

REMUNERATION
REPORT
2023



NORDIC[®]
SEMICONDUCTOR

Content

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Introduction

Preface and purpose

On behalf of the Board of Directors (“the Board” or “BoD”) of Nordic Semiconductor ASA (“Nordic” or “the Group”), the People and Compensation Committee (“PCC”) is pleased to present the Remuneration Report for 2023 (“Remuneration Report” or “the Report”).

The purpose of the Report is to provide a comprehensive, clear, and understandable overview of total remuneration to Senior Executives and Non-Executives in the Group, defined as Executive Management Team (“EMT”) and Board members, for the financial year 2023. The Report has been prepared in accordance with the Norwegian Public Limited Liability Act 1997 section 6–16 b, the Norwegian Regulation on Guidelines and Report on Remuneration of Leading Employees of 2020 (Nw.: Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer) section 6, [and the Norwegian Accounting Act section 7–31b] (“the Regulation”).

The Report demonstrates how the remuneration is aligned with the “The Board of Directors’ Remuneration Guidelines and Policy for Remuneration of Senior Executives 2023” (Remuneration Guidelines and Policy), available on the Group website, adopted by the 2023 Annual General Meeting (“AGM”), and how the remuneration is linked to the performance of the Group.

Attracting, developing, and retaining highly skilled and motivated employees is the foundation of the Group’s business. To successfully implement the Group’s business strategy, deliver on our strategic priorities, and secure the long-term interests of shareholders, it is important that the Group offer its senior executives relevant, market-competitive total remuneration packages.



Remuneration Report 2023

The information included in the Report is derived from the audited Annual Report of Nordic Semiconductor for the financial year 2023. The Report also contains additional information to meet the requirements of the Regulation and to explain Board and EMT remuneration. All amounts in tables are in NOK 1,000, unless otherwise specified. Nordic’s functional currency is USD, but remuneration to the Board and EMT is denominated and paid in NOK. To be able to compare numbers over time, remuneration is presented in NOK throughout this Report, to avoid effects of currency fluctuations.

Group performance in 2023

Throughout 2023, Nordic Semiconductor faced a challenging market environment with increased unpredictability in demand trends. Total revenue declined by 30% from USD 777 million in 2022 to USD 543 million in 2023. EBITDA for 2023 amounted to USD 49.0 million, a decline from USD 205.7 million in 2022. This change can be attributed to lower gross profit as a result of decrease in revenue and lower gross margin.

However, despite a persistent cyclical downturn that led to a decline in revenue, Nordic successfully maintained its gross margins above the long-term target. The tier-1 customer base continued to demonstrate strong demand, underscoring the resilience and value of existing partnerships. Amidst these challenging conditions, Nordic launched exciting new products and completed strategic acquisitions, laying a robust foundation for future growth. These initiatives signaled Nordic's commitment to innovation and strategic positioning to capitalize on market recovery.

For further details on the Group's performance in 2023, please see the Group's Annual Report for 2023.

Remuneration 2023 changes

In this section, we provide a summary of the most important remuneration changes during 2023:

Board of Directors

The Nomination Committee reviewed remuneration levels for BoD members with relevant peer companies in Norway. Given the strong rise in Norwegian CPI in 2022 combined with the need of keeping and attracting relevant, top qualified candidates, the Nomination Committee suggested to increase the remuneration for 2023 by about 5%.

Changes to Board remuneration from the board period 2022–2023 to 2023–2024 were:

- The Chair's fixed compensation in the form of company shares was increased from NOK 405,000 to NOK 462,750
- The shareholder elected BoD members' fixed compensation in the form of company shares was increased from NOK 137,500 to NOK 160,625
- The employee elected BoD members' fixed compensation was increased from NOK 150,000 to NOK 157,500
- Participation compensation for individual Board members in the committee meetings:
 - Audit committee: Increased from NOK 20,000 to NOK 21,000 for the Chair and NOK 10,000 to NOK 10,500 for a member.
 - People & Compensation Committee: Increased from NOK 15,000 to NOK 15,750 for the Chair and NOK 7,500 to NOK 7,875 for a member.
 - Sustainability committee: NOK 15,750 for the Chair and NOK 7,875 for a member.
- Participation for individual Board members in additional meetings with ad hoc committees is compensated with NOK 7,875 per meeting up from NOK 7,500 last period. This also applies for participation in additional working group meetings for individual members in either Audit Committee or PCC. Maximum payment for additional working group meetings is NOK 78,750 per Board Member, up from NOK 75,000 last period.

Executive Management Team

Base salary: In 2023, EMT members did not receive a base salary increase as part of the company's overall cost-conscious approach. However, Kjetil Holstad received a 28.6% base salary increase following his promotion to EVP Strategy & Product Management, effective from July 1, 2023.

Compliance with the Remuneration Guidelines and Policy

The remuneration of the Board and the EMT complies with the Remuneration Guidelines and Policy adopted by the Annual General Meeting in April 2023, without any deviations. This 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 Group in case of breach with the guidelines.

Summary of key disclosures

Nordic Semiconductor's Remuneration Report provides full disclosure of the Group's remuneration provided to the Board and the EMT.

A summary of these disclosures is provided below.

Remuneration of the Chair and the members of the Board

The Chair and the shareholder-elected members of the Board receive a fixed annual board fee as well as a fixed compensation delivered through company shares. At the AGM in 2022, it was decided to change the transfer date from delivering the shares after the period of service to before the period commences. As such, in connection with the 2023 AGM, the Board members received shares for both the 2022/2023 period and the 2023/2024 period. As a result, the 2023 amount includes payment for two periods. In addition, two Board members resigned during the 2023/2024 period due to personal reasons.

The employee-elected board members receive a fixed annual board fee. Below is a summary of the total remuneration (fixed board fees, committee fees, company shares, and travel and time-zone compensation) provided to the members of the Board for the last two years.

A fixed annual fee for three members of the Nomination Committee, neither of whom is a member of the Board, was increased from NOK 60,000 to NOK 63,000.

| | 2023 Remuneration | 2022 Remuneration |
|------------------------------|-------------------|-------------------|
| Birger Steen Chair | 1,331 | 1,587 |

| | 2023 Remuneration | 2022 Remuneration |
|--------------------|-------------------|-------------------|
| Board of directors | 4,930 | 6,353 |

Remuneration of the CEO

The CEO's salary was reviewed and recommended by the Board's People and Compensation Committee ("PCC") based on the scope and nature of the position, the CEO's qualifications, and external benchmarking analysis. It was put forward for decision and approved by the Board.

The remuneration of the CEO consists of fixed remuneration (base salary and benefits) and variable remuneration (Short- and long-term incentives - "STI" and "LTI").

The CEO and the Company entered into a severance agreement on December 12th, 2023, subsequent to the CEO's resignation. Last working day for the CEO was December 31, 2023, however a severance pay was part of the agreement.

The terms of the agreement include a continuation of the CEO's salary for one year, a severance payment equivalent to 18 months of salary, and a pro rata cash compensation for RSUs and PSUs. The total value of the package, inclusive of taxes, is NOK 15,399 thousand. This amount has been accrued for in the 2023 Financial Statements.

In the following presentation of CEO remuneration, continued salary for one year after last working day and severance pay are excluded.

| | Year | Total Fixed* | Bonus/STI | Options | RSU & PSU | Total** |
|--------------------------|------|--------------|-----------|---------|-----------|---------|
| Svenn-Tore Larsen | 2023 | 5,246 | | | -2,524 | 2,722 |
| Chief Executive Officer | 2022 | 5,285 | 1,777 | 686 | 2,567 | 10,315 |

*Including salary, fixed allowances, pension, and benefits.

**The decrease of total remuneration is due to termination of LTI plan as a result of termination.

Remuneration of the Executive Management Team (including the CEO)

The remuneration of members of the EMT was reviewed and supported by the PCC, and consists of fixed remuneration (base salary, fixed allowances, pension, and benefits) and variable remuneration (STI and LTI). Variable remuneration is impacted by performance assessment found in section “Achievement of STI KPIs in 2023” below.

| EMT members | Year | Total Fixed* | Bonus/STI | Options | RSU & PSU | Total |
|-----------------------|------|--------------|-----------|---------|-----------|--------|
| EMT including the CEO | 2023 | 29,657 | 0 | 0 | 4,993 | 34,650 |
| | 2022 | 29,564 | 9,217 | 2,877 | 11,232 | 52,890 |

*Including salary, fixed allowances, pension, and benefits.

Remuneration linked to business strategy

Remuneration Guidelines and Policy

The purpose of the Remuneration Guidelines and Policy is to advance the Group's objectives for good corporate governance as well as sustained and long-term value creation for shareholders by providing a fundament for attraction and retention of relevant senior executives.

The Remuneration Guidelines and Policy are reviewed annually in conjunction with the Group's People and Performance Review process by the PCC and the full Board, and adjusted if needed, to reflect changes in regulatory requirements, expectations of stakeholders, and the Group's strategic priorities.

Remuneration linked to mission and strategy

Nordic's mission is to provide world class connectivity solutions including ultra-low power proprietary, Bluetooth® Low Energy, Wi-Fi®, and cellular IoT.

The Group links remuneration to specific Key Performance Indicators (KPIs) and objectives in the belief that this makes our mission and strategy more likely to be attained. As an example, Environment, Social and Governance are important focus areas for the Group and our employees. Including ESG objectives as KPIs is aimed at increasing employee engagement and contribute to a better business outcome.

Corporate Governance

Key remuneration decisions are made by the Board. The PCC operates as a preparatory committee for the Board in matters concerning remuneration. The PCC reviews, analyzes, discusses, evaluates, and recommends remuneration principles and decisions to the Board. Furthermore, the PCC evaluates and oversees the overall compensation strategy for the Group and secures Board oversight in other people and organization-related matters. The CEO's total compensation and any adjustments hereto, are reviewed and recommended by the PCC and then decided by the Board. The Board considers CEO compensation each year.

The PCC monitors trends in the Group's salary and bonus policies and practices. It monitors the short- and long-term incentive programs to ensure that they promote ongoing, long-term shareholder value creation, and compliance with the Remuneration Guidelines and Policy.

The PCC consisted of the following Board members during 2023:

- Endre Holen (Chair) until April 2023
- Annastiina Hintsa (Chair) from April 2023
- Birger K. Steen
- Morten Dammen

The CFO and the EVP People & Communication are regular participants in the PCC. EVP People & Communication acts as secretary to the PCC. Other relevant contributors participate in meetings upon request by the PCC.

The PCC meets a minimum of four times a year. During 2023, five meetings were held with full member attendance.

Board of Directors Remuneration

In line with market practice, members of the Board receive an annual fixed base fee. In addition, the shareholder-elected Board members receive an additional annual fixed fee through company shares. Each Chair and members of the three Board committees receive a fixed fee per committee meeting. Furthermore, USD 5,250 is paid per meeting for intercontinental travels, and USD 1,050 for European travel per meeting. Members of the Board with domicile in the United States receive USD 3,150 for each meeting taking place in the United States related to corporate activities.

Shareholder-elected members of the Board are not entitled to any variable- or performance related remuneration or pension contributions.

Employee-elected members of the Board, in their roles as employees of Nordic Semiconductor, are entitled to variable remuneration and staff benefits like their peers in the Group. Only remuneration related to their role as employee-elected members of the Board is disclosed in this Report.

Remuneration to the Board is decided by the Annual General Meeting (“AGM”) based on the Nomination Committee’s recommendation. The annual fees of the members of the Board take into account the required competencies, effort, and scope of work.

All members of the Board are non-executive directors at Nordic Semiconductor.

The annual fixed board fee assumes that the respective directors serve the whole election period of one year.

The Board period in Nordic Semiconductor is one year from the AGM to the following year’s AGM. The AGM typically takes place end of April each year.

Board fee structure for board periods 2022–2023 and 2023–2024

| Board fees | Board period | Annual fixed board fee | Shares | Total annual Board remuneration |
|-----------------------------|--------------|------------------------|--------|---------------------------------|
| Chair | 2023-2024 | 750 | 463 | 1,213 |
| | 2022-2023 | 750 | 405 | 1,155 |
| Member, shareholder-elected | 2023-2024 | 325 | 161 | 486 |
| | 2022-2023 | 325 | 138 | 463 |
| Member, employee-elected | 2023-2024 | 158 | | 158 |
| | 2022-2023 | 150 | | 150 |

The remuneration paid in the board periods 2022-2023 and 2023-2024 for the members of the different committees of the Board is outlined in the table below. The amounts are fixed fees per meeting.

| Committee fees | Board period | Audit Committee | People and Compensation Committee | Sustainability Committee |
|-----------------|--------------|-----------------|-----------------------------------|--------------------------|
| Committee chair | 2023-2024 | 21.0 | 15.8 | 15.8 |
| | 2022-2023 | 20.0 | 15.0 | N/A |
| Member | 2023-2024 | 10.5 | 7.9 | 7.9 |
| | 2022-2023 | 10.0 | 7,5 | N/A |

Board of Directors remuneration for the financial years 2022 and 2023 – audited*

| Name and position | Year | Annual base fee | Audit Committee** | PCC** | Sustainability Committee | Other committee meetings | Fixed annual cash as shares*** | Travel allowance and time-zone comp | Total remuneration |
|----------------------------|------|-----------------|-------------------|-------|--------------------------|--------------------------|--------------------------------|-------------------------------------|--------------------|
| Shareholder-elected | | | | | | | | | |
| Birger Steen | 2023 | 750 | 42 | 39 | | 15 | 463 | 22 | 1,331 |
| Chair | 2022 | 750 | | 53 | | | 755 | 29 | 1,587 |
| Øyvind Birkenes | 2023 | 108 | | | 15 | | | | 123 |
| Board member | 2022 | 325 | | | | 23 | 253 | | 601 |
| Jan Frykhammar | 2023 | 163 | 60 | | | 23 | 161 | 22 | 429 |
| Board member | 2022 | 325 | 160 | | | | 253 | 29 | 767 |
| Annastiina Hintsa | 2023 | 325 | | 47 | 31 | | 161 | 33 | 597 |
| Board member | 2022 | 325 | | | | 8 | 253 | 20 | 606 |
| Endre Holen | 2023 | 108 | | 30 | | | | 52 | 190 |
| Board member | 2022 | 325 | | 105 | | | 253 | 185 | 868 |
| Anita Huun | 2023 | 325 | 114 | | | 32 | 161 | | 632 |
| Board member | 2022 | 325 | 80 | | | | 253 | | 658 |
| Inger Berg Ørstavik | 2023 | 325 | 62 | | 47 | 8 | 161 | | 603 |
| Board member | 2022 | 325 | 80 | | | 8 | 253 | | 666 |
| Snorre Kjesbu | 2023 | 217 | | | | | 161 | 27 | 405 |
| Board Member | 2022 | | | | | | | | |

| Name and position | Year | Annual base fee | Audit Committee** | PCC** | Sustainability Committee | Other committee meetings | Fixed annual cash as shares*** | Travel allowance and time-zone comp | Total remuneration |
|---|-------------|-----------------|-------------------|------------|--------------------------|--------------------------|--------------------------------|-------------------------------------|--------------------|
| Employee-elected | | | | | | | | | |
| Morten Dammen Board member | 2023 | 155 | | | | | | | 155 |
| | 2022 | 150 | | | | | | | 150 |
| Jon Helge Nistad Board member | 2023 | 155 | | | | | | | 155 |
| | 2022 | 150 | | | | | | | 150 |
| Anja Dekens Board member | 2023 | 155 | | | | | | | 155 |
| | 2022 | 100 | | | | | | | 100 |
| Gro Fykse Board member | 2023 | 155 | | | | | | | 155 |
| | 2022 | 100 | | | | | | | 100 |
| Susheel Nuguru Board member | 2023 | 0 | | | | | | | 0 |
| | 2022 | 50 | | | | | | | 50 |
| Joel Stapleton Board member | 2023 | 0 | | | | | | | 0 |
| | 2022 | 50 | | | | | | | 50 |
| Total Board Remuneration | 2023 | 2,724 | 278 | 116 | | 78 | 1,268 | 156 | 4,930 |
| | 2022 | 3,300 | 320 | 158 | | 39 | 2,273 | 263 | 6,353 |

*The Board's compensation is paid in NOK. The Board's compensation shown in the above table covers the total remuneration expensed during the calendar year 2023, which includes one quarter from the 2022-2023 Board period, and three quarters from the Board period 2023-2024.

**There are six ordinary Audit Committee meetings and one extraordinary, and a minimum of four ordinary PCC meetings during a year. 2023 includes payments for committee meetings in the board period 2022-2023 and committee meetings up until December 2023. 2022 includes payments for committee meetings in the board period 2021-2022.

***A part of the annual compensation to the Board is paid with ordinary shares in Nordic Semiconductor ASA. At the AGM in 2022, it was decided to change the transfer date from delivering the shares after the period of service to before the period commences. As such, in connection with the 2023 AGM, the Board members received shares for both the 2022/2023 period and the 2023/2024 period. As a result, the 2023 amount includes payment for two periods.

Executive Management Team Remuneration

CEO and EMT remuneration is reviewed by the PCC and resolved by the Board.

Members of the EMT receive remuneration in alignment with the Group's Remuneration Guidelines and Policy. No remuneration from responsibilities related to other entities of the Group is received.

Benchmarks are conducted in the respective relevant market for each position. Any proposal for adjusting remuneration components for the CEO, as well as for other members of the EMT, is presented to, reviewed, and discussed by the PCC, and submitted for decision to the Board.

Variable incentive programs are discretionary to the Board subject to overall Group performance and earnings.

Remuneration structure, objectives and performance measures

| Element | Objective | Remuneration level | Performance measure |
|------------------------------|---|---|--|
| Fixed base salary | Align with relevant markets to attract and retain qualified executives. | Fair and competitive according to market relevance for the respective positions. | Normally subject to annual review based on an evaluation of the individual's overall performance and contribution to the Group's goals. |
| Short-term incentive (STI) | Support and incentivize the EMT to deliver on the annual strategic objectives, short-term interests, and sustainability of the Group. | The target bonus amount for the CEO and EVP Sales & Marketing is 45% of their fixed base salary. For the rest of the EMT the amount is 40%. The maximum STI attainment is 58.5% and 52% respectively. | The bonus for the CEO and EMT is determined by the Group's performance on a pre-defined set of KPIs: - Financial (75%) - ESG (12.5%) - Individual (12.5%) |
| Long-term incentive (LTI) | Support the multi-year strategic objectives, long-term interests, and sustainability of the Group. Retention of key executives. | LTI value target of 55% for the CEO and 45% for the EMT of the annual fixed base salary at the time of grant, divided 50/50 between RSUs and PSUs. Three year vesting period. | The following Group and individual objectives determine the amount of PSUs given at vesting date, ranging from 0-200% performance and payout. Based on an assessment of KPI's on these parameters: - Financial (80%) - ESG (20%) |
| Insurance and other benefits | Market competitiveness | The EMT is covered by the Group's competitive insurance policies. Other benefits include company phone. | N/A |
| Pension | Market competitiveness | The EMT have a defined contribution pension plan, consisting of a contribution of 7% of salary up to 7.1 basis points (G) and 18% of salary above 7.1 G. | N/A |
| Severance pay | Market relevance and executive retention | Severance pay equivalent to one year's base salary is agreed to be paid to the CEO and EMT members in case of involuntary termination within 12 months after a potential merger or acquisition. | N/A |

Total remuneration for members of the Executive Management Team 2023 and 2022 – audited

| Name and position | Year | Fixed remuneration | | | | Variable remuneration | | | | Total remuneration | Ratio Fixed vs. variable | |
|---|------|--------------------|--------------------|---------|----------|--------------------------|---------------|------------------------|---------------|--------------------|--------------------------|-----------------------------|
| | | Base salary | Other remuneration | Pension | Benefits | Total fixed remuneration | Bonus/STI**** | 2019 Options & PSU**** | RSU & PSU**** | | | Total variable remuneration |
| Svenn-Tore Larsen* Chief Executive Officer | 2023 | 4,458 | | 773 | 15 | 5,246 | | | -2,524 | -2,524 | 2,722 | 193% / -93% |
| | 2022 | 4,430 | | 837 | 18 | 5,285 | 1,777 | 686 | 2,567 | 5,030 | 10,315 | 51% / 49% |
| Pål Elstad CFO/EVP Finance | 2023 | 2,641 | | 417 | 36 | 3,094 | | | 1,094 | 1,094 | 4,188 | 74% / 26% |
| | 2022 | 2,625 | | 408 | 35 | 3,068 | 939 | 330 | 1,193 | 2,462 | 5,530 | 55% / 45% |
| Katarina Finneng EVP People & Communication | 2023 | 2,202 | | 329 | 31 | 2,562 | | | 909 | 909 | 3,471 | 74% / 26% |
| | 2022 | 2,187 | | 338 | 30 | 2,555 | 802 | 10 | 987 | 1,799 | 4,354 | 59% / 41% |
| Marianne Frydenlund***** SVP Legal | 2023 | | | | | | | | | | | |
| | 2022 | 1,162 | | 87 | 12 | 1,261 | | 180 | | 180 | 1,441 | 88% / 12% |
| Kjetil Holstad EVP Strategy & Product Mgmt | 2023 | 2,246 | | 277 | 41 | 2,564 | | | 836 | 836 | 3,400 | 75% / 25% |
| | 2022 | 1,950 | | 288 | 31 | 2,269 | 707 | 196 | 837 | 1,740 | 4,009 | 57% / 43% |
| Geir Langeland EVP Sales & Marketing | 2023 | 2,812 | | 447 | 42 | 3,301 | 0 | 0 | 1,346 | 1,346 | 4,647 | 71% / 29% |
| | 2022 | 2,790 | | 481 | 39 | 3,310 | 1,137 | 345 | 1,444 | 2,926 | 6,236 | 53% / 47% |
| Ole Fredrik Morken** EVP Supply Chain | 2023 | 2,549 | 527 | 288 | 33 | 3,397 | 0 | 0 | 835 | 835 | 4,232 | 80% / 20% |
| | 2022 | 2,392 | 527 | 300 | 30 | 3,249 | 716 | 275 | 939 | 1,930 | 5,179 | 63% / 37% |
| Svein Egil Nielsen CTO/EVP R&D | 2023 | 2,985 | | 486 | 48 | 3,519 | | | 1,237 | 1,237 | 4,756 | 74% / 26% |
| | 2022 | 2,967 | | 498 | 36 | 3,501 | 1,077 | 392 | 1,348 | 2,817 | 6,318 | 55% / 45% |
| Ebbe Rømcke***** SVP Quality & Sustainability | 2023 | | | | | 0 | | | | 0 | 0 | |
| | 2022 | 1,134 | | 154 | 9 | 1,297 | 622 | 220 | 800 | 1,642 | 2,939 | 44% / 56% |
| Ståle Ytterdal*** SVP Investor Relations | 2023 | 1,775 | 90 | 230 | 35 | 2,130 | | | 727 | 727 | 2,857 | 75% / 25% |
| | 2022 | 1,770 | 180 | 242 | 38 | 2,230 | 626 | 243 | 810 | 1,679 | 3,909 | 57% / 43% |
| Linda Petterson***** SVP Legal & Compliance | 2023 | 1,625 | | 216 | 15 | 1,856 | | | 172 | 172 | 2,028 | 92% / 8% |
| | 2022 | 706 | | 95 | 15 | 816 | 387 | | 35 | 422 | 1,238 | 66% / 34% |
| Ola Boström***** SVP Quality | 2023 | 1,742 | | 215 | 31 | 1,988 | | | 361 | 361 | 2,349 | 85% / 15% |
| | 2022 | 638 | | 84 | 1 | 723 | 427 | | 272 | 699 | 1,422 | 51% / 49% |
| Total earned | 2023 | 25,035 | 617 | 3,678 | 327 | 29,657 | — | — | 4,993 | 4,993 | 34,650 | 86% / 14% |
| | 2022 | 24,751 | 707 | 3,812 | 294 | 29,564 | 9,217 | 2,877 | 11,232 | 23,326 | 52,890 | 56% / 44% |

*In this presentation CEO remuneration, continued salary for one year after last working day and severance pay are excluded.

**Fixed allowance is expenses living abroad (expat allowance and travel).

***Fixed allowance for being Representative officer for Nordic's China offices. <TBD>

****Expense cost options, PSUs and RSUs. The value of stock options remaining from the 4-year option program that commenced in 2016. 2022 was the final year the EMT realized these options.

*****Bonus earned during 2022 and paid out in 2023. No bonus earned 2023.

*****Marianne Frydenlund and Ebbe Rømcke are no longer a part of the EMT by year end 2022. Linda Petterson and Ola Boström joined the EMT during 2022, in July and August respectively. Remuneration is only reflected for the EMT related employment.



Variable remuneration

This section provides further information on the variable remuneration for the EMT. Nordic Semiconductor offers performance-based variable remuneration to motivate desired behavior and performance, and to ensure alignment with shareholder interests.

Short-term incentives reflect the performance of the financial year against annually agreed KPIs, while long-term incentives are used to ensure alignment with shareholder interests on a longer time horizon. STI, LTI, and any other incentive arrangements are at the discretion of the Board and subject to overall Group performance and earnings.

Short-term incentives

The short-term incentive program is a variable cash-based incentive scheme with a term of 12 months. Bonus target levels are analyzed and benchmarked to relevant markets. The target bonus amount for the CEO and EVP Sales & Marketing is 45% of their fixed base salary. For the rest of the EMT, the target amount is 40% of the base salary. The maximum STI attainment is 58.5% and 52% of base salary, respectively.

The STI rewards for members of the EMT are based on the attainment of performance targets supporting the Group strategy and priorities. The targets comprise a number of KPIs that are defined at the beginning of the year in collaboration between the administration and the PCC, finally decided by the Board. The KPIs are subject to change at the Board’s discretion for continued relevance and alignment with shareholder interests.

On an annual basis, the Board undertakes the exercise of ensuring that the annual STI measures are aligned with the long-term ambitions, and that annual targets are sufficiently challenging to achieve in the context of Nordic Semiconductor’s strategy.

Achievement of STI KPIs in 2023

The short-term incentive 2023 program has an EBITDA underpin of 10%. I.e. if actual EBITDA is below 10% no payment is made. Reported EBITDA margin for 2023 ended at 9%. Based on this, no bonus will be paid out. In the following table we have outlined KPI achievement.

The 2023 performance KPIs summarized below for the EMT include both financial (75%) and non-financial (25%) measures evaluated after confirmation of the year-end financial results. Financial targets are measured against results audited by Nordic Semiconductor’s external auditor. Non-financial targets are, where relevant, validated and evaluated by third parties. The targets are set and performance is evaluated by the PCC and resolved by the Board.

Assessment of the individual performance of each member of the EMT is considered by the CEO and endorsed by the Board. The PCC considers and endorses all bonus amounts in the Group’s incentive programs before assessments and amounts are submitted for approval by the Board.

| Ordinary STI plan KPIs | Weight | Results |
|-------------------------|--------|--------------|
| Core revenue vs. budget | 30% | Below target |
| New revenue vs. budget | 20% | Below target |
| EBITDA | 25% | Below target |
| ESG | 12.5% | Below target |
| Individual objectives | 12.5% | N/A |

Long-term incentives

For the EMT, the LTI program consists of a 50/50 combination of RSUs and PSUs, with a vesting period of three years. In order to receive the RSUs and PSUs, the EMT member must remain employed in the Group at the vesting date, without termination date. In addition, the PSUs are conditional upon the achievement of corporate and individual KPIs. The maximum payout for the PSUs is 200% upon maximum overall weighted achievement of the set KPIs. The payout is 0% if the overall weighted achievement of the set KPIs is below the threshold level.

Retention, and supporting the multi-year strategic objectives, long-term interests, and the sustainability of the Group, are important purposes with the LTI program. Aligning the interests of the EMT with the interests of shareholders and other relevant stakeholders, is crucial. The PSU KPIs are therefor designed to contribute to a better business outcome. This means, revenue growth and share price development comprise the bulk part of the PSU KPIs, in addition to company wide ESG KPIs.

RSU and PSU grants awarded to the Executive Management Team for 2023 and 2022 – audited

All the numbers in the table below are in whole numbers. All RSUs and PSUs from 2023, 2022 and 2021 are outstanding as of 31.12.2023 unless they have been terminated.

| Executive Management Team | Grant year | RSU | | | | | | PSU | | | | | | |
|---|------------|------------------------|--------|---------|------------|------------------------|--------------|------------------------|----------------------|--------|---------|------------|------------------------|--------------|
| | | Outstanding 31.12.2022 | Vested | Awarded | Terminated | Outstanding 31.12.2023 | Payout value | Outstanding 31.12.2022 | Performance adjusted | Vested | Awarded | Terminated | Outstanding 31.12.2023 | Payout value |
| Svenn-Tore Larsen * Chief Executive Officer | 2020 | 10,621 | 10,621 | | | | 1,201,991 | 10,621 | 8,498 | 19,119 | | | | 2,163,720 |
| | 2021 | 10,933 | | | 10,933 | | | 6,213 | | | | 6,213 | | |
| | 2022 | 6,532 | | | 6,532 | | | 6,532 | | | | 6,532 | | |
| | 2023 | | | 9,184 | 9,184 | | | | | | 9,184 | 9,184 | | |
| Pål Elstad CFO/EVP Finance | 2020 | 6,345 | 6,345 | | | | 718,071 | 6,345 | 5,077 | 11,422 | | | | 1,292,641 |
| | 2021 | 3,056 | | | | 3,056 | | 3,056 | | | | | 3,056 | |
| | 2022 | 3,193 | | | | 3,193 | | 3,193 | | | | | 3,193 | |
| | 2023 | | | 4,520 | | 4,520 | | | | | 4,520 | | 4,520 | |
| Katarina Finneng EVP People & Communication | 2020 | 5,241 | 5,241 | | | | 593,130 | 5,241 | 4,192 | 9,434 | | | | 1,067,657 |
| | 2021 | 2,524 | | | | 2,524 | | 2,524 | | | | | 2,524 | |
| | 2022 | 2,662 | | | | 2,662 | | 2,662 | | | | | 2,662 | |
| | 2023 | | | 3,769 | | 3,796 | | | | | 3,769 | | 3,769 | |
| Linda Petterson SVP Legal & Compliance | 2022 | 598 | | | | 598 | | | | | | | | |
| | 2023 | | | 2,823 | | 2,823 | | | | | 2,823 | | 2,823 | |
| Kjetil Holstad EVP Strategy & Product Mgmt | 2020 | 4,276 | 4,276 | | | | 483,920 | 4,276 | 3,421 | 7,697 | | | | 871,079 |
| | 2021 | 2,156 | | | | 2,156 | | 2,156 | | | | | 2,156 | |
| | 2022 | 2,380 | | | | 2,380 | | 2,380 | | | | | 2,380 | |
| | 2023 | | | 4,332 | | 4,332 | | | | | 4,332 | | 4,332 | |
| Geir Langeland EVP Sales & Marketing | 2020 | 6,621 | 6,621 | | | | 749,920 | 6,621 | 5,297 | 11,918 | | | | 871,079 |
| | 2021 | 6,139 | | | | 6,139 | | 3,189 | | | | | 3,189 | |
| | 2022 | 3,379 | | | | 3,379 | | 3,379 | | | | | 3,379 | |
| | 2023 | | | 4,783 | | 4,783 | | | | | 4,783 | | 4,783 | |

| Executive Management Team | Grant year | RSU | | | | | | PSU | | | | | | |
|---|------------|------------------------|--------|---------|------------|------------------------|--------------|------------------------|----------------------|--------|---------|------------|------------------------|--------------|
| | | Outstanding 31.12.2022 | Vested | Awarded | Terminated | Outstanding 31.12.2023 | Payout value | Outstanding 31.12.2022 | Performance adjusted | Vested | Awarded | Terminated | Outstanding 31.12.2023 | Payout value |
| Ole Fredrik Morken EVP Supply Chain | 2020 | 5,241 | 5,241 | | | | 593,130 | 5,241 | 4,193 | 9,434 | | | | 1,067,567 |
| | 2021 | 2,325 | | | | 2,325 | | 2,325 | | | | | 2,325 | |
| | 2022 | 2,429 | | | | 2,429 | | 2,429 | | | | | 2,429 | |
| | 2023 | | | 3,439 | | 3,439 | | | | | 3,439 | | 3,439 | |
| Svein Egil Nielsen CTO/EVP R&D | 2020 | 7,172 | 7,172 | | | | 811,664 | 7,172 | 5,738 | 12,911 | | | | 1,461,153 |
| | 2021 | 3,455 | | | | 3,455 | | 3,455 | | | | | 3,455 | |
| | 2022 | 3,609 | | | | 3,609 | | 3,609 | | | | | 3,609 | |
| | 2023 | | | 5,110 | | 5,110 | | | | | 5,110 | | 5,110 | |
| Ola Bostrøm** SVP Quality | 2022 | 2,455 | 1,074 | | | 1,381 | | | | | | | | |
| | 2023 | | | 2,946 | | 2,946 | | | | | 2,946 | | 2,946 | |
| Ståle Ytterdal SVP Investor Relations | 2020 | 4,414 | 4,414 | | | | 499,538 | 4,414 | 3,532 | 7,946 | | | | 899,258 |
| | 2021 | 2,066 | | | | 2,066 | | 2,066 | | | | | 2,066 | |
| | 2022 | 2,087 | | | | 2,087 | | 2,087 | | | | | 2,087 | |
| | 2023 | | | 2,955 | | 2,955 | | | | | 2,955 | | 2,955 | |

*RSUs/PSUs are forfeited when leaving the company.

**Ola Bostrøm has vested RSUs in 2023 which was awarded before he joined the EMT.

Comparative overview

The following tables show the total remuneration of the EMT and the Board over the past five reported financial years, in comparison with some selected corporate performance measures and average base salary increases for all employees in Norway excl. EMT. For comparison purposes, the figures have been annualized.

Comparison of total remuneration and Group performance over the past five reported financial years – audited

| Executive Management Team | 2023 | Change % | 2022 | Change % | 2021 | Change % | 2020 | Change % | 2019 |
|---|---------------|----------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
| Svenn-Tore Larsen, Chief Executive Officer**** | 2,722 | (73.6)% | 10,316 | 17.4% | 8,790 | 32.6% | 6,629 | 41.5% | 4,684 |
| Pål Elstad, CFO/EVP Finance | 4,188 | (24.3)% | 5,529 | 13.2% | 4,885 | 21.9% | 4,009 | 16.9% | 3,429 |
| Katarina Finneng, EVP People & Communication | 3,471 | (20.3)% | 4,355 | 12.8% | 3,861 | 27.5% | 3,028 | 29.2% | 2,344 |
| Marianne Frydenlund, SVP Legal* | | | | (100.0)% | 3,094 | 25.3% | 2,469 | 26.2% | 1,957 |
| Kjetil Holstad, EVP Strategy & Product Management | 3,400 | (15.2)% | 4,009 | 15.1% | 3,484 | 27.0% | 2,744 | 18.2% | 2,322 |
| Geir Langeland, EVP Sales & Marketing | 4,647 | (25.5)% | 6,237 | 15.2% | 5,415 | 28.0% | 4,231 | 23.3% | 3,432 |
| Ole Fredrik Morken, EVP Supply Chain | 4,232 | (18.3)% | 5,180 | 9.6% | 4,728 | 12.5% | 4,203 | 16.3% | 3,614 |
| Svein Egil Nielsen, CTO/EVP R&D | 4,756 | (24.7)% | 6,319 | 14.5% | 5,520 | 22.2% | 4,518 | 26.0% | 3,585 |
| Ebbe Rømcke, SVP Quality & Sustainability* | | | | (100.0)% | 3,417 | 22.4% | 2,792 | 17.0% | 2,386 |
| Ståle Ytterdal, SVP Investor Relations | 2,857 | (26.9)% | 3,908 | 7.7% | 3,630 | 18.9% | 3,052 | 21.1% | 2,520 |
| Linda Petterson, SVP Legal & Compliance* | 1,796 | (42.4)% | 3,118 | | | | | | |
| Ola Boström, SVP Quality* | 2,118 | (37.6)% | 3,392 | | | | | | |
| Total EMT remuneration | 34,187 | (34.7)% | 52,363 | 11.8% | 46,824 | 24.3% | 37,675 | 24.5% | 30,273 |
| Performance indicator | | | | | | | | | |
| Revenue (in USD 1,000) | 542,869 | (30.1)% | 776,734 | 27.2% | 610,528 | 50.7% | 405,217 | 40.5% | 288,395 |
| Operating profit (in USD 1,000) | 4,702 | (97.1)% | 161,602 | 85.9% | 86,920 | 90.1% | 45,714 | 393.0% | 9,272 |
| Average base salary FTE in Norway (excl. EMT)** | 816 | 2.5% | 796 | 6.4% | 748 | 5.7% | | 5.1% | |
| Average base salary increases for EMT*** | | 2.0% | | 6.3% | | 7.2% | | 10.6% | |

*Marianne Frydenlund joined the EMT in May 2018, and left in July 2022. Linda Petterson joined the EMT in July 2022. Ebbe Rømcke left EMT August 2022, Ola Boström joined the EMT in August 2022.

**In addition to base salary, employees also received other remuneration elements, such as STI, LTI, and pension in all the years highlighted in the above table.

***Salary increase numbers for EMT includes both ordinary and promotional increases as several members joined EMT and/or got new roles within EMT the last 5 years.

****In this presentation CEO remuneration, continued salary for one year after last working day and severance pay are excluded.

Comparison of remuneration of the Board over the past five reported financial years – audited

| Board of Directors | 2023 | Change % | 2022 | Change % | 2021 | Change % | 2020 | Change % | 2019 |
|---|--------------|----------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Birger Steen, Chair | 1,331 | (16.0)% | 1,587 | 32.6% | 1,196 | 6.8% | 1,120 | 22.5% | 914 |
| Øyvind Birkenes, Shareholder-elected board member (Until April 2023) | 123 | (80.0)% | 601 | 39.5% | 430 | 7.5% | 400 | —% | 400 |
| Jan Frykhammar, Shareholder-elected board member (Until July 2023) | 429 | (44.0)% | 767 | 16.3% | 659 | 30.4% | 505 | 15.0% | 439 |
| Annastiina Hintsu, Shareholder-elected board member | 597 | (1.0)% | 606 | 40.7% | 430 | 7.5% | 400 | 22.7% | 326 |
| Endre Holen, Shareholder-elected board member (Until April 2023) | 190 | (75.0)% | 868 | 7.1% | 810 | 70.6% | 475 | 2.2% | 465 |
| Anita Huun, Shareholder-elected board member | 632 | (4.0)% | 658 | 17.4% | 560 | 19.1% | 470 | 33.1% | 353 |
| Inger Berg Ørstavik, Shareholder-elected board member | 603 | (9.0)% | 666 | 18.8% | 560 | 19.1% | 470 | 7.1% | 439 |
| Snorre Kjesbu, Shareholder-elected board member (From May 2023) | 407 | | | | | | | | |
| Craig Ochikubo, Shareholder-elected board member (until April 2019) | | | | | | | | | 221 |
| Anne Marit Panengstuen, Shareholder-elected board member (until September 2019) | | | | | | | | | 221 |
| Tore Valderhaug, Vice-Chair and Board member (until April 2019) | | | | | | | | | 400 |
| Morten Dammen, Employee-elected board member (From May 2019) | 155 | 3.0% | 150 | —% | 150 | 12.8% | 133 | 77.3% | 75 |
| Jon Helge Nistad, Employee-elected board member | 155 | 3.0% | 150 | —% | 150 | 12.8% | 133 | 33.0% | 100 |
| Anja Dekens, Employee-elected board member (From May 2022) | 155 | 55.0% | 100 | | | | | | |
| Gro Fykse, Employee-elected board member (From May 2022 until December 2023) | 155 | 55.0% | 100 | | | | | | |
| Susheel Nuguru, Employee-elected board member (until April 2022) | | | 50 | (66.7)% | 150 | 12.8% | 133 | 33.0% | 100 |
| Joel Stapleton, Employee-elected board member (until April 2022) | | | 50 | (66.7)% | 150 | 33.3% | 113 | | |
| Joakim Ferm, Employee-elected board member (until April 2018) | | | | | | | | | 25 |
| Asbjørn Sæbø, Employee-elected board member (until April 2019) | | | | | | | 25 | (75.0)% | 100 |
| Total Board of Directors remuneration | 4,932 | (22.4)% | 6,353 | 21.1% | 5,245 | 19.8% | 4,377 | (4.4)% | 4,578 |
| Performance indicator | | | | | | | | | |
| Revenue (in USD 1,000) | 542,869 | (30.1)% | 776,734 | 27.2% | 610,528 | 50.7% | 405,217 | 40.5% | 288,395 |
| Operating profit (in USD 1,000) | 4,702 | (97.1)% | 161,602 | 85.9% | 86,920 | 90.1% | 45,714 | 393.0% | 9,272 |
| Average base salary FTE in Norway (excl. EMT) | 816 | 2.5% | 796 | 5.7% | 748 | 5.1% | | 6.6% | |
| Average base salary increases for EMT | | 2.0% | | 6.3% | | 7.2% | | 10.6% | |

Statement by the Board of Directors

Today, the Board of Directors have considered and approved the Remuneration Report of Nordic Semiconductor ASA for the financial year 1 January–31 December 2023.

The Remuneration Report 2023 has been prepared in accordance with the Norwegian Public Limited Liability Act 1997 section 6-16 b, the Norwegian Regulation on Guidelines, and Report on Remuneration of Leading Employees of 2020.

The 2022 Remuneration Report was approved by the annual general meeting with approximately 94% favorable votes. Following the broad approval, no significant amendments were made to the Remuneration Guidelines and Policy.

In our opinion, the Remuneration Report 2023 is in accordance with the Remuneration Guidelines and Policy adopted at the annual general meeting, and is free from material misstatement and omissions, whether due to fraud or error.

The Remuneration Report 2023 is subject to submission for an advisory vote at the annual general meeting in April 2024.

March 19, 2024

Anita Huun
Board member

Birger Steen
Chair

Inger Berg Ørstavik
Board member

Snorre Kjesbu
Board member

Vegard Wollan
Chief Executive Officer

Annastiina Hintsa
Board member

Jon Helge Nistad
Board member, employee

Anja Dekens
Board member, employee

Morten Dammen
Board member, employee

Dieter May
Board member

Dr. Helmut Gassel
Board member

Independent auditor's assurance report



To the General Meeting of Nordic Semiconductor ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Nordic Semiconductor ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Oslo, 19 March 2024
PricewaterhouseCoopers AS


Eivind Nilsen
State Authorised Public Accountant
(electronically signed)


 Securely signed with Brevio

Revisjonsberetning

Signers:

| <i>Name</i> | <i>Method</i> | <i>Date</i> |
|----------------|---------------|------------------|
| Nilsen, Eivind | BANKID | 2024-03-19 12:37 |

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