneven access to development opportunities and limit diversity in leadership and technical roles.

Both collaborative peer learning and strategic talent development contribute to creating robust talent pipelines that align with strategic priorities and sustain its innovation capability, which is integral to its business resilience. To leverage the benefits and mitigate the risks of skill gaps and talent shortages, its learning and development strategy continues to strengthen its collaborative culture and expand its structured learning initiatives, with a current focus on leadership development (see SI-4).

Representation and equal opportunities

Nordic operates globally with a diverse workforce comprising individuals from various cultures, ages, and genders. This global structure is integral to its business model, and diversity is a key driver of innovation. However, a highly diverse workforce requires deliberate efforts to promote inclusion and equal opportunities, particularly for minority groups, such as women. Women represent approximately 18 % of Nordic's total workforce. Representation varies significantly by region and function, with notably lower proportions in engineering roles and senior leadership positions (see SI-16).

Underrepresentation is a systemic risk rather than an incidental issue. It can lead to persistent feelings of exclusion and unequal access to development or career opportunities. These risks may, over time, have short-, medium-, and long-term impacts on belonging, well-being, career progression, and engagement.

Over time, such impacts can undermine innovation and talent retention, which are critical to its business resilience. Nordic is committed to promoting Inclusion and Equity, as expressed in its Equal Opportunities Policy, which also highlights its "Equal pay for equal work" principle. Nordic actively monitors its progress through employee surveys, which indicate improvements in inclusion-related perceptions compared to the previous reporting period. It continues to implement targeted initiatives to strengthen inclusion and equal opportunities across Nordic, with a current focus on female employees (see SI-4).

Health and well-being

Employee health and well-being are integral to Nordic's business model since they enable sustainable performance and long-term resilience. A healthy, balanced workforce enjoys its work, is more creative, and better equipped to maintain productivity and innovation. Supporting employee well-being reduces the risk of burnout and absenteeism while strengthening employee engagement. Two topics are particularly material for Nordic due to the nature of its work:

Health risks from desk-based work – potential negative impact

A large proportion of employees perform desk-based work for extended periods, which creates systemic health risks, including musculoskeletal strain, eye fatigue, and reduced physical activity. If unmanaged, these risks can affect short-term well-being and lead to chronic health issues. While policies and measures are in place to encourage physical activity and address early signs of strain (see SI-4), a few incidental cases have emerged, underscoring the need for continuous monitoring and attention.

Workload demands during peak times – potential negative impact

In Nordic's high-paced, project-driven environment, employees may periodically face demanding workloads, tight deadlines, and complex problem-solving tasks during peak periods, particularly in the R&D department. This represents a recurring risk inherent to its project-driven business model. If unmanaged, these factors can undermine work-life balance and contribute to stress, fatigue, and potential long-term health risks, including burnout. Its well-being survey, following last year's major restructuring, showed that some teams, particularly smaller ones, experienced higher workload demands and are at higher risk of negative impacts.

Failure to address health-related risks can negatively impact performance and talent retention, ultimately undermining business resilience. Nordic mitigates these risks through flexible work policies, additional health services and benefits, continuous monitoring, and targeted measures (see SI-4).



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Impact, risk, and opportunity management

SI-1 Policies related to own workforce

In line with its commitment to socially responsible business conduct, Nordic has established policies to support ethical behavior and promote a safe, inclusive, and supportive work environment. These policies draw on international frameworks, including the UN Global Compact, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Bill of Rights, and the ILO core conventions.

Code of Conduct

Nordic's Code of Conduct sets expectations on integrity, human and labor rights, health and safety, diversity, equity, inclusion, and personal conduct. It provides the primary policy basis for managing several material impacts under SI, including: Representation and equal opportunities (equal treatment and nondiscrimination), workload-related risks during peak periods (expected behavior, well-being, and conduct), and elements of talent development (managerial expectations regarding fair treatment and support).

The Code is binding for employees and is embedded in onboarding through mandatory training. It has been approved by the Board of Directors (BoD), and the Chief Executive Officer is accountable for its implementation.

Equal Opportunities Policy

The Equal Opportunities Policy supports management of the material impact on representation and equal opportunities, addressing the risks of unequal development and progression. It sets principles for fair recruitment, equitable practices, and the removal of systemic barriers. Governance responsibilities include BoD oversight, Executive Management Team (EMT) accountability for implementation, and execution by people managers, with People & Culture ensuring process consistency and metric tracking.

Health and safety

Nordic operates a safety management system across all locations, supporting the management of the material impact of desk-based health risks. The system includes structured processes for identifying, assessing, and mitigating workplace hazards. In Norway and Finland, the system is ISO 45001-certified. This framework provides the policy foundation for preventive measures to address ergonomic and physical health risks.

Learning and development

Training and skill development have been identified as a material topic. Nordic does not currently maintain a formal Learning & Development policy. Still, it relies on established practices such as role-based onboarding, on-the-job and peer learning, mandatory training, and manager-led development discussions. Responsibility for these activities is shared between line management and Human Resources. To better support the systematic management of this topic, a policy is under development and expected to be implemented in 2026.

Human rights policy

Nordic's standalone Human Rights Policy has overarching commitments to decent working conditions and labor rights. It applies to all employees and informs management of several cross-cutting SI topics, including fair treatment, safety, and grievance handling. Details relevant to value-chain workers are included in Chapter S2. The policy is adopted by the BoD and implemented by the EMT, with awareness supported through Code of Conduct training.

Monitoring compliance with human and labor rights commitments

Nordic monitors adherence to its policy commitments through regular policy review, targeted training, human rights due diligence processes, grievance mechanisms, and periodic audits of internal practices and suppliers. Nordic reports annually on progress and did not record any severe human rights incidents involving its own workforce during the reporting period (see SI-17).

Not all material impacts identified under SI currently have a dedicated formal policy. In particular, training and skill development are not yet governed by a standalone policy; work is underway to develop one for implementation in 2026. Existing policies cover all other material IROs, primarily the Code of Conduct, Equal Opportunities Policy, Health and Safety system, and Human Rights Policy.

Engaging with Nordic's workforce

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

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

Regular consultations with employee representatives

Nordic has house and union employee representatives in Norway, Finland, and Poland. In Norway and Poland, it holds monthly forums to discuss business updates and strategic decisions, while in Finland, meetings are held as needed. These forums allow representatives to offer feedback and raise employee concerns about any negative impacts, including those related to green transitions. It does not have a specific agreement on human rights with employee representatives, as this is covered in its Code of Conduct and regulated by local laws. Additionally, designated Health and Safety representatives in each office gather employee feedback, support compliance with regulatory requirements, and escalate safety concerns to facilitate timely resolution.

Direct employee feedback

Nordic engages employees directly through regular all-hands and town hall meetings, sharing updates on new developments, changes, and potential impacts. Regular all-hands meetings are scheduled quarterly and include a Q&A segment to gather and address employee

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feedback. Additional all-hands meetings are scheduled as needed. It has also implemented regular town halls at the functional level to enhance the flow of relevant information and provide a space for focused discussion on topics that matter most to each function.

Additionally, Nordic collects direct employee feedback through surveys. In 2025, it has moved from one annual survey to quarterly surveys to gauge employee sentiment more frequently and address emerging needs promptly. The survey in Q3 continues to be its Engagement baseline survey, which helps us to monitor long-term development and trends. In 2025, the surveys had an average response rate of 80%, with the highest participation in its baseline survey conducted in Q3. Highlights from the surveys included (on a scale from 1 to 10, where 1 is lowest and 10 is highest): Zero tolerance for unethical behavior (9.1), Peer relations (8.9), Acceptance (8.9), Psychological safety (8.9), and Manager Support (8.8). Its biggest improvements were in Communicating strategy (+0.7) and Transformation & Change (+0.5), with the former considered high-impact and the latter identified as a critical area in the 2024 survey. These improvements indicate that the survey and related follow-up mechanisms are providing actionable input. The survey also provided feedback that helped inform its Double Materiality Analysis and strategic priorities. Managers at each level have access to their team's survey results and are expected to follow up with their teams. By analyzing the global results by gender, the engagement survey also provides insights into women's perspectives, which informed its Equal Opportunity Analysis focused on female employees (see SI-4 Actions).

Furthermore, it has a structured annual appraisal conversation in place with a dedicated space for employees to discuss career development, workload, personal challenges, and work-life balance with their managers. In 2025, 74.4% of employees formally completed annual appraisal conversations (2024: 80.7%).



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

Employees are encouraged to report concerns or complaints related to harassment, legal or financial impropriety, or other issues to their manager, a local HR Business Partner, employee representatives, or through Nordic's independent whistleblowing mechanism, as detailed in G1-I.

Nordic takes all reports seriously, ensuring sensitivity and, where possible, confidentiality. Upon receiving a grievance, it conducts thorough due diligence to collect and verify the facts of a case and, when necessary, implement corrective actions to address any negative impacts. The nature of remedial action depends on the issue at hand. Concerns are tracked in a case system and reported to the Audit Committee for monitoring. Specific monitoring measures are decided on a case-by-case basis.

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

In its annual Engagement Baseline Survey, Nordic gathers feedback to monitor awareness and assess employees' trust in the structures and processes. This year's feedback indicates that employees consider unethical and illegal behavior to be appropriately addressed, feel comfortable raising concerns, and are aware of the available reporting channels.



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Actions

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

Nordic actively implements measures to mitigate negative impacts and amplify positive ones. Based on insights from employee engagement, actions are tailored to address specific challenges and opportunities.

Training and skill development

Formalizing pathways for development

In 2025, Nordic has taken steps to centralize its administration and reporting systems, enabling greater visibility to support broader, more equitable access to training. In 2026, Nordic plans to further strengthen its approach to learning by formalizing training and skill development to create structured growth opportunities.

Extending the program and course portfolio

In 2025, Nordic introduced a blended onboarding program for new managers across its global operations, designed to streamline learning and provide access from day one in every location. Leveraging its enhanced e-learning infrastructure, it also expanded its internal course portfolio, adding new offerings in onboarding, compliance, and other organization-specific areas. This work will continue in 2026, providing employees with more opportunities to upskill and improve, as well as to deepen their understanding of key processes and organizational culture. To further strengthen leadership capability at all levels, it is developing tailored leadership development programs for leaders at different stages of their careers.

Representation and equal opportunities

Equal opportunity analysis

To mitigate potential risks related to representation and equal opportunities, Nordic takes a data-driven approach. In 2025, alongside monitoring employee experience through its surveys, Nordic conducted an Equal Opportunity Analysis focused on women to

identify potential systemic issues. In 2026, it plans to expand this analysis to include international employees, ensuring equity across its global workforce.

Women@Nordic Community

In 2025, Nordic launched the Women@Nordic Community—a platform connecting women across functions and locations. This community serves as a hub for dialogue, knowledge exchange, and activities that support personal and professional development. One key initiative under this community is the GetConnected Program, which pairs young female engineers with experienced women at Nordic, creating a space for discussion, sharing experiences, reflection, and learning. Based on insights gathered from the community, it will expand activities in 2026 to further strengthen engagement and impact.

Health and work-life balance

Ergonomics initiative

Nordic promotes active movement through diverse policies and benefits. In 2025, it launched an Ergonomics Initiative to adapt work environments to employees' physical needs and reduce health risks associated with desk-based work. This initiative will be rolled out across locations in 2026 and includes ergonomic assessments by external specialists, instructional webinars, and an Active Breaks Campaign to raise awareness of short exercises employees can do during breaks.

Wellbeing monitoring and targeted measures

Following the restructuring process in 2024, Nordic conducted a dedicated survey in 2025 to monitor well-being and identify teams struggling with high workloads. This allowed us to implement targeted, case-by-case measures such as restructuring, process optimization, or hiring. Nordic has also updated its approach to employee surveys by introducing quarterly pulse surveys that include questions to track employee wellbeing and balance, enabling us to monitor this issue regularly. This approach will guide its actions in the coming year, during which it will continue to focus on targeted interventions informed by developing insights.

Nordic implements these actions by leveraging existing resources and infrastructure to enable efficient, sustainable execution. While they may require some investment, these are not expected to have a significant impact on operational and/or capital expenditures in 2026.

Performance, metrics, and targets

To measure progress, Nordic strives to establish clear targets and has done so where possible in SI-5. These targets were developed by a group of internal experts and anchored with the corresponding management team member.

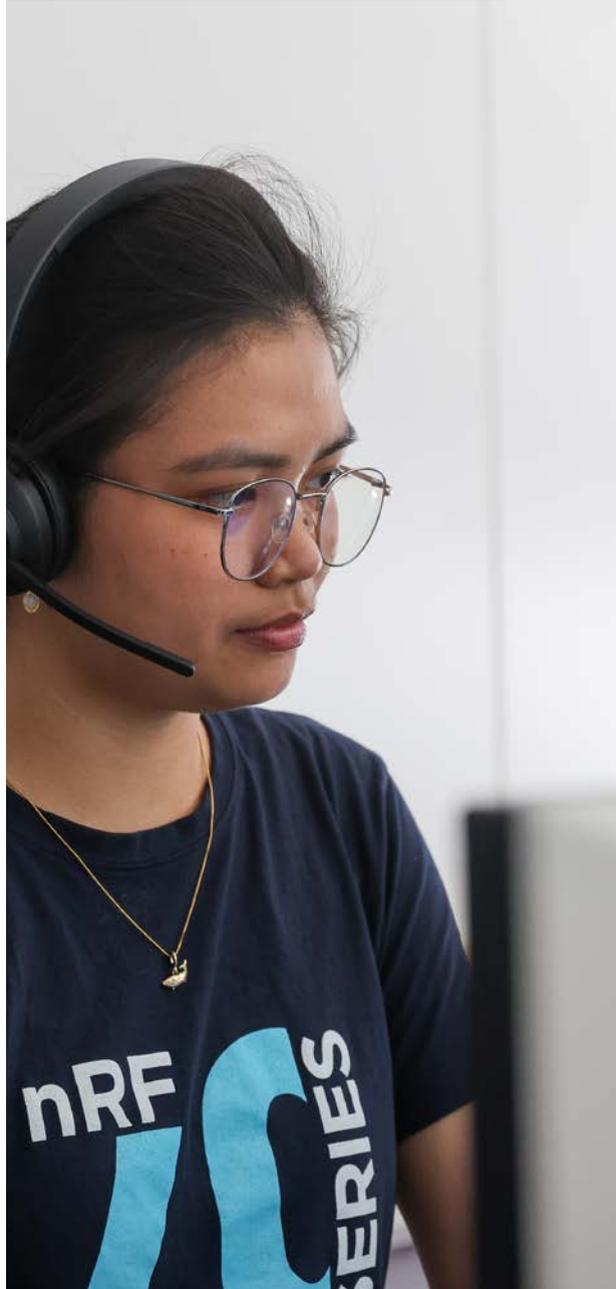
For the metrics disclosures below, Nordic has implemented all requirements except SI-13 (Training and skills development metrics), for which it has chosen the phase-in option for 2025, as it works to centralize its training reporting structure. None of the metrics presented in this section has been validated by external bodies other than its assurance provider.

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

In 2025, Nordic has set specific targets to monitor progress on the identified material topics. Based on the 2024 baseline, the targets for 2025 were to increase the Overall Engagement score from 7.3 to 7.7, the Transformation & Change score from 6.6 to 7.0, and the Learning & Growth score from 7.3 to 7.6. Nordic achieved the targets for Overall Engagement (2025: 7.8) and Transformation & Change (2025: 7.1), but fell slightly short on Learning & Growth (2025: 7.5).

For 2026, new targets have been set. While the transformation process is no longer considered material, Training & skill development remain important material topics, and Nordic's actions aim to increase the Learning & Growth score from 7.5 to 7.7 in 2026.

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Representation and Equal Opportunities remain a material topic as well. Based on the results of the Equal Opportunity Analysis conducted during 2025, Nordic strives to increase the number of women in senior leadership roles in the long term. A specific deadline has been intentionally avoided to avoid the risk of tokenistic or non-merit-based promotions. Instead, Nordic commits to continuous progress and long-term talent development, which aligns with ESRS expectations for realistic workforce objectives.

Following gaps observed in 2024, Nordic strengthened its governance arrangements, data foundations, and analytical work related to equal opportunities and talent development in 2025. The definition and operationalization of measurable targets remains ongoing and will be informed by the continued maturation of these foundations.

Regarding the Health & Wellbeing topic, Nordic monitors several internal indicators. For 2026, the key target is to maintain short-term sick leave $\leq 2.5\%$ in each country of operation.

SI-6 Characteristics of the company’s employees

Headquartered in Trondheim, Nordic has a total headcount of 1,426 employees across 24 countries (2024: 1,371 employees across 22 countries). Of these, 1,390 were full-time employees (permanent employees working full-time as of December 31, 2025). In addition, 13 employees had their last day of employment on December 31, 2025; they are included in leavers for turnover calculations and therefore excluded from the year-end headcount in SI-6. The majority of the increase in headcount is due to the acquisitions of Memfault and Neuton, both in 2025, which added 55 additional permanent employees. These numbers are retrieved from its Human Resource Management Systems (HRMS).

In 2025, 130 employees left the company, of which 78 left voluntarily, resulting in a voluntary turnover rate of 5.70% (2024: 7.24%).

The tables below provide more detail about the makeup of its workforce. Due to privacy considerations and a low number of individuals, additional gender categories are not broken out; these employees are included in "Other gender categories (not disclosed)" (2025: 3).

	2024	2025
Voluntary employee turnover rate	7%	6%
Number of employees who left voluntarily	101	78

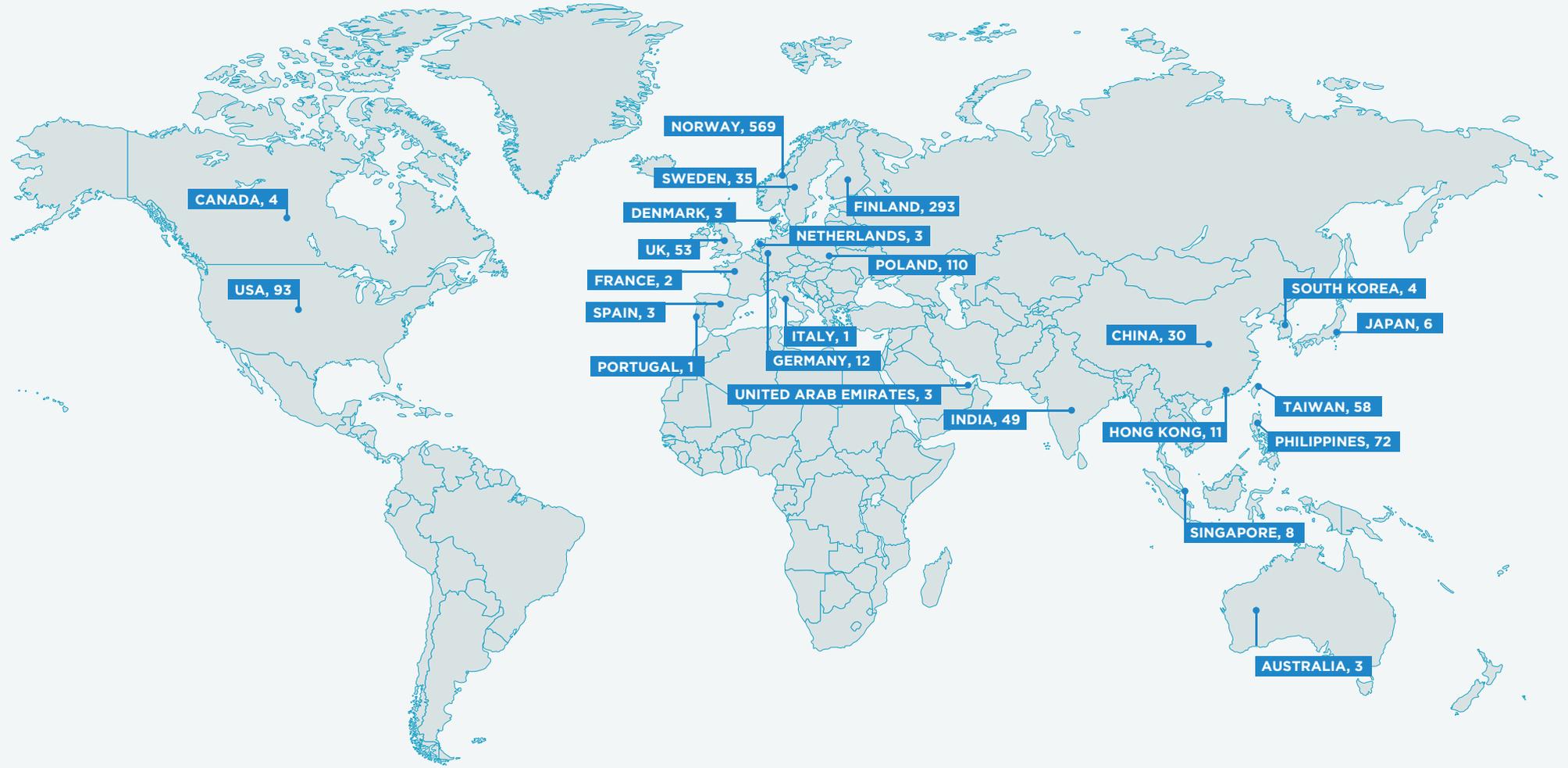
Voluntary employee turnover rate = voluntary leavers divided by average headcount.

Gender	Number of employees (2024 head count)	Number of employees (2025 head count)
Male	1133	1171
Female	238	252
Other gender categories (not disclosed)	0	3
Not reported	0	0
Total employees	1371	1426

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

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Global footprint and employees 2025



Footprint

58

Nationalities

24

Countries

Workforce

1171

Male employees

252

Female employees

3

Other / not disclosed

1426

Total employees



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Country	Number of employees (2024 head count)	Number of employees (2025 head count)
Norway	564	569
Finland	305	293
Poland	112	110
UK	49	53
Taiwan	59	58
USA	62	93
India	48	49
Sweden	34	35
Germany	5	12
China	28	30
Hong Kong	12	11
Japan	5	6
South Korea	4	4
Singapore	8	8
Philippines	62	72
Denmark	3	3
Australia	2	3
Netherlands	2	3
France	2	2
Spain	3	3
Canada	1	4
United Arab Emirates	0	3
Italy	0	1
Portugal	0	1
Bulgaria	1	0

2024	Female	Male	Other gender categories (not disclosed)	Not reported	Total
Number of employees (headcount)	238	1133	0	0	1371
Number of permanent employees (headcount)	235	1128	0	0	1363
Number of temporary employees (headcount)	3	5	0	0	8
Number of non-guaranteed hours employees (headcount)	0	0	0	0	0
Number of full-time employees (headcount)	228	1105	0	0	1333
Number of part-time employees (headcount)	7	23	0	0	30

2025	Female	Male	Other gender categories (not disclosed)	Not reported	Total
Number of employees (headcount)	252	1171	3	0	1426
Number of permanent employees (headcount)	247	1168	3	0	1418
Number of temporary employees (headcount)	5	3	0	0	8
Number of non-guaranteed hours employees (headcount)	0	0	0	0	0
Number of full-time employees (headcount)	242	1145	3	0	1390
Number of part-time employees (headcount)	5	23	0	0	28

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

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

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

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

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



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SI-7 Characteristics of non-employees in Nordic's own workforce

In addition to its employees, Nordic's workforce also comprises 67 non-employees. These consist of contractors counted at year-end. The contractors are employed by third parties but engaged in employment activities with Nordic. The number is gathered from its HRIS as of December 31, 2025. This provides a snapshot of the Group's use of non-employees. The downside is that the number fluctuates throughout the year and will not capture these fluctuations. The upside is that, by consistently reporting this number from the same date, it will be able to see trend changes in the use of non employees.

	2024	2025
Total number of non-employees	51	67

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

SI-9 Diversity metrics

Nordic aspires to be an inclusive and attractive workplace for employees across all age groups and phases of life.

The average employee age in 2025 was 41.5 years old. The youngest employee was 22, and the oldest was 68 in 2025.

	2024	2025
Gender diversity		
Women in top management	1 (9%)	1 (9%)
Distribution of employees by age group		
Under 30 years old	13%	11%
Between 30 and 50 years old	65%	66%
Over 50 years old	22%	21%

Age group percentages are calculated using employees with available age information in the HR system; employees without recorded age data are included in total headcount but not allocated to age categories.

SI-13 Training and skills development metrics

Nordic has chosen the phase-in option for this year. It has defined centralized reporting guidelines, but the practical implementation is still ongoing. Hence, the data would not be representable for this year. It will report on this from next year onward.

SI-14 Health and safety metrics

Nordic's Health and Safety Management System is designed to cover 100% of its workforce.

There were 0 fatalities due to work-related injuries or work-related ill health in the year.

There was 1 recordable work-related accident and 2 cases of work-related ill health.

0 days were lost due to work-related injuries or work-related ill health.

SI-15 Work-life balance metrics

Nordic's employees' social protection entitlement means 100% of employees are entitled to parental leave. In 2025, 6% of employees took parental leave, of which 80% were men and 20% were women.

	2024	2025
Employees entitled to parental leave	100%	100%
Entitled employees who took parental leave	4%	6%
of which % were men	71%	80%
of which % were women	29%	20%

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

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

The gender pay ratio is calculated as the average across positions. In the R&D department in Norway, the average salary for women in 2025 was 85% of the average salary for men. The average global salary for female employees in all departments was 77% of that of men, excluding executive management. Within executive management, the average salary for female employees was 77% of that of men.

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

Nordic is committed to monitoring and analyzing the gender pay ratio worldwide, focusing on both diversity and roles while adhering to current, challenging local market practices. The remuneration metric was revised in 2025 to refine role classification. As a result, the "Sales" category now includes only revenue-generating sales roles; sales support functions were included in 2024 but are no longer in scope. This refinement affects year-on-year comparability.

The remuneration metrics are calculated based on payroll employees (permanent employees) and therefore exclude temporary employees. The calculation population for 2025 is 1,431, comprising 1,418 permanent employees at year-end and 13 employees whose last day of employment was December 31, 2025 (see [Note 8, Payroll expenses](#), in the Financial Statements for cross-reference).

2024 Category	Male	Female	Gender pay ratio
Overall (excl. EMT)	1117	234	75%
Executive Management Team	10	1	78%
Business Support	67	45	81%
R&D	891	116	81%
Sales	107	29	76%
Supply Chain	54	42	46%

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2025 Category	Male	Female	Gender pay ratio
Overall (excl. EMT)	1171	249	77%
Executive Management Team	10	1	77%
Business Support	94	71	83%
R&D	928	123	88%
Sales	89	10	97%
Supply Chain	60	45	44%

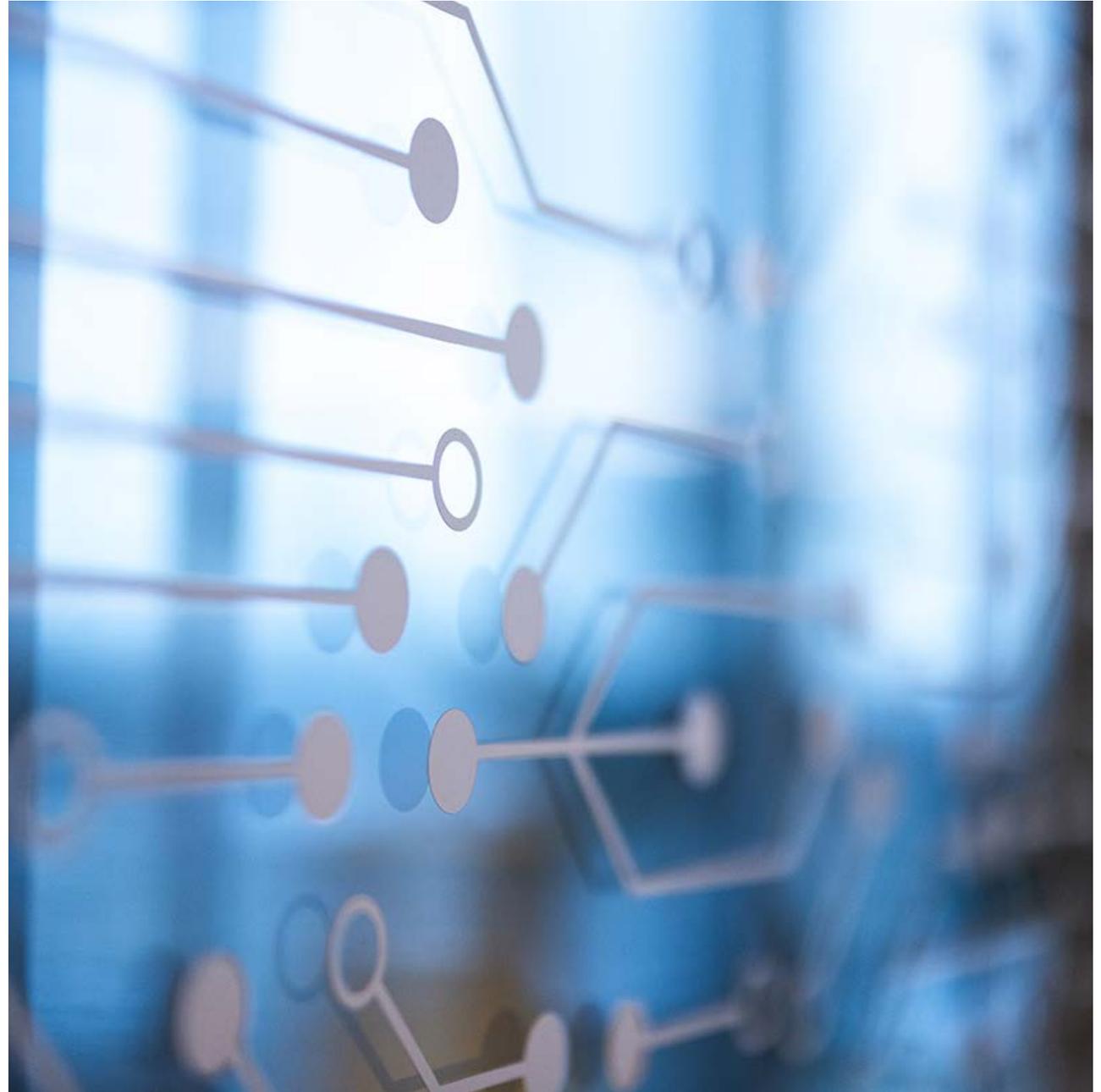
Pay Ratio

In 2025, the ratio of Nordic's highest-paid individual's annual total remuneration to the median annual total remuneration for all employees (excluding the highest-paid individual) was 9.68:1. This calculation includes base salary, bonuses, stock options, and other benefits.

Nordic continues to review its remuneration structures to support competitiveness and fairness in line with market practices and its business strategy.

SI-17 Incidents, complaints, and severe human rights impacts

In 2025, Nordic recorded eight employee complaints through its Integrity Line and other grievance channels. There were no incidents of discrimination or harassment, no severe human rights incidents (such as forced labor, human trafficking, or child labor) connected to its own workforce, including no cases of non-respect of the UN Guiding Principles, ILO Declaration, or OECD Guidelines. There were no related fines or penalties during the reporting period.



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S2 Workers in the Value Chain

Nordic’s fabless business model relies on upstream mineral extraction, Tier 1–2 manufacturing partners, and downstream logistics operations. Fair, safe, and lawful working conditions across these tiers are essential for maintaining continuity, ensuring quality, and complying with customer and regulatory expectations.

Impacts, risks, and opportunities

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

Nordic’s 2025 Double Materiality Assessment (DMA) identifies material potential impacts on value-chain workers related to working conditions, equal treatment and opportunities for all, and other work-related rights. These impacts stem from the extraction and processing of upstream raw materials, Tier-1 semiconductor manufacturing, and downstream logistics operations. While these impacts are material from an impact perspective, Nordic did not identify distinct material risks or opportunities with a direct financial effect on the business in the 2025 DMA.

Equal treatment and opportunities for all

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Gender-based role segregation and unequal treatment	Potential negative impact	●					●

Other work-related rights

Child and forced-labor risks in raw material and Tier 2+ suppliers	Potential negative impact	●			●		
Impacts on migrant workers’ rights at Tier 1 suppliers	Potential negative impact	●			●		

Working conditions

Safe and fair working risks in upstream and Tier 2+ facilities	Potential negative impact	●			●		
Safe and fair working risks at Tier 1 suppliers	Potential negative impact	●		●	●		

This disclosure covers all materially affected value-chain workers. This includes workers in upstream mining, smelting, and Tier 2 and higher processing; workers in Tier 1 manufacturing, assembly, testing, and packaging; workers in downstream logistics and distribution; and workers engaged through third-party arrangements or other relevant business relationships. Vulnerable groups include migrant workers, women, and young workers. High-risk geographies include the DRC region for 3TG extraction, as well as Malaysia, China, and the Philippines for manufacturing.

Material impacts

Gender-based role segregation and unequal treatment

Gender-segregated job structures persist at Tier-1 suppliers, where women are concentrated in operator roles while men occupy technical and supervisory positions. This limits skills development, career progression, and wage opportunities, and may affect the long-term availability of specialist labor as manufacturing becomes increasingly skills-intensive. These patterns reflect structural norms in key Asian manufacturing hubs.

Child and forced-labor risks in raw material and Tier 2+ suppliers

Extraction and early-stage processing of 3TG and other raw materials present systemic risks of child labor, forced labor, hazardous working conditions, and informal employment due to weak governance in high-risk regions. Tier-2+ processing facilities may expose workers to unsafe chemicals or recruitment practices such as fees or document retention. These risks may affect supply stability and customer expectations for compliance.

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Impacts on migrant workers' rights at Tier 1 suppliers

Migrant workers in Tier 1 manufacturing may face recruitment fees, passport retention, restricted mobility, and inadequate accommodations provided by their employers. Such conditions increase vulnerability, limit access to grievance mechanisms, and may affect supplier audit outcomes, particularly in jurisdictions with weaker enforcement of labor rights.

Safe and fair working risks in upstream and Tier 2+ facilities

Workers in upstream processing and Tier-2+ facilities may face exposure to hazardous chemicals, unsafe machinery, excessive working hours, and insecure employment arrangements. Temporary and informal workers may lack access to mandated benefits or appropriate reporting channels. These conditions may lead to illness, injury, or wage violations and can indirectly affect supply continuity.

Safe and fair working risks at Tier 1 suppliers

Tier-1 manufacturing, assembly, testing, and packaging activities may involve repetitive or strenuous tasks, long standing periods, hazardous chemical exposure, and substantial overtime driven by production cycles. Migrant and temporary workers may have unequal access to training, safety briefings, or grievance mechanisms. Logistics workers may face excessive hours or heavy lifting. These conditions can increase fatigue and the risk of injury, and potentially disrupt production.

Effects on strategy, business model, and resilience

These impacts are linked to Nordic's outsourced fabless business model and the labor conditions in upstream extraction, Tier-1 manufacturing, and global logistics. They inform supplier qualification, Responsible Business Alliance (RBA)-aligned oversight, and risk-based follow-up. The impacts are systemic and are expected to persist across the short-, medium-, and long-term.

Changes from the previous reporting period

Material impacts in 2025 are consistent with those in 2024, with strengthened evidence of upstream risks and gender-segregation patterns. No material S2 risks or opportunities were identified.

Impact, risk, and opportunity management

S2-1 Policies related to value chain workers

Nordic manages its material impacts on value chain workers through its Human Rights Policy, Supplier Code of Conduct, and Conflict Minerals Policy. These policies apply across upstream raw material extraction and processing, Tier 1 and Tier 2+ manufacturing, and downstream logistics operations. Together, they address all material impacts identified in the 2025 DMA, including risks of child labor, forced or compulsory labor, unequal treatment, unsafe working conditions, and vulnerabilities affecting migrant and temporary workers. The policies apply to all workers in the upstream and downstream value chain, including vulnerable groups.

The [Human Rights Policy](#) sets out Nordic's commitment to respect internationally recognized human rights, including the prohibition of child labor, forced or compulsory labor, human trafficking, discrimination, and retaliation, and affirms workers' rights to fair and safe working conditions. It is aligned with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. It outlines Nordic's human-rights due diligence process, including risk identification, prevention, mitigation, and access to remedy. Nordic monitors implementation through supplier assessments, RBA audit results, grievance mechanisms, and structured follow-up processes, and publishes an annual Human Rights Statement in accordance with the Norwegian Transparency Act. Nordic's Human Rights Statement for 2025 will be available on its website at www.nordicsemi.com/Corporate-Social-Responsibility/Policies-and-Statements.

The Supplier Code of Conduct establishes Nordic's expectations for labor standards, responsible recruitment, working hours and wages, worker safety, humane treatment, and suitable accommodation for migrant workers. It is based on the RBA Code of Conduct and applies to all suppliers contributing to Nordic's value chain.

The Conflict Minerals Policy addresses risks associated with mineral extraction and processing in conflict-affected and high-risk areas, requiring suppliers to conduct due diligence consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Responsibility for these policies rests with Nordic's senior leadership. The Chief Executive Officer is responsible for the Human Rights Policy, the Corporate Social Responsibility Policy, and the Conflict Minerals Policy, which reflect the Group's scope. The Executive Vice President of Supply Chain is responsible for the Supplier Code of Conduct, including its communication and implementation among suppliers. Based on the information available through its due diligence processes during the reporting period, Nordic did not identify any instances of non-compliance with the UN Guiding Principles, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises in the upstream or downstream value chain. Policies remain publicly available in English, and employees involved in procurement, supplier development, and human rights due diligence received targeted training on their implementation.

S2-2 Processes for engaging with value chain workers about impacts

Nordic engages with value-chain workers indirectly through credible proxies, consistent with its fabless business model and limited operational control over manufacturing or logistics facilities. Engagement is primarily conducted through RBA Validated Assessment Program audits, which include auditor-led worker interviews, and through Nordic's human rights due diligence (HRDD) questionnaires completed by supplier management. These mechanisms provide insight into working conditions across upstream raw-material processing, Tier-1 and Tier-2+ manufacturing, and logistics providers.



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Engagement takes place during scheduled RBA audit cycles, annual HRDD reassessments, and targeted follow-ups triggered by risk indicators or audit findings. Frequency depends on supplier risk profiles and audit schedules. Operational responsibility for ensuring engagement and integrating results into Nordic's approach rests with the Executive Vice President of Supply Chain. The Head of Compliance oversees the effectiveness of HRDD activities, including analysis of audit findings, review of supplier responses, and follow-up on corrective actions. Public inquiries related to human rights impacts are handled through Nordic's Integrity Line, which includes a dedicated Transparency Act pathway separate from grievance mechanisms. Nordic has not established Global Framework Agreements with global union federations; however, it participates in multilateral initiatives such as the RBA and the UN Global Compact, which provide structured avenues for dialogue and insight into worker conditions.

Nordic assesses the effectiveness of engagement by tracking questionnaire response rates, analyzing audit findings and non-conformities, monitoring corrective action implementation, and reviewing supplier-level improvements resulting from these processes. To gain insight into vulnerable groups—particularly migrant workers, women, young workers, and workers reliant on employer-provided accommodation—Nordic incorporates targeted questions in its HRDD questionnaire and reviews relevant summaries from RBA assessments.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Nordic addresses material negative impacts through its HRDD framework, which is aligned with the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises. When adverse impacts are identified, Nordic responds directly where it may contribute to the impact and exercises leverage with suppliers where impacts are linked to business relationships. The third-party Integrity Line provides confidential, anonymous reporting via an external portal. All reports are handled in accordance with the Reporting and Handling of Concerns Procedure, which sets defined timelines for acknowledgement, assessment, and closure.

Through its HRDD questionnaire and findings from RBA-aligned assessments, Nordic evaluates whether suppliers provide accessible grievance mechanisms, including anonymous reporting options and procedures for investigation and remediation. It also expects suppliers to maintain accessible grievance mechanisms for their workers, including anonymous reporting options. Through the HRDD questionnaire and RBA-aligned assessments, Nordic evaluates whether such channels exist, how they function, and whether migrant workers, young workers, or workers in employer-provided accommodation have adequate access to them. Nordic monitors issues through case records, corrective-action plans, and follow-up reviews of supplier progress. While the Integrity Line provides confidential, anonymous reporting, Nordic has not yet established a formal process to assess workers' awareness of or trust in these mechanisms. Developing such an assessment method is planned as part of program development. No severe human rights incidents requiring formal remedies were identified in 2025.

S2-4 Taking action on material impacts on value chain workers, approaches to managing risks and pursuing opportunities related to value chain workers, and the effectiveness of those actions

Nordic undertook targeted actions in 2025 to address the material impacts identified above, implemented through the HRDD program, the Supplier Code of Conduct, and RBA-aligned oversight mechanisms. Actions were carried out across relevant tiers in the upstream and downstream value chains, with follow-up integrated into supplier management routines.

Actions taken in 2025 to prevent and mitigate material negative impacts

In 2025, Nordic implemented targeted actions aligned with RBA and OECD expectations, including:

- Gender-based role segregation and unequal treatment
Conducted high-level screening and follow-up dialogues with Tier-1 suppliers on gender-segregated roles and equal-opportunity indicators.
- Forced-labor and child-labor risks in raw materials and Tier 2+ suppliers

Reviewed and followed up on third-party supplier sustainability assessments (including RBA VAP and equivalent ESG rating outputs) and HRDD findings related to child labor and forced labor in upstream and Tier-2+ suppliers.

- Impacts on migrant workers' rights at Tier-1 suppliers
Assessed migrant-worker recruitment and accommodation practices at Tier-1 suppliers and initiated corrective-action tracking where needed.
- Safe and fair working risks in upstream and Tier 2+ facilities
Reviewed smelter HSE-conformance status via RMI and reinforced upstream expectations through engagement with Tier-1 suppliers.
- Safe and fair working risks at Tier-1 suppliers
Reviewed working hours, wages, and employment practice indicators and conducted follow-up dialogues.
- Working-condition risks in logistics operations
Communicated labor-rights expectations to logistics providers and included relevant indicators in supplier reviews.

These activities form part of Nordic's ongoing due diligence activities and are not established as outcome-oriented targets. Actions were executed through existing Supply Chain and Compliance functions, utilizing existing third-party assessment tools (including RBA VAP results and ESG supplier rating outputs), HRDD questionnaires, and responsible-minerals due diligence. The 2025 DMA did not identify material S2-related positive impacts, risks, or opportunities at the Group level. Nordic therefore did not implement any additional positive-impact or financially driven initiatives for value-chain workers in 2025 beyond those described above.

Where Nordic identified potential linkage to impacts, Nordic used commercial leverage through corrective-action plans, supplier-qualification conditions, and structured follow-up routines. Where Nordic identifies that it may have caused or contributed to an adverse

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impact, it seeks to provide for or cooperate in remediation. Where impacts are directly linked to Nordic through business relationships, Nordic uses leverage through corrective-action plans, supplier-qualification conditions, and structured follow-up routines.

Effectiveness is evaluated through verification of corrective actions, review of RBA non-conformities, smelter conformance results, and supplier performance reviews. Nordic also takes steps to avoid contributing to negative impacts through its own practices by maintaining realistic delivery timelines and clear communication with suppliers.

Performance, metrics, and targets

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Nordic has established a limited set of interim, process-based targets for 2025 to support the management of material impacts on value-chain workers identified in the DMA. The targets align with the Human Rights Policy and the Supplier Code of Conduct, use 2024 as the baseline year, and apply across relevant tiers of the upstream and downstream value chain in high-risk jurisdictions. For Tier-1 screening, Tier-1 suppliers are defined as all suppliers to which Nordic has directly placed purchase orders during the reporting year (direct suppliers). In 2025, Nordic transitioned the Tier-1 screening tool from KPMG’s HRDD tool (used for the 2024 baseline) to EcoVadis IQ Plus. Nordic has not set outcome-oriented or positive-impact targets for value-chain workers.

Operational targets for 2025

Nordic’s operational targets for 2025, and the related outcomes, are summarized in the table below.

- Achieve 100 percent high-level screening of Tier-1 suppliers using an ESG supplier risk-screening tool aligned with RBA expectations (currently EcoVadis IQ Plus).

- Maintain 100 percent RBA Code commitment among Tier-1 manufacturing partners.
- Maintain 100 percent conflict-minerals reporting for standard products.
- Maintain a minimum of 70 percent RMI membership among relevant manufacturing partners.

These targets track implementation of key due diligence controls and therefore function as process indicators rather than outcome-oriented targets.

Process for setting and reviewing targets

Targets were established through internal materiality analysis and supplier-management processes, informed by RBA and RMI requirements and available supplier assessment data. Nordic did not engage directly with value-chain workers or their representatives in setting these targets due to the structure of the fabless business model. Nordic may evaluate options for structured engagement through credible proxies as part of future HRDD development.

Monitoring and performance evaluation

Progress is monitored using the entity-specific metrics in the table, including Tier-1 screening coverage, supplier in-depth assessment coverage, RBA Code commitment rates, RMI membership, and completeness of conflict-minerals reporting. In 2025, Nordic transitioned the Tier-1 screening tool from KPMG’s HRDD tool (used for the 2024 baseline) to an ESG supplier risk-screening platform (EcoVadis IQ Plus). While the screening objective and coverage definition remain unchanged, methodological differences between tools may affect year-on-year comparability. Nordic also collects EMRT information where relevant; given evolving scope and reference data, Nordic has not set a separate EMRT target for 2025. In addition, Nordic tracks the status of relevant non-conformances through corrective action follow-up routines. These indicators are reviewed through established supplier-management routines and Compliance follow-up activities.





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Entity-specific metrics: value chain workers

Metric	2024 value (baseline)	2025 target	Material impact addressed	2025 value (outcome)	Methodology & limitations	External validation
Tier-1 high-level screening coverage	100% of Tier-1 supplier base screened using the KPMG HRDD tool. Denominator: suppliers with purchase orders placed by Nordic in the reporting year.	100%	Cross-cutting for Tier-1 impacts (equal treatment and opportunities; migrant-worker vulnerabilities; safe and fair working conditions at Tier 1 and logistics-related working conditions).	100% of Tier-1 supplier base screened using EcoVadis IQ Plus (same denominator).	In 2025, Nordic changed the screening tool from KPMG's HRDD tool (2024) to EcoVadis IQ Plus. The metric definition (coverage of Tier-1 screening) remains unchanged, but comparability may be affected by differences in tool methodologies, scope, and acceptance status (where applicable).	EcoVadis platform output (and/or evidence from equivalent tools, where used).
Supplier in-depth assessment coverage	Batch 1: 8 suppliers; Batch 2: 10 suppliers.	No numeric target set: risk-based in-depth assessments using RBA SAQ, EcoVadis Vitals/Ratings, and Nordic's HRDD questionnaire, reviewed through supplier follow-up routines.	Cross-cutting support for all five S2 material impacts, with primary use for Tier-1 working conditions, migrant-worker vulnerabilities, and equal treatment indicators.	Tier-1, high risk: 13 suppliers: RBA SAQ: 5; EcoVadis assessment (Ratings/Vitals): 0; Nordic HRDD questionnaire: 5. Tier-1, medium-high risk: 57 suppliers: RBA SAQ: 3; EcoVadis assessment (Ratings/Vitals): 9; Nordic HRDD questionnaire: 2.	Counts reflect coverage by tool type; suppliers may be covered by multiple tools (potentially overlapping coverage). Coverage varies with batch planning, supplier criticality, and the availability of supplier assessments. EcoVadis assessments may be conducted via Ratings or Vitals, depending on supplier profile and availability; these are treated as equivalent for coverage reporting.	Mix of self-reported inputs (RBA SAQ, supplier questionnaires) and third-party assessments (EcoVadis, where applicable).
RBA Code commitment	100% of Tier-1 manufacturing suppliers.	Maintain 100%.	Primarily supports Tier-1 impacts (safe and fair working risks at Tier 1; migrant-worker rights at Tier 1; equal treatment and opportunities at Tier 1).	100% (target met).	Direct verification of signed commitments; measures commitment only, not maturity or effectiveness of implementation.	RBA membership verification (commitment verification basis).
RMI membership	70% (7/10 of relevant manufacturing partners).	Maintain at least 70%.	Primarily supports upstream impacts (child and forced-labor risks in raw materials and Tier-2+, and safe and fair working risks in upstream and Tier-2+ facilities).	78% (7/9 of relevant manufacturing partners, target met).	Verified through RMI member directory; does not independently validate upstream HSE performance. The denominator changed in 2025 due to one manufacturing partner ceasing operations, affecting year-on-year comparability.	RMI verification.
Conflict-minerals reporting (CMRT)	100% of standard products with complete CMRT.	Maintain 100%.	Upstream impacts (child and forced-labor risks in raw materials and Tier-2+ suppliers).	100% (target met).	Based on supplier CMRT submissions, accuracy depends on supplier declarations and completeness of smelter/refinery data.	RMI conformant smelter verification (where applicable).

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S4 Consumer and End Users

Nordic’s low-energy connectivity and embedded-processing technologies are integrated into a wide range of downstream consumer and end-user applications, including healthcare monitoring, smart-home systems, agriculture, environmental tracking, and industrial IoT. Ensuring the safe, secure, and reliable use of these technologies is critical to maintaining trust, supporting long-term customer relationships, and protecting end users whose daily activities depend on the performance of Nordic-enabled devices.

Impacts, risks, and opportunities

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

Nordic’s 2025 Double Materiality Assessment (DMA) identifies one material positive impact arising from the downstream use of low-energy connectivity solutions, along with two material financial risks related to end-users’ privacy and product security vulnerabilities. These impacts and risks stem from Nordic’s product design choices and downstream value chain relationships. They inform Nordic’s strategy by continuing to prioritize energy-efficient product design, secure-by-design development practices, and strengthened technical information to support customer implementation. No material opportunities were identified for consumers and end-users in the 2025 DMA.

Information-related impacts for consumers and/or end users

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Enabling sustainable applications through low-energy connectivity	Actual positive impact			●	●		
Financial risks related to end-user privacy and information impacts	Risk			●			●
Financial risks related to product-security information impacts	Risk			●			●

This disclosure covers consumers and end users of devices developed and marketed by Nordic’s customers, in which Nordic-enabled components are integrated into end products used in consumer, industrial, healthcare, and other IoT applications.

Material impacts

Enabling sustainable applications through low-energy connectivity

Nordic’s low-energy connectivity solutions support devices that use less power, operate longer on battery, and provide more reliable access to information. These effects materialize primarily in the short term, benefiting end-users who rely on stable, durable, and efficient device performance. The impact originates directly from Nordic’s strategic emphasis on ultra-low-power product design under the Products Building Block, reinforcing its continued investment in energy efficiency, power management integration, and lifecycle support capabilities. No negative impacts were assessed as material for S4 in the 2025 DMA.

Material risks

Nordic does not control device-level design, data handling, or security implementation. Nevertheless, the DMA identifies two material financial risks related to downstream privacy and product-security dependencies.

Financial risks related to end-user privacy and information impacts

Privacy or data integrity failures in downstream devices that use Nordic’s components may result in commercial consequences, including customer dissatisfaction, reputational impacts, or stricter customer qualification requirements. These risks are most relevant in data-intensive sectors such as medical monitoring, consumer IoT, and industrial applications. The risk stems from Nordic’s enabling technology role, in which customers retain responsibility for data handling and security implementation. It informs Nordic’s strategy through investments in secure-by-design processes, documentation quality, and customer guidance to support secure integration and safeguard commercial resilience.



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Financial risks related to product-security information impacts

Security vulnerabilities in devices incorporating Nordic technology—such as exploitable firmware, weak authentication, or delayed patching—may lead to downstream product recalls and customer-borne remediation costs, with potential indirect financial consequences for Nordic. These risks are particularly relevant in safety-critical or regulated applications. They inform Nordic’s strategy by increasing investment in vulnerability-management systems, improving security-related documentation, and implementing secure development practices to support continued market access and customer confidence.

Changes from the previous reporting period

There were no changes to the set of material impacts or risks related to consumers and end-users compared with the previous reporting period. Updates in 2025 reflect strengthened evidence regarding systemic privacy and security expectations for connected devices, as well as improved traceability enabled by Position Green’s ESRS-aligned DMA module.

Impact, risk, and opportunity management

S4-1 Policies related to consumers and end-users

Nordic’s policies related to consumers and end-users address the material financial risks identified in the 2025 DMA, namely risks associated with (i) end-user privacy and information handling and (ii) product-security vulnerabilities in downstream devices. Nordic does not have a dedicated policy governing the positive downstream impact associated with low-energy connectivity; this impact is advanced through product strategy and R&D priorities under the Sustainability Strategy 2025 — Products building block.

Policy content, objectives, and scope

Nordic’s Privacy Policy outlines its commitments to the lawful, transparent, and secure processing of personal data in accordance with relevant regulations, including the GDPR and CCPA. The policy governs Nordic’s processing of personal data through its digital platforms and services. It does not extend to personal data

processed within customer-built devices that incorporate Nordic’s components. The policy applies to customers, website visitors, users of developer platforms, and other external parties interacting with Nordic’s services.

Nordic’s Information Security Policy, which forms part of the company’s ISO 27001-certified Information Security Management System (ISMS), establishes requirements for maintaining the confidentiality, integrity, and availability of information assets. It covers security governance, protective controls, supplier alignment, business continuity, regulatory compliance, and incident reporting.

Nordic’s Vulnerability Disclosure Policy outlines the company’s product security assurance model, including the responsibilities of the Product Security Incident Response Team (PSIRT), responsible disclosure processes, and the utilization of the YesWeHack bug bounty program. The policy governs the receipt, assessment, and communication of security vulnerabilities in Nordic’s hardware, software, documentation, and services.

The policies apply globally to Nordic’s internal operations, products, software, and firmware releases, as well as customer-facing technical documentation. Their scope supports downstream integration through secure-by-design requirements, vulnerability handling, and customer-facing technical documentation; Nordic does not control customers’ device-level implementation.

Governance and accountability

Senior accountability for policy implementation rests with the Product Security Director. Operational responsibility is held by the Security Certifications Manager, who also oversees the R&D security program and leads PSIRT activities. Business line management and the Legal function provide oversight regarding regulatory compliance, including GDPR and CCPA requirements, contractual obligations relating to data protection and security, and external transparency commitments. Implementation is monitored through ISO 27001 controls and established security-governance processes.

S4-2 Processes for engaging with consumers and end-users

Nordic engages with consumers and end-users primarily through credible proxies, including customers, developer communities, and technical support channels. As Nordic supplies semiconductor components that are integrated into customer-designed devices, direct engagement with end-users is generally limited.

Insights into consumer and end-user needs and impacts are obtained through several established channels, including:

- Customer satisfaction surveys conducted with customers and distributors
- Ongoing dialogue with key account customers regarding product performance and integration
- Technical support interactions through Nordic’s DevZone developer platform
- Product quality communication through the Field Quality Group

Engagement occurs throughout the product lifecycle, including during product development through customer collaboration, after product launch through customer feedback processes, and during ongoing product use through technical support interactions. Customer surveys are conducted periodically, while technical support engagement occurs continuously as part of normal product support operations.

Operational responsibility for ensuring that feedback from these engagement channels informs Nordic’s product development and documentation processes rests with the relevant business line management functions, supported by product-security, product-quality, and customer-support teams.

Nordic assesses the effectiveness of these engagement processes through review of customer survey results, analysis of support inquiries, product quality feedback, and internal management reviews used to identify improvements in product documentation, development priorities, and customer guidance.



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S4-4 Taking action on material impacts on consumers and end-users, approaches to managing risks and pursuing opportunities related to consumers and end-users, and the effectiveness of those actions

Nordic's actions under S4 in 2025 address the two material financial risks identified in the DMA—end-user privacy impacts and product-security-related information impacts—and support the positive downstream impact associated with low-energy connectivity. Actions supporting the positive impact included maintaining and enhancing product datasheets, application notes, and power-profiling documentation that describe low-power characteristics and enable customers to design sustainable IoT applications.

To mitigate financial risks related to end-user privacy and information handling, Nordic maintained GDPR-aligned privacy processes and incident response procedures. In 2025, Nordic reviewed customer-facing documentation where privacy-relevant considerations arise and incorporated privacy considerations into selected security assessments. It also responded to technical questions from customers related to the behavior of Nordic components, which may inform their own data-handling assessments. Nordic does not provide customers with advice on legal or regulatory compliance. Planned actions include continued documentation reviews with a focus on accuracy and regulatory alignment where relevant, as well as improving internal processes for identifying privacy considerations during security assessments. These privacy-related actions apply to Nordic's own digital services and platforms, where Nordic acts as data controller or processor, and do not extend to personal data processed within customer-built devices that incorporate Nordic components, for which customers remain independently responsible.

To manage financial risks associated with downstream product security vulnerabilities, Nordic continued to apply secure-by-design requirements. In 2025, Nordic expanded its penetration testing by engaging external security laboratories to conduct independent security assessments of selected chips, ROM, and firmware solutions. It deepened coordinated security assessments.

Planned actions include extending penetration testing to additional product families and enhancing security audit routines across business lines.

In 2025, Nordic initiated a multi-year alignment program for the EU Cyber Resilience Act (CRA), which will fully apply from December 11, 2027. The program focuses on documentation governance, requirements for handling vulnerabilities, secure development practices, and lifecycle security management for products with digital elements. These actions are planned for completion on a medium-term horizon running through 2027.

Effectiveness is monitored through ISO 27001 controls, internal ISMS audit and certification assessments, security testing results, PSIRT performance indicators, and customer feedback from coordinated disclosure and documentation updates. No severe human rights issues or material negative impacts involving consumers or end-users were identified in 2025. Therefore, there were no cases requiring specific remedial action beyond the risk-mitigation activities described above. Resources allocated to these activities include dedicated product security and compliance personnel, PSIRT operations, secure development engineering time, security testing budgets, and ongoing R&D investment in ultra-low-power architectures.

Performance, metrics, and targets

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Nordic has established proportionate targets and monitoring objectives for 2025, aligned with the material topics identified in the DMA. These include (i) a qualitative objective to support the material positive impact related to sustainable IoT applications, (ii) monitoring-based indicators for privacy-related financial risks, and (iii) a quantitative target for product-security-related financial risks. Together, these targets and objectives operationalize Nordic's Information Security Policy, Privacy Policy, Vulnerability Disclosure Policy, and Sustainability Strategy 2025.

Target setting and scope

For the material positive impact on sustainable applications, Nordic has not set a quantitative target for 2025. Instead, Nordic applies a qualitative objective to identify and document representative customer use cases that demonstrate how its ultra-low-power connectivity enables more energy-efficient IoT applications. This objective applies across global markets and downstream applications. Nordic will use insights gathered during 2025 as the baseline for assessing the feasibility of defining a more structured, outcome-oriented target in a subsequent reporting period.

For privacy-related financial risks, Nordic did not set a numeric target. Monitoring of substantiated privacy incidents in Nordic's own digital services, as well as periodic internal reviews of Nordic's privacy documentation, serve as indicators for assessing performance. These activities support the policy objective of maintaining GDPR-aligned processes within Nordic's operations. They do not extend to downstream devices, where customers independently manage data handling and compliance.

For product security-related financial risks, Nordic maintains an absolute target of zero critical, unresolved product vulnerabilities. This target was achieved in 2025, with zero critical vulnerabilities remaining unresolved at year-end. Performance against this target is measured using vulnerabilities classified as "critical" in accordance with Nordic's PSIRT severity classification methodology, which aligns with CVSS scoring and is applied consistently through established PSIRT procedures.

A vulnerability is considered resolved when one of the following has been formally approved and documented in accordance with PSIRT procedures: (i) a corrective fix, (ii) an approved mitigation or workaround with documented risk acceptance, or (iii) formal customer communication and closure where remediation is not technically feasible.

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The target applies to vulnerabilities that remain unresolved beyond Nordic's defined PSIRT handling timeframes, which specify timelines for initial triage, severity confirmation, mitigation, and closure. Vulnerabilities identified close to year-end are handled in accordance with these procedures, including initial triage and severity confirmation. They are assessed against the target based on their status relative to the applicable PSIRT timelines, rather than solely on calendar year-end. The scope covers Nordic hardware, firmware, software, cloud services, and customer-facing technical documentation.



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Governance

Nordic's governance framework supports responsible decision-making, structured risk management, and clear lines of accountability across the organization. It provides the structures through which the Board and Executive Management supervise compliance with laws, regulations, and ethical standards, safeguard the company's assets and intellectual property, and oversee the integrity of reporting. The framework fosters transparent engagement with shareholders, employees, customers, and business partners, enabling the creation of long-term value while maintaining disciplined oversight of strategy, resource allocation, and sustainable business practices.

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G1 Business conduct

Nordic’s business conduct framework supports the integrity of its operations and the resilience of its fabless semiconductor business model. Ethical behavior, secure handling of sensitive information, and protected reporting channels are essential to maintaining trust across the value chain and safeguarding the intellectual property that underpins Nordic’s competitiveness.

Material impacts, risks, and opportunities

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

Nordic’s 2025 Double Materiality Assessment (DMA) identified two potential negative material impacts on business conduct—cybersecurity incidents affecting data protection and business conduct, and retaliation risks associated with whistleblower protection—as well as one material financial risk arising from cybersecurity incidents. These impacts and risks occur primarily in Nordic’s own operations, with downstream effects for customers who rely on secure and reliable information.

Cybersecurity

		Location in the value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Cybersecurity incidents affecting data protection and business conduct	Potential negative impact		●	●	●		
Financial risks arising from cybersecurity incidents	Risk		●	●	●		

Protection of Whistleblowers

Potential impact related to whistleblower protection and retaliation	Potential negative impact		●		●		
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The impacts stem directly from Nordic’s business model as a semiconductor design company that handles sensitive intellectual property and personal data. They affect stakeholders through privacy risks, operational disruption, and reduced trust, and they influence Nordic’s strategy through continued prioritization and resourcing in access-management controls, security-monitoring processes, and reinforced governance mechanisms for secure reporting. While corporate culture is not identified as a standalone material impact, risk, or opportunity, it supports the management of these impacts through governance mechanisms described under G1-I, including leadership tone, accountability structures, and reporting practices.

Material impacts

Cybersecurity incidents affecting data protection and business conduct

Cybersecurity incidents—such as data breaches, intellectual property losses, or system disruptions—may compromise personal data, disrupt business-critical operations, and erode confidence in Nordic’s governance. These impacts arise primarily in Nordic’s own operations and secondarily downstream, where customers depend on uninterrupted access to accurate information. They are expected to materialize in the short to medium term due to the increased sophistication of threats. Nordic addresses these impacts through the information security controls and governance mechanisms described under G1-I, including access management controls, defined accountability, and structured oversight of cybersecurity risks.

Potential impact related to whistleblower protection and retaliation

Retaliation against individuals who report concerns may cause psychological, professional, or economic harm, deter reporting, and weaken confidence in Nordic’s governance processes. Nordic mitigates this

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impact through a formal non-retaliation policy, secure and anonymous reporting channels, and oversight of cases by the Head of Compliance. These mechanisms are supported by governance practices described under G1-I, including leadership expectations, defined responsibilities, and established reporting practices.

Material risks

Financial risks arising from cybersecurity incidents

Cybersecurity failures can result in significant financial consequences, including investigation costs, regulatory scrutiny, operational downtime, and potential litigation. These risks arise in Nordic's own operations and may indirectly influence downstream revenue stability, customer qualification requirements, and design-win performance. Nordic maintains resilience through investments in monitoring, access management systems, vulnerability response capabilities, and system hardening.

Changes from the previous reporting period

In 2025, Nordic refined the presentation of governance-related information. Corporate culture is described in G1-I as part of the governance and business conduct framework that supports the management of identified material impacts and risks, rather than as a standalone impact topic. Corruption and bribery continue to be addressed through Nordic's business conduct framework; the 2025 DMA did not identify separate material impacts or risks requiring additional disclosure under G1. Cybersecurity-related impacts and retaliation-related impacts remain assessed as material.

Impact, risk, and opportunity management

G1-I Business conduct policies and corporate culture

Approach to business conduct and corporate culture

Nordic maintains a business conduct framework grounded in the Code of Conduct, its membership in the Responsible Business Alliance, and its commitment to the UN Global Compact, a voluntary international initiative encouraging companies to align their operations with principles on human rights, labor, environment, and anti-corruption. The Audit Committee (AC) oversees business conduct governance, supported by the Chief Executive Officer (CEO) and the Head of Compliance. Expectations for ethical behavior, leadership tone, transparency, and a speak-up culture are embedded through engagement surveys, performance discussions, leadership evaluations, and periodic reporting to the AC. Nordic promotes its culture through leadership development, communication of expectations, and tools that reinforce integrity and accountability.

Policies addressing material business-conduct impacts, risks, and opportunities

Nordic maintains four core policies that govern the material cybersecurity-related impacts, retaliation-related impacts, and financial risks identified in the DMA:

- Information Security Policy, aligned with ISO 27001, covering information integrity, confidentiality, and availability.
- Business Continuity Policy and Procedure, establishing Nordic's approach to continuity planning and operational resilience.
- Code of Conduct, setting expectations for ethical behavior, confidentiality, anti-corruption and anti-bribery, responsible system use, reporting obligations, and non-retaliation.

- Reporting and Handling of Concerns Procedure, defining internal and external reporting channels, case handling, escalation, and whistleblower protections.

Together, these policies form the basis for identifying, assessing, and managing Nordic's material business-conduct impacts and risks.

Investigation procedures

Nordic maintains procedures to promptly, independently, and objectively investigate business-conduct incidents—including those related to cybersecurity, misconduct, corruption, and retaliation. All reports, whether raised through the Integrity Line or other management channels, are assessed in accordance with the Reporting and Handling of Concerns Procedure. Medium- and high-risk cases are overseen by the Head of Compliance, who may involve internal specialists or external advisors to support independent and impartial case handling. The procedures apply across all global operations and require documented case handling, risk-based escalation, and appropriate corrective actions.

Whistleblower protection and retaliation safeguards

Nordic enforces zero tolerance for retaliation. Protections include secure reporting channels, anonymous reporting options, confidentiality, and training for both employees and personnel responsible for receiving reports. Nordic complies with Directive (EU) 2019/1937 and corresponding national law.

Business conduct training

Nordic provides mandatory Code of Conduct training for all employees to reinforce expectations on ethical conduct, data security, reporting responsibilities, and protections against retaliation. Additional guidance is provided when policies are updated or when targeted reinforcement is required for specific functions. Functions with elevated exposure to corruption and bribery—primarily Sales & Marketing and roles with access to confidential information—receive targeted training, including guidance for personnel responsible for receiving or assessing reports.

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Metrics and targets

Nordic utilizes entity-specific metrics and targets to evaluate the effectiveness of its business conduct policies and actions.

Targets related to managing material impacts and risks

Nordic sets interim, process-based targets for 2025. These use a 2024 baseline and apply across all global operations:

- Maintain zero critical unresolved cybersecurity incidents.
- Maintain ISO 27001 certification coverage across core IT and information security processes supporting product development.
- Achieve at least 90 percent security-awareness completion for campaign-based awareness training.
- Maintain zero confirmed retaliation cases.

For the purpose of the first target, "critical" and "unresolved" cybersecurity incidents are defined in accordance with Nordic's internal incident-severity classification and handling procedures, aligned with its information security governance and incident-response processes. Nordic has not established outcome-oriented reduction targets for incident volumes due to evolving threat patterns and ongoing data classification harmonization.

Monitoring and performance evaluation

Performance is monitored through incident management systems, Security Operations Center (SOC) reporting, training data, and reviews of whistleblowing cases. Results are reviewed by Information Security and Compliance and reported to the CEO and the AC. No confirmed cases of corruption, bribery, or retaliation occurred in 2025.

Entity-specific metrics: cybersecurity

Methodology and limitations

Cybersecurity metrics are derived from Nordic's internal incident-management system and SOC reporting. Security-awareness completion rates are measured through the Learning Management System. Incident severity is classified using Nordic's internal model, which is being aligned with SOC systems. Measurement uncertainty primarily stems from variations in incident classification, including SOC-generated alerts that are later assessed as false positives, and from incomplete harmonization of internal and SOC datasets.

Cybersecurity metrics

Metric	2024 baseline	2025 actual	2025 target
Security awareness completion rate	96%	Not applicable (no campaign-based awareness training conducted in 2025)	≥90%
Security incidents by severity*:			
- High	0	7	Monitoring only
- Medium	1	0	Monitoring only
- Low	0	1	Monitoring only

* Incident data reflect confirmed incidents recorded in internal incident-management systems, informed by SOC detections.

Entity-specific metrics: whistleblowing and retaliation prevention

Methodology and limitations

Whistleblowing metrics are based on cases submitted through the Integrity Line and other internal reporting channels. Only substantiated cases are recorded as confirmed retaliation. Measurement uncertainty is low, as all medium- and high-risk reports undergo formal review by the Compliance function. The reported figures are derived from anonymized case logs maintained by the Compliance function. No external validation applies.

Whistleblowing metrics

Metric	2024 baseline	2025 actual	2025 target
Whistleblowing reports received	4	8	Monitoring only
Confirmed retaliation cases	0	0	0
Availability of protected reporting channels	Yes	Yes	Yes

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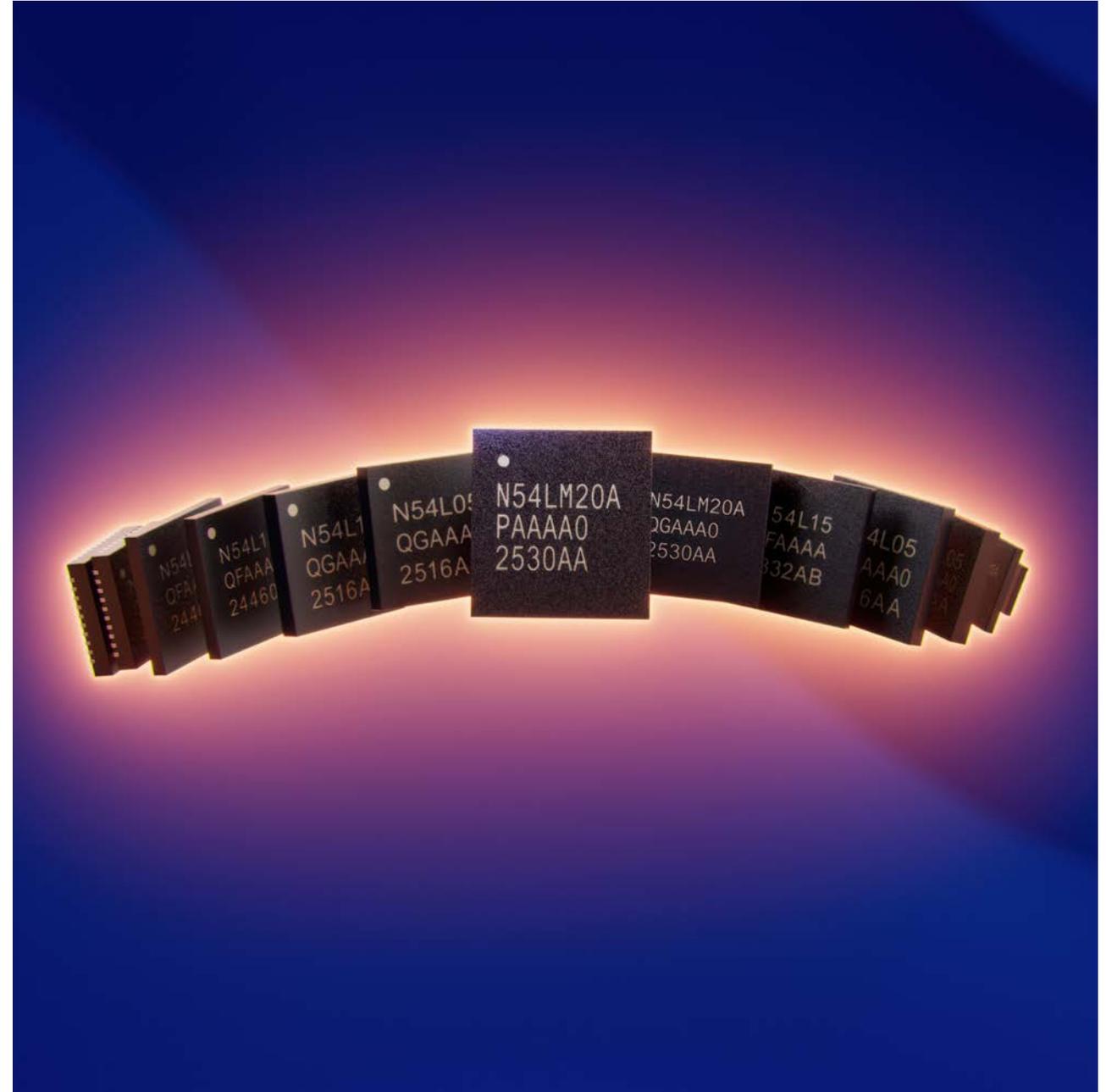
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The market recovery that began in the second half of 2024 continued through 2025, resulting in full-year revenue of USD 668 million and a gross margin of 51.8%. Nordic is well positioned with a broadened and renewed product portfolio, a resilient supply chain, and strong customer relationships. This enables the company to navigate macro uncertainty while executing on long-term strategic plans.

Nordic will continue to execute portfolio renewal across its business units. In Short-Range, the company expects continued strong performance from the established nRF52/nRF53 families, and gradually increasing contribution from the roll-out of the nRF54 Series. In Long-Range, Nordic is scaling its cellular IoT business around the nRF9151 and satellite-enabled connectivity, and is approaching the launch of the nRF92 SoC to expand addressable markets and lower the barrier to cellular adoption. In Power Management, the company continues to invest for profitable growth, adding two new PMICs in 2025 and expecting further portfolio expansion in 2026. In Wi-Fi, Nordic expects the introduction of the nRF71 Series in 2026, strengthening its low-power Wi-Fi offering for IoT.

Nordic will continue to strengthen its device-to-cloud offering. With increasing software complexity and regulatory requirements, the company expects nRF Cloud to play an increasingly important role in helping customers deploy, monitor and manage devices at scale.

In the short term, the company expects revenue of USD 175–195 million for the first quarter of 2026, with gross margin expected to remain above 50%. Over the longer term, Nordic’s ambition remains to deliver annual average revenue growth above 20% from 2024 through 2030 and to move towards an operating model of around 25% EBITDA margin.



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The parent company Nordic Semiconductor ASA has a net profit after tax of USD 17.1 million in 2025, compared to a loss of USD 47.8 million in 2024.

The entire profit is attributable to the equity holders of the parent. Net profit after tax corresponds with ordinary earnings of USD 0.09 and fully diluted earnings per share of USD 0.09 for 2025. This compares to ordinary and fully diluted earnings per share in 2024 of USD -0.25 and -0.25, respectively.

Nordic pursues an ambitious long-term growth strategy that requires significant investments in R&D, sales, and marketing. The Board of Directors recommends that Nordic maintains a solid balance sheet with a high equity ratio and a cash reserve that enables the company to continue driving its technology and product roadmap.

The Board of Directors will propose to the Annual General Meeting that the net profit of the parent company is transferred to "Other equity", and that no dividend is distributed for 2025.

In accordance with the provisions of the Norwegian Accounting Act, the Board of Directors confirms that accounts have been prepared on a going-concern basis and that the going-concern assumption applies.

Oslo, March 23, 2026



Anita Huun

Board member, Audit Com. Chair



Dieter May

Chair



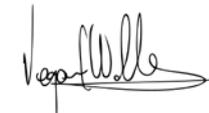
Inger Berg Ørstavik

Board member



Dr. Helmut Gassel

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



Monika Lie Larsen

Board member, employee

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Income statement

for the year ended December 31

GROUP				PARENT	
2025	2024	Amount in USD 1000	Note	2025	2024
667 619	511 415	Total Revenue	6	620 891	477 595
-321 594	-269 446	Cost of materials and services	7	-320 531	-269 415
346 025	241 969	Gross profit		300 359	208 179
-194 007	-170 321	Payroll expenses	8/9/14/24	-87 370	-73 026
-85 768	-76 880	Other operating expenses	10/15	-184 401	-176 714
-43 059	-40 573	Depreciation, amortization and impairments	14/15/16	-32 811	-27 989
23 191	-45 806	Operating profit		-4 222	-69 550
-355	-260	Share of profit or loss from associates and joint ventures	17	-355	-260
10 777	11 177	Financial income	11/27/28	33 980	22 078
-14 029	-12 118	Financial expenses	11/16/27/28	-13 727	-12 175
-6 939	3 819	Net foreign exchange gains (losses)	11/27	-6 809	4 022
12 645	-43 189	Profit before tax		8 867	-55 885
3 740	4 685	Income tax expense	12	8 207	8 107
16 385	-38 504	Net profit after tax		17 074	-47 779
		Attributable to:			
16 385	-38 504	Equity holders of the parent		17 074	-47 779
0.08	-0.20	Ordinary earnings per share (USD)	23	0.09	-0.25
0.08	-0.20	Fully diluted earnings per share (USD)	23	0.09	-0.25
2025	2024	Statement of comprehensive income		2025	2024
16 385	-38 504	Net profit after tax		17 074	-47 779
14	-132	Actuarial gains (losses) on defined benefit plans (before tax)		1	-132
-3	29	Income tax effect	12	0	29
11	-103	Items that may not be reclassified to the income statement		1	-103
3 549	-1 914	Currency translation differences			
3 549	-1 914	Items that may be reclassified to the income statement			
3 560	-2 017	Other comprehensive income		1	-103
19 945	-40 521	Total Comprehensive Income		17 075	-47 882
		Attributable to:			
19 945	-40 521	Equity holders of the parent		17 075	-47 882

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as of December 31

GROUP			Note	PARENT	
2025	2024	Amount in USD 1000		2025	2024
		ASSETS			
		Non-current assets			
101 310	10 880	Goodwill	13/14	249	249
52 903	50 076	Capitalized development expenses	14	52 903	50 076
54 103	13 762	Software and other intangible assets	13/14	26 630	12 610
23 031	13 097	Deferred tax assets	12	20 903	12 181
49 660	52 358	Right of use assets	16	40 045	43 288
28 805	21 955	Fixed assets	15/27/28	23 103	15 329
0	177	Investments in subsidiaries and joint ventures	1/17	14 610	13 799
90 711	91 140	Other non-current assets	16/18	90 711	91 140
400 521	253 444	Total non-current assets		269 154	238 672
		Current assets			
154 994	171 907	Inventory	7	154 994	171 907
93 488	66 412	Accounts receivable	19/27/28	714	1 037
26 957	27 029	Other current receivables	18/20/27/28	237 430	123 914
307 402	287 914	Cash and cash equivalents	21/27/28	205 181	185 633
582 840	553 262	Total current assets		598 319	482 490
983 361	806 706	TOTAL ASSETS		867 473	721 162

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GROUP				PARENT	
2025	2024	Amount in USD 1000	Note	2025	2024
EQUITY					
324	317	Share Capital	22	324	317
338 897	235 448	Share premium	22	338 897	235 448
340 366	334 000	Other components of equity		282 658	279 286
679 587	569 766	Total equity		621 879	515 052
LIABILITIES					
Non-current liabilities					
945	765	Pension liabilities	24	171	578
98 377	87 336	Borrowings	27/28	98 377	87 336
8 217	0	Deferred tax liabilities	12/13	0	0
50 813	45 752	Non-current lease liabilities	16/27/28	44 063	38 957
158 353	133 853	Total non-current liabilities		142 611	126 870
Current liabilities					
41 253	23 918	Accounts payable	26/27/28	36 613	22 903
2 567	1 799	Income taxes payable	12/28	0	0
6 737	6 024	Public duties	26/28	5 038	4 577
12 408	10 360	Current lease liabilities	16/27/28	7 430	5 865
82 456	60 985	Other current liabilities	20/26/27/28	53 902	45 895
145 420	103 087	Total current liabilities		102 983	79 240
303 773	236 940	Total liabilities		245 594	206 110
983 361	806 706	TOTAL EQUITY AND LIABILITIES		867 473	721 162

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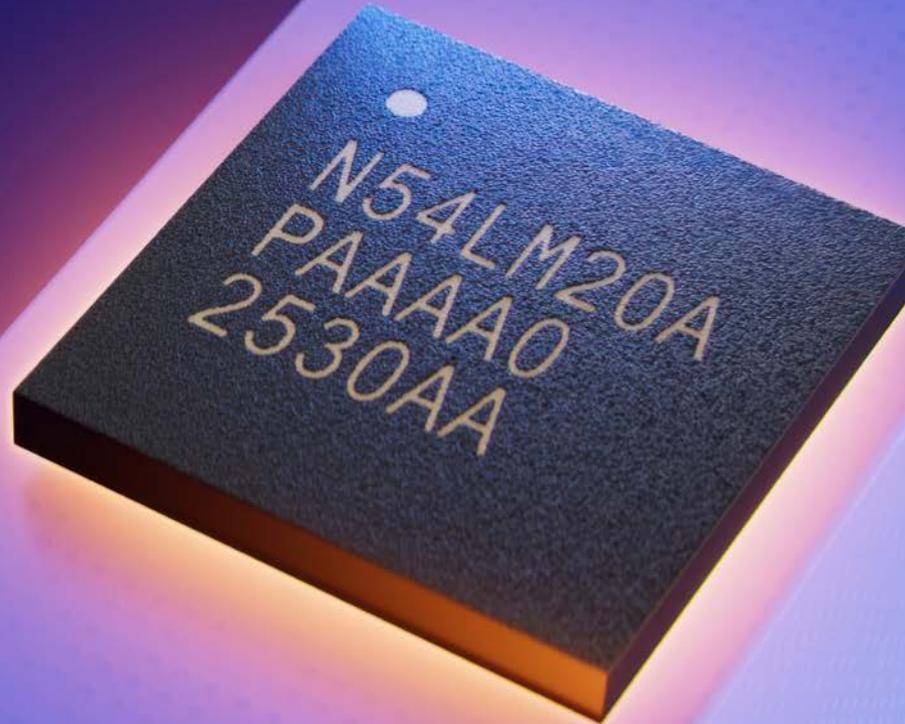
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Oslo, March 23, 2026

**Anita Huun**

Board member, Audit Com. Chair

**Dieter May**

Chair

**Inger Berg Ørstavik**

Board member

**Dr. Helmut Gassel**

Board member

**Vegard Wollan**

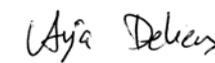
Chief Executive Officer

**Annastiina Hintsa**

Board member, People and Compensation Com. Chair

**Jon Helge Nistad**

Board member, employee

**Anja Dekens**

Board member, employee

**Monika Lie Larsen**

Board member, employee

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Nordic Semiconductor Group

Consolidated statement of changes in equity

Amount in USD 1000	Share capital	Treasury shares	Share premium	Other paid in capital	Currency translation reserve	Retained earnings	Total equity
Equity as of 01.01.2024	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
Consideration shares in business combination		0		359			359
Repurchase of own shares		0				-3 808	-3 808
Equity as of 31.12.2024	317	-1	235 448	27 180	-2 204	309 027	569 766
Net profit for the period						16 385	16 385
Other comprehensive income					3 549	11	3 560
Share based compensation		1		16 626			16 627
Repurchase of own shares		-2				-30 205	-30 207
Capital increase	7		103 449				103 456
Equity as of 31.12.2025	324	-2	338 897	43 806	1 345	295 218	679 587

Nordic Semiconductor Parent

Statement of changes in equity

Amount in USD 1000	Share capital	Treasury shares	Share premium	Other paid in capital	Retained earnings	Total equity
Equity as of 01.01.2024	317	-1	235 448	13 250	305 870	554 883
Net profit for the period					-47 779	-47 779
Other comprehensive income					-103	-103
Share based compensation		0		11 499		11 499
Consideration shares in business combination		0		359		359
Repurchase of own shares		0			-3 808	-3 808
Equity as of 31.12.2024	317	-1	235 448	25 109	254 180	515 052
Net profit for the period					17 074	17 074
Other comprehensive income					1	1
Share based compensation		1		16 502		16 503
Repurchase of own shares		-2			-30 205	-30 207
Capital increase	7		103 449			103 456
Equity as of 31.12.2025	324	-2	338 897	41 610	241 050	621 879

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Statement of cash flows

for the year ended December 31

GROUP			Note	PARENT	
2025	2024	Amount in USD 1000		2025	2024
		Cash flows from operating activities			
12 645	-43 189	Profit before tax		8 867	-55 885
-3 589	-7 827	Taxes paid for the period	12	0	-3 717
43 059	40 573	Depreciation, amortization and impairments	15/14/16	32 811	27 989
7 124	69 808	Change in inventories, trade receivables and payables	7/19/26/27	30 945	-18 904
16 626	11 661	Share-based compensation		16 240	11 084
3 252	942	Net financial income and expenses		-20 253	-9 904
10 309	11 176	Interests received		10 107	10 895
26 269	-22 794	Other operations related adjustments		16 716	1 527
115 696	60 351	Net cash flows from operating activities		95 434	-36 915
		Cash flows used in investing activities			
-40 849	-9 809	Capital expenditures (including software)	15/14	-37 502	-7 225
-15 628	-19 344	Capitalized development expenses	14	-15 628	-19 343
-518	-431	Investment in associate company		-518	-431
0	0	Loans to subsidiaries		-111 663	0
-105 345	0	Business Combination, net of cash acquired	13	0	0
0	0	Dividend from subsidiary*		18 893	10 830
-162 340	-29 584	Net cash flows used in investing activities		-146 417	-16 168
		Cash flows from financing activities			
-30 205	-3 808	Repurchase of treasury shares	22	-30 205	-3 808
102 941	0	Proceeds from issuance of equity		102 941	0
100 000	0	Proceeds from bridge loan		100 000	0
-100 000	0	Payment of bridge loan		-100 000	0
-8 503	-7 353	Payment of interest		-8 503	-7 353
-8 526	-7 322	Payment of principal portion of lease liabilities		-3 930	-3 071
-3 798	-3 556	Payment of interest portion of lease liabilities		-3 182	-2 958
-853	-1 120	Credit facility fee		-853	-1 120
51 056	-23 159	Net cash flows from financing activities		56 268	-18 310
15 075	-10 650	Effects of exchange rate changes on cash and cash equivalents		14 264	-10 527
19 488	-3 042	Net change in cash and cash equivalents		19 548	-81 919
287 914	290 957	Cash and cash equivalents as of 1.1.		185 633	267 553
307 402	287 914	Cash and cash equivalents as of 31.12.	21/27	205 181	185 633

* In 2025, dividends received from subsidiaries were reclassified from financing activities to investing activities



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Note 1: General information

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.

Nordic Semiconductor ASA is a global leader in low power wireless solutions, providing a complete platform of hardware, software, development tools, and cloud services that simplify and accelerate connected product development and ensure reliable performance throughout their lifecycle. Founded in 1983 and headquartered in Norway, Nordic employs around 1,400 people worldwide. After pioneering Bluetooth LE, Nordic has driven the expansion of wireless IoT with cellular IoT, Wi-Fi, Matter, Thread, Zigbee, DECT NR+, and satellite connectivity – powering the next wave of connected innovation. In 2025, Nordic strengthened its chip-to-cloud offering through the acquisition of Memfault, adding advanced device monitoring and cloud-based observability. Nordic's technologies enable secure, scalable, and energy-efficient solutions across consumer, healthcare, and industrial markets, supporting the growth of a smarter, more connected world.

The financial accounts were audited and approved for publication by the Board of Directors on March 23, 2026, and will be presented for approval at the Annual General Meeting on April 28, 2026.

Note 2: Basis for preparation

2.1 Compliance with IFRS

The financial accounts for the Group and the parent company Nordic Semiconductor ASA have been prepared in accordance with IFRS® Accounting Standards as adopted by EU and Norwegian authorities, and are effective as of December 31, 2025.

Consolidated financial statements are prepared by using uniform accounting policies for all of the entities in the Group.

2.2 Accounting standards adopted in 2025

There was no material impact of new accounting standards or amendments adopted in the period.

The Group has not early adopted any mandatory amendments and interpretations to existing standards that have been published and are relevant to the Group's annual accounting periods beginning on January 1, 2026 or later periods.

In April 2024, IASB issued IFRS 18 Presentation and disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements. IFRS 18 expands on the foundation laid by IAS 1, keeping many sections with some modifications. However, it introduces new requirements for presentation within the consolidated income statement, which includes introduction of specified totals and subtotals, and the entities are required to categorize income and expenses into one of five required categories: operating, investing, financing, income taxes and discontinued operations. Furthermore, IFRS 18 also requires disclosure of newly defined management-defined performance measures and new requirements for aggregation and disaggregation of financial information, to reference similar and dissimilar characteristics in the financial statements and notes. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and the Group is currently working to identify impacts the amendments will have on the financial statements and notes.

2.3 Basis for consolidation

The consolidated financial statement of the Group combine the financial data of a parent company and its subsidiaries, presenting the income statement, statement of financial positions, statement of changes in equity, statement of cash flows and relevant disclosures in notes.

A subsidiary is an entity that is controlled, either directly or indirectly, by the parent company. Control exists when the parent company is exposed, or has rights, to

variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Generally, such power exists where the parent company holds a majority of the voting rights of an investee.

Subsidiaries are consolidated from the date control is obtained until the date that control ceases. All subsidiaries are wholly owned by the parent company and there are no non-controlling interests. Intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated.

2.4 Foreign currency translation

Each entity within the Group has a functional currency, which is normally the currency in which the entity primarily generates and expends cash.

At entity level, a foreign currency is a currency other than the entity's functional currency. Transactions in the profit and loss statement denominated in foreign currencies are recorded in the entity's functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Currency translation differences arising at entity level are recognized in profit or loss.

The consolidated financial statements are presented in US dollars (USD), which is the functional currency of the parent company. On consolidation, assets and liabilities of foreign operations are translated into USD (the presentation currency) according to the exchange rates prevailing on the balance sheet date. Profit or loss items are translated according to monthly average exchange rates. Changes in net assets resulting from exchange rate movements are recognized in other comprehensive income and taken to the currency translation reserve.

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Note 3: Significant accounting judgments and critical estimates

The preparation of financial statements requires that management uses

- judgments, apart from those involving estimations, in the process of applying accounting policies that have the most significant effect on the amounts reported in the financial statements and its disclosures, and
- estimates, including information about the key assumptions concerning the future - and other key sources of estimation uncertainty at the balance sheet date - that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The most important areas where judgments and estimates have an impact are listed below. Detailed information of these judgments and estimates are disclosed in the relevant notes.

- Calculation of "Ship and Debit" rebate (see Note 6: Revenues)
- Net realizable value assessment used in testing for impairment of inventories (see Note 7: Cost of materials and services / inventory)
- Capitalization of development costs (see Note 14: Goodwill and intangible assets)

Management bases its judgments and estimates on historical experience and other factors, including expectations on future events, deemed to be reasonable and sensible given the specific circumstances. Estimates are reassessed whether needed based on changes in the underlying assumptions. Changes in accounting estimates are recognized in the period in which such changes occur. If such changes also apply to future periods, the effect is distributed between current and future periods.

Note 4: Segment information

Nordic Semiconductor has only one reportable operating segment. This corresponds with the internal financial reporting structure and management activities to monitor profitability at the group level, as a single reporting unit.

The revenue is broken down into product markets and geographical areas in which its distributors are located, see Note 6: Revenues.

Note 5: Climate related risk

Cost of goods sold for sustainable solutions

Nordic see that customers and other stakeholders care about the use of renewable energy solutions in the value chain. Changes in attitude could potentially impact the cost of production, such as cost of investments in new production technologies and renewable energy certificates. Nordic sees this as a possibility to obtain new customers or enhance cooperation with existing while also balancing pricing in order to maintain margins and managing the risk of not being able to comply with various requirements.

Impairment of inventories

One of Nordic's primary tangible assets in the balance sheet is inventory. This is dispersed across a few large warehousing locations. Some locations are exposed to weather phenomena such as typhoons, heatwaves and more, which can impact the value of Nordic's inventory. However, Nordic has proper safeguards in place to mitigate this risk, and considers the risk to be low.

Going-concern assumption

Management consider the potential implications of climate-related risks for their going-concern assessment. Given the rapidly changing circumstances (i.e., environmental development, expectations from stakeholders, laws and regulations), the management has to consider and monitor going-concern on an ongoing basis.

Climate-related risks could give rise to events or conditions that may cast significant doubt on Nordic's ability to continue as a going concern.

These events may arise from physical risks such as destruction of production plants in a tropical cyclone (i.e., hurricanes, typhoons, and resulting floods) or large carbon footprint in manufacturing of components. This could trigger, for example, a halt in production, litigation that results in significant penalties for exceeding emission targets, shift in customer preferences that results in loss of major customers, halts in ability to obtain input material, or customer production stops hindering stable revenue generation.

Nordic has secured its liquidity reserves to meet short-term obligations. According to the Group liquidity policy, the total liquidity amount should equal at least one year of total R&D expenses.

To conclude, the expected impact of climate-related risks on the going-concern assessment is expected to be low.

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Note 6: Revenues

All figures in USD 1 000

6.1 Accounting policies

Nordic Semiconductor is a global leader in low power wireless connectivity solutions. The main revenue streams and performance obligations are from sales of integrated circuits. Other revenue streams are related to cloud lifecycle services and consultancy.

Sale of products

Sales of products are mostly made to distributors (customers). Revenue from product sales is recognized when control of the goods is transferred to the customer. The time of delivery is considered to be when the goods are transferred to the transport carrier. Upon delivery, the Group has the right of payment for the asset, the customer has legal title to the asset, physical possession has been transferred to the customer, and the customer has full ownership of the asset.

Revenue recognized on the sale of products is measured at the fair value of the consideration received or receivable, excluding sales taxes and after making allowance for variable considerations such as ship and debit, product returns and end-customer rebates.

The parent company sells a large share of its products to a related party for resale to the customers (the distributors). The transaction price and terms between the related parties are established on an arm's length basis, ensuring that the pricing is consistent with what would be expected in transactions with unrelated parties. In accordance with IFRS 15, revenue is recognized when control of the goods is ultimately transferred to the customers (the distributors), which occurs when the title to the goods passes to them.

The Group and the customer do not receive financing from the sales, therefore, there are no significant financing components to be accounted for separately from the revenue transaction. The normal credit term is between 30-90 days upon delivery. In other words, the contract does not require the customer to pay in advance or require the customer to pay a significant amount after delivery.

"Ship and debit"

The Group sells products to certain distributors on "ship and debit" terms. Ship and debit is an arrangement between the Group and distributor where the distributor may be entitled to a refund if the distributor sells the products to end customer at lower prices than those quoted on the distributor price list. The distributor claims (debits) the Group for the price difference on sold products on a monthly basis.

Stock rotation rights

Some distributors are entitled to limited rights of return, referred to as stock rotation rights. The Group tracks the distributor's inventory and can initiate a stock rotation earlier if a certain product is selling better with another distributor.

Stock rotation provisions are made if necessary, based on most likely amount method. The most likely amount is the single most likely amount in a range of possible consideration amounts. As the products have similar margin, there are most likely no significant losses for the Group when stock rotations are initiated. The Group does not make provisions or adjustments to revenue for stock rotation unless the returned goods are expected to be obsolete.

End-customer rebates

Some end customers have entered into agreements with Nordic to receive a rebate based on their purchase quantity and price from the distributor. The rebates are recognized as reduction in revenue and increase in refund liabilities before payout by the end customer. See note 6.4.

Sale of services

Sales of services are primary made to customers. Revenue from cloud lifecycle services arises from two business models: consumption-based and subscription-based arrangements. Revenue from the consumption-based business model is recognized as the service is rendered. Subscriptions to cloud services are paid upfront, and the prepaid subscription fee is recognized on a straight-line basis over the subscription period, reflecting the transfer of control to the end-customer. The normal subscription period is 12 months, and credit terms range from 15 to 90 days.

Revenue from other services is recognized as the services are rendered.

Assets and liabilities arising from rights of return

Right of return asset

The Group has no right to return inventories back from customers.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.



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6.2 Significant accounting judgments and critical estimates

Nordic predominantly sells to electronic distributors under a distribution agreement. The distributors will hold a given level of Nordic's inventory that is subsequently shipped to an end customer. Nordic uses a "sell in" model in connection with revenue recognition to distribution customers. Under a "sell in" model, management needs to make judgments and estimate the amount that can affect the reported amounts of revenues and expenses. The main judgments are described as follows:

"Ship and debit"

At the balance sheet date, the Group has to estimate ship and debit on distributors' inventory levels using the expected value method. The Group estimate the refund based on an average of historical discount to each distributor and the expected sales mix to end-customers. The ship and debit is recognized as reduction in revenue and increase in refund liability. See note 6.4.

6.3 Disaggregated revenue information

Revenue classified by end product applications:

The Group focuses on the sale of standard components for wireless communication and cloud lifecycle services. Nordic reports on the three end-user markets Consumer, Industrial and Healthcare, and Other. In addition, the Group sells customer-specific ASIC components (Application Specific Integrated Circuits) and related Consulting Services.

GROUP		Revenue	PARENT	
2025	2024		2025	2024
400 303	349 560	Consumer	372 285	326 444
244 490	146 812	Industrial and Healthcare	227 378	137 103
20 516	12 496	Other	19 080	11 670
665 309	508 868	Total revenue excl. ASIC	618 743	475 216
2 311	2 547	ASIC components	2 149	2 379
667 619	511 415	Total revenue from contracts with customers	620 891	477 595

Revenue classified by customer location:

The Group also classifies its revenues on a geographical basis according to its customers' location.

GROUP			PARENT	
2025	2024		2025	2024
57 767	35 438	Europe	53 724	33 094
154 878	84 717	Americas	144 038	79 114
454 974	391 260	Asia/Pacific	423 130	365 386
667 619	511 415	Total revenue from contracts with customers	620 891	477 595

The Group sells its components to distributors, who then sell components onward to electronics manufacturers that build end products and sell them to customers across the world. Two distributors were above 10% of revenue in 2025, with 30% and 12% of total revenue respectively, one located in Asia and the other in the Americas. In comparison, three distributors were above 10% of revenue in 2024, with 35%, 13% and 10% of total revenue respectively, two located in Asia and the other in the Americas.

6.4 Refund liabilities

GROUP			PARENT	
2025	2024		2025	2024
28 548	22 363	Refund liability – from ship & debit	—	—
5 581	3 679	Refund liability – from end-customer rebates	—	—



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Note 7: Cost of materials and services / inventory

All figures in USD 1 000

7.1 Accounting policies

The Group applies standard cost method to measure cost of inventories. Standard cost variance is the difference between standard cost and actual cost. This variance impacts the cost of goods sold, and variance is monitored on a regular basis. Obsolete inventory is written down completely.

Inventory is valued at the lower of cost, according to the FIFO principle, and net realizable value after deduction for obsolescence. Net realizable value is estimated as the selling price less cost of completion and the cost necessary to make the sale. Cost of inventories includes purchase price of raw materials, costs directly related to the conversion of materials into finished goods (sub-contracting, yield loss and production overhead), and other costs incurred in bringing the inventories to their present location and condition.

7.2 Significant accounting judgments and critical estimates

Nordic assesses net realizable value for each inventory category (raw materials, work in progress and finished goods) separately as they have different useful life. Finished goods is split into five main product categories with distinct technology: Proprietary and Bluetooth® (Short-range wireless components), Cellular (Long-range wireless components), Wi-Fi, and PMIC. Each of these five technologies are then divided into subcategories where the different standardized chips with respective packaging are shared among a variety of customers. On this category level, Nordic is applying the practical expedient in IAS 2.29, stating that grouping of similar or related items with a similar purpose or end use can be assessed together when assessing net realizable value. Nordic is basing the net realizable value on orders from third parties, historical inventory turnover ratio, and other factors. This calculation is based on the most updated facts at any given point in time but are prone to variation under changing circumstances. One exception from regular calculation of net realizable value is related to items that are made from older parts and cannot be easily sold to other customers. These items are written off completely item by item if aging is more than 2 years.

7.3 Cost of materials and services / inventory

GROUP			PARENT	
2025	2024		2025	2024
322 753	257 596	Inventories recognized as an expense	321 690	257 565
3 801	11 850	Changes in inventory write-downs	3 801	11 850
-4 960	—	Reversed previous inventory write-downs	-4 960	—
321 594	269 446	Cost of materials and services	320 531	269 415
57 722	89 615	Raw materials	57 722	89 615
45 537	35 435	Work in Progress	45 537	35 435
51 736	46 857	Finished goods	51 736	46 857
154 994	171 907	Total inventory	154 994	171 907

As Nordic is a fables manufacturer, all inventories, including raw materials and finished goods, are located at sub-contractors.

Note 8: Payroll expenses

All figures in USD 1 000

GROUP			PARENT	
2025	2024	Combined expenses for salary and other compensation are distributed as follows:	2025	2024
154 709	137 679	Salary and vacation pay	68 449	55 930
21 164	20 737	Other compensation	14 043	16 366
16 139	14 429	Payroll tax	11 038	9 889
-428	—	Tax grant	-428	—
12 994	11 175	Defined contribution pension	4 839	4 541
-10 571	-13 699	Capitalized development expenses (hourly costs)	-10 570	-13 699
194 007	170 321	Total	87 370	73 026
1 370	1 405	Weighted average number of full time employees	565	579



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GROUP		Employees as of December 31, are distributed as follows:	PARENT	
2025	2024		2025	2024
570	558	Norway	570	558
291	304	Finland	—	—
110	112	Poland	—	—
49	48	India	—	—
95	62	USA	—	—
59	58	Taiwan	—	—
53	49	UK	—	—
74	62	Philippines	—	1
35	34	Sweden	—	—
30	28	China	—	—
12	12	Hong Kong	—	1
4	4	South Korea	—	3
12	5	Germany	—	—
6	5	Japan	—	—
3	2	The Netherlands	3	2
3	3	Denmark	—	—
3	2	Australia	3	2
8	8	Singapore	—	—
0	1	Bulgaria	—	1
3	3	Spain	3	3
2	2	France	2	2
4	1	Canada	2	1
1	—	Italy	—	—
1	—	Portugal	—	—
3	—	United Arab Emirates	—	—
1 431	1 362	Total	583	574

Note 9: Executive compensation

All figures in USD 1 000

Note 9.1: Management remuneration

Pursuant to the changes in the Public Limited Liability Companies Act, i.e., the addition of a new section 6-16 (b), and associated new regulations, Nordic will publish a separate management remuneration report for presentation at the Annual General Meeting on April 28, 2026, containing detailed information on remuneration to Executive Management Team (EMT) for the reporting year 2025. The remuneration report includes detailed information on the EMT's remuneration complementing the numbers presented below. This includes an overview of the operational, financial, environmental, social, and governance targets that form the basis for the short-term incentives.

EMT members' salaries and other benefits, including long term incentive plans are presented in the table below. Unless otherwise stated, Nordic did not have any loans to or guarantees made on behalf of any EMT members in 2025 and 2024.

The remuneration paid or awarded to the CEO and other members of the EMT was aligned with Nordics's remuneration policy. The policy is available in its full at nordicsemi.com.

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Total compensation* expensed during the year for the CEO and other executives:

2025	Salary	Bonus	RSUs & PSUs	Other Comp.	Pension expenses	Total
Vegard Wollan, CEO	424	382	277	3	73	1 159
Pål Elstad, CFO/EVP Finance	269	208	106	4	41	627
Kjetil Holstad, EVP Product Management	260	203	106	5	38	611
Geir Langeland, EVP Sales & Marketing	285	240	112	4	46	687
Ole Fredrik Morken, EVP Supply Chain	252	188	96	2	39	577
Ståle Ytterdal, SVP IR & Strategic Sales	178	82	63	5	23	351
Sonja Kusmin, SVP People & Culture	204	115	43	0	42	405
Øyvind Strøm, EVP BU Short-Range	261	203	83	4	42	593
Øyvind Birkenes, EVP BU Long-Range	261	203	83	6	42	595
Joakim Ferm, SVP BU WI-FI	171	102	63	3	22	361
Ola Boström, SVP Quality & Sustainability	178	104	84	2	23	391
Total	2 743	2 029	1 116	37	432	6 357
2024	Salary	Bonus	RSUs & PSUs	Other Comp.	Pension expenses	Total
Vegard Wollan, CEO	358	158	157	3	70	747
Pål Elstad, CFO/EVP Finance	246	78	109	3	43	479
Svein Egil Nielsen, CTO/EVP R&D and Strategy	618	—	-204	1	33	448
Geir Langeland, EVP Sales & Marketing	262	93	121	4	42	521
Ole Fredrik Morken, EVP Supply Chain**	273	74	88	5	34	474
Ståle Ytterdal, SVP IR & Strategic Sales	165	51	71	4	23	314
Kjetil Holstad, EVP Product Management	233	74	97	4	44	452
Katarina Finneng, EVP People & Communication	257	43	-73	2	33	263
Sonja Kusmin, SVP People & Culture	150	31	33	0	28	243
Linda Petterson, SVP Legal & Compliance	50	—	-20	0	4	35
Ola Boström, SVP Quality & Sustainability	164	51	57	2	24	298
Joakim Ferm, SVP BU WI-FI	145	43	38	4	20	250
Øyvind Strøm, EVP BU Short-Range	155	57	29	1	29	272
Øyvind Birkenes, EVP BU Long-Range	163	59	29	4	30	284
Total	3 239	812	532	37	458	5 079

*Management compensation is paid in NOK, with one exception of EURO. Exchange rate for 2025: 10.39 and 2024: 10.74

**Includes expat allowances

***Svein Egil Nielsen, Katarina Finneng and Linda Petterson left the company during 2024

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The Group has granted EMT members the following RSUs and performance shares (PSUs):*

EMT member	2025		2024	
	RSUs	PSUs	RSUs	PSUs
Vegard Wollan, CEO	11 751	17 627	10 493	10 493
Pål Elstad, CFO/EVP Finance	5 410	8 114	4 830	4 830
Katarina Finneng, EVP People & Communication**	—	—	4 028	4 028
Geir Langeland, EVP Sales & Marketing	5 725	8 587	5 112	5 112
Ole Fredrik Morken, EVP Supply Chain	5 184	7 777	4 629	4 629
Ståle Ytterdal, SVP IR & Strategic Sales	2 653	3 979	3 158	3 158
Kjetil Holstad, EVP Product Management	5 184	7 777	4 629	4 629
Ola Bostøm, SCP Quality & Sustainability	3 525	5 288	3 148	3 148
Joakim Ferm, SVP BU WI-FI	3 525	5 288	3 148	3 148
Øyvind Strøm, EVP BU Short-Range	5 599	8 399	5 000	5 000
Øyvind Birkenes, EVP BU Long-Range	5 599	8 399	5 000	5 000
Sonja Kusmin, SVP People & Culture	4 072	6 109	2 203	1 000

*Overview of outstanding RSU and PSU for the respective EMT members are presented in the remuneration report

**Katarina Finneng left the company end 2024

During 2025 the executives exercised the following RSU and PSU:

Executives	Grant year	Number of RSU/PSU Exercised	Share price at time of release in NOK	Cash payout in USD 1000
Pål Elstad, CFO/EVP Finance	2022 RSU	3 193	163.38	50
	2022 PSU	—	—	—
Geir Langeland, EVP Sales & Marketing	2022 RSU	3 379	163.38	53
	2022 PSU	—	—	—
Sonja Kusmin, SVP People & Culture	2022 RSU	1 000	163.38	16
	2024 PSU	640	163.38	10
Ole Fredrik Morken, EVP Supply Chain	2022 RSU	2 429	163.38	38
	2022 PSU	—	—	—
Ola Bostrøm, SVP Quality & Sustainability	2022 RSU	500	163.38	8
	2022 PSU	—	—	—
Ståle Ytterdal, SVP IR & Strategic Sales	2022 RSU	2 087	163.38	33
	2022 PSU	—	—	—
Kjetil Holstad, EVP Product Management	2022 RSU	2 380	163.38	37
	2022 PSU	—	—	—

The RSU for management vest after three years for management two years for employees

Note 9.2: Board remuneration

Total compensation expensed for Board Members*	2025	2024
Dieter May, Chair	122	49
Birger Steen, Chair	28	128
Inger Berg Ørstavik, Board Member	65	62
Snorre Kjesbu, Board member	10	62
Annastiina Hintsa, Board Member	65	61
Anita Huun, Board Member	75	62
Helmut Gassel, Board Member	64	49
Jon Helge Nistad, Board Employee Representative (Board remuneration only)	16	15
Morten Dammen, Board Employee Representative (Board remuneration only)	5	15
Anja Dekens, Board Employee Representative (Board remuneration only)	16	15
Krishna Shingala, Board Employee Representative (Board remuneration only)	0	5
Monika Larsen, Board Employee Representative (Board remuneration only)	16	0
Total	483	522

*Numbers noted in USD and converted from NOK using USD/NOK rate of 10.39. for 2025 and 10.74 for 2024

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Note 10: Other operating expenses

All figures in USD 1 000

GROUP			PARENT	
2025	2024		2025	2024
33 900	30 284	Service and maintenance	29 685	26 132
19 298	18 031	Other consultancy fees	15 252	15 409
3 423	3 582	Office expenses	1 722	2 456
1 837	1 138	Office equipment	1 430	815
12 249	12 297	Material and components	11 516	11 790
-48	—	Tax grant	-48	—
-5 057	-5 643	Capitalized development expenses	-5 057	-5 643
3 792	3 115	Travel and meeting expenses	1 646	1 322
16 373	14 076	Other operating expenses	9 145	9 145
—	—	Other operating expenses intercompany	119 108	115 287
85 768	76 880	Total other operating expenses	184 401	176 714

Auditor remuneration, excl. of VAT

Fees to the auditor are included in consultancy fees above.

GROUP			PARENT	
2025	2024		2025	2024
312	309	Audit services	201	216
156	95	Other attestation Services/CSRD	156	95
7	22	Tax advisory Services	—	5
—	26	Other Non Audit service	—	26
475	451	Total audit fee	356	341

Note 11: Net financial items

All figures in USD 1 000

GROUP		Net financial items	PARENT	
2025	2024		2025	2024
9 914	11 079	Interest income	9 726	11 150
—	—	Interest income on intercompany loans	3 524	—
316	40	Interest income on lease receivables	316	40
—	—	Dividend received from group companies	18 785	10 830
—	—	Group contribution received from group companies	1 096	—
539	58	Other financial income	526	58
10 769	11 177	Financial income	33 973	22 078
3 800	3 514	Interest expenses on lease liabilities	3 182	2 958
—	—	Interest expenses on intercompany loans	332	668
8 027	7 239	Borrowing interest expense	8 027	7 239
2 205	1 366	Other financial expense	2 186	1 310
14 029	12 119	Financial expense	13 727	12 176
-6 939	3 819	Foreign exchange gain(loss)	-6 809	4 022
-347	-260	Share of gain (loss) from joint venture	-347	-260
-10 545	2 617	Net financial items	13 089	13 665



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Note 12: Tax

All figures in USD 1 000

12.1 Accounting policies

Income tax expenses consist of taxes due and changes to the net deferred tax assets or liabilities.

Deferred tax assets are recognized to the extent that it is probable that the individual company will have sufficient taxable income in later periods to utilize the tax assets.

Deferred income tax relating to items recognized in Other Comprehensive Income (OCI) or directly in equity is recognized outside profit or loss.

The parent company pays its tax obligation in NOK and the fluctuations between the NOK and the USD impact the financial items. The Group's legal entities which do not have their tax base in USD are exposed to changes in the USD/tax base currency rates. Effects within the current year are classified as tax expense.

Grants received, including those for R&D, are often in the form of tax refunds and are classified as operating grants. These operating grants are recognized in the financial statements concurrently with the expenses they are intended to offset. Tax refunds are typically accounted for as a reduction in payroll expenses, as detailed in Note 8.

However, in some jurisdictions, there are tax incentives that reduce taxable income or tax rate. These are treated as income tax, and is recognized as a reduction in tax expense rather than as government grants.

The accounting for such incentives is in accordance with the relevant tax laws and accounting standards applicable in the respective country.

12.2 Income tax

Income tax expense

GROUP			PARENT	
2025	2024	Income tax expense	2025	2024
5 432	4 294	Current tax expense	—	251
-9 172	-8 979	Change in deferred tax	-8 207	-8 358
-3 740	-4 685	Total income tax expense (income)	-8 207	-8 107

GROUP			PARENT	
2025	2024	Net deferred tax recognized in OCI as of 31.12	2025	2024
3	-29	Net gain on actuarial gains and losses	—	-29
3	-29	Total tax expense (income) in OCI	—	-29

Reconciliation of nominal and actual tax expense

GROUP			PARENT	
2025	2024	Reconciliation of nominal and actual tax expense	2025	2024
12 645	-43 189	Profit before tax	8 867	-55 885
2 782	-9 502	Computed tax at parent's nominal tax rate of 22%	1 951	-12 295
-1 161	-722	Differences due to different tax rates	—	—
-1 140	-902	Non taxable income	-5 498	-2 443
673	2 604	Non deductible expenses	81	1 580
-181	-1 373	Tax incentives	—	—
206	-170	Adjustment previous years	—	291
—	—	Group contribution	235	—
-5 333	4 902	Currency translation differences	-4 919	4 760
414	478	Other items	-57	—
-3 740	-4 685	Total income tax expense (income)	-8 207	-8 107

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Net deferred tax presented in the statement of financial position

GROUP		Net deferred tax presented in the statement of financial position	PARENT	
2025	2024		2025	2024
23 031	13 097	Deferred tax assets	20 903	12 181
8 217	—	Deferred tax liabilities	—	—
14 814	13 097	Net deferred tax assets as of 31.12	20 903	12 181

Deferred tax liabilities is related to recognized intangible assets in connection with the acquisition of Memfault, see Note 13: Business combinations for details.

Deferred tax on temporary differences

GROUP	Balance sheet		Income statement		Other. Comp. income	
	31.12.2025	31.12.2024	2025	2024	2025	2024
	Deferred tax					
Inventory	2 504	2 593	404	-2 063	—	—
Fixed Assets	-1 413	4 302	-1 906	-616	—	—
Right-of-use assets	-10 680	-9 511	-33	214	—	—
Lease liabilities	11 388	9 965	-158	-496	—	—
Social security tax (RSUs)	205	176	-7	-63	—	—
Pension obligation	38	127	102	-51	3	-29
Accruals	1 699	84	-357	33	—	—
Total assets and liabilities	3 741	7 736	-1 955	-3 042	3	-29
Gain and loss account	-12	-13	-3	-4	—	—
Items recognized directly in equity	—	—	439	—	—	—
Tax losses carried forward	23 827	5 364	-17 683	-5 765	—	—
Tax credits carried forward	4 001	3 493	—	—	—	—
Currency effect of translation to USD	-1 543	—	-270	-58	—	—
Other items	-132	-270	-994	-110	—	—
Net deferred tax assets (liabilities)	29 881	16 310	-20 467	-8 979	3	-29
Deferred tax assets, not recognized	-15 067	-3 213	11 295	—	—	—
Net deferred tax assets (liabilities)	14 814	13 097				
Changes in deferred tax expense (income)			-9 172	-8 979	3	-29

GROUP	Deductible temporary differences	Recognized deferred tax assets	Unrecognized deferred tax assets	Total deferred tax assets
Tax losses carried forward				
Norway	69 742	15 343	0	15 343
USA	31 186	0	8 484	8 484
Total tax losses carried forward	100 928	15 343	8 484	23 827
Tax credits carried forward				
Poland	21 056	416	3 585	4 001
Total tax credits carried forward	21 056	416	3 585	4 001
Other tax-deductible temporary differences	44 159	7 272	2 999	10 271
Total tax-deductible temporary differences	166 143	23 031	15 067	38 099
Netted deferred tax	-36 811	-8 217	0	-8 217
Net tax-deductible temporary differences	129 332	14 814	15 067	29 881

The Group has tax losses carried forward of USD 100,928 thousand with no expiry date.

The tax credit carried forward can be carried forward for up to 6 years.



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PARENT						
Deferred tax	Balance sheet		Income statement		Other. Comp. income	
	31.12.2025	31.12.2024	2025	2024	2025	2024
Inventory	2 505	2 593	404	-2 064	—	—
Fixed assets	3 625	3 453	257	-77	—	—
Right-of-use assets	-10 618	-9 410	18	127	—	—
Lease liabilities	11 328	9 861	-214	-410	—	—
Social security tax (RSUs)	205	176	-7	-64	—	—
Pension obligation	38	127	102	-51	0	-29
Accruals	14	30	19	-19	—	—
Total non-current items	7 097	6 830	579	-2 558	0	-29
Gain and loss account	-12	-13	-3	-3	—	—
Group contribution	—	—	235	—	—	—
Items recognized directly in equity	—	—	439	—	—	—
Tax losses carried forward	15 343	5 364	-9 200	-5 765	—	—
Currency effect of translation to USD	-1 525	—	-257	-62	—	—
Other items	—	—	—	30	—	—
Net deferred tax assets (liabilities)	20 903	12 181	-8 207	-8 358	0	-29
Deferred tax assets, not recognized	—	—	—	—	—	—
Net deferred tax assets (liabilities)	20 903	12 181				
Changes in deferred tax expense (income)			-8 207	-8 358	0	-29

PARENT				
Tax rate of 22%	Deductible temporary differences	Recognized deferred tax assets	Unrecognized deferred tax assets	Total deferred tax assets
Tax losses carried forward	69 742	15 343	—	15 343
Other tax-deductible temporary differences	25 273	5 560	—	5 560
Total tax-deductible temporary differences	95 015	20 903	—	20 903
Deferred tax liabilities	—	—	—	—
Net tax-deductible temporary differences	95 015	20 903	—	20 903

Reconciliation of net deferred tax assets

GROUP			PARENT	
2025	2024	Reconciliation of net deferred tax assets	2025	2024
13 097	5 872	Opening balance as of 1.1	12 181	4 948
-8 195	—	Deferred tax liabilities, acquired	—	—
9 172	8 979	Tax expense recognized in the P&L	8 207	8 358
-3	29	Tax expense recognized in OCI	—	29
743	-1 783	Currency effect from translation to USD	516	-1 154
14 814	13 097	Net deferred tax assets (liabilities) as of 31.12	20 904	12 181

Note 13: Business combinations

All figures in USD 1 000

On July 1, 2025, Nordic Semiconductor completed the acquisition of 100% of the shares in Memfault Inc. The acquisition aligns with Nordic's growth strategy, accelerating its position as the first semiconductor company to offer a complete chip-to-cloud platform that combines world-class hardware, software, and chip-to-cloud services.

In line with the stock exchange announcement, the shareholders of Memfault were offered USD 120 million on a cash- and debt-free basis. The total consideration recognized under IFRS 3 amounted to USD 111.9 million. The difference relates to a share-based remuneration arrangement for the three founders of the company, conditional upon their continued employment with Nordic Semiconductor for a period of three years following the acquisition. The USD 13.3 million in equity-based payments vest in three tranches and are released annually over the next three years. The consideration consists of:

Amounts USD thousand	Value
Details of the business combination	
Amount settled in cash	111 926
Total consideration	111 926



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The assets and liabilities recognized as a result of the acquisition are as follows:

Amounts USD thousand	Value
Recognized amounts of identifiable assets	
Customer relationships	4 800
Brand	8 400
Technology	14 300
Fixed assets	11
Accounts receivable	541
Other current receivables	511
Cash and cash equivalents	6 581
Total assets	35 144
Recognized amounts of identifiable liabilities	
Deferred tax liabilities	8 195
Accounts payable	179
Income taxes payable	58
Public duties	5
Other current liabilities	5 153
Total liabilities	13 590
Net identifiable assets and liabilities at fair value	21 554
Goodwill	90 372
Total	111 926

The goodwill is attributable to expected synergies arising from customer and market retention, an enhanced market position, cross-selling opportunities, and the assembled workforce. Goodwill is not deductible for tax purposes. Acquisition-related transaction costs of USD 2 million were expensed in Q2 2025.

The purchase price allocation is preliminary and may be subject to change as the fair value assessment of identifiable assets and liabilities is finalized.

Note 14: Goodwill and intangible assets

All figures in USD 1 000

14.1 Accounting policies

Goodwill

Goodwill acquired in business combinations is carried at cost as established at the acquisition date. Goodwill, an asset with indefinite useful life, is not amortized and is tested annually for impairment. Goodwill is allocated to the cash generating unit.

A cash generating unit (CGU), is the smallest group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. Goodwill does not generate cash flows independently of other assets and is, therefore, tested for impairment at the level of the CGU or group of CGUs that are expected to benefit from the synergies of the related business combination.

Testing for impairment is done by comparing recoverable amount and carrying amount of the same groups of cash-generating units as to which goodwill is allocated. If the carrying amount exceeds its recoverable amount, an impairment loss is recorded. The impairment loss first reduces goodwill and then allocated to other assets of the CGU. Impairment of goodwill may not be reversed.

Nordic monitors Goodwill on an operating segment level since the group comprises only one operating segment. As a result, the assessment for impairment of Goodwill is conducted for the group as a whole. Nordic's approach involves evaluating fair value rather than value in use. Upon examining the market value of equity as of December 31 and comparing it to the book value of equity, it becomes evident that Goodwill and net operating-related assets could be sold for an amount significantly higher than their book values.

Valuation	Value
Market value	2 642 189
Book value	679 587

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Intangible assets

Intangible assets, including capitalized development expenses and other intangible assets, are measured initially at cost. Subsequently, the intangible assets are measured at cost less accumulated amortization. The assets, with finite useful life, are amortized on a straight-line basis over the asset's estimated useful lives. The amortization period and the amortization method for intangible assets 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.

The costs of an internally generated intangible asset is the sum of expenditures (labor and materials) and incurred from the time all requirements for capitalization are met and until the time the asset is transferred to production (TTP). Costs expensed in prior accounting periods will not be capitalized. Research costs incurred after TTP is typically related to maintenance of the asset. These costs are recognized as an expense as the requirement to demonstrate increased economic benefits are not met. Amortization begins when the product is transferred from development to production, and the amortization period is over its estimated useful life, normally 1-5 years. Each development project is reviewed annually to ensure that the recognition criteria are still met. If the criteria are no longer met, then the impairment loss is immediately recorded in the income statement.

Other intangible assets comprise identifiable intangibles acquired in business combination (IP, developed technology, brand, customer relationships), licenses and computer software. The assets held by the Group have finite useful lives determined by the expected usage of the asset by the entity. The assets are amortized over its estimated useful life, normally 3-15 years. Other intangible assets with a indefinite useful life are tested for impairment whenever there is an indication that their carrying amounts may not be recoverable.

14.2 Significant accounting judgments and critical estimates

Capitalization of development costs

Determining whether development costs shall be capitalized involves the use of judgment by management. The company has to demonstrate all of the following:

- The product or the process is clearly defined and the cost elements can be identified and measured reliably;
- The technical feasibility is demonstrated;
- The product or the process will be sold or used in the business;
- The asset will generate future economic benefits;
- Sufficient technical, financial and other resources for project completion are in place.

A key factor in management judgment is whether a product design meets specific functional and economic requirements. Factors to consider are development/technical risk, existence of a market for the product, and its market share. The Group evaluates these criteria in relation to each specific project. Projects related to new product developments are generally more difficult to substantiate than projects in which the company has more experience. Before mass production, the company does extensive testing on the products to evaluate their quality and functionality and sends prototype samples to customers. The expected period of benefits is also dependent on the future technological development in the market.



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14.3 Goodwill and intangible assets

GROUP							
2025	Software and other intangible assets	Capitalized development expenses	Goodwill	Customer relationships	Brand	Technology	Total
Acquisition cost							
Opening balance	46 988	98 331	10 880	—	—	—	156 200
Additions	21 508	15 628	90 372	—	—	—	127 509
Additions from business combinations	—	—	—	4 800	8 400	14 300	27 500
Currency translation differences	-145	—	58	—	—	—	-87
Acquisition cost as of 31.12	68 351	113 959	101 310	4 800	8 400	14 300	311 121
Accumulated amortization							
Opening balance	33 226	48 255	—	—	—	—	81 481
Amortization expenses	8 009	10 797	—	229	—	461	19 496
Impairment expenses	—	2 003	—	—	—	—	2 003
Currency translation differences	-177	—	—	—	—	—	-177
Accumulated amortization and impairment as of 31.12	41 058	61 056	—	229	—	461	102 803
Net carrying value as of 31.12	27 293	52 903	101 310	4 571	8 400	13 839	208 316

Estimated useful life	3 - 10 years	1 - 5 years	Indefinite	10 years	Indefinite	15 years
Depreciation method	Straight-line	Straight-line	NA	Straight-line	NA	Straight-line

PARENT				
2025	Software and other intangible assets	Capitalized development expenses	Goodwill	Total
Acquisition cost				
Opening balance	42 599	98 331	249	141 179
Additions	21 348	15 628	—	36 976
Additions from business combinations	—	—	—	—
Acquisition cost as of 31.12	63 947	113 959	249	178 155
Accumulated amortization				
Opening balance	29 989	48 255	—	78 244
Amortization expenses	7 329	10 797	—	18 126
Impairment expenses	—	2 003	—	2 003
Accumulated amortization and impairment as of 31.12	37 318	61 056	—	98 374
Net carrying value as of 31.12	26 630	52 903	249	79 782
Estimated useful life	3 - 10 years	1 - 5 years	Indefinite	
Depreciation method	Straight-line	Straight-line	NA	

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GROUP	R&D expenses:	PARENT
133 615	Personnel expenses	57 708
42 733	Other operating expenses	33 979
176 349	Total cost recognized in income statement	91 687
191 977	Total cost for R&D (incl. capitalized development cost)	107 315

GROUP	Software and other intangible assets	Capitalized development expenses	Goodwill	Total
2024				
Acquisition cost				
Opening balance	44 731	78 988	10 891	134 611
Additions	2 257	19 343	—	21 600
Currency translation differences	—	—	-11	-11
Acquisition cost as of 31.12	46 988	98 331	10 880	156 200
Accumulated depreciation				
Opening balance	25 668	40 051	—	65 719
Amortization expenses	7 203	8 205	—	15 408
Impairment expenses	431	—	—	431
Currency translation differences	-77	—	—	-77
Accumulated amortization as of 31.12	33 226	48 255	—	81 482
Net carrying value as of 31.12	13 762	50 076	10 880	74 718

PARENT	Software and other intangible assets	Capitalized development expenses	Goodwill	Total
2024				
Acquisition cost				
Opening balance	40 217	78 988	249	119 454
Additions	2 381	19 343	—	21 723
Acquisition cost as of 31.12	42 599	98 331	249	141 177
Accumulated depreciation				
Opening balance	23 208	40 051	—	63 259
Amortization expenses	6 349	8 205	—	14 554
Impairment expenses	431	—	—	431
Accumulated amortization as of 31.12	29 989	48 255	—	78 244
Net carrying value as of 31.12	12 610	50 076	249	62 936
Estimated useful life	3 - 10 years	1 - 5 years	Indefinite	
Amortization method	Straight-line	Straight-line	NA	



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GROUP	R&D expenses:	PARENT
107 661	Personnel expenses	45 641
39 722	Other operating expenses	33 075
147 384	Total cost recognized in income statement	78 715
166 727	Total cost for R&D (incl. capitalized development cost)	98 058

Impairment of intangible assets

The asset group Capitalized development expenses is impaired during the current reporting period, resulting in an impairment loss of USD 2.0m. There have been no indications of possible impairment related to other intangible assets.

Change in estimate with respect to useful life

The useful life of the intangible assets has been reviewed during the year. Management has evaluated the current useful life estimates as appropriate.

15.2 Fixed assets

GROUP					
2025	Office and lab equipment	Computer equipment and machinery	Fixture and fittings	Property	Total
Opening balance	48 378	52 913	6 977	333	108 600
Additions	3 398	13 599	1 032	1 311	19 341
Currency translation differences	2 226	268	230	—	2 724
Acquisition cost as of 31.12	54 002	66 780	8 239	1 644	130 666
Opening balance	39 426	42 636	4 584	—	86 646
Depreciation expenses	7 023	5 944	997	—	13 964
Currency translation differences	770	394	86	—	1 250
Accumulated depreciation as of 31.12	47 219	48 974	5 667	—	101 860
Net carrying value as of 31.12	6 783	17 806	2 572	1 644	28 805

PARENT					
2025	Office and lab equipment	Computer equipment and machinery	Fixture and fittings	Property	Total
Opening balance	23 009	48 342	3 585	333	75 269
Additions	793	13 364	685	1 311	16 153
Acquisition cost as of 31.12	23 801	61 706	4 270	1 644	91 421
Opening balance	18 262	39 448	2 405	—	60 115
Depreciation expenses	2 249	5 563	391	—	8 203
Accumulated depreciation as of 31.12	20 511	45 011	2 796	—	68 318
Net carrying value as of 31.12	3 290	16 695	1 474	1 644	23 103

Note 15: Fixed assets

All figures in USD 1 000

15.1 Accounting policies

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The assets are depreciated on a straight-line basis over their estimated useful lives.

Expenditures classified as repair and maintenance costs are expensed when incurred. Expenditures that increase the value of the fixed asset are capitalized and depreciated over the remaining useful life of the fixed asset.

The assets' residual values and useful lives are reviewed annually.

At the end of each reporting period, the Group assesses whether there is any indication that a fixed asset may be impaired. The recoverable amount of the fixed asset are normally estimated on a stand-alone basis.

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GROUP					
2024	Office and lab equipment	Computer equipment and machinery	Fixture and fittings	Property	Total
Opening balance	46 687	49 703	6 858	333	103 581
Additions	2 003	3 209	199	—	5 411
Disposals	-312	—	-80	—	-392
Acquisition cost as of 31.12	48 378	52 913	6 977	333	108 600
Opening balance	33 436	37 393	3 656	—	74 485
Depreciation expenses	7 409	5 911	1 062	—	14 382
Currency translation differences	-1 217	-668	-69	—	-1 954
Accumulated depreciation as of 31.12	39 426	42 636	4 584	—	86 646
Net carrying value as of 31.12	8 952	10 278	2 393	333	21 955

PARENT					
2024	Office and lab equipment	Computer equipment and machinery	Fixture and fittings	Property	Total
Opening balance	21 177	45 080	3 578	333	70 168
Additions	1 832	3 929	86	—	5 847
Disposals	—	-487	-80	—	-566
Acquisition cost as of 31.12	23 009	48 518	3 585	333	75 444
Opening balance	15 724	33 873	2 074	—	51 671
Depreciation expenses	2 538	5 701	395	—	8 635
Disposals	—	-126	-65	—	-190
Accumulated depreciation as of 31.12	18 262	39 448	2 405	0	60 116
Net carrying value as of 31.12	4 746	9 070	1 180	333	15 329

GROUP AND PARENT					
Estimated useful life	3 - 5 years	3 - 5 years	5 years		
Depreciation method	Straight-line	Straight-line	Straight-line	No depreciation	

Total depreciation expenses consist of depreciation of fixed assets and depreciation of intangible assets (Note 14: Goodwill and intangible assets).

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Non-depreciable property assets:

The parent company has an apartment in Trondheim for use by employees in the Oslo office while in Trondheim. The apartment is assessed at acquisition cost. The residual value is expected to be at least equal to the carrying amount.

Scrapped capital assets

All capital assets that are ready to be scrapped have been fully depreciated and have no residual book value.

Impairment

There have been no indications of possible impairment related to fixed assets during the current reporting period.

Change in estimate with respect to useful life

The useful life of the fixed assets has been reviewed during the year. Management has evaluated the current useful life estimates as appropriate.

Note 16: Leases

All figures in USD 1 000.

16.1 Accounting policies

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use (RoU) assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes RoU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). RoU assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of RoU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. RoU assets are depreciated on a straight-line basis over the lease term.

At the end of each reporting period, the Group assesses whether there is any indication that an RoU asset may be impaired.

Sub-leases

A sublease, where the Group is a lessor, could either be classified as an operational or finance lease.

Finance lease is applicable for the Group because:

- The lease term of the sublease is for the major part of the head lease, and
- Risk and reward for the subleased space have been transferred to the sub lessee over the remaining time of the head lease.

The right-of-use asset of the head lease is derecognized equal to the present value of sub-lease and the Group presents the net investment in the lease as an "other long-term asset". The Group uses the discount rate used for the head lease to measure the net investment in the sublease.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (IBR) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates (such as the subsidiary's stand-alone credit rating).

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets. The low value election is made on a lease-by-lease basis and refers to underlying assets with a value in order of USD 5 000 or less. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease.

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16.2 Leases

The Group is a lessee and has entered into agreements to lease office space, office equipment and machinery.

The Group's office leases range between 1 to 12 years. Equipment and machinery leases range between 1 to 4 years.

There are no leases with variable lease payments, other than lease payments linked to a consumer price index.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In calculating lease liability, the option to extend the lease term of the lease has not been included. The Group could replace the lease assets without significant cost or business disruption.

The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

Leasing activities

In 2025, the following legal entities renegotiated their obligations to existing office locations:

- In 2025, Nordic Semiconductor ASA exercised the option to transfer addition office space in Trondheim, with a commencement date of April 1, 2025. The office space is subleased from these dates on the same terms as the head lease. In addition, Nordic Semiconductor ASA exercised an option under its existing data center housing agreement, extending the contracted data center space through an increase in the number of racks.
- Nordic Semiconductor Finland Oy exercised the option to extend the office lease for another 2.5 years.
- Nordic Semiconductor (Philippines) Inc exercised the option to extend the office lease for another 3 years.
- Nordic Semiconductor (Shenzhen) Limited exercised the option to extend the office lease for another 6 months.

In 2025, the following legal entities entered into office rental agreements for new locations:

- Nordic Semiconductor Poland Sp. Z.o.o. entered into a new office rental agreement with a commencement date of May 5, 2025 which replaced a previously exercised rental agreement.
- Nordic Semiconductor South Korea Ltd entered into a new rental agreement with a commencement date of August 1, 2025 which replaced a previously exercised rental agreement.
- Nordic Semiconductor Inc signed an office rental agreement with a commencement date of April 1, 2025 and an data center housing agreement with a commencement date of January 5, 2025
- Nordic Semiconductor (Philippines) Inc signed an office rental agreement with a commencement date of January 7, 2025.
- Memfault Inc signed an office rental agreement with a commencement date of January 5, 2026.

Contractual cash flow of leases

Below is the expected contractual cash flow of leases not reflected in the measurement of lease liabilities as of December 31, 2025 (commencement date after balance sheet date).

GROUP	Carrying amount	Contractual cash flow	Less than one year	One to five years	More than five years
Office space	—	631	256	263	111
Office equipment	—	—	—	—	—
Total	—	631	256	263	111

PARENT	Carrying amount	Contractual cash flow	Less than one year	One to five years	More than five years
Office space	—	—	—	—	—
Office equipment	—	—	—	—	—
Total	—	—	—	—	—

Minimum lease payments payable on leases are presented in note 28.

Below is the expected contractual cash flow of subleasing.

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GROUP	Carrying amount	Contractual cash flow	Less than one year	One to five years	More than five years
Lease payments receivables	6 436	8 203	980	5 277	1 945
Total	6 436	8 203	980	5 277	1 945

PARENT	Carrying amount	Contractual cash flow	Less than one year	One to five years	More than five years
Lease payments receivables	6 436	8 203	980	5 277	1 945
Total	6 436	8 203	980	5 277	1 945

Amounts recognized in the balance sheet:

Right-of-use assets

GROUP			
2025	Office space	Office equipment and machinery	Total
Acquisition cost			
Opening balance	91 274	370	91 644
Additions	1 470	—	1 470
Adjustments	7 452	—	7 452
Net investment in the lease	-3 595	—	-3 595
Acquisition cost as of 31.12	96 601	370	96 971
Accumulated depreciation and impairment			
Opening balance	39 187	74	39 261
Depreciation expenses	8 709	74	8 784
Currency translation differences	-733	—	-733
Accumulated depreciation and impairment as of 31.12	47 163	148	47 312
Net carrying value as of 31.12	49 437	222	49 660

PARENT			
2025	Office space	Office equipment and machinery	Total
Acquisition cost			
Opening balance	64 989	370	65 360
Additions	240	—	240
Adjustments	4 591	—	4 591
Net investment in the lease	-3 595	—	-3 595
Acquisition cost as of 31.12	66 225	370	66 596
Accumulated depreciation and impairment			
Opening balance	21 998	74	22 072
Depreciation expenses	4 405	74	4 479
Accumulated depreciation and impairment as of 31.12	26 403	148	26 551
Net carrying value as of 31.12	39 822	222	40 045



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GROUP			
2024	Office space	Office equipment and machinery	Total
Acquisition cost			
Opening balance	83 580	—	83 580
Additions	5 488	370	5 858
Adjustments	5 042	—	5 042
Net investment in the lease	-2 835	—	-2 835
Acquisition cost as of 31.12	91 274	370	91 645
Accumulated depreciation and impairment			
Opening balance	28 910	—	28 910
Depreciation expenses	8 960	74	9 034
Impairment expenses	1 318	—	1 318
Accumulated depreciation and impairment as of 31.12	39 187	74	39 261
Net carrying value as of 31.12	52 062	296	52 358

PARENT			
2024	Office space	Office equipment and machinery	Total
Acquisition cost			
Opening balance	63 250	—	63 250
Additions	36	370	407
Adjustments	4 538	—	4 538
Net investment in the lease	-2 835	—	-2 835
Acquisition cost as of 31.12	64 989	370	65 360
Accumulated depreciation and impairment			
Opening balance	17 724	—	17 724
Depreciation expenses	4 274	74	4 348
Accumulated depreciation and impairment as of 31.12	21 998	74	22 072
Net carrying value as of 31.12	42 991	296	43 288

Impairment

No indication of impairment was identified during the year, and accordingly, no impairment expenses was recognized.



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Lease payment receivables:

Below is the carrying amount of lease payment receivables (from subleasing) and the movements during the period.

GROUP		PARENT
2 699	Lease payment receivables as of 1 January 2025	2 699
-670	Lease payments	-670
3 595	Acquisitions and adjustments	3 595
316	Interest	316
497	Foreign exchange adjustments	497
6 436	Lease payment receivables as of 31 December 2025	6 436

Below is the disclosure of financial position from lease receivables.

GROUP		PARENT
2025	2024	Lease receivables
923	341	Current
5 513	2 358	Non-Current
6 436	2 699	Total lease receivables

Lease liabilities

Below is the disclosure of financial position from lease liabilities.

GROUP		PARENT
2025	2024	Lease liabilities
12 408	10 360	Current
50 813	45 752	Non-Current
63 221	56 112	Total lease liabilities

Below is the carrying amount of lease liabilities and the movements during the period.

GROUP		PARENT
56 112	Net liabilities as of 1 January 2025	44 821
-12 324	Lease payments	-7 112
8 922	Acquisitions and adjustments	4 831
—	Disposals	—
3 800	Interest	3 182
6 711	Foreign exchange adjustments	5 771
63 221	Net liabilities as of 31 December 2025	51 493

Other items

Below is the disclosure of other items from operational leases and subleasing:

GROUP		Other items from operational leases and subleasing	PARENT	
2025	2024		2025	2024
677	59	Income from subleasing right-of-use assets	677	59
316	27	Interest income from net investment in finance leases	316	27
993	86	Total items from subleasing	993	86
365	397	Expenses relating to short-term leases	—	75
451	932	Expenses relating to leases of low-value assets	161	269
3 800	3 555	Interest expense on lease liabilities	3 182	2 958
4 616	4 884	Total items from operational leases	3 343	3 302
12 463	12 148	The total cash outflow for leases	6 596	6 314

Note 17: Investments in subsidiaries and joint ventures

All figures in USD 1 000

Note 17.1: Accounting policies

Investments in subsidiaries and joint ventures are accounted for in the Company's separate financial statements at historical cost. The cost of an investment includes the consideration transferred at the date of acquisition.

Subsequent measurement of investments in joint ventures is accounted for using the equity method, whereby the carrying amount is adjusted to recognize the Company's share of the joint venture's profit or loss after the date of acquisition.

Where there is an indication that the investment may be impaired, the carrying amount is tested for impairment.

Dividends received from a subsidiary are recognized in profit or loss when the Company's right to receive the dividend is established.

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Note 17.2: Subsidiaries

The following subsidiaries have been included in the financial statements.

Subsidiaries consolidated in	Established Year	Location	Share Ownership	Voting Rights
Nordic Semiconductor Inc	2006	USA	100%	100%
Nordic Semiconductor Poland S.P z o.o	2013	Poland	100%	100%
Nordic Semiconductor Finland OY	2014	Finland	100%	100%
Nordic Semiconductor KK	2017	Japan	100%	100%
Nordic Semiconductor Germany GmbH	2018	Germany	100%	100%
Nordic Semiconductor Norway AS	2020	Norway	100%	100%
Nordic Semiconductor UK Limited	2020	UK	100%	100%
Nordic Semiconductor India Pvt. Ltd	2020	India	100%	100%
Nordic Semiconductor Sweden AB	2020	Sweden	100%	100%
Nordic Semiconductor Hong Kong Limited	2021	Hong Kong	100%	100%
Nordic Semiconductor (Shenzhen) Limited	2021	China	100%	100%
Nordic Semiconductor Singapore Pte Ltd	2022	Singapore	100%	100%
Nordic Semiconductor Denmark ApS	2022	Denmark	100%	100%
Nordic Semiconductor Philippines, Inc.	2022	Philippines	100%	100%
Nordic Semiconductor South Korea Ltd	2025	South Korea	100%	100%
Memfault Inc	2025	USA	100%	100%
Memfault Germany GmbH	2025	Germany	100%	100%

Subsidiaries as of 31 December 2025	Ownership	Share of votes	Net profit 2025	Equity 31. Dec 2025
Nordic Semiconductor Inc	100%	100%	-1 165	5 836
Nordic Semiconductor Poland S.P z o.o	100%	100%	2 361	8 182
Nordic Semiconductor Finland OY	100%	100%	4 246	8 689
Nordic Semiconductor KK	100%	100%	44	206
Nordic Semiconductor Germany GmbH	100%	100%	46	250
Nordic Semiconductor Norway AS	100%	100%	3 098	11 019
Nordic Semiconductor UK Limited	100%	100%	343	3 242
Nordic Semiconductor India Pvt. Ltd	100%	100%	505	2 914
Nordic Semiconductor Sweden AB	100%	100%	483	2 470
Nordic Semiconductor Hong Kong Limited	100%	100%	921	3 666
Nordic Semiconductor (Shenzhen) Limited	100%	100%	2 438	9 003
Nordic Semiconductor Singapore Pte Ltd	100%	100%	12 583	35 322
Nordic Semiconductor Denmark ApS	100%	100%	49	369
Nordic Semiconductor Philippines, Inc.	100%	100%	356	710
Nordic Semiconductor South Korea Ltd	100%	100%	51	57
Memfault Inc	100%	100%	-2 682	-573
Memfault Germany GmbH	100%	100%	24	196

- All intellectual property (IP) is owned by Nordic Semiconductor ASA, which is the ultimate parent company of the Group. All intercompany transactions are conducted in accordance with the Group's transfer pricing policy.
- Nordic Semiconductor Inc is a market development, product promotion, and support company, but since 2016 has run a small R&D department as well.
- Nordic Semiconductor Poland Sp. z.o.o. is an extension of the software development team in the parent company.
- Nordic Semiconductor Finland OY is a development company working mainly with long range technology. The R&D team in Finland works closely alongside the rest of the R&D teams in the Group.
- Nordic Semiconductor KK is a market development, product promotion, and support company,
- Nordic Semiconductor Germany GmbH is a market development, product promotion, and support company,

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- Nordic Semiconductor Norway AS is the parent company of Nordic Semiconductor UK Limited, Nordic Semiconductor India Pvt. Ltd, Nordic Semiconductor Sweden AB, Nordic Semiconductor Hong Kong Limited and Nordic Semiconductor (Shenzhen) Limited.
- Nordic Semiconductor UK limited is a development company working with Wi-Fi and PMIC technology. The R&D team in the UK works closely alongside the rest of the R&D teams in the Group.
- Nordic Semiconductor India Pvt. Ltd is a development company working with Wi-Fi technology. The R&D team in India works closely alongside the rest of the R&D teams in the Group.
- Nordic Semiconductor Sweden AB is a development company working mainly with Wi-Fi technology. The R&D team in Sweden works closely alongside the rest of the R&D teams in the Group.
- Nordic Semiconductor Hong Kong Limited is a market development, product promotion, and support company.
- Nordic Semiconductor (Shenzhen) Limited is a market development, product promotion, and support company.
- Nordic Semiconductor Singapore Pte Ltd is Nordic's regional head office in the APAC region, distributing the Group's products.
- Nordic Semiconductor Denmark ApS is a development company working with mainly short range technology.
- Nordic Semiconductor Philippines, Inc. is a development, supply chain and support company. The R&D team in the Philippines is working across all technologies, and works closely alongside the rest of the R&D teams in the Group.
- Nordic Semiconductor South Korea Ltd is a market development, product promotion, and support company.
- Memfault Inc. is a development company, working mainly with nRFCloud and cloud lifecycle services. The R&D team in Memfault works closely alongside the rest of the nRFCloud team in the Group.
- Memfault Germany GmbH. is a development company, working mainly with nRFCloud and cloud lifecycle services. The R&D team in Memfault works closely alongside the rest of the nRFCloud team in the Group.

Note 17.3: Joint ventures

In 2025, Nordic Semiconductor ASA has discontinued the use of equity method, and the retained interest is measured at fair value. See Note 18: Other non-current assets for further information.

Note 18: Other non-current assets

All figures in USD 1 000

GROUP			PARENT	
2025	2024		2025	2024
6 436	2 699	Lease payment receivables, see Note 16: Leases	6 436	2 699
83 469	88 441	Prepayments	83 469	88 441
805	—	Other long-term investments in shares, see Note 17.3: Joint ventures	805	—
90 711	91 140	Other long term assets	90 711	91 140

In 2023, Nordic Semiconductor ASA entered a capacity reservation agreement with a wafer manufacturer. The company is committed to purchasing wafers according to a purchase reservation plan for the period from Q4 2023 to Q4 2031.

Nordic has paid USD 100m to secure the quarterly reservation. The prepayment is settled against committed wafer orders every quarter.

The balance of the prepayment as of December 31, 2025 is USD 92.9m, where USD 83.5m is classified as Other non-current assets and USD 9.4m is classified as Other current receivables.

Note 19: Accounts receivable

All figures in USD 1 000

19.1 Accounting policies

Impairment of financial assets

For accounts receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). The Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

See note 28 for further information.

19.2 Accounts receivable

GROUP			PARENT	
2025	2024		2025	2024
93 488	66 412	Gross receivables	714	1 037
—	—	Provision for doubtful accounts	—	—
93 488	66 412	Accounts receivable, net	714	1 037



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Note 20: Intercompany

All figures in USD 1 000

PARENT	2025	2024
Loans to group companies	1 033	3 032
Receivables group companies	216 913	99 301
Total receivable	217 946	102 333
Accounts payable, group companies	29 949	28 395
Total payables	29 949	28 395

PARENT	2025	2024
Sale of goods	615 330	474 356
Total revenue	615 330	474 356
Cost of goods sold	326 392	261 125
Total cost of goods sold	326 392	261 125
Service fee for R&D and product promotion	119 108	115 288
Total other operating expenses	119 108	115 288
Interest income from loans to group companies	3 524	353
Interest expenses from loans to group companies	-333	—
Total financial income	3 191	353

Note 21: Cash and cash equivalents

All figures in USD 1 000

21.1 Accounting policies

Cash and cash equivalents include cash at bank and money market fund. Money market funds are defined as cash equivalents because they are highly liquid and not subject to material fluctuations in value. The purpose of cash and cash equivalents is to meet short-term commitments.

21.2 Cash and cash equivalents

GROUP		Cash and cash equivalents as of the balance sheet date were as follows:	PARENT	
2025	2024		2025	2024
194 524	192 445	Cash at bank	92 304	90 164
2 650	2 256	Restricted cash (withholding tax account)	2 650	2 256
110 228	93 213	Money market funds	110 228	93 213
307 402	287 914	Cash and cash equivalents in statement of financial position	205 181	185 633

- Cash at banks earns interest at floating rates based on daily bank deposit rates.
- Money market fund invests in short-term securities in Norwegian fixed-income market. The instruments are issued or guaranteed by the state, municipalities, county authorities, industrial companies, and financial institutions. The fund may, for extended periods, allocate all its investments within just one or a few of these segments.
- Nordic Semiconductor ASA presents total bank deposits in the international cash pool, while Nordic Semiconductor OY presents its share of the international cash pool as a receivable from the company. Nordic Semiconductor ASA and Nordic Semiconductor OY participate in the cash pool, which is operated by Danske Bank.
- Restricted deposits are held by Nordic Semiconductor ASA. They are subject to regulatory restrictions and are therefore not available for general use by the entities within the Group.
- Interest on bank deposits is set to floating rates based on daily bank deposit rates.

For information on credit and liquidity risk, see Note 28: Financial risk management.



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Note 22: Share capital and shareholder information

22.1 Accounting policies

When treasury shares are purchased, the purchase price, including directly attributable costs, are recognized as changes in equity. Treasury shares are presented as a reduction of equity. Gains or losses on transactions in treasury shares are not recognized in the income statement.

GROUP	Number of shares		Share capital (USD 1000)		Treasury shares (USD 1000)		Share premium (USD 1000)	
	2025	2024	2025	2024	2025	2024	2025	2024
Holdings as of 1.1	192 781 600	192 781 600	317	317	-1	-1	235 448	235 448
Issue of share capital	7 000 000	—	7	—	—	—	103 449	—
Change in treasury shares	—	—	—	—	-1	—	—	—
Holdings as of 31.12	199 781 600	192 781 600	324	317	-2	-1	338 897	235 448

Dividend

No dividend was paid during 2025.

Treasury shares

The company owned 1,494,595 treasury shares on December 31, 2025. On January 1, 2025, the company owned 518,692 treasury shares. Based on a resolution of the Annual General Meeting of May 5, 2025, the Board has authority to purchase the company's own shares with a limit of a par value of NOK 192,000 through one or more transactions. This authority is limited to 9.96% of the company's share capital, and the price per share that the company may pay for shares shall not be lower than the par value and not higher than NOK 350. This authority applies until the company's Annual General Meeting in 2026, and by June 30, 2026 at the latest. On February 5, 2026, the board authorized the Company to commence a share repurchase program based on the aforementioned resolution of the Annual General Meeting. The purpose of the program is to have available shares to settle the company's obligations under the Employee long-term equity linked incentive programs, including delivery of shares under granted restricted stock units (RSUs).

22.2 Share capital and shareholder information

Share capital

The share capital in Nordic Semiconductor ASA as of December 31, 2025 consists of one share class with a total of 199,781,600 shares with a par value of NOK 0.01, with a total share capital of NOK 1,997,816. Each share grants the same rights in the company, and in the event of any increase in capital, existing shareholders have preemptive rights for any new shares. During the year, the following changes have been made in the number of shares, share capital, and share premium.

Long-term incentive plan

On May 5, 2025, the Annual General Meeting of Nordic Semiconductor ASA approved the grant of Restricted Stock Units (RSUs) in accordance with the 2025 Employee Long-Term Incentive Plan. See note 25 for further information.

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Shareholder overview

The largest shareholders in Nordic Semiconductor ASA were as follows as of December 31, 2025, based on data provided by an investor relations advisory service provider*, and is obtained through an analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Nordic VPS share register.

Shareholder	Shares	Percentage
Folketrygdfondet	24 784 246	12.4%
Accelerator Ltd	17 477 950	8.7%
DNB Asset Management AS	14 647 204	7.3%
ODIN	7 705 486	3.9%
Vanguard	6 971 293	3.5%
Eika Kapitalforvaltning	5 489 760	2.7%
KLP Kapitalforvaltning AS	5 210 642	2.6%
Handelsbanken Fonder	4 583 455	2.3%
BlackRock	4 303 035	2.2%
Storebrand Asset Management	3 267 290	1.6%
Danske Invest	3 150 231	1.6%
Alfred Berg Kapitalforvaltning	2 773 445	1.4%
DNB Asset Management SA	2 752 793	1.4%
AAT Invest AS	2 350 000	1.2%
Robeco	2 258 202	1.1%
Awilhelmsen AS	2 154 490	1.1%
Artisan Partners	2 054 260	1.0%
Skandia Fonder	1 986 813	1.0%
State Street Investment Management	1 970 361	1.0%
Svenn-Tore Larsen	1 847 142	0.9%
Total for the 20 largest shareholders	117 738 098	58.9%
Other shareholders	82 043 502	41.1%
Total shares outstanding	199 781 600	100.0%

*Every reasonable effort has been made to verify the data, however neither Nordic nor the investor relations advisory service provider can guarantee the accuracy of the analysis.

Shares held by the Board of Directors and Executive Management were as follows as of December 31, 2025:

Board of Directors	Shares	Executive Management	Shares
Dieter May	11 047	Vegard Wollan	151 090
Anita Huun	15 607	Geir Langeland	224 411
Inger Berg Ørstavik	8 207	Ole Fredrik Morken	207 721
Annastiina Hintsa	6 607	Ståle Ytterdal	143 708
Helmut Gassel	1 688	Ola Bostrøm	6 177
Anja Dekens	1 430	Pål Elstad	54 138
Monika Lie Larsen	1 663	Øyvind Birkenes	9 540
Jon Helge Nistad	1 519	Kjetil Holstad	19 859
		Joakim Ferm	2 824
		Sonja Kusmin	2 801
		Øyvind Strøm	10 000
Total	47 768	Total	832 269

Note 23: Shares outstanding

Basis for calculation of basic earnings per share	2025	2024
Earnings for the year (USD '000)	16 385	-38 504
Weighted average number of outstanding shares ('000)	193 411	192 196
Earnings per share (USD)	0.08	-0.20
Basis for calculation of fully diluted earnings per share		
Earnings for the year (USD '000)	16 385	-38 504
Weighted average number of outstanding shares ('000)	196 567	194 717
Earnings per share (USD)	0.08	-0.20

The number of shares was as follows:

Date		Shares issued	Shares outstanding
01.01.2025	Opening balance	192 781 600	192 262 908
31.12.2025	Closing balance	199 781 600	198 287 005

Restricted Stock Units (RSUs) and Performance Shares (PSUs) granted to employees are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share. RSUs and PSUs have not been included in the determination of basic earnings per share. Details relating to share based compensation are set out in note 25.

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Note 24: Pensions

Defined benefit plan

The total pension liability from defined benefit plans was USD 944,895 for the Group. This amount consists of liabilities in Norway, the Philippines, Poland and India.

The Norwegian company in the Group is required to have mandatory employment pension for employees in Norway, according to the Mandatory Employment Pension Act. The defined benefit plan was closed for new members effective January 1, 2008, and from this point a new defined contribution plan was established.

Nordic has had a pension plan for the Philippines office as of January 2014. The retirement plan is unfunded and of the defined benefit type that provides a retirement benefit calculated based on number of years of credited service. At the end of 2025, the pension liability was USD 466,102.

In Finland, earnings-related pensions are financed with insurance contributions paid by employers and employee. In Poland, the employers and employee contribute to a social security plan including pensions and disability insurance. In addition, the company offers a employee capital plan (PPK) financed jointly by the employee, the employer, and the government.

In India, the company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month, computed proportionately for 15 days' salary multiplied by the number of years of service.

Defined contribution pension plan

All employees in Norway have a defined contribution pension plan since January 1, 2016. The main benefit is a contribution of 7% of salary up to 7.1 basis points (G) and 18% of salary between 7.1 and 12 basis points. In addition to this, the company offers a disability pension of approximately 66% of salary including estimated social security based on 40 years of full employment. In 2025, the cost of the defined contribution pension was USD 378,618, and the plan had 581 members.

The Indian company has a defined contribution plan, specifically a provident fund. Contributions are made to provident fund at the rate of 12% of basic salary. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed. It has no further contractual or any constructive obligation.

In Poland, each employee who retires is entitled to retirement and pension severance pay from the employer. This is regulated by the Polish Labor Code.

Note 25: Long-term incentive plans

25.1 Accounting policies

Share based compensation

The Group grants restricted stock units and other awards over its ordinary shares to all employees. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in note 25.2 Long-term incentive plans.

That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other paid in capital), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

Social security tax is accrued over the vesting period based on the actual value of the stock unit.

25.2 Long-term incentive plans

The following share-based payment grants were outstanding or had vesting activity during 2024 and/or 2025 and are therefore relevant for the comparative information presented.

On April 28, 2022, Nordic Semiconductor ASA granted 486,677 RSUs and Performance shares to employees. A share price of NOK 183.8 was used as the basis for the calculation of RSUs and Performance Shares, representing the weighted average share price over the five trading days following the Annual General Meeting. The RSUs vest after two and three years. The Performance Shares are issued conditional upon the achievement of a defined set of objectives. The Performance Shares vest and will be delivered at par value upon completion of the performance period, which is three years.

On July 12, 2023, Nordic Semiconductor ASA granted 1,002,323 RSUs and Performance shares to employees. A share price of NOK 112.7 was used as the basis for the calculation of RSUs for employees, representing the weighted average share price over the five trading days following the Annual General Meeting. The RSUs vest after two and three years. For EMT, the weighted average share price on July 11, 2023 of NOK 129.9 was used as the basis for the calculation of RSUs and Performance Shares. The Performance Shares are issued conditional upon the achievement of a defined set of objectives. The Performance Shares vest and will be delivered at par value upon completion of the performance period, which is three years.

On March 20, 2024, Nordic Semiconductor granted 903,000 RSUs and Performance Shares to employees. The grant was aimed at retaining and motivating employees following a challenging year of cost optimization initiatives. The grant covered all



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employees, with the exception of the Executive Management Team. The RSUs vest in May 2025. The Performance Shares are issued conditional upon the achievement of a defined set of objectives. The Performance Shares vest and will be delivered at par value upon completion of the performance period, which ran until May 2025.

On May 3, 2024, Nordic Semiconductor ASA granted 946,922 RSUs and performance shares to employees. A share price of NOK 121.5 was used as the basis for the calculation of RSUs, representing the weighted average share price over the five trading days following the Annual General Meeting. The RSUs vest over two and three years. The Performance Shares are issued conditional upon the achievement of a defined set of objectives. The Performance Shares vest and will be delivered at par value upon completion of the performance period, which is three years.

With reference to the Annual general meeting held on May 5, 2025, Nordic Semiconductor, on May 13, 2025, granted 1,111,262 RSUs and PSUs to employees, including EMT. A share price of NOK 115.7 was used as the basis for the calculation of RSUs, representing the weighted average share price over the five trading days following the Annual General Meeting. On July 9, 2025, an additional 402,000 RSUs were granted to employees of newly acquired Memfault Inc. as part of retention agreement. These RSUs will vest over four years in equal annual installments, and the shares will be delivered to the employee after the vesting date against payment of the par value of the share. In total, 1,513,262 RSUs and Performance shares have been granted in 2025, an equivalent to 0.78% 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.

A summary of RSUs transactions during 2025 and 2024 below:	2025	2024
Outstanding RSUs 1.1	1 921 826	1 404 565
Granted	1 425 918	1 355 419
Forfeited	312 495	462 508
Released	1 066 956	375 650
Outstanding RSUs 31.12	1 968 293	1 921 826

A summary of performance shares during 2025 and 2024 below:	2025	2024
Outstanding performance shares 1.1	355 789	77 357
Granted	87 344	516 983
Forfeited	2 872	69 431
Performance adjusted	-10 929	-169 120
Released	258 626	—
Outstanding performance shares 31.12	170 706	355 789

The fair value of the RSUs and performance shares are set on the grant date and expensed over the vesting period. USD 12,110 thousand was expensed during 2025 and USD 11,661 thousand in 2024. In addition, Nordic expensed USD 4,061 thousand during 2025 for share-based compensation for the three founders of Memfault, where delivery of shares are conditional upon their continued employment with Nordic Semiconductor for a period of three years following the acquisition.

The strike price of the RSUs and PSUs are nil and the shares are delivered free of payment.

The fair value per RSU and performance share without market condition granted in May 2025 and July 2025 was NOK 123.9 and 138.4, respectively. The fair value of the performance shares with Relative Total Shareholder Return performance condition granted in May 2025 was NOK 172.47. The valuation is based on a Monte Carlo simulation model with the following assumptions:

Share price on the grant date

The closing share price of the company and nine peer group companies were NOK 123.90 and NOK 997.62, respectively. The closing price for the peer group companies represents the average of the peer companies' closing share prices, converted to NOK.

Risk-free interest rate

The risk-free interest rate is set equal to the relevant interest rate on government bonds on the date of grant in 2025, i.e., 3.72 % in Norway.

Volatility

It is assumed that historic volatility is an indication of future volatility. The expected volatility is therefore stipulated to be the same as the historic volatility, which equaled 57.42% on the date of grant in 2025 for the Company and 40.91% for the peer group.

Expected lifetime

Performance shares vest on the May 13, 2028. Performance end date is December 31, 2027, so as of vesting date the quantity to vest is known.

Correlation coefficients

Correlation coefficient quantifies the degree to which the companies' share prices jointly react to the news flow. The historic correlation coefficients has been calculated by using daily share price logarithmic returns of peer group companies in local currency.

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Note 26: Current liabilities

All figures in USD 1 000

GROUP			PARENT	
2025	2024		2025	2024
41 253	23 918	Accounts payable	36 613	22 903
—	—	Accounts payable from subsidiaries	29 949	28 280
2 567	1 799	Income taxes payable	—	—
7 587	6 737	Social security tax and payroll tax	5 845	5 259
12 408	10 360	Current lease liabilities	7 430	5 865
25 320	14 940	Employee benefit obligations	11 336	6 074
10 131	8 831	Holiday pay	5 734	4 845
28 548	22 363	Ship and debit	—	—
5 581	3 679	End-customer rebate	—	—
7 693	5 514	Accrued expenses	5 176	3 271
4 333	4 947	Other current liabilities	900	2 743
145 420	103 087	Total current liabilities	102 983	79 240

Note 27: Financial instruments

All figures in USD 1 000.

27.1 Accounting policies

All financial assets and liabilities are classified at amortized cost, except money market fund at fair value through profit or loss.

Financial assets are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the asset. Financial assets classified at amortized cost is subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and accounts payables, net of directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

27.2 Financial instruments
Capital structure

Nordic's strategy relating to its capital structure is to maintain sufficient cash and cash equivalents to meet the Group's requirements for ongoing operations and for new investments. Management believes that it is especially important to retain a strong credit rating and significant liquidity as the Group competes in a global market against larger companies.

Nordic manages its capital structure and makes revisions in light of changes in the overall economy and its operating assumptions. In order to maintain or amend the capital structure, Nordic may purchase its own shares on the market, pay dividends to shareholders, pay back capital to shareholders or issue new shares.

Nordic aims for an equity ratio above 50% at all times, measured as total equity divided by total assets.

GROUP			PARENT	
2025	2024		2025	2024
679 587	569 766	Total equity	621 879	515 052
983 361	806 706	Total assets	867 473	721 162
69%	71%	Equity share	72%	71%

Financial assets

The Group holds the following financial assets at amortized cost.

GROUP			PARENT	
2025	2024		2025	2024
6 436	2 699	Amortized cost	6 436	2 699
93 488	66 412	Net investment in finance leases	714	1 037
3 707	3 179	Accounts receivable	218 484	103 281
197 114	194 701	Other current receivables	94 893	92 420
300 745	266 992	Total financial assets at amortized cost	320 527	199 437

GROUP			PARENT	
2025	2024		2025	2024
805	—	Fair value through profit or loss	805	—
110 288	93 213	Other long-term investments in shares	110 288	93 213
111 093	93 213	Total financial assets at fair value through profit or loss	111 093	93 213

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Changes in financial assets at fair value through profit or loss.

GROUP			PARENT	
2025	2024		2025	2024
93 213	98 731	As at 1 January	93 213	98 731
—	—	Disposal of financial instruments	—	—
—	—	Acquisition of financial instruments	—	—
5 953	5 008	Changes in fair value	5 953	5 008
11 927	-10 526	Currency translation differences	11 927	-10 526
111 093	93 213	As at 31 December	111 093	93 213

Financial liabilities

The Group holds the following financial liabilities.

GROUP			PARENT	
2025	2024	Amortized cost	2025	2024
98 377	87 336	Bond	98 377	87 336
41 253	23 918	Accounts payable	36 613	22 902
663	626	Current financial liabilities	663	626
88 530	66 383	Other current liabilities	58 278	48 414
50 813	45 752	Non-current lease liabilities	44 063	5 865
12 408	10 360	Current lease liabilities	7 430	38 957
292 044	234 375	Total financial liabilities at amortized cost	245 424	204 100

Interest-bearing loans and borrowings:

The Group has long-term revolving credit facility (RCF), which enable it to borrow up to USD 200m at any time with an interest rate equal to SOFR + margin. The line of credit expires in January 2029. The Group needs a banker's acceptance to exercise the option to extend for 1 + 1 year. As of December 31, 2025, Nordic has not drawn on any of the credit lines. The security is provided by inventory, receivables, and operating equipment with book values as follows: inventories USD 155m, accounts receivable USD 93m, and operating equipment USD 29m.

The following financial covenants are included for the revolving credit facilities:

- Equity ratio shall not be lower than 40 %.

In Q4 2023, the Parent issued a 5-year senior unsecured bond issue with initial issue amount of NOK 1,000m (ISIN: NO0013072462). The interest rate is 3 months Nibor + 3 % with quarterly interest payments. In the event that Nordic loses its Investment Grade Rating, the margin will rise by one percent and the Group will need to maintain an equity ratio of 40% until the Group regains the Investment Grade Rating.

The remainder of the Group's financing is made through short-term, non-interest bearing debt. This financing typically consists of debt to suppliers, the public sector, employees and others. Nordic has entered into a Tenancy Guarantee with Danske Bank as unconditional guarantor for NOK 54.1m for the offices in Trondheim and SEK 0.4m for the office in Stockholm. The first warranty is given to secure payments of up to 24 months of rent for the office in Trondheim.

Fair value measurement

The financial instruments that are carried at fair value are revalued on a recurring basis. The financial instruments are not designated at fair value through profit or loss on initial recognition.

The Group holds an investment into a market money fund at fair value of USD 110m, using the following method and assumptions:

- Money market fund is classified as cash equivalent due to its high liquidity and insignificant risk of change in value. The cash equivalents is available to meet short-term commitments. The asset is measured at quoted market price in an active market at the balance sheet date. See Note 21: Cash and cash equivalents for further information.



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Note 28: Financial risk management

All figures in USD 1 000.

The Group's Finance department is responsible for carrying out the policies and guidelines for financial risk management approved by the Board.

The Group is mainly exposed to counterparty credit risk, liquidity risk, market risk and geopolitical risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily accounts receivables) and from its financing activities, including foreign exchange transactions, cash and cash equivalents with banks and other financial institutions and other financial instruments.

The Group's sale of components takes place through its distribution partners within defined geographic regions, where Asia is the dominant region. The Group depends on a relatively small number of customers. Customer credit risk is managed by each region subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit evaluation and individual credit limits are defined in accordance with this assessment. Outstanding accounts receivables are regularly monitored and assurance from distributors that end customer sales is secured through letter of credits is obtained.

Age distribution of customer receivables was:

GROUP			PARENT	
2025	2024	Gross total	2025	2024
69 473	56 604	Not due	433	782
18 691	8 151	Past due 0-30 days	44	161
5 222	1 607	Past due 31-120 days	134	44
102	50	Over 120 days	103	50
93 488	66 412	Total	714	1 037

The Group makes an allowance for expected credit losses on customer receivables based on internal, historical credit loss data and past due receivables, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group has a limited number of customers, regular contact and long-term relationships with most of its customer base. Some of the customers are dependent on Nordic Semiconductor to stay in business. Historically, there have not been any significant credit losses. 74% of trade receivables were within terms at the balance

sheet date. On that basis, expected credit loss for trade receivables are limited and allowances for doubtful accounts at December 31, 2025 was 0m.

The maximum exposure to credit risk on the balance sheet date was:

GROUP			PARENT	
2025	2024		2025	2024
93 488	66 412	Accounts receivable	714	1 037
26 957	27 029	Other current receivables	237 430	123 914
307 402	287 914	Cash and cash equivalents	205 181	185 633
427 846	381 355	Total	443 325	310 583

The credit risk in table above is diversified over a range of distributors, vendors, and banks.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when due and to close out market positions.

Overall, cash flows are being monitored at both Group and entity level. The Group seeks to minimize risk when investing its cash balances. Investments can only be made in securities that have been approved by the Board.

As of December 31, 2025, cash and cash equivalents amounted to USD 307.4m (USD 287.9m), see Note 21: Cash and cash equivalents for details. The total balance includes money market fund at fair value USD 110.3m.

The Group has no externally imposed capital requirements or agreements, and has no contracts or legal requirements which are not being upheld. The Group has the following due dates with regard to contracts for financial liabilities as of December 31, 2025.

GROUP	Carrying amount	Contractual cash flow	Less than one year	One to five years	More than five years
Bond - payment of principal*	98 377	99 215	—	99 215	—
Bond - payment of interest**	663	20 674	7 015	13 659	—
Accounts payable	41 253	41 253	41 253	—	—
Other current liabilities	81 793	81 793	81 793	—	—
Lease liabilities***	63 221	75 174	12 028	34 434	28 712
Total	285 307	318 109	142 089	147 308	28 712



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PARENT	Carrying amount	Contractual cash flow	Less than one year	One to five years	More than five years
Bond - payment of principal*	98 377	99 215	—	99 215	—
Bond - payment of interest**	663	20 674	7 015	13 659	—
Accounts payable	36 613	36 613	36 613	—	—
Accounts payable subsidiaries	29 949	29 949	29 949	—	—
Other current liabilities	23 290	23 290	23 290	—	—
Lease liabilities***	51 493	62 428	6 896	26 990	28 542
Total	240 385	272 169	103 763	139 864	28 542

* The bond matures in 2028

** The contractual cash flow is calculated using forward yield curve. Estimated interest payments are based on the contractual cash flow of the bond on December 31, 2023.

*** Lease liabilities are mainly office facility rent in Trondheim, lease ending December 31, 2033 and December 31, 2037 and in Oslo, leasing ending December 31, 2032

Market risk

Market risk covers interest rate risk and foreign currency risk

Interest rate risk

The Group's liquidity requirements and risk assessment determine its investment strategy and interest rate exposure.

The Group's policy is to maintain a short-term investment horizon for its surplus cash. The investment portfolio should not have an average duration of longer than six (6) months.

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 January 2029, with option to extend. The security for the credit line is provided by inventory, receivables, and operating equipment.

The Group has issued a 5-year senior unsecured bond with initial issue amount of NOK 1,000m. The interest rate is 3 months Nibor + 3 %.

Interest rate sensitivity analysis

The interest rate sensitivity analysis shows the effects of changes in market interest rate on borrowing interest costs. The analysis is based on the following assumptions:

- Revolving credit facility - The profit before tax is not impacted by changes in market interest rate as the credit facility as of December 31, 2025 is not utilized.
- Bond - The profit before tax is impacted by changes in market interest rate. The table below demonstrates the sensitivity to a possible change in interest rates. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows.

	2025	2024
Interest rate (3 months NIBOR)	Effect on profit before tax	Effect on profit before tax
+50 basis points	-496	-440
-50 basis points	496	440

Foreign currency risk

The Group is subject to foreign currency risk, as it operates internationally with development and commercial activities.

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The primary functional currency for the Group is USD. The vast majority of the Group's revenues and cost of goods sold are denominated in USD. However, approximately 40% of the Group's operating expenses (excluding depreciation and amortization) are denominated in NOK and 20% are denominated in EUR. The Group does not use hedging instruments to minimize its exposure to foreign currency risk from operating activities affecting profit and loss.

Below is a sensitivity analysis of changes in the NOK exchange rate on monetary Group balance sheet items, and their impact on profit and loss:

Profit before tax	
NOK exchange rate +/- 10%	+/- 4 680

The sensitivity analysis is based on the Group's monetary assets and liabilities denominated in currencies other than the Company's functional currencies at the reporting date. The analysis assumes a 10% change in the NOK exchange rate, with all other variables held constant.

Issued bond and money market fund is nominated in NOK. The impact on profit and loss due to changes in the NOK exchange rate on these financial instruments offset each other.

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The tables below show the exposure in sales to foreign currency risk in the most significant currencies:

GROUP	2025			2024		
	Local currency (1,000)	USD (1,000)	Share of total revenue in %	Local currency (1,000)	USD (1,000)	Share of total revenue in %
USD	667 693	667 693	100.0%	511 189	511 189	100.0%
EUR	-150	-175	—%	162	169	—%
Other	1 033	101	—%	549	57	—%
Total		667 619	100.0%		511 415	100.0%

PARENT	2025			2024		
	Local currency (1,000)	USD (1,000)	Share of total revenue in %	Local currency (1,000)	USD (1,000)	Share of total revenue in %
USD	620 965	620 965	100.0%	477 374	477 374	100.0%
EUR	-150	-175	—%	162	169	—%
Other	1 033	101	—%	547	51	—%
Total		620 891	100.0%		477 595	100.0%

The tables below show the exposure at the end of reporting period in the most significant currencies:

All amounts stated in USD 1000.

GROUP	2025		2024	
	Accounts receivable	Accounts payables	Accounts receivable	Accounts payables
USD	93 476	37 432	66 250	20 606
EUR	—	1 576	156	1 523
NOK	12	1 497	6	1 620
Other	—	748	—	169
Total	93 488	41 253	66 412	23 918

PARENT	2025		2024	
	Accounts receivable	Accounts payables	Accounts receivable	Accounts payables
USD	702	34 510	981	20 606
EUR	—	453	156	590
NOK	12	1 497	6	1 620
Other	—	153	—	87
Total	714	36 613	1 037	22 903



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Geopolitical risk

The Group operates in a global semiconductor supply chain and may be affected by geopolitical developments, including trade policies, export controls and sanctions regimes. Such developments may impact supply chains, customer demand and foreign exchange markets.

Management monitors these risks and implements mitigating measures on an ongoing basis. No material adverse financial impact has been identified as of the reporting date. See page 33 for further information.

Determination of fair value

As of December 31, 2025, the Group had no other financial assets or financial liabilities than the bond where there is considered to be a difference between book value and fair due to bond discounts/premiums. The bond is classified as Level 1 in the fair value hierarchy, as it is a listed financial liability with observable prices.

Below is an overview of Nordic's financial instruments with difference between book value and fair value:

GROUP	2025		2024	
	Book value	Fair market value	Book value	Fair market value
Financial liabilities				
Bond	98 377	102 617	87 336	90 900

PARENT	2025		2024	
	Book value	Fair market value	Book value	Fair market value
Financial liabilities				
Bond	98 377	102 617	87 336	90 900

Book value is a reasonable estimate of fair value in cases where these numbers are identical.

Note 29: Events after the balance sheet date

No events have occurred since December 31, 2025 with any significant effect that will impact the evaluation of the submitted accounts.

Note 30: Related party transactions

Nordic Semiconductor ASA, the ultimate parent company of the Group, is listed on Oslo Stock Exchange. The Group has no material transactions with related parties.

The ultimate parent company has transactions with its wholly-owned subsidiaries. See Note 20: Intercompany for further information.

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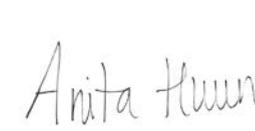
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Responsibility Statement

The Chief Executive Officer and the Board of Directors confirm, to the best of our knowledge, that the financial statements including the Board of Directors report for 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS®) as adopted by the EU, and additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act. The sustainability statements for 2025 have been prepared in accordance with the Norwegian Accounting Act, the European Sustainability Reporting Standards (ESRS), and Article 8 of the EU Taxonomy Regulation (EU 2020/852). Together, these statements give a true and fair view of the parent company and the Group's tangible and intangible assets, liabilities, financial position, results of operations, as well as the principal risks and uncertainties faced by the Group.

Oslo, March 23, 2026



Anita Huun
Board member, Audit Com. Chair



Dieter May
Chair



Inger Berg Ørstavik
Board member



Dr. Helmut Gassel
Board member



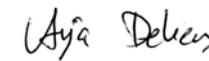
Vegard Wollan
Chief Executive Officer



Annastiina Hintsa
Board member, People and Compensation Com. Chair



Jon Helge Nistad
Board member, employee



Anja Dekens
Board member, employee



Monika Lie Larsen
Board member, employee

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To the General Meeting of Nordic Semiconductor ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nordic Semiconductor ASA, which comprise:

- the financial statements of the parent company Nordic Semiconductor ASA (the Company), which comprise the statement of financial position as at 31 December 2025, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Nordic Semiconductor ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2025, the income statement, consolidated statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Nordic Semiconductor ASA for 7 years from the election by the general meeting of the shareholders on 24 April 2019 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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PwC Tax Services AS, Org.no.: 962 066 321 MVA, Autorisert regnskapsførerselskap, Medlem av Regnskap Norge

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The Group's business activities are largely unchanged compared to last year. *Revenue recognition – Ship and debit provision* has the same characteristics and risks as in the prior years, and therefore continues to be an area of focus this year.

Key Audit Matters

How our audit addressed the Key Audit Matter

Revenue recognition – Ship and debit provision

The Group sells products to certain distributors on "ship and debit" terms. Ship and debit is an arrangement between the Group and distributor where the distributor may be entitled to a refund if the distributor sells the products to end customers at lower prices than those quoted on the distributor price list. The distributor claims (debits) the Group for the price difference on sold products monthly. At the balance sheet date, the Group estimates ship and debit on distributors inventory levels using the expected value method. The estimate is based on historical discounts to each distributor and expected sales mix to end-customers. An estimated ship and debit discount is recognised in the financial statements as at 31 December 2025, reducing revenue and increasing liabilities with USD 28 548 thousand.

We have determined ship and debit provision to be a key audit matter due to the material amounts involved and the application of management judgement. Refer to notes 6.1, 6.2 and 6.4 for information on the Group's ship and debit provision.

We assessed the Group's revenue recognition policy, including revenue recognition for ship and debit sales, against requirements in the IFRS Accounting Standards. Furthermore, we obtained an understanding of management's process for estimating the ship and debit provision. We tested the design and operational effectiveness of selected internal controls relevant to the ship and debit process.

We performed a retrospective review of the outcome of prior year estimates performed by management by comparing actual discounts in 2025 to the prior year ship and debit provision. We compared the estimated ship and debit provision as at the balance sheet date to historical discount levels, and challenged management, through discussions, on the estimated discounts. We also tested the mathematical accuracy of the calculation of the provision.

Further, we obtained the actual ship and debit claims in January 2026 and compared the ship and debit level to the ship and debit provision at the balance sheet date.

Finally, we assessed and found the information provided in the notes to be appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Nordic Semiconductor ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name nordicsemi-2025-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisionsberetninger>

Oslo, 23 March 2026

PricewaterhouseCoopers AS

Eivind Nilsen
 State Authorised Public Accountant
 (This document is signed electronically)

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To the General Meeting of Nordic Semiconductor ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Nordic Semiconductor ASA (the «Company») included in Sustainability statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in "ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities"; and
- compliance of the disclosures in "EU taxonomy" of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in "ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities" of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;

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 PwC Tax Services AS, Org.no.: 962 066 321 MVA, Autorisert regnskapsførerselskap, Medlem av Regnskap Norge
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- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in "EU taxonomy" of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in "ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities".

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in "ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities".

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - Obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
 - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 23 March 2026

PricewaterhouseCoopers AS

 Eivind Nilsen
 State Authorised Public Accountant – Sustainability Auditor
 (This document is signed electronically)

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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 (APMs) that are regularly reviewed by management to enhance the understanding of the Group’s performance. An APM is a measure of historical or future financial performance, financial position, or cash flows other than those defined or specified in the applicable financial reporting framework. The Group has identified the following APMs used in reporting (amounts in USD million).

Gross margin is presented, as it is the main financial KPI to measure the Group’s operations performance.

- Gross margin. Gross profit divided by total revenue.

GROUP	2025	2024
Gross profit	346.0	242.0
Total revenue	667.6	511.4
Gross margin	51.8%	47.3%

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

- EBITDA is earnings before interest, taxes, depreciation and amortization.

GROUP	2025	2024
Operating profit	23.2	-45.8
Depreciation, amortization and impairments	43.1	40.6
EBITDA	66.3	-5.2

- EBITDA margin. EBITDA divided by total revenue.

GROUP	2025	2024
EBITDA	66.3	-5.2
Total revenue	667.6	511.4
EBITDA margin	9.9%	(1.0%)

Total operating expenses and cash operating expenses. Nordic’s management believes that this measurement best captures the difference in expenses impacting the cost compared to cash flow of the Group.

- Total operating expenses. Sum of payroll expenses, other operating expenses, depreciation, and amortization.
- Cash operating expenses. Total payroll and other operating expenses adjusted for non-cash related items, including depreciation and amortization, option expenses and capitalization of development expenses.

GROUP	2025	2024
Payroll expenses	194.0	170.3
Other operating expenses	85.8	76.9
Depreciation, amortization and impairments	43.1	40.6
Total operating expenses	322.8	287.8
Depreciation, amortization and impairments	-43.1	-40.6
Option expense	-16.6	-11.7
Capitalized expenses	15.6	19.3
Cash operating expenses	278.8	254.9

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LTM opex to LTM revenue. Nordic's business is seasonal and by dividing last 12 months' operating expenses excluding depreciation by last 12 months' revenue, management is able to track cost level trends in relation to revenue. As a growth business, it is key to keep cost level under control while still growing the business, and this ratio keeps track on that.

- Last 12 months' operating expenses excluding depreciation divided by last twelve months revenue.

GROUP	2025	2024
Total operating expenses	322.8	287.8
Depreciation, amortization and impairments	-43.1	-40.6
Operating expenses excluding depreciation and amortization	279.8	247.2
Total revenue	667.6	511.4
LTM opex / LTM revenue	41.9%	48.3%

Net working capital is a measure of both a company's efficiency and its short-term financial health, and by dividing the measure by last 12 months, seasonal effects are excluded. Nordic management uses this ratio to report on liquidity management to the financial market and internally to track performance.

- Net working capital divided by last 12 months' revenue.

GROUP	2025	2024
Current assets	582.8	553.3
Cash and cash equivalents	-307.4	-287.9
Current financial assets	0.0	-0.8
Current liabilities	-145.4	-103.1
Current financial liabilities	0.7	0.6
Current lease liabilities	12.4	10.4
Income taxes payable	2.6	1.8
Net working capital	145.7	174.2
Total revenue	667.6	511.4
NWC / LTM revenue	21.8%	34.1%

- Adjusted Gross profit and Adjusted Gross margin. This APM excludes the impact of inventory write-downs and other non-recurring items. Management believes that this measure provides a more representative view of the Group's underlying gross profitability by eliminating items that are not reflective of normal operations.

GROUP	2025	2024
Gross profit	346.0	242.0
Inventory write-down (reversal)	-5.0	10.0
Adjusted gross profit	341.1	252.0
Total revenue	667.6	511.4
Adjusted gross margin	51.1%	49.3%

- Adjusted EBITDA and Adjusted EBITDA margin. This APM excludes exceptional items such as acquisition-related share-based compensation, restructuring costs, and other non-recurring items. Nordic management believes that this measure better reflects the Group's underlying profitability.

	2025	2024
EBITDA	66.3	-5.2
Inventory write-down (reversal)	-5.0	10.0
Share-based compensation related to acquisitions	5.2	0.0
Restructuring costs	0.0	3.2
Adjusted EBITDA	66.5	8.0
Total revenue	667.6	511.4
Adjusted EBITDA margin	10.0%	1.6%

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Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance

Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance

The Board of Directors ("Board") and Management of Nordic Semiconductor ASA ("the Company") aim to execute their respective tasks in accordance with the highest standards for corporate governance to drive long-term value creation and promote sustainable business conduct.

Nordic is subject to corporate governance requirements according to the Norwegian Public Limited Companies Act, the Norwegian Accounting Act, section 2-9, the Oslo Stock Exchange's Oslo Rulebook II - Issuers Rules, Chapter 4.5, section 5-8a of the Norwegian Securities Act, and the Norwegian Code of Practice for Corporate Governance ("the Code of Practice") as adopted by the Norwegian Corporate Governance Board (NUES).

This chapter provides a detailed overview of how Nordic follows the Code of Practice. The information requirements that follows from the Norwegian Public Limited Companies Act and Norwegian Accounting Act are integrated into the statement below where appropriate.

Implementation of and reporting on corporate governance

Nordic's standards for corporate governance provide a critical foundation for the company's management. These standards must be viewed in conjunction with the company's efforts to constantly promote a sound corporate culture throughout the organization. The company's core values of engagement, contribution, knowledge, respect and responsibility are central to the Board's and management's efforts to build confidence in the company, both internally and externally.

Nordic follows the most recent edition of the Code of Practice from 2025. The Board monitors the subject of corporate governance actively and continuously. The Board approved this statement on the meeting of March 23, 2026 through the signing of the annual report.

Business

The scope of Nordic's business is defined in section 2 of its Articles of Association:

” The object of the company is to develop and sell electronic equipment, integrated circuits, developing tools and related solutions.“

The Articles of Association are published in full on the Group website.

The Board sets clear objectives for the business with a view to create long-term value for shareholders. The Board has an annual plan for its work, leads the company's strategic planning, and makes decisions that form a basis for the company's executive management. These decisions allow the company to prepare and carry out investments to drive future growth in a sustainable manner. The objectives include matters related to environmental impact, human and labor rights, equal treatment, the prevention of discrimination, and the prevention of corruption. Strategic plans are evaluated on an ongoing basis, with a Board strategy review conducted annually at a multi-day meeting. New and updated long-term objectives, strategies, and risk profiles are revised and agreed on toward the end of the year or in connection with major events.

Nordic has purchased and maintains Directors and Officers Liability Insurance on behalf of the members of the Board and the CEO. The insurance policy is issued by a reputable insurer with an appropriate rating.

More details on Nordic's objectives, strategies, and risk profiles, including Environmental, Social and Governance matters, are presented in the respective chapters of the Report of the Board of Directors. More information about Nordic's objectives and efforts related to Environmental, Social and Governance matters is also available on the Group website.

Equity and dividends

The Board of Directors ensures that the company has a capital structure that is appropriate to the company's objectives, strategy, and risk profile. The company's growth philosophy and the cyclical nature of its business mean that the company aims to maintain a high equity ratio and considerable liquidity. The company aims primarily to provide shareholders with returns in the form of appreciation of shares. The company has a long-term goal to pay dividends based on surplus cash generated by the company, while taking longer-term growth targets into consideration. Nordic assesses its cash position to be adequate given the expected level of R&D and capex investments. The company believes a strong balance sheet is required to ensure flexibility and resilience. Cash generation is, however, expected to increase over the coming years. This will allow for the evaluation of cash return to shareholders when available and expected cash exceed our liquidity risk policy. The company's dividend policy is reviewed each year by the Board of Directors. The Annual General Meeting can mandate the Board the authorization to pay dividends based on the latest approved Annual Report. The justification for this authorization needs to be explained and should reflect the Company's dividend policy.

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The Board of Directors, in accordance with the resolution of the Annual General Meeting held May 5, 2025, has been authorized to buy back own shares for a total par value not to exceed NOK 192,000.00 in one or more transactions. The authorization is limited to approximately 9.96 percent of the company's share capital. The price per share, which in this case the company may pay for, shall not be less than the par value nor greater than NOK 350. This power of attorney will remain in effect until the company's ordinary Annual General Meeting in 2026. The Board believes that it is expedient for the Board to be authorized to purchase its own shares, partly to fulfil the remuneration schemes for employees, and partly so that shares can be used as a consideration in connection with the acquisition of businesses or for subsequent sale or cancellation. Such authorization must be decided by the General Meeting and will apply until 30th June the following year.

In accordance with the decision passed at the general meeting held May 5, 2025, the Board of Directors has the authority to increase the company's share capital by issuing up to 19,200,000 shares with a total par value of NOK 192,000. The authority is to be used for purposes defined in the Notice of the Annual General Meeting, including strengthening the Company's shareholder's equity, executing share capital increases with one or more strategic partners, or completing a merger or acquisition using shares or cash. This power of attorney will remain in effect until the Company's Annual General Meeting in 2026, and can be implemented through a private placement, rights issue, or public offering.

If the Board wishes to quickly raise capital, the Board has been authorized to direct a share capital increase to selected investors chosen by the Board, up to the limits quantified above. In this event, the company will notify the stock exchange of its reasons for implementing a directed share placement. Existing shareholders' preemptive subscription rights under §10-4 in the Norwegian Companies Act can be waived under these circumstances.

Such capital increases shall be executed at or near the current stock price listed on the Oslo Stock Exchange. This authorization remains valid until the company's ordinary Annual General Meeting in 2026.

Equal treatment of shareholders and transactions with close associates

Nordic Semiconductor ASA has one class of shares, where each share has one vote at the company's shareholders' meeting. Nordic Semiconductor ASA strictly adheres to the principle of equal treatment of all shareholders. The company's transactions in its own shares are conducted in accordance with good stock exchange practice in Norway.

The company is generally cautious in regard to transactions with shareholders, members of the Board of Directors, senior employees or related parties to the above. To ensure that the best code of conduct applies, the Board requires notification and review of any process or transaction in which both the company and a senior employee or member of the Board of Directors may have interests. The Group will seek to comply with the principles of equal treatment of related parties and possible transactions with related parties that are laid down in the Code of Practice.

The company considers shareholders' preemption rights in connection with an increase in share capital to be an important and fundamental right in a healthy shareholder community. The preemption rights can only be waived in exceptional circumstances. Waiving of this right will be based on the Company's and shareholders' mutual interests. In such a case, there will be full transparency about the matter. Shareholders will receive identical information simultaneously through a stock exchange announcement and the company's website.

This also applies if the Board uses the authorizations it has been granted.

The company's transactions in own shares must always comply with the arm's length principle and be on ordinary market terms.

Contact between the Board of Directors and investors is normally conducted through company management. Under special circumstances, the Board, represented by the chairperson, may conduct dialogue directly with investors.

Freely negotiable shares

Nordic Semiconductor ASA shares are freely tradable. There are no restrictions on the sale and purchase of the company's shares beyond those pursuant to Norwegian law.

Each share carries one vote.

General Meeting

The Annual General Meeting is the company's highest body and the shareholders exert their authority in the company through the Annual General Meeting. Nordic Semiconductor ASA and the Board encourage all shareholders to participate and exercise their rights at the Annual General Meeting.

The Board of Directors should ensure that the Annual General Meeting is held in accordance with the Code of Practice, ensuring all shareholders the ability to participate. The notice of the Annual General Meeting, including relevant information, will be announced and distributed at least 21 days in advance of the Annual General Meeting. The final date for notification of attendance is one working day prior to the Annual General Meeting. The Board of Directors should further ensure that:

- The resolutions and supporting information distributed are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting.
- Any deadline for shareholders to give notice of their intention to attend the meeting is set as close to the date of the meeting as possible.

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- The Chair of the Board of Directors and the Chair of the Nomination Committee are present at the general meeting. In addition, the Chair of the Audit Committee and Chair of the People & Compensation Committee should attend the meeting.

Shareholders should be able to vote on each individual matter, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting in person should be given the opportunity to vote. The company should design the form for the appointment of a proxy to make voting on each individual matter possible and should nominate a person who can act as a proxy for shareholders.

Deviations from the Code of Practice: Nordic has one deviation related to participation in the General Meeting. The entire Board of Directors has normally not participated in the General Meeting. Matters under consideration at the General Meeting of shareholders have not previously required this. The Chair of the Board of Directors is always at hand to present the report and answer any questions. Other board members participate as needed. The Board of Directors considers this to be adequate.

Nomination Committee

Nordic Semiconductor has a Nomination Committee, as provided for in its Articles of Association. The Annual General Meeting stipulates guidelines for the duties of the Nomination Committee, elects the chair and members, and stipulates the committee's remuneration.

The Nomination Committee's duties are to represent the interests of the shareholders in general, propose qualified candidates for the Annual General Meeting's election of the Board of Directors, and propose the remuneration to the Board of Directors.

The Nomination Committee should justify why it is proposing each candidate in the notice for the AGM separately, including information on the candidates' competence, capacity and independence.

The Nomination Committee holds regular meetings with major shareholders, as well as management- and individual shareholder-elected Board members. In addition, all shareholders can submit suggestions to the nomination committee through a link on Nordic's webpage.

The Nomination Committee consists of three members selected to take into account the interests of shareholders in general. The members were nominated following contact with major shareholders. All members are independent of the Board of Directors and executive personnel. No executive personnel or Board members serve on the committee. The deadline for submitting proposals to the Nomination Committee is two months before the Annual General Meeting.

The Nomination Committee held 50 meetings in 2025.

The members of the Nomination Committee are:

- Fredrik Thoresen (Chair)
- Arne Græe
- Eivind Lotsberg Government Pension Fund

The Board of Directors: composition and independence

In accordance with the Norwegian Public Companies Act, the Board of Directors has the overriding responsibility for the management of the company. The Board's role and responsibility are also to supervise the company's day-to-day management and the company's general activities. The responsibility for day-to-day management has been delegated to the CEO, as set out in the Rules of Procedure for the Board of Directors of Nordic Semiconductor ASA.

Norwegian companies can be governed by either a one-tier or a two-tier board structure, consisting of a board of directors and, in a two-tier structure, a corporate assembly.

Any company with more than 200 employees is generally required to have a corporate assembly, with two-thirds of the members elected by shareholders and one-third elected by the company's employees. If a company agrees with its employees not to have a corporate assembly, employees have the right to appoint additional representatives to the board of directors. Nordic has agreed with its employees not to have a corporate assembly and thereby increased the numbers of employee-elected Board members.

The Board of Directors and the Chair of the Board of Directors are elected by the shareholders at the Annual General Meeting on the basis of proposals from the Nomination Committee.

The shareholder-elected Board members are elected, in accordance with the Articles of Association, for one year at a time. Employee representatives serve for two years at a time.

The composition of the Board of Directors should ensure that the Board can attend to the common interests of all shareholders and meets the company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board of Directors should ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the Board should be independent of the company's executive personnel and material business contacts.

The Code of Practice recommends that a majority of shareholder-elected directors are independent of the company and its executive management, and that no members of executive management serve as directors.

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The Norwegian Public Companies Act prohibits the CEO from serving as chair. Furthermore, the Act requires public companies with 5 shareholder-elected board members to ensure that the Board consists of no more than three persons of the same gender. Similar requirements apply for employee-elected board members.

At the end of 2025, the Board of Directors consisted of five women (62,5%) and three men (37,5%). The ratio of shareholder-elected members is three women (60%) and two men (40%) The ratio of employee-elected members is two women (66,7%) and one man (33,3%).

No executive personnel or representatives of business associates are members of the Board. Members of the Board are encouraged to hold shares in the company.

A more detailed description of the background, qualifications, and term of service for each member of the Board of Directors and the number of Nordic Semiconductor shares they own is provided in the Board of Directors section in this annual report and on the company's webpage.

The work of the Board of Directors

The Board has established Rules of Procedures to govern its work in relation to Nordic Semiconductor ASA. In accordance with said procedures, the Board shall ensure that the company's activities are soundly organized, and shall adopt sufficient plans and budgets of the company. The Board shall be kept informed of all circumstances necessary for the Board to perform its duties. The Board shall keep itself informed of the company's financial position and has a duty to ensure that its activities, accounts, and asset management are subject to adequate control.

In accordance with its Rules of Procedure, neither a Board member nor the company CEO may participate in Board discussions or decisions of matters that are of such special importance to him or her, or to any connected person of said board member or CEO, that the member must be deemed to have a special or prominent personal or financial interest in the matter.

The Board of Directors has an annual plan for its work. It includes recurring topics such as strategy, sustainability and business review, risk and compliance oversight, financial reporting, people agenda and succession planning.

High on the Board of Directors' agenda in 2025 was strategic realignment and cost containment measures, as well as risk management and organizational resilience, customer and market focus, sustainability strategy, and strategic acquisitions. During 2025, the Board held 17 meetings. The meetings were held as a mix of virtual and physical meetings. One item was resolved in writing without meeting.

The Board of Directors carries out an evaluation of its activities each year, and on this basis discusses improvements to the organization and implementation of its work.

The Board has established two board committees comprised of Board members: the People and Compensation Committee and the Audit Committee. The former Sustainability Committee has been subsumed into the Audit Committee. Furthermore, ad hoc committees to address particular time bound issues and questions may be appointed. The committees' mandates are based on a group perspective. The board committees do not have decision-making power but are charged with making proper preparations for board meetings in the matters with which they are concerned. In the Board's experience, the work of board committees makes the overall Board more effective and efficient, as well as allowing for deeper and stronger involvement in the business's challenges and initiatives.

People and Compensation Committee

The Board's People and Compensation Committee supports the Board and Executive Management in fulfilling their responsibilities with respect to People Agenda, Organizational Development, and Compensation Approach. This includes ensuring coherent remuneration policies and practices enabling the company to attract and retain key talent, generating

sustained business performance, and supporting company objectives and values. It also includes reviewing other relevant people and business culture matters requested by the Board or the management. The committee recommends and evaluates remuneration principles and execution for the CEO, guides and evaluates principles and strategy for the compensation of executive management, and evaluates and oversees the overall compensation strategy for the Group. The committee held 4 meetings in 2025.

The People and Compensation committee consists of the following Board Members:

- Annastiina Hintsu (Chair)
- Dieter May
- Anja Dekens

The members of the People and Compensation Committee are selected to support continuous organizational development that reflects the challenges related to attraction and retention in a global technology market. Therefore, the committee consists of two shareholder-elected Board Members with global experience in the technology space, and one employee-elected Board Member with extensive company experience.

Annastiina Hintsu and Dieter May participated in all possible meetings during 2025. Anja Dekens joined the People and Compensation Committee from the second meeting in 2025 and was absent from the fourth meeting.

Audit Committee

The Audit Committee consists of three members of the Board. The Committee collectively has the competence required in the Public Limited Liability Companies Act § 6-42. All members of the Audit Committee are independent to the company according to § 6-42 Public Limited Liability Companies Act. At least one member has the required qualifications in accounting or auditing. The Committee supports the Board with respect to the assessment and control of financial risk, financial

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reporting, and internal control, and prepares discussions and resolutions for Board meetings. The committee also supports the Board in evaluating IT and cyber security risk to the company. Additionally, the committee oversees qualifications, independence and performance of the external auditor. The head of group compliance meets regularly with the Audit Committee.

The Audit Committee held nine meetings in 2025 and has been in regular contact with the Group's auditor regarding audits of the statutory accounts. It also assesses and monitors the auditor's independence, including non-audit services provided by the auditor.

The Audit Committee consists of the following Board Members:

- Anita Huun (Chair)
- Inger Berg Ørstavik
- Helmut Gassel

The members of the of the Audit Committee have the extensive experience required to properly oversee the Company's accounting, financial reporting, and internal and external audits. They adhere to principles of good corporate governance.

One member has extensive experience as a CFO in a global technology company and investment banking, and another member has experience as a professor in law.

According to the Norwegian Accounting Act, the Audit Committee reviews and approves all non-audit fees paid to the company's elected auditor.

The elected auditor's independence is evaluated annually. Audit partner and company rotation is done when considered appropriate. In 2019, a full tender for audit services was conducted and the elected auditor EY was replaced by PwC.

All members participated in all meetings.

Board members' attendance	Board of Directors	People & Compensation Committee	Audit Committee
Number of meetings	17	4	9
Elected by shareholders at the Annual General Meeting			
Dieter May (Chairman of the board as of May 2025)	17/17	4/4	-
Anita Huun (Audit Committee chair)	17/17	-	9/9
Annastiina Hintsa (People and Compensation Committee chair)	17/17	4/4	-
Helmut Gassel	15/17	-	6/6
Inger Berg Ørstavik	17/17	-	9/9
Employee Elected Board members			
Anja Dekens	16/17	2/3	-
Monika Lie Larsen	16/17	-	-
Jon Helge Nistad	17/17	-	-

Risk management and internal control

The Board and Management are committed to ensuring long-term value for its shareholders by maintaining sound and effective internal controls and frameworks for risk management that are appropriate in relation to the extent and nature of the company's activities.

The Board of Directors oversees the risk management process and carries out biannual reviews of the most important areas of exposure and internal controls. Risks are also considered by the Board in relation to the assessment of specific projects and ongoing business. For more information with regard to the development of specific risks and how Nordic Semiconductor ASA responds to them, see the Risk Management section under Report from the Board of Directors.

The company's primary internal control routines related to financial reporting are as follows: The finance team prepares a monthly financial report which is distributed to and reviewed by CEO and the Board of Directors. In preparing the monthly financial report, the accounting team conducts reconciliations of all major balance sheet items, which are independently reviewed by a second member of the team. Balance sheet items subject to accounting estimates are regularly analyzed to ensure

that all assumptions relating to the accounting estimate remain valid. As part of the monthly financial report, the financial results are compared with the company's budget and prior forecast to analyze variances and ensure that they are not the result of incorrect reporting.

The quarterly and annual financial reports are subject to review and approval by the Board. The Board of Directors also performs an annual review of the company's business strategy, focusing on market development, technology updates, competitive positioning and risk factors. The Board reviews various aspects of the company's business throughout the year, including a detailed risk review twice a year.

The Board presents an in-depth description and analysis of the company's financial status in the report of the Board of Directors in the company's annual report. The report also describes the main drivers and risks related to the operation of the business.

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Remuneration to the Board of Directors

Remuneration to the Board of Directors is decided by the Annual General Meeting based on the Nomination Committees recommendation. All remuneration to the Board of Directors is disclosed in Note 9.2: Board remuneration of the Nordic Semiconductor Group's annual accounts. The remuneration to Board members is neither performance based nor linked to the company's performance, and the company does not provide share options to Board members. Members of the Board of Directors receive remuneration for work related to Board committees.

Remuneration to the Executive Management

The Board of Directors discusses and approves the terms and conditions for the CEO's remuneration annually, following evaluation and recommendation from the Board's People and Compensation Committee (PCC). It also reviews and monitors the general terms and conditions for other senior executives of the Group.

The main principle in the Group's policy for remuneration is that the leading employees shall be offered competitive terms to ensure the group continues to attract and retain the desired and necessary talent. Remuneration for executive management is established in accordance with the above-mentioned main principle.

The Group has both a Short- and Long-Term Incentive plan for the Executive Management Team (EMT), subject to their continued employment at the payment or vesting date. The Short-Term Incentive is an annual cash bonus subject to relevant KPIs. The Long-Term Incentive is given as both Restricted Share Units and Performance Share Units, subject to absolute payout limits and fulfillment of relevant KPIs. Both incentive programs are discretionary to the Board of Directors subject to overall company performance and earnings.

The remuneration policy includes a clawback agreement for all members of the EMT, stating that any remuneration paid or delivered under incentive schemes such as shares, options or cash, and any vested right

to such remuneration, are subject to clawback by the company in case of breach with the guidelines. The remuneration guidelines and policy was approved by the shareholders at the Annual General Meeting in 2025.

The approved guidelines and policy is available on Nordic's website. A new management remuneration report for 2025 will be published on Nordic's website and presented to the Annual General Meeting in 2026 for an advisory vote.

Information and Communications

The Board of Directors has established a communications strategy for the company's reporting of financial and other information based on transparency and taking into account the requirement for equal treatment of all participants in the securities market. The strategy is available on the company's investor relations web pages: <https://www.nordicsemi.com/Investor-Relations/Investor-relations-policy>

Nordic Semiconductor aims to communicate actively, openly and in a timely fashion with the financial market. The Group's accounting procedures are highly transparent and its financial statements are prepared and presented in accordance with the International Financial Reporting Standards (IFRS). The Board of Directors monitors the Group's reporting.

Nordic Semiconductor's financial reporting calendar for 2026 has been announced to the Oslo Stock Exchange and can be found on the company's website. The Group's annual and quarterly reports contain extensive information about the various aspects of the Group's activities. The Group's quarterly presentations can be found on Nordic Semiconductor's investor relations webpages along with quarterly and annual reports, as well as a comprehensive and detailed presentation of other information, reports and documents.

Nordic Semiconductor's Chief Financial Officer is responsible for contact with shareholders outside of the General Meeting. SVP Investor Relations has extensive contact with shareholders. The Chief Financial Officer and SVP Investor Relations report regularly to the Board about the Group's investor relations activities.

Take-overs

The Board of Directors has established guiding principles for how it will act in the event of a takeover bid.

The Board of Directors will not seek to hinder or obstruct any takeover bid for the company's activities or shares. In the event of a takeover bid, as discussed in item 14 of the Norwegian Code of Practice for Corporate Governance, the Board of Directors will seek to comply with the recommendations therein, as well as complying with relevant legislation and regulations.

If the company is acquired, the CEO's resignation period extends to 12 months. Any remaining retention bonus to the CEO will be paid in its entirety following the closing of the acquisition, as described in Note 9: Executive compensation of the Group financial statements. Severance pay equivalent to one year's base salary is agreed to be paid to the CEO and executive management team members in case of involuntary termination within 12 months after a potential merger or acquisition. There are otherwise no material obligations expected by the company as a result of an acquisition, aside from normal legal and advisory fees.

Auditor

PWC was elected effective 2019 by the Annual General Meeting to act as auditor to confirm to the Annual General Meeting that Nordic Semiconductor's annual accounts have been prepared and presented in accordance with current laws and regulations. Fees paid to the auditor are approved at the Annual General Meeting.

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In the fall, the external auditor presents to the Audit Committee an evaluation of risk, internal control and the quality of reporting at Nordic Semiconductor with the audit plan for the current year. The auditor meets the Audit Committee on a regular basis. The external auditor also takes part in the Board's discussions on annual financial statements. In both cases, the Board of Directors ensures that the Board and external auditor are able to discuss relevant matters at a meeting where the executive management is not present.

The auditor shall be independent of the company. Therefore, Nordic Semiconductor does not engage the elected auditor for tasks other than the financial audit required by law. Nevertheless, the auditor is used for tasks that are naturally related to the audit, such as technical assistance with tax returns, annual accounts, understanding accounting and tax rules, and confirmation of financial information in various contexts. All other services besides audit services performed by PwC are approved by the Audit Committee.

Events and developments

Nordic Semiconductor ASA is a public limited company organized with a governance structure based on Norwegian corporate law. Our corporate governance provides a foundation for value creation and good control mechanisms. A prerequisite for the implementation and execution of our strategic goals is a clear understanding of organization, responsibility, authority, and roles. An overview of the status and development of Nordic's governance bodies is provided in the following overview.

Description	Developments and events during the reporting year	References
General Meeting		
<p>Company shareholders exercise ultimate authority through the Annual General Meeting.</p> <p>The General Meeting shall:</p> <ol style="list-style-type: none"> 1. Adopt the annual accounts and report, including the application of the annual surplus or covering of loss pursuant to the adopted balance sheet, and the distribution of dividend. 2. Elect members of the Board of Directors and members of the Nomination Committee. 3. Adopt remuneration to the members of the Board of Directors and approve the remuneration to the auditor. 4. Address and decide any other matters referred to in the notice of the General Meeting. 	<p>The General Meeting was held on May 5, 2025.</p>	<p>The protocols from the General Meeting can be found on the company's website: Corporate Governance - nordicsemi.com</p>
Nomination Committee		
<p>The company has a Nomination Committee according to its Articles of Association.</p> <p>The General Meeting stipulates instructions for the Nomination Committee, elects the chair and members, and stipulates the committee's remuneration.</p> <p>The Nomination Committee shall make proposals to the General Meeting regarding candidates to the Board of Directors and the remuneration to the Board of Directors.</p>	<p>The Nomination Committee has held 50 meetings during 2025.</p> <p>Members:</p> <ol style="list-style-type: none"> a. Fredrik Thoresen b. Arne Græe c. Eivind Lotsberg 	<p>Articles of Association, §8 can be found on the company's website: Corporate Governance - nordicsemi.com</p>

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Description	Developments and events during the reporting year	References
<p>Board of Directors</p> <p>The Board of Directors consists of eight members. Five are elected by the General Meeting and three are employees elected by other employees for a term of up to two years.</p> <p>In accordance with the Norwegian Public Companies Act, the Board of Directors assumes the overall governance of the company, ensures that appropriate management and control systems are in place, and supervises the day-to-day management as carried out by the CEO.</p> <p>All shareholder-elected members are external. No employee-elected members are part of the company's executive management. Employee-elected members have no other service agreements with the company outside of their employment contracts, though they are subject to their duties as board members.</p>	<p>The Board of Directors held 17 meetings in 2025.</p> <p>The Board of Directors has an annual plan for its work that includes strategy, sustainability and business review, risk and compliance oversight, financial reporting, people agenda and succession planning.</p> <p>The Board of Directors shall conduct an annual self-assessment of its work and competence within a reasonable time prior to the Annual General Meeting in 2025.</p> <p>High on the Board of Directors' agenda in 2025 was strategic alignment and cost containment measures, as well as risk management and organizational resilience, customer and market focus, sustainability strategy, and strategic acquisitions.</p> <p>Dieter May was elected Chair of the Board of Directors at the Annual General Meeting in May 2025. The Annual General Meeting also voted to reduce the number of shareholder-elected members from seven to five. The number of employee-elected members was consequently reduced from four to three.</p> <p>All shareholder-elected members were deemed in 2025 to be independent, according to the Norwegian Code of Practice. None of the company's non-employee board members had any other service contractual agreements with the company.</p>	<p>The Rules of Procedure of the Board of Directors can be found on the company's website: Corporate Governance - nordicsemi.com</p> <p>Biographical information on the board members can be found in the Board of Directors section of this report and on the company's website: Board of directors - nordicsemi.com</p>

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Description	Developments and events during the reporting year	References
Audit Committee		
<p>The Audit Committee consists of three members from the Board of Directors.</p> <p>The Audit Committee is a preparatory body that supports the Board of Directors in fulfilling its responsibilities with respect to financial reporting, auditing, and control. Its supervisory area includes adequate company policies, procedures, systems, and measures to prevent violations of relevant rules and regulations, including anti-corruption, data privacy, and human rights. The committee shall be informed and evaluate material risks and issues related to tax. The committee also supports the Board in the evaluation of IT and cyber security risk in the company. The committee supervises the company's external reporting, including the integrated annual report and its alignment with relevant regulations and international guidance to ensure transparent and reliable data. The committee also supervises the integration of sustainability into Nordic strategy and business activities, reflected in adequate follow-up of ESG metrics to measure and monitor its sustainability performance.</p> <p>The Audit Committee reviews and approves all non-audit fees paid to the companies elected auditor.</p> <p>The Nordic Group Compliance Officer has a dotted reporting line to, and meets regularly with, the Audit Committee.</p>	<p>The Audit Committee has held 11 meetings during 2025.</p> <p>In 2025, the Audit Committee concentrated on overseeing the continued integration of CSRD requirements into the Group's reporting processes, with particular attention to aligning sustainability and financial disclosures. The committee also prioritized strengthening internal controls to support transparent and reliable data collection, and monitored the effectiveness of risk management frameworks in response to evolving cyber threats. Additionally, the Audit Committee engaged with management to ensure robust governance practices and to support the Group's commitment to responsible and compliant business operations.</p> <p>Members:</p> <ol style="list-style-type: none"> Anita Huun (Chair) Inger Berg Ørstavik Helmut Gassel <p>The members meet the Norwegian requirements for independence and competence.</p>	<p>The Audit Committee charter can be found on the company's website: Corporate Governance - nordicsemi.com</p>
People & Compensation Committee		
<p>The People & Compensation Committee consists of three members of the Board of Directors.</p> <p>The committee shall assist the Board of Directors in exercising its oversight responsibility, in particular regarding compensation matters pertaining to the CEO and other members of the Executive Management Team. The committee handles other compensation issues of principal importance, such as coherent remuneration policies and practices to enable the company to attract and retain executives and employees who will create value for shareholders. It supports the Board of Director and supervises management on human capital development, working conditions, and diversity, equity, and inclusion (DE&I).</p>	<p>The People & Compensation Committee held 4 meetings in 2025.</p> <p>Important focus areas for the People & Compensation Committee during 2025 included succession planning and the continued development of leadership and managerial capabilities, performance and growth management, further advancement of job architecture fundamentals, and the ongoing development and review of the people and compensation agenda, including reward structures.</p> <p>Members:</p> <ol style="list-style-type: none"> Anastiina Hintsa (Chair) Dieter May Anja Dekens <p>The members of the committee are selected to ensure that the compensation programs are fair and appropriate, but also reflect the challenges related to attracting and retaining key talent in a global technology market for engineers. Therefore, the committee includes both an employee-elected director and two shareholder-elected directors with extensive experience from the global technology space.</p>	<p>The People & Compensation Committee charter can be found on the company's website: Corporate Governance - nordicsemi.com</p>

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Board of Directors' report in relation to the Norwegian Code of Practice for Corporate governance

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Description	Developments and events during the reporting year	References
CEO & Executive Management Team		
<p>According to Norwegian corporate law, the CEO constitutes the formal governing body responsible for the daily management of the company. The CEO leads the company with the assistance of the Executive Management Team.</p> <p>The division of functions and responsibilities between the CEO and the Board of Directors is defined in greater detail in the Rules of Procedure for the Board of Directors of the company.</p>	<p>The Executive Management Team holds weekly meetings. No changes were made to the composition of the Executive Management Team in 2025.</p>	<p>Biographical information on the CEO and Executive Management Team can be found in the Executive Management section of this report and on the Company's website at: Management - nordicsemi.com</p>

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