

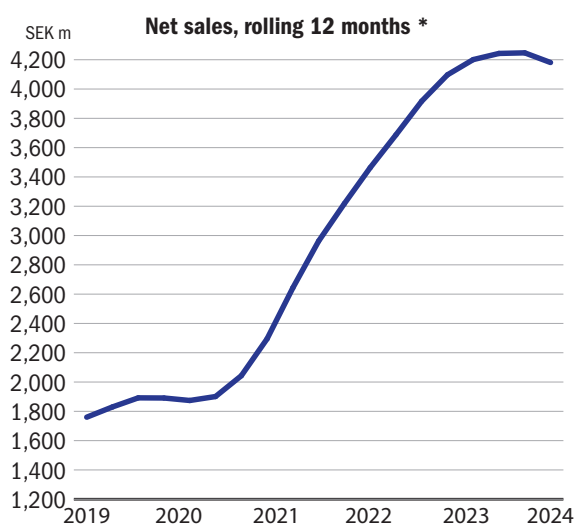
Second-quarter Interim Report 2024

Financial performance in April-June

- Sales amounted to SEK 1,012 (1,078) million. Adjusted for acquisitions and currency effects, organic growth was -10%.
- Operating profit was SEK 99 (106) million. Adjusted operating profit was SEK 97 (107) million, adjusted for revaluations of operating assets and liabilities in foreign currencies.
- The operating margin amounted to 9.8% (9.8%). The adjusted operating margin was 9.6% (10.0%), adjusted for currency revaluations.
- Profit after financial items was SEK 86 (96) million.
- Profit after tax amounted to SEK 68 (79) million, corresponding to SEK 2.34 (2.73) per share.
- Adjusted for acquisition-related payments made in the quarter, operating cash flow after investments was SEK 154 (28) million. Total cash flow after investments, including acquisitions, amounted to SEK 137 (-2) million, or SEK 4.73 (-0.07) per share.

Financial performance in January-June

- Sales amounted to SEK 2,067 (2,129) million. Adjusted for acquisitions and currency effects, organic growth was -7%.
- Operating profit was SEK 190 (218) million. Adjusted operating profit was SEK 189 (214) million, adjusted for revaluations of operating assets and liabilities in foreign currencies.
- The operating margin amounted to 9.2% (10.2%). The adjusted operating margin was 9.2% (10.1%), adjusted for currency revaluations.
- Profit after financial items was SEK 164 (200) million.
- Profit after tax amounted to SEK 132 (164) million, corresponding to SEK 4.54 (5.65) per share.
- Adjusted for acquisition-related payments made in the period, operating cash flow after investments was SEK 238 (100) million. Total cash flow after investments, including acquisitions, amounted to SEK 221 (47) million, or SEK 7.63 (1.62) per share.



* NOTE Haddenham is included from June 2021, NOTE Herrljunga from July 2022, NOTE Sofia from April 2023, and NOTE Basildon from July 2023.



** Operating margin adjusted for non-recurring items, by SEK -5 m in Q4 2021, SEK +30 m in Q3 2022, SEK -15 m in Q4 2022 and SEK -12 m in Q4 2023

Events in January-June

- In early-April, NOTE purchased the industrial property in Herrljunga, Sweden, where NOTE Herrljunga manages its operations. NOTE acquired the operation in Herrljunga, the group's fourth EMS plant in Sweden, in summer 2022. Since then, these operations have performed very strongly, with growth and earnings performance significantly above initial plans. Sales in the previous year were SEK 249 million with an operating margin of over 10%. NOTE has purchased the previously leased industrial property of over 6,400 m² where operations are managed. The purchase also includes undeveloped land of just over 25,000 m². This property is tailored for electronics manufacture and offers great potential for continued production expansion. NOTE acquired all the shares of the real estate company that owns this property. Based on a valuation of approx. SEK 24 million (approx. SEK 3,800/m²) before deducting for deferred tax, the purchase consideration for all shares of the real estate company is SEK 15 million. Payment was made in cash.

Events after the end of the period

- In July NOTE has made the decision to nearly double the factory where NOTE Torsby operates, in order to meet the strong growth going forward. The property, with the factory of 7,000 square meters and just over 54,000 square meters of land, was acquired at the beginning of 2023 and already then NOTE announced plans for continued expansion of the business. The factory, which was expanded as recently as three years ago, will now be expanded by another 7,000 square meters.

CEO's comments

Temporary slowdown of a sector in growth

Over the past five years, NOTE has achieved organic growth of 20%, which is significantly above the EMS sector generally.

Market commentators are forecasting the European EMS sector averaging yearly growth of 7% until 2030. However, this growth will vary from year to year, and the sector is forecast to contract in 2024. Part of the explanation being the high growth in 2022 and 2023 being partly dependent on advance deliveries not expected until 2024. A challenging business cycle is also having a restraining effect on growth in 2024.

Continued caution from customers in the second quarter

The second quarter progressed as the first—we achieved sales of SEK 1,012 million for Q2, equivalent to negative organic growth of -10%, which was below our expectations and somewhat below our guidance. Demand is still impacted by a weaker business cycle, which has caused temporary project deferrals by our customers, and inventory adaptations at the customer level. In the period when there was a shortage of electronic components, many customers decided to build up inventory to safeguard shipments, and naturally, it takes a few quarters for these inventories to rebalance. Given general market challenges, this process has taken longer than our customers had forecast.

We still anticipate high growth going forward, even if this has been somewhat deferred compared to what our customers expected and have signalled. Our long-term plan is unchanged, and with the focus we have on partnerships with our customers—and where we're sector leaders in delivery accuracy and quality—we take an optimistic view of the future.

Profitability improves despite lower sales

Growth generates profitability, and when the growth our customers have been signalling and placed orders for is deferred, this obviously has an impact. The profitability improvement we have enjoyed over the past five years was challenged in the second half-year last year when we started to experience unusually severe delays to customer orders with significantly shorter planning than normal. This had a negative impact on our profitability performance because our plants plan staffing and resources based on volume and growth that has been pushed forward. It's natural for us to adapt our workforce continuously based on customer demand. The unusually wide fluctuations that occurred in a short time persuaded us to initiate a range of activities to improve resource allocation for the volume we were seeing from our customers.

Our initiatives have taken effect, and in the second quarter, we achieved an underlying operating margin of 9.6%. Even if our ambitions for operating margin are high, we think it's a sign of strength that we've continued to increase our operating margin from recent quarters, and despite us not getting the volumes we planned for. We're working continuously on rationalising, and still see potential here. Once these volumes increase again, this will also have a positive impact on profitability.

Positive cash flow, in line with our plans

For the second quarter, our operating cash flow was SEK 154 million. One strong contributor is that virtually all our plants are



We still see high growth going forward, even if this has been somewhat deferred compared to what our customers expected and have signalled. Our long-term plan is unchanged, and we are continuing to expand for the growth we anticipate.

reducing the excess inventory they built up during the electronic component shortage. This is really gratifying, and consistent with our plans and what we've been communicating for some time. We also anticipate strong cash flows going forward. NOTE's financial situation remains really positive.

Expanding our plants for continued growth ahead

The temporary demand slowdown we experienced at the beginning of this year does not alter our long-term plan for growth. To address the brisk expansion we see ahead of us, in July, we took the decision to almost double the capacity of the plant where NOTE Torsby manages its operations. The plant was expanded as recently as 2021, and we're already looking at adding another 7,000 m² to address the high growth we expect going forward.

In the quarter, we purchased the property where NOTE Herrljunga manages its operations. Sales from the Herrljunga plant have been above estimate since we acquired this business in summer 2022. The purchase enables continued expansion of this plant.

A cautious start, but with progressive improvement to the end of the year

Our order backlog (excluding acquisitions) was down by 18% year on year. Lower order intake is consistent with what we have been communicating for some time, and partly explained by the improved situation on materials with shorter lead-times causing a return to the shorter horizons customers need to place orders, as well as partly by generally more cautious market conditions. Q3 will naturally be weaker due to seasonal vacation period in our Swedish factories. We then anticipate a progressive improvement with full-year 2024 sales in the SEK 4.1-4.4 billion interval, with an operating margin in the 9.5-10.5% interval. In our previous Interim Report, our estimate for the full-year 2024 was SEK 4.3-4.7 billion and a margin of 9.5-10.5%.

Johannes Lind-Widestam

Comments on Q2

Sales



Operating margin in the above chart has been adjusted for non-recurring items, by SEK -12 m net in Q4 2023

Group, April-June

Sales in the quarter were SEK 1,012 (1,078) million. Growth sourced from the acquisition of NOTE Basildon (formerly DVR) last year made up 3%, and exchange rate fluctuations 0%. Organic growth was -10%.

Group, January-June

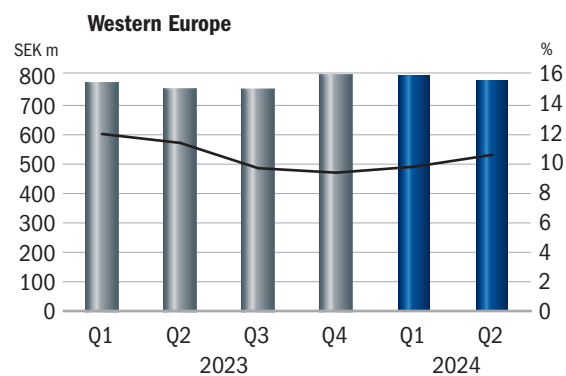
Sales in the first half-year were SEK 2,067 (2,129) million. Adjusted for the extra sales from last year's acquisitions of NOTE Sofia (formally ATM Electronics) and NOTE Basildon, as well as altered exchange rates, organic growth was -7%.

Sales consisted of new business with established customers, and the progressive impact of increased sales to a base of new business customers. Several of these customer assignments, which usually start with industrialisation services (service sales, prototyping and pilot series), have now transitioned to serial production and increased volumes.

NOTE's 15 largest customers in sales terms represented 44% (48%) of sales in the period. No single customer (group) represented more than about 5% (7%) of total sales.

The start of the year was cautious, and the inventory adaptation by customers ongoing in late-2023 has continued in 2024. The market for electronic components is now back to balance, which means customers are placing orders over shorter horizons. The order backlog decrease (excluding acquisitions) of 18% partly reflects this progress, but is also indicative of caution ahead of the forthcoming quarter. After the period orders have been placed for, customers are indicating rising activity.

Operating segments



The operating margin in the above chart has been adjusted for non-recurring items.

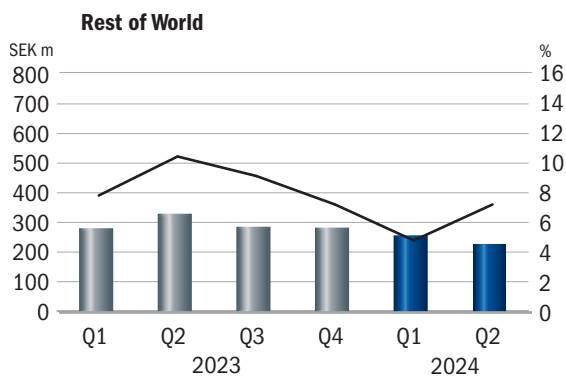
Western Europe

NOTE's Western Europe operating segment consists of units located in geographical regions with high industrial activity and innovation standards in Sweden, Finland and the UK.

Demand from the Western Europe segment reduced by 1%, adjusted for acquisitions, in the first half-year.

Growth in Sweden, NOTE's largest market, decreased by 3%. Progress in Sweden varies between plants and is closely linked to their customers and the progress of customer projects.

On the UK market, which made slow progress in the previous year, growth of 1% was achieved adjusted for acquisitions. Sizeable variations between NOTE's plants here was also apparent.



The operating margin in the above chart has been adjusted for non-recurring items.

Rest of World

The Rest of World operating segment consists of our units in Estonia, China and Bulgaria. They are located close to major final markets and regions with strong production traditions and high skills levels.

Sales from the Rest of World segment decreased by 22% (adjusted for acquisitions) in the first half-year.

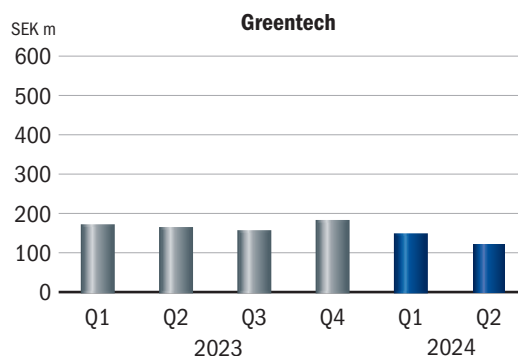
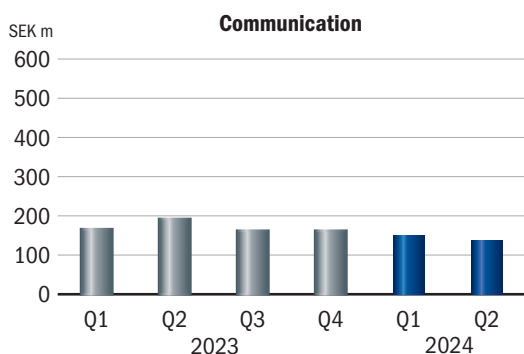
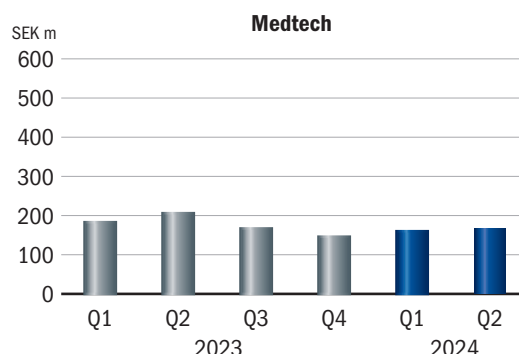
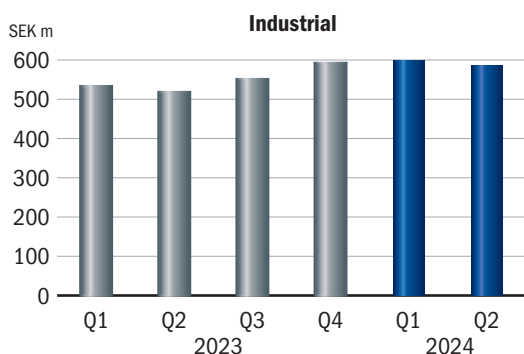
Sales from the Estonian plant, which are mainly to customers in northern Europe, fell by 17% in the first half-year. Sales from the plant in China dropped by 30%. This downturn was due to project deferrals in the Communication segment, and general inventory adaptation in the Industrial segment. The slow sales in China are expected to persist through the year. Sales from

NOTE's plant in Bulgaria were at the expected level. Sales from this plant consist of enhancements of electronic components where customers retain ownership of materials. The project to expand the customer offering jointly with NOTE's customers to also include complete PCBs and box builds is in its final phase.

Intra-group

Intra-group consists of business support functions in the parent company and the sourcing operations of NOTE Components. Group eliminations are also included.

Customer segments



NOTE divides its sales into four customer segments: Industrial, Communication, Medtech and Greentech.

Industrial

The manufacture of products in segments like automation, control, infrastructure, energy and construction technology.

NOTE's largest customer segment achieved 13% growth for the first half-year. Adjusted for acquisitions, sales from this segment grew by 9%.

Communication

One of NOTE's core segments since its foundation. Manufacture consists of network products, antennae and IoT devices.

Most projects in this segment have been deferred due to severe delays to the roll-out of the 5G network and delays to field installations of customers' products. A decrease of 20% was reported in the first half-year. Adjusted for acquisitions, sales from this segment fell by 27%.

Medtech

Medical technology products in diagnostics, treatment and X-ray are the foundation of this segment.

Sales in Medtech achieved strong growth in 2023. High output in the previous year has transitioned to lower output this year and overall, the segment declined by 16%. The effect of acquisitions was not significant.

Greentech

The Greentech segment consists of customers active in the green technology transition.

The segment faced challenges with growth in the previous year. The expected recovery signalled by customers has not occurred, and sales continued to deteriorate. Sales were down by 20% in the first half-year, year on year. Adjusted for acquisitions, sales fell by 23%. The low sales to customers in Greentech are expected to continue through the year.

Results of Operations

Group, April-June

Gross profit was SEK 139 (140) million, with a gross margin of 13.7% (13.0%).

Sales and administration overheads for the period increased by 27% to SEK 42 (33) million, essentially because of extra expenses from NOTE Basildon (formally DVR), acquired in July 2023. As a share of sales, overheads were 4.2% (3.1%).

Other operating income/expenses, which consist mainly of revaluations of operating assets and liabilities in foreign currencies, were SEK 2 (-1) million.

Operating profit for the period was SEK 99 (106) million, with an operating margin of 9.8% (9.8%). Adjusted for revaluations of operating assets and liabilities in foreign currencies, the underlying operating margin was 9.6% (10.0%).

Higher interest rate levels contributed to financial expenses increasing to SEK -11 (-10) million net. Revaluations of financial assets and liabilities in foreign currencies, such as factoring liabilities in foreign currencies, amounted to SEK -2 (0) million. In total, net financial items for the period were SEK -13 (-10) million.

Profit after financial items was SEK 86 (96) million, equivalent to a profit margin of 8.6% (8.9%).

Profit after tax was SEK 68 (79) million, or SEK 2.34 (2.73) per share. The tax expense for the period was equivalent to 20% (18%) of profit before tax.

Group, January-June

Gross profit was SEK 270 (279) million, with a gross margin of 13.1% (13.1%).

Sales and administration overheads for the period increased by 24% to SEK 80 (65) million, essentially because of extra expenses from NOTE Basildon and NOTE Sofia (formerly ATM Electronics), acquired in April and July 2023 respectively. As a share of sales, overheads were 3.9% (3.1%).

Other operating income/expenses, which consist mainly of revaluations of operating assets and liabilities in foreign currencies, were SEK 0 (4) million.

Operating profit for the period was SEK 190 (218) million, with an operating margin of 9.2% (10.2%). Adjusted for revaluations of operating assets and liabilities in foreign currencies, the underlying operating margin was 9.2% (10.1%).

Higher interest rate levels contributed to financial expenses increasing to SEK -23 (-18) million net. Revaluations of financial assets and liabilities in foreign currencies, such as factoring liabilities in foreign currencies, amounted to SEK -3 (0) million. In total, net financial items for the period were SEK -26 (-18) million.

Profit after financial items was SEK 164 (200) million, equivalent to a profit margin of 8.0% (9.4%).

Profit after tax was SEK 132 (164) million, or SEK 4.54 (5.65) per share. The tax expense for the period was equivalent to 20% (18%) of profit before tax.

Cash flow

One of NOTE's key missions is to maintain good and cost-efficient supply of materials to customers. The shortage on the electronic components market, especially the supply of semiconductors, has been a major limiting factor on the industry in recent years, and to ease disruptions and delays to the shipments of components it receives, NOTE deliberately upscaled its inventory. As the shortage largely resolved, inventory values are returning to more normal levels. Capital tied up in inventory was down 25% on the corresponding point of the previous year. Adjusted for the acquisition of NOTE Basildon last year, capital tied up in inventory was 28% less than the corresponding point of the previous year.

NOTE is making continuous efforts to monitor credit risks and limit the number of outstanding customer credit days. Accounts receivable-trade increased by 3% year on year, an increase partly due to higher sales late in the period, with June this year being easily the strongest month. To some extent, overdue receivables increased in the period, with most being paid after period end.

Accounts payable-trade mainly consist of purchases of electronic components and other production materials. NOTE is working actively on a partner model on the supplier side, which has implications including sourcing being concentrated on fewer, quality-assured suppliers wherever possible. This working method simultaneously helps rationalise the utilisation of working capital. Accounts payable-trade decreased in the period and were 28% below the corresponding point of the previous year. This is a natural consequence of the inventory reduction in the period.

Reduced capital tied up in inventories and continued positive profit performance generated a positive operating cash flow for the period. Adjusted for acquisition-related payments made in the period, operating cash flow after investments was SEK 238 (100) million for the first half-year. Adjusted in the same way, cash flow (after investments) for the second quarter was SEK 154 (28) million. Total second-quarter cash flow after investments amounted to SEK 137 (-2) million, or SEK 5.31 (-0.07) per share.

Liquidity and Net debt

NOTE puts a sharp focus on measures that further improve the group's liquidity and cash flow.

The group's reported available cash and cash equivalents, including unused credit facilities, amounted to SEK 475 (305) million at the end of the period. Disregarding estimated financial liabilities on the additional right-of-use assets for leased properties under IFRS 16 (Leases), net debt at the end of the period was SEK 235 (357) million.

Equity to asset ratio

NOTE has a strong financial position. According to NOTE's financial targets, its minimum equity to assets ratio should be 30%. At the end of the quarter, the equity to assets ratio was 49.1% (41.8%).

Investments

Expenditure on property, plant and equipment for the first half-year, excluding right-of-use assets for leased properties (IFRS 16 Leases), was SEK 69 (56) million, corresponding to 3.3% (2.6%) of sales. This expenditure mainly consisted of projects to increase capacity, efficiency and quality.

Planned depreciation on property, plant and equipment, excluding right-of-use assets for leased properties (IFRS 16 Leases), increased to SEK 36 (29) million.

Parent company

The parent company, NOTE AB (publ), is primarily focused on management, co-ordination and development of the group. Revenue was SEK 47 (18) million in the first half-year, mainly from intra-group services. Profit before tax amounted to SEK 45 (26) million in the period.

Other information

Financial definitions

Average number of employees Average number of employees calculated on the basis of hours worked.

Cash flow per share Cash flow after investments divided by the number of outstanding shares at end of the period.

Equity per share Equity divided by the number of outstanding shares at end of the period.

Equity to assets ratio Equity as a percentage of total assets.

Gross profit margin Gross profit as a percentage of net sales.

Net debt Interest-bearing liabilities and provisions less cash and cash equivalents.

Net sales per employee Net sales divided by the average number of full-time employees.

Operating capital Total assets less cash and cash equivalents, non-interest bearing liabilities and provisions.

Operating margin Operating profit as a percentage of net sales.

Order backlog A combination of fixed orders and customer forecasts.

Profit margin Profit after financial items as a percentage of net sales.

Return on equity Net profit as a percentage of the average equity for the most recent twelve-month period.

Return on operating capital Operating profit as a percentage of the average operating capital for the most recent twelve-month period.

Annual General Meeting

At the Annual General Meeting in April, the Board Members Anna Belfrage, Bahare Mackinovski, Charlotte Stjerngren, Johan Hagberg and Egil Dahl were re-elected. Anna Belfrage was elected Chairman of the Board. The Meeting approved the Board's proposal that no dividend would be payable for the financial year 2023. The Meeting resolved to implement a long-term incentive programme in the form of a share warrant program. This programme, for senior executives and other key individuals, was launched in May and fully subscribed. On full exercise, up to 400,000 shares may be issued.

Transactions with related parties

As a result of the incentive programme involving 400,000 share warrants launched at the AGM, NOTE raised SEK 5 million.

Significant operational risks

NOTE is one of northern Europe's leading EMS partners. It has especially strong market positioning in the high mix market segment, i.e. for products that require high technology competence and flexibility. NOTE produces PCBAs, subassemblies and box build products. The customer offering covers the complete product lifecycle, from design to after-sales.

For a more detailed review of the group's operational and financial risks, refer to NOTE's Annual Report for 2023, specifically to the Report of the Directors on pages 43-45, as well as note 24, Financial risks and finance policy, on pages 65-66.

NOTE's operations set relatively high standards on working capital financing. Accordingly, it puts a sharp focus on managing its liquidity risk.

Accounting and valuation principles

NOTE observes International Financial Reporting Standards (IFRS) as endorsed by the EU. Significant accounting and valuation principles are stated on pages 54-56 of the Annual Report for 2023. The group's Interim Report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. The parent company observes RFR 2.

All amounts are in SEK million unless otherwise stated.

Discrepancies between reports

Swedish and English-language versions of this Report have been produced. In the event of any discrepancy between the two, the Swedish version shall apply.

Audit review

As in previous years, the Interim Report for Q2 has not been subject to review by the company's auditor.

Certification

This Interim Report gives a true and fair view of the parent company's and group's operations, financial position and results of operations, and reviews the significant risks and uncertainty factors facing the parent company and group companies.

Stockholm, Sweden, 14 July 2024

The Board of Directors and CEO of NOTE AB (publ)

Anna Belfrage
Chairman

Egil Dahl
Board member

Johan Hagberg
Board member

Bahare Mackinovski
Board member

Charlotte Stjerngren
Board member

Christoffer Skogh
Board member, Employee representative

Jörgen Blomberg
Board member, Employee representative

Johannes Lind-Widestam
CEO

Consolidated summary

Quarterly summary

SEK million	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Net sales	1,012	1,055	1,080	1,034	1,078
Gross margin	13.7%	12.4%	9.7%	12.6%	13.0%
Operating margin	9.8%	8.6%	10.9%	9.1%	9.8%
Profit margin	8.6%	7.4%	10.2%	7.7%	8.9%
Cash flow after investing activities	137	84	108	-57	-2
Cash flow per share, SEK	4.73	2.90	3.73	-1.97	-0.07
Equity per share, SEK	54.0	51.8	48.2	46.3	44.8
Equity to asset ratio	49.1%	44.5%	43.3%	39.1%	41.8%
Average number of employees	1,478	1,489	1,545	1,587	1,487
Net sales per employee, SEK 000	685	709	669	652	725

Six-year summary

SEK million	Rolling 12 mth.	2023	2022	2021	2020	2019
Net sales	4,181	4,243	3,687	2,643	1,874	1,760
Gross margin	12.1%	12.1%	12.8%	13.4%	12.0%	11.7%
Operating margin	9.6%	10.1%	9.3%	9.5%	8.0%	7.1%
Profit margin	8.5%	9.2%	8.4%	9.0%	7.6%	6.6%
Cash flow after investing activities	272	98	-31	-142	172	75
Cash flow per share, SEK	9.38	3.38	-1.07	-4.97	6.06	2.69
Equity per share, SEK	54.0	48.2	37.9	28.0	20.0	16.7
Return on operating capital	23.5%	24.3%	25.3%	27.6%	22.7%	20.7%
Return on equity	21.6%	25.7%	26.8%	28.4%	22.5%	21.7%
Equity to asset ratio	49.1%	43.3%	39.7%	37.0%	49.8%	40.5%
Average number of employees	1,526	1,504	1,366	1,218	1,101	1,070
Net sales per employee, SEK 000	2,740	2,821	2,699	2,170	1,702	1,645

Consolidated Financial Reports

Income Statement

SEK million	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
Net sales	1,012	1,078	2,067	2,129	4,181	4,243
Cost of goods and services sold	-873	-938	-1,797	-1,850	-3,676	-3,729
Gross profit	139	140	270	279	505	514
Selling expenses	-23	-19	-43	-37	-82	-75
Administrative expenses	-19	-14	-37	-28	-75	-66
Other operating income/expenses	2	-1	0	4	54	57
Operating profit	99	106	190	218	402	430
Net financial income/expenses	-13	-10	-26	-18	-48	-40
Profit after financial items	86	96	164	200	354	390
Income tax	-18	-17	-32	-36	-67	-70
Profit after tax	68	79	132	164	287	320

Other Comprehensive Income

SEK million	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
Profit after tax	68	79	132	164	287	320
Other comprehensive income						
Items that can be subsequently reversed in the income statement:						
Exchange rate differences	-8	30	32	39	-28	-21
Cash flow hedges	0	0	0	0	0	0
Tax on hedges and exchange rate difference	0	-3	0	-4	3	-1
Total other comprehensive income after tax	-8	27	32	35	-25	-22
Comprehensive income after tax	60	106	164	199	262	298

Earnings per Share

	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
Number of shares at end of period (000)	28,984	28,984	28,984	28,984	28,984	28,984
Weighted average number of shares (000)*	28,984	28,984	28,984	28,984	28,984	28,984
Weighted average number of shares (000)**	28,984	28,984	28,984	28,984	28,984	28,984
Earnings per share, SEK*	2.34	2.73	4.54	5.65	9.93	11.04
Earnings per share, SEK**	2.34	2.73	4.54	5.65	9.93	11.04

* Before dilution

** After dilution

Balance Sheet

SEK million	2024 30 June	2023 30 June	2023 31 Dec
Assets			
Goodwill	267	190	259
Intangible assets—customer relationships	40	30	44
Other intangible assets	14	7	9
Right of use assets—rented properties	131	172	158
Property, plant and equipment	387	243	353
Deferred tax assets	14	7	14
Other financial assets	1	2	2
Total non-current assets	854	651	839
Inventories	1,100	1,401	1,290
Accounts receivable—trade	904	875	876
Other current receivables	59	76	46
Cash and bank balances	270	99	170
Total current asset	2,333	2,451	2,382
TOTAL ASSETS	3,187	3,102	3,221
Equity and liabilities			
Equity	1,565	1,297	1,396
Liabilities			
Long-term interest-bearing liabilities	149	107	142
Long-term liabilities, right of use asset—rented properties	110	148	135
Deferred tax liabilities	65	41	64
Total non-current liabilities	324	296	341
Current interest-bearing liabilities	355	348	449
Short-term liabilities, right of use asset—rented properties	25	28	28
Advance payment from customers	151	180	188
Accounts payable—trade	522	727	603
Other current liabilities	244	225	215
Other short term provisions	1	1	1
Total current liabilities	1,298	1,509	1,484
TOTAL EQUITY AND LIABILITIES	3,187	3,102	3,221

Changes in Equity

SEK million	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
Opening equity	1,500	1,191	1,396	1,098	1,297	1,098
Comprehensive income after tax	60	106	164	199	263	298
Warrants	5	-	5	-	5	-
Closing equity	1,565	1,297	1,565	1,297	1,565	1,396

Cash Flow Statement

SEK million	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
Operating activities						
Profit after financial items	86	96	164	200	354	390
Reversed depreciation and amortisation	30	27	61	50	123	112
Other non-cash items	-3	-12	0	-12	-13	-25
Tax paid	-17	-18	-39	-59	-53	-73
Change in working capital	75	-54	82	-57	77	-62
Cash flow from operating activities	171	39	268	122	488	342
Cash flow from investing activities	-34	-41	-47	-75	-216	-244
Cash flow from financing activities	-153	-3	-129	-41	-100	-12
Change in cash and cash equivalents	-16	-5	92	6	172	86
Cash and cash equivalents						
At beginning of period	288	100	170	88	99	88
Cash flow after investing activities	137	-2	221	47	272	98
Cash flow from financing activities	-153	-3	-129	-41	-100	-12
Exchange rate difference in cash and cash	-3	4	7	5	-2	-4
Cash and cash equivalents at end of period	269	99	269	99	269	170
Un-utilised credits	206	206	206	206	206	150
Available cash and cash equivalents	475	305	475	305	475	320

Operating Segments

SEK million	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
WESTERN EUROPE						
External net sales	786	754	1,589	1,529	3,144	3,084
Internal net sales	3	14	5	19	10	24
Operating profit	83	74	161	162	290	291
Operating margin	10.5%	9.6%	10.1%	10.5%	9.2%	9.3%
Inventories	859	1 034	859	1 034	859	985
External accounts receivable—trade	721	633	721	633	721	669
Average number of employees	953	869	954	829	936	908
REST OF WORLD						
External net sales	226	324	478	600	1,037	1,159
Internal net sales	5	12	16	24	34	42
Operating profit	16	35	29	56	64	91
Operating margin	7.2%	10.4%	5.9%	8.9%	6.0%	7.6%
Inventories	241	367	241	367	241	305
External accounts receivable—trade	182	240	182	240	182	206
Average number of employees	507	602	561	575	573	580
INTRA-GROUP						
Internal net sales	-8	-26	-21	-43	-44	-66
Operating profit	0	-3	0	0	48	48
External accounts receivable—trade	1	2	1	2	1	1
Average number of employees	18	16	18	16	17	16

Sales per Customer Segment

SEK million	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
WESTERN EUROPE						
Industrial	452	354	923	727	1,757	1,561
Communication	75	68	145	145	290	290
Medtech	146	183	285	347	556	618
Greentech	113	149	236	310	541	615
Total external sales	786	754	1,589	1,529	3,144	3,084
REST OF WORLD						
Industrial	135	164	263	324	572	633
Communication	63	124	143	213	322	392
Medtech	21	23	42	42	84	84
Greentech	7	13	30	21	59	50
Total external sales	226	324	478	600	1,037	1,159
TOTAL						
Industrial	587	518	1,186	1,051	2,329	2,194
Communication	138	192	288	358	612	682
Medtech	167	206	327	389	640	702
Greentech	120	162	266	331	600	665
Total external sales	1,012	1,078	2,067	2,129	4,181	4,243

Parent Company Financial Reports

Income Statement

SEK million	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
Net sales	24	9	47	18	90	61
Cost of services sold	-9	-4	-17	-8	-28	-19
Gross profit	15	5	30	10	62	42
Selling expenses	-4	-2	-8	-6	-17	-15
Administrative expenses	-4	-4	-7	-7	-14	-14
Other operating income/expenses	-1	18	18	24	-11	-6
Operating profit	6	17	33	21	20	7
Net financial income/expenses	3	4	12	5	19	12
Profit after financial items	9	21	45	26	39	19
Appropriations	-	-	-	-	73	73
Profit before tax	9	21	45	26	112	92
Income tax	-1	-5	-9	-6	-23	-19
Profit after tax	8	16	36	20	89	73

Other Comprehensive Income

SEK million	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
Profit after tax	8	16	36	20	89	73
Other comprehensive income						
Items that can be subsequently reversed in the income statement:	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Comprehensive income after tax	8	16	36	20	89	73

Balance Sheet

SEK million	2024 30 June	2023 30 June	2023 31 Dec
Assets			
Intangible assets	1	1	1
Property, plant and equipment	0	0	0
Long-term receivables from group companies	351	286	338
Financial non-current assets	278	277	278
Total non-current assets	630	564	617
Receivables from group companies	94	74	71
Other current receivables	4	6	6
Cash and bank balances	9	1	1
Total current assets	107	81	78
TOTAL ASSETS	737	645	695
Equity and liabilities			
Equity	453	359	412
Untaxed reserves	66	36	66
Liabilities			
Liabilities to financial institutions	0	11	66
Liabilities to group companies	198	226	126
Other current liabilities and provisions	20	13	25
Total current liabilities	218	250	217
TOTAL EQUITY AND LIABILITIES	737	645	695

Changes in Equity

SEK million	2024 Q2	2023 Q2	2024 Q1-Q2	2023 Q1-Q2	Rolling 12 mth.	2023 Full year
Opening equity	440	343	412	339	359	339
Comprehensive income after tax	8	16	36	20	89	73
Warrants	5	-	5	-	5	-
Closing equity	453	359	453	359	453	412

This is NOTE

NOTE produces PCBAs, subassemblies and box build products. NOTE is a competitive EMS provider and stable business partner to customers with high standards. NOTE's products are embedded in complex systems for electronic control, surveillance and security, for example.

NOTE's business model builds on delivering high end manufacture, custom logistics solutions and consulting for the best possible total cost through long-term customer relationships and partnerships. Its customer offering covers complete product lifecycles, from design to after-sales. Primarily, its customer base consists of large corporations operating on the global market, and enterprises whose main sales are in northern Europe.

NOTE has a presence in Sweden, Finland, the UK, Estonia, Bulgaria and China. Sales over the last 12 months were SEK 4,181 million, and the group has approximately 1,500 employees. NOTE is listed on Nasdaq Stockholm

Financial information

NOTE AB (publ)
Corporate ID no. 556408-8770

Calendar

Interim Report Q3	14 October 2024
Year-end Report	27 January 2025

Ordering Financial Information

Financial and other relevant information can be obtained from NOTE on request. Out of consideration for the environment, an electronic subscription service is readily available from NOTE's website.

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