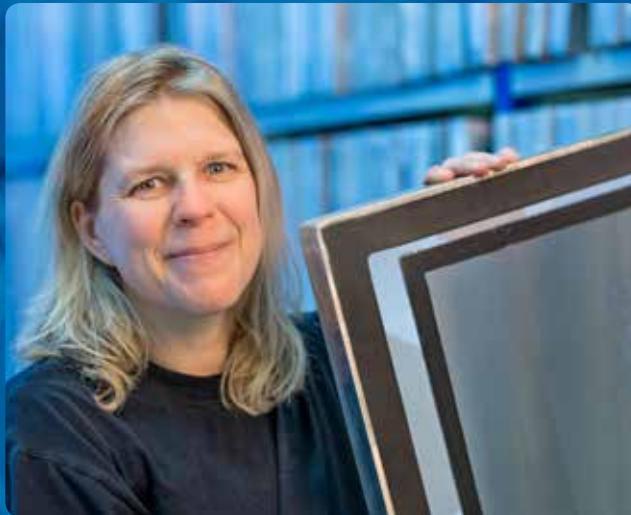


Interim Report January–September 2018



Interim Report Q3

Financial performance in January–September

- Sales increased by 15% to SEK 982.1 (850.7) million.
- Operating profit amounted to SEK 55.8 (70.8) million, adjusted for non-recurring items in the first quarter last year and for expenses related to the change of CEO, operating profit increased by SEK 7.7 million to SEK 62.8 (55.1) million.
- Operating margin was 5.7% (8.3%), adjusted for non-recurring items of this year and last year, operating margin amounted to 6.4% (6.5%).
- Profit after financial items amounted to SEK 51.7 (67.2) million. Adjusted for non-recurring items of this year and last year, the profit after financial items rose to SEK 58.7 (51.5) million.
- Profit after tax amounted to SEK 40.2 (54.3) million, corresponding to SEK 1.39 (1.88) per share.
- Cash flow after investments amounted to SEK 4.8 (67.9) million, or SEK 0.17 (2.35) per share.

Financial performance in July–September

- Sales increased by 22% to SEK 323.6 (265.2) million.
- Operating profit amounted to SEK 15.5 (20.1) million, adjusted for expenses related to the change of CEO, the operating profit increased to SEK 22.5 (20.1) million.
- Operating margin amounted to 4.8% (7.6%), adjusted for non-recurring items of this quarter, the operating margin amounted to 7.0% (7.6%).
- Profit after financial items amounted to SEK 15.0 (18.8) million. Adjusted for non-recurring items of this quarter, the profit after financial items rose to SEK 22.0 (18.8) million.
- Profit after tax amounted to SEK 10.9 (15.8) million, corresponding to SEK 0.38 (0.55) per share.
- Cash flow after investments amounted to SEK 9.4 (–11.2) million, or SEK 0.33 (–0.39) per share.

Events in the year

NOTE becomes CellMark's new manufacturing partner

NOTE signed an agreement with CellMark in the first quarter on the manufacture of a new sophisticated medtech product. Industrialisation and batch production will be conducted at NOTE's plant in Estonia.

Order on batch production from Saab Dynamics

Following extensive prototype and development work, orders for batch production of more than SEK 20 million were obtained in the second quarter. Deliveries are scheduled to start in the second half of 2018. Manufacturing will take place at NOTE's plant in Torsby, Sweden.

Incentive programme

At the Annual General Meeting (AGM) in April, a decision was taken to introduce a long-term incentive programme (three years) directed at group management and other key staff. A total of 380,000 warrants were acquired in accordance with the principles decided by the AGM. Pricing was on market terms and the exercise price amounts to SEK 29.00.

Including the three-year incentive program of 600,000 warrants that begun last year, upon full exercise up to 980,000 shares may be issued. This corresponds to just over three percent of the total number of outstanding shares and votes.

Changes in the Board and Group management

During the summer, after Creades AB divested all their NOTE shares, John Hedberg withdrew as the Chairman of the Board. In connection with this, a new Nomination Committee was designated and Johan Hagberg assumed the position as Chairman of the Board.

The current Board member Johannes Lind-Widestam was appointed new CEO and President the 28 September, succeeding Per Ovrén, who will leave the company. Johannes has previously been Managing Director of Kitron Sweden and Elos Medtech, and has experience from various senior positions in ASSA, Flextronics and Nobel Biocare.

Events after the end of the period

NOTE creates new Swedish partnership in smart lighting

The market for the connected home is advancing rapidly. NOTE has signed a collaborative agreement with Plejd, a high-growth smart lighting enterprise. Batch production is scheduled to start in Lund in the first quarter next year.

CEO's comments

Focusing on profitable growth

NOTE is one of the most competitive electronics manufacturers in the Nordics, and a stable business partner for Swedish and international customers that need advanced EMS solutions. Putting a sharp focus on assuring quality and first-class delivery precision for our sector is one of the success factors for us and our customers.

NOTE is retaining its growth ambitions—we have the clear goal of increasing our market share and achieving steady growth of at least 10% per year. In my view, the conditions for succeeding here are in place. Our business model is based on long-term customer relations and partnerships, which currently include several of the leading corporations in the Nordics across a broad spectrum of sectors. Our customer base offers substantial potential, and we're working methodically on developing our offering and deepening our partnerships, to grow alongside our customers. We're also successfully winning new business across all our customer segments. The partnerships we announced with CellMark, Saab, and most recently Plejd, are clear evidence of this. Additionally, growing digitalisation in manufacturing and in our homes is accentuating the need for electronics, which is promoting growth on our market. In my new role as NOTE's CEO and President, I'm looking forward to bringing my skills and experience to continue our expansion and keep improving profitability.

Progress in the first three quarters of the year

NOTE's sales performance was strong in the period. Year to date, sales were up by 15% to SEK 982.1 million, and in the third quarter, growth was 22%. We are growing on all our home markets, especially Western Europe, centring on customers in the Swedish and Finnish industrial sector. We're also making robust progress on the defence side. Furthermore, we are pleased about increased customer activity and growth at our plants in Estonia and China. Our order books also made positive progress, up 20% on last year, which corroborates continuing positive sales performance in the short perspective.

In earnings terms, I think we're performing strongly, and largely in line with our estimates. It's important to note that in the first quarter of last year, we had positive non-recurring items of nearly SEK 16 million net, mainly due to the property sale in Lund, while the third quarter this year was negatively impacted by SEK 7 million due to our change of CEO in September. Adjusted for these items, our underlying operating profit year to date was up by 14% to SEK 62.8 million, and our operating margin was 6.4% (6.5%). Year to date, and especially in the third quarter, the revaluation of assets and liabilities denominated in foreign currencies had a less positive impact than last year, which means that our growth hasn't had its full impact on our operating margin. Our earnings improvement in absolute terms was largely driven by higher utilisation, cost adaptations executed and somewhat wider margins in ongoing customer assignments. In the third quarter, our underlying operating margin was 7.0%, which is consistent with what is necessary to achieve our profitability target.



Q3—growth 22%, positive cash flow and an underlying operating margin of 7.0%

Efficient utilisation of working capital is a critical success factor in our business. Continued growth and a wealth of new projects in the start-up phase, plus strained conditions on the global market for electronic components, contributed to inventory build-ups and the poor progress of our cash flow in the first half-year. That's why I'm pleased that through focused initiatives, we were able to increase cash flow after investments in the third quarter to SEK 9.4 (-11.2) million. For the whole period, cash flow was SEK 4.8 (67.9) million.

NOTE is well prepared financially for its future, which is important for ourselves and our customers. Our Balance Sheet is one of the sector's strongest, with an equity to assets ratio of just over 46% and low net debt of SEK 51 million.

Future

We are continuing to work from our long-term targets, which focus on growth, customer satisfaction and profitability.

We're also maintaining our stated focus on the acquisition side. We continuously screen acquisition candidates that we think are suitable. Our order status is strong, and activity in ongoing customer dialogues is brisk. NOTE has a lot of skilled professionals and good customers that we will continue to take care of. We are constantly reviewing our costs and working hard to ensure high utilisation of working capital.

A handwritten signature in blue ink, appearing to read 'Johannes Lind-Widestam'.

Johannes Lind-Widestam

Sales and results of operations

Sales, January–September

NOTE sells to a large customer base, essentially active across industrial, communication, medtech, defence and high end consumer electronics. Its customer base consists of global corporations that are active on the world market, as well as local enterprises whose primary sales are in northern Europe. Usually, customers outsource all their electronics manufacture to one or several EMS partners. Another trend is for customers increasingly demanding manufacture and the direct shipment of box build products.

Sales in the first three quarters rose by 15% to SEK 982.1 (850.7) million, with a positive impact from fluctuating exchange rates, mainly USD and EUR, of some 2%. The sales increase was sourced from expanded partnerships with established customers and a gradual impact of increased new business customer sales. Sales rose by 18% in Western Europe. Sales grew on all domestic markets in Europe, and especially from defence and large industrial industry customers. The demand for electronics production at our plant in Estonia, mainly for customers in northern Europe, also progressed positively, with growth of some 13%. Sales from our plant in China, which are to local and global customers, grew by over 10%.

NOTE endeavours to secure long-term customer relations and partnerships. NOTE secured deeper partnerships on new product generations with several customers in its strong customer base.

It has also been working intensively for a time on expanding its customer base, to lift sales and capacity utilisation at the group's units. As a result of these marketing initiatives, NOTE has secured many new customer relations. These new customers include large global corporations, as well as SMEs in Europe and Asia. Several of these partnerships, which usually start with industrialisation services (service sales, prototyping and pilot series), have now resulted in batch production and higher volumes.

The 15 largest customers in sales terms represented 56% (57%) of group sales. As in the previous year, no single customer (group) generated more than about 10% of total sales. At the end of the period, the group's order book, which consists of a

combination of fixed orders and customer forecasts, was just over 20% larger than at the corresponding point of the previous year.

Results of operations, January–September

In order to keep improving competitiveness and create the potential for more growth, NOTE has been conducting methodical improvement work at all the group's units for several years. This work is conducted locally at each plant and through a number of group-wide projects. Over and above initiatives to expand and develop its customer offering, NOTE's focus is on measures that improve delivery precision and quality performance, and on cost and working capital rationalisation.

Largely as a consequence of increased sales with stable margins to established and new business customers, the gross margin expanded by 0.4 percentage points to 12.2% (11.8%).

Sales and administration overheads for the period were SEK 61.7 (53.9) million. Adjusted for non-recurring costs related to organisational changes executed in Sweden last year and the change of CEO in September this year, overheads increased by SEK 4.0 million (8%). Essentially, this increase is linked to greater resources to lift future growth. As a share of sales, computed on the same basis, underlying overheads were 5.6% (6.0%).

Other operating income was positively impacted by SEK 20.6 million last year by the property sale in Lund. Adjusted for this, other operating income/expenses, which essentially consist of the revaluation of assets and liabilities denominated in foreign currencies, were SEK –2.0 (3.8) million. Accordingly, in year-on-year terms, operating profit was negatively impacted by SEK 5.8 million.

Operating profit was SEK 55.8 (70.8) million in the period. Adjusted for the property sale and other non-recurring items in the first quarter of the previous year, amounting to a total of SEK 15.7 million net, and expenses of SEK 7.0 million for the change of CEO in September this year, underlying operating profit increased by SEK 7.7 million (14%) to SEK 62.8 (55.1) million. Computed on the same basis, the operating margin was 6.4% (6.5%).

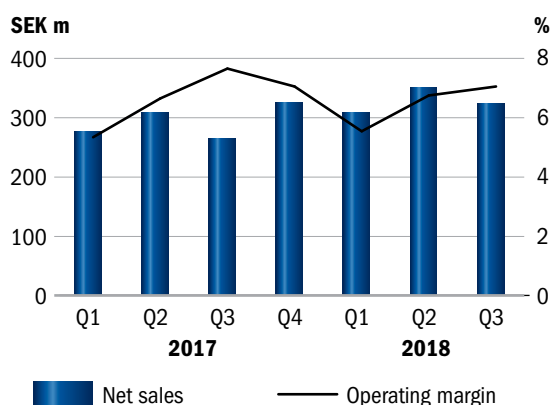
Net financial income/expense was SEK –4.1 (–3.6) million.

Profit after financial items was SEK 51.7 (67.2) million, corresponding to a profit margin of 5.3% (7.9%).

Profit after tax was SEK 40.2 (54.3) million, or SEK 1.39 (1.88) per share. The tax expense for the period corresponded to 22% (19%) of profit before tax.

Sales and results of operations, July–September

The demand for NOTE's services in the third quarter, normally seasonally lower than other quarters, remained positive. Sales rose by 22% to SEK 323.6 (265.2) million. Demand remained positive across all Western European home markets, especially Sweden and Finland. Sales in Western Europe increased by 32% in the third quarter. NOTE's plants in Estonia and China made positive progress and achieved growth of 11%.



The operating margin in the above graph illustrates underlying profitability for 2017 and 2018. The first quarter 2017 has been restated, reduced by non-recurring items of SEK 15.7 million. The third quarter 2018 has been adjusted positively for non-recurring cost of SEK 7.0 million.

Mainly as a result of higher sales, stable margins on customer assignments and the continued good progress of costs, NOTE's gross margin widened somewhat to 12.4% (12.3%).

Overheads in the period were negatively impacted by SEK 7.0 million due to costs related to the change of CEO in September. Other sales and administration overheads increased somewhat, mainly as a result of investments on the sales and technology sides, and amounted to SEK 16.9 (15.4) million, or 5.2% (5.8%) of sales.

Other operating income/expenses, mainly consisting of revaluations of assets and liabilities denominated in foreign currencies, amounted to SEK -0.6 (3.0) million.

Third-quarter operating profit was negatively impacted by the change of CEO, and was SEK 15.5 (20.1) million. Underlying operating profit adjusted for expenses for the change of CEO increased to SEK 22.5 (20.1) million, equivalent to an operating margin of 7.0% (7.6%).

Profit after financial items was SEK 15.0 (18.8) million, equating to a profit margin of 4.6% (7.1%).



Cash flow and financial position

Cash flow

Competing successfully in the high mix market segment sets demanding standards on flexibility in manufacture, the effective supply of materials and the capability to deliver custom manufacturing and logistics solutions. Accordingly, NOTE faces a major challenge in continuously improving its business methods and internal processes in these segments.

The global market for electronic components is still strained, in terms of supply and long lead-times, which has implications including NOTE's sourcing and planning functions needing to make extra effort and maintain close dialogue with customers and suppliers.

NOTE's has a sharp focus on continuous rationalisation of its utilisation of working capital. Obviously, a strained electronic components market combined with increased sales and start-ups of several new customer projects contributed to increased inventories. Capital tied-up in inventories, including supplier advances for materials, was 24% higher at the end of the period than the corresponding point of the previous year.

Naturally, accounts receivable—trade decreased somewhat on the midpoint of the year. At the end of the period, accounts receivable—trade were 10% higher than at the corresponding point of the previous year. Considering growth in the third quarter of 22%, it represents a significant improvement in the number of outstanding customer credit days. NOTE makes continuous efforts to monitor credit risks and new, improved procedures, especially in China, contributed to positive progress in the days of credit.

Accounts payable—trade mainly consist of sourcing of electronic components and other production materials. Accounts payable—trade have increased significantly since year-end, and were 17% higher at period end than in the previous year. NOTE is working actively to keep developing its partnership model for suppliers, which involves changes including concentrating

Equity to assets ratio

46,2%

Cash flow after investments

SEK +4,8m

sourcing on fewer, quality-assured suppliers. This contributed to rationalising the utilisation of working capital.

Cash flow in the first quarter of the previous year was high for reasons including the property sale in Lund. Clearly, continued growth requires working capital, which puts cash flow under pressure. The combination of continued positive earnings performance and rationalisation in the working capital segment, meant that cash flow after investments for the first three quarters was SEK 4.8 (67.9) million, or SEK 0.17 (2.35) per share. Cash flow increased to SEK 9.4 (-11.2) million in the third quarter.

Equity to assets ratio

According to NOTE's externally communicated financial targets, the equity to assets ratio should not fall below 30%. At the end of the period, the equity to assets ratio was 46.2% (48.6%). The dividend of SEK 28.9 (20.2) million paid to shareholders in the second quarter reduced the equity to assets ratio by about 3 percentage points.

Liquidity and investments

Liquidity and net debt

NOTE is retaining its sharp focus on measures that improve the group's liquidity and cash flow.

The group's available cash and cash equivalents, including un-utilised overdraft facilities, were some SEK 109 (99) million at the end of the third-quarter. Factored accounts receivable—trade were approximately SEK 169 (98) million. Net debt was SEK 51.3 (27.2) million at the end of the period.

Investments

Capital expenditure on fixed assets in the first three quarters of the year was SEK 17.8 (22.5) million. Investments corresponded to 1.8% (2.6%) of sales and primarily consisted of projects to increase efficiency and capacity.

Plan depreciation and amortisation increased somewhat to SEK 13.4 (11.8) million.

Parent company

The parent company, NOTE AB (publ), is primarily focused on the management, coordination and development of the group. Revenue for the period was SEK 27.9 (25.3) million, and mainly related to intra-group services.

During the third quarter, the operating profit was negatively impacted with SEK 7.0 million, due to the change of CEO. Profit for the first quarter last year was positively impacted by the property sale in Lund. Net financial income/expense includes SEK 1,0 (2,3) million of dividends received from subsidiaries. Profit after tax was SEK -8,2 (28,6) million.

Transactions with related parties

Apart from the incentive programs for group management and key staff introduced in the period, there were no transactions with related parties in the period.

Annual General Meeting 2018

The AGM in April elected Johannes Lind-Widestam as Board member. Per Ovrén and Mikael Norin left the board. The rest of the Board of Directors were re-elected, with John Hedberg as Chairman. The AGM resolved to pay a dividend to shareholders of SEK 1.00 (0.70) per share, or SEK 28.9 (20.2) million.

Significant operational risks

NOTE is one of the leading northern European 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 complete product lifecycles, from design to after-sales.

NOTE's business model, which is designed to increase sales growth combined with limited overheads and investment costs in high-cost countries, is a way to reduce the risks of operations.

For a more detailed review of the group's operational and financial risks, refer to the Risks section on page 13, the Report of the Directors on page 40, as well as note 24, Financial risks and finance policy, on page 57-58 of NOTE's Annual Report for 2017.

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 European Union. Significant accounting and valuation principles are stated on pages 48-50 of the Annual Report for 2017. 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.

NOTE started to apply IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" effective 1 January 2018.

IFRS 9 introduces a new method for measuring bad debt provision needs. As in previous years, NOTE has provisioned on the basis of a case-by-case assessment of credit risk for each customer. Based on measurement of historical data, the credit risk provision was increased by some SEK 6 million. This amount was taken against consolidated equity, as IFRS 9 was adopted on 1 January 2018. Otherwise, IFRS 9 has no material effect on the consolidated financial statements.

NOTE has conducted an analysis of the implementation of IFRS 15 and judges that the Standard has no material effect on the consolidated financial statements.

The IASB published a new standard on leases in January 2016, IFRS 16 Leases, which will replace IAS 17 Leases and the associated SIC and IFRIC interpretation statements. This standard requires that assets and liabilities attributable to all lease arrangements, with certain exceptions, are recognised in the

Balance Sheet. This standard applies to financial years beginning 1 January 2019. Prospective adoption is permitted.

A project to quantify the effects on the group of implementing IFRS 16 on its financial statements is ongoing. This process will continue in 2018. For a view of the scope of the group's lease commitments, see note 7 Operating leases on page 51 of the Annual Report for 2017.

Earnings per share are reported in line with IAS 33 Earnings per share. Reported numbers for 2017 have been adjusted for compliance with current reporting standard.

All amounts are in millions of Swedish kronor (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.

Johannes Lind-Widestam
CEO and President

Kista, Sweden, 17 October 2018

Auditor's report

NOTE AB (publ). reg. no. 556408-8770

Introduction

We have reviewed the condensed interim financial information (interim report) of NOTE AB (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted audit-

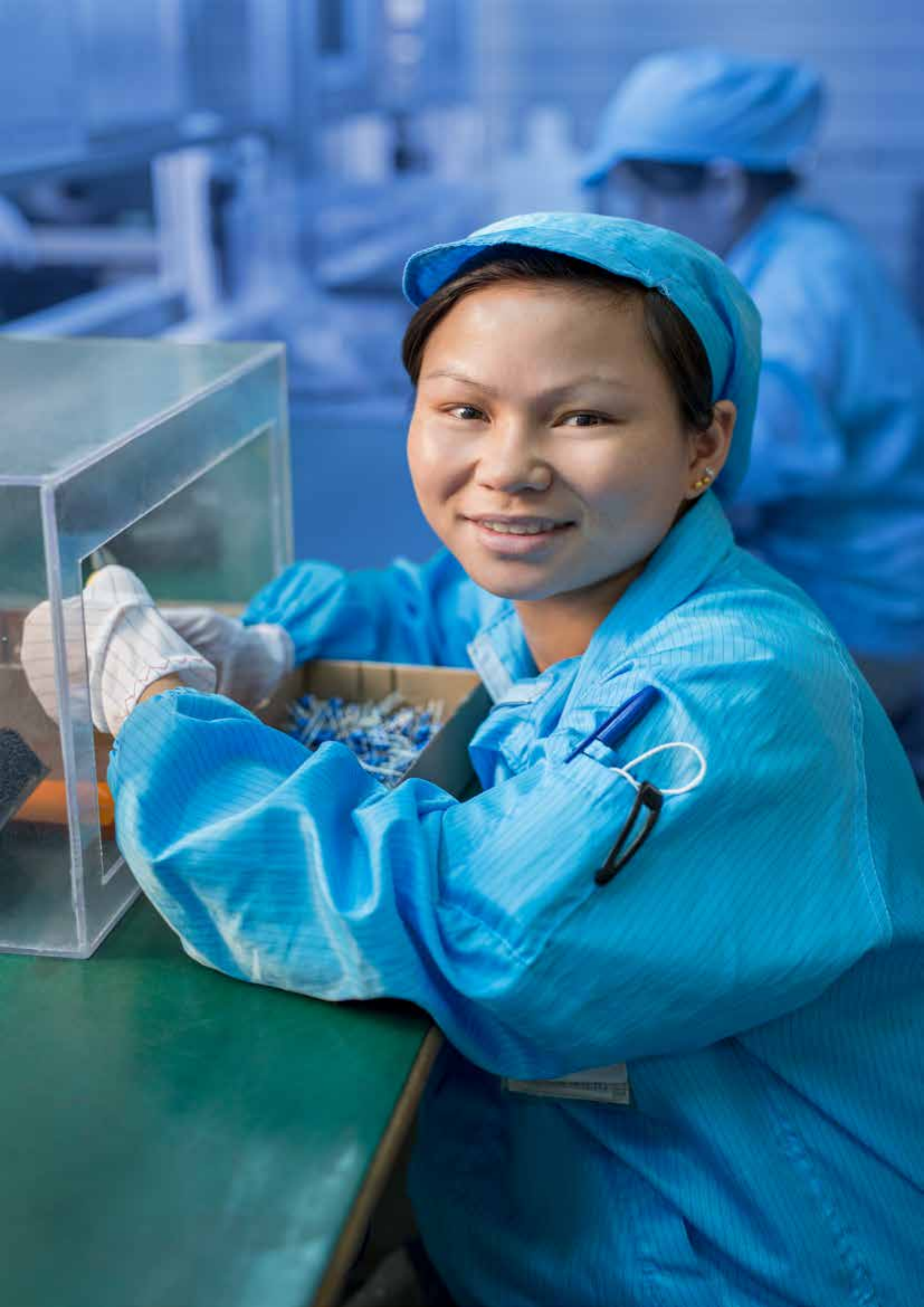
ing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Niklas Renström
Authorised Public Accountant
Öhrlings PricewaterhouseCoopers AB

Stockholm, Sweden, 17 October 2018



Consolidated quarterly summary

SEK million	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1
Net sales	323.6	350.5	308.0	325.0	265.2	308.4	277.1
Gross margin	12.4%	12.8%	11.3%	12.3%	12.3%	11.8%	11.3%
Operating margin	4.8%	6.7%	5.5%	7.0%	7.6%	6.6%	11.0%
Profit margin	4.6%	6.2%	4.9%	6.6%	7.1%	6.3%	10.5%
Cash flow after investing activities	9.4	-17.9	13.3	1.8	-11.2	1.3	77.8
Cash flow per share, SEK	0.33	-0.62	0.46	0.06	-0.39	0.05	2.70
Equity per share, SEK	13.18	13.02	13.33	12.79	12.00	11.54	11.91
Equity to assets ratio	46.2%	44.9%	46.8%	48.8%	48.6%	46.4%	45.2%
Average number of employees	983	951	927	952	943	886	870
Net sales per employee, SEK 000	329	369	332	341	281	348	319

Consolidated six-year summary

SEK million	Rolling 12 mth.	2017	2016	2015	2014	2013
Net sales	1,307.1	1,175.7	1,098.1	1,121.5	964.0	907.0
Gross margin	12.2%	11.9%	12.0%	10.9%	10.6%	8.0%
Operating margin	6.0%	7.9%	5.5%	4.0%	3.3%	1.0%
Profit margin	5.6%	7.6%	5.0%	3.5%	3.0%	0.1%
Cash flow after investing activities	6.6	69.7	40.9	5.2	2.5	-2.0
Cash flow per share, SEK	0.23	2.41	1.42	0.18	0.09	-0.07
Equity per share, SEK	13.18	12.79	11.01	9.94	9.36	8.25
Return on operating capital	19.5%	24.2%	16.1%	12.9%	10.1%	3.1%
Return on equity	16.0%	21.0%	14.9%	12.4%	9.7%	0.3%
Equity to assets ratio	46.2%	48.8%	45.8%	43.3%	44.1%	44.0%
Average number of employees	953	912	987	940	893	847
Net sales per employee, SEK 000	1,372	1,289	1,113	1,193	1,080	1,071

Consolidated Income Statement

SEK million	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	Rolling 12 mth.	2017 full year
Net sales	323.6	265.2	982.1	850.7	1 307.1	1 175.7
Cost of goods and services sold	-283.6	-232.7	-862.6	-750.4	-1 147.6	-1 035.4
Gross profit	40.0	32.5	119.5	100.3	159.5	140.3
Selling expenses	-16.5	-9.0	-38.8	-33.7	-49.6	-44.5
Administrative expenses	-7.4	-6.4	-22.9	-20.2	-31.3	-28.6
Other operating income/expenses	-0.6	3.0	-2.0	24.4	-0.2	26.2
Operating profit	15.5	20.1	55.8	70.8	78.4	93.4
Net financial income/expenses	-0.5	-1.3	-4.1	-3.6	-5.1	-4.6
Profit after financial items	15.0	18.8	51.7	67.2	73.3	88.8
Income tax	-4.1	-3.0	-11.5	-12.9	-15.3	-16.7
Profit after tax	10.9	15.8	40.2	54.3	58.0	72.1

Consolidated Statement of Other Comprehensive Income

SEK million	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	Rolling 12 mth.	2017 full year
Profit after tax	10.9	15.8	40.2	54.3	58.0	72.1
Other comprehensive income						
Items that can be subsequently reversed in the income statement:						
Exchange rate differences	-6.2	-2.6	4.5	-6.1	9.5	-1.1
Cash flow hedges	-0.1	0.0	0.0	0.0	-0.1	-0.1
Tax on hedges and exchange rate difference	0.1	0.0	-0.1	0.0	-0.1	0.0
Total other comprehensive income after tax	-6.2	-2.6	4.4	-6.1	9.3	-1.2
Comprehensive income after tax	4.7	13.2	44.6	48.2	67.3	70.9

Earnings per share

	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	Rolling 12 mth.	2017 full year
Number of shares at end of period (000)	28,873	28,873	28,873	28,873	28,873	28,873
Weighted average number of shares (000)*	28,873	28,873	28,873	28,873	28,873	28,873
Weighted average number of shares (000)**	28,878	28,881	28,904	28,821	28,918	28,899
Earnings per share, SEK*	0.38	0.55	1.39	1.88	2.01	2.50
Earnings per share, SEK**	0.38	0.55	1.39	1.88	2.01	2.49

* Before dilution

** After dilution

Consolidated Balance Sheet

SEK million	2018 30 Sep	2017 30 Sep	2017 31 Dec
Assets			
Goodwill	70.6	70.2	70.2
Other intangible assets	10.4	9.9	9.6
Property, plant and equipment	69.8	64.2	64.4
Deferred tax assets	2.3	1.2	1.0
Other financial assets	0.6	1.0	1.1
Total non-current assets	153.7	146.5	146.3
Inventories	326.3	263.8	239.5
Accounts receivable—trade	257.2	233.8	261.8
Other current receivables	33.0	19.1	21.1
Cash and bank balances	52.9	50.5	87.2
Total current assets	669.4	567.2	609.6
TOTAL ASSETS	823.1	713.7	755.9
Equity and liabilities			
Equity	380.6	346.5	369.2
Liabilities			
Long-term interest-bearing liabilities	12.9	13.0	12.3
Deferred tax liabilities	1.8	1.4	1.7
Total non-current liabilities	14.7	14.4	14.0
Current interest-bearing liabilities	91.3	64.7	97.8
Accounts payable—trade	240.4	205.8	195.0
Other current liabilities	96.1	82.3	79.9
Total current liabilities	427.8	352.8	372.7
TOTAL EQUITY AND LIABILITIES	823.1	713.7	755.9

Consolidated Change in Equity

SEK million	2018 Q3	2017 Q3	2018 Q1–Q3	2017 Q1–Q3	Rolling 12 mth.	2017 full year
Opening equity	375.9	333.3	369.2	318.0	346.5	318.0
Effect of change in accounting principle	–	–	–4.7	–	–4.7	–
Total	375.9	333.3	364.5	318.0	341.8	318.0
Comprehensive income after tax	4.7	13.2	44.6	48.2	67.3	70.9
Payment warrants	–	–	0.4	0.5	0.4	0.5
Dividend	–	–	–28.9	–20.2	–28.9	–20.2
Closing equity	380.6	346.5	380.6	346.5	380.6	369.2

Consolidated Cash Flow Statement

SEK million	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	Rolling 12 mth.	2017 full year
Operating activities						
Profit after financial items	15.0	18.8	51.7	67.2	73.3	88.8
Reversed depreciation and amortisation	4.6	4.3	13.4	11.8	17.7	16.1
Other non-cash items	1.3	-0.4	-3.6	-17.3	-6.5	-20.2
Tax paid	-3.5	-1.1	-13.5	-5.2	-20.9	-12.6
Change in working capital	-3.5	-32.3	-29.8	-24.2	-38.0	-32.4
Cash flow from operating activities	13.9	-10.7	18.2	32.3	25.6	39.7
Cash flow from investing activities	-4.5	-0.5	-13.4	35.6	-19.0	30.0
Cash flow from financing activities	-10.0	-20.3	-40.6	-87.9	-6.5	-53.8
Change in cash and cash equivalents	-0.6	-31.5	-35.8	-20.0	0.1	15.9
Cash and cash equivalents						
At beginning of period	54.9	82.1	87.2	71.6	50.5	71.6
Cash flow after investing activities	9.4	-11.2	4.8	67.9	6.6	69.7
Cash flow from financing activities	-10.0	-20.3	-40.6	-87.9	-6.5	-53.8
Exchange rate difference in cash and cash equivalents	-1.4	-0.1	1.5	-1.1	2.3	-0.3
Cash and cash equivalents at end of period	52.9	50.5	52.9	50.5	52.9	87.2
Un-utilised credits	56.3	48.9	56.3	48.9	56.3	51.8
Available cash and cash equivalents	109.2	99.4	109.2	99.4	109.2	139.0

Operating segments

NOTE's operating segment Western Europe consist of units located in geographical regions with high industrial activity and innovation standards in Sweden, Finland and the UK. These units provide advanced production technology services in close collaboration with customers, such as component selection, developing test equipment, prototyping and batch production.

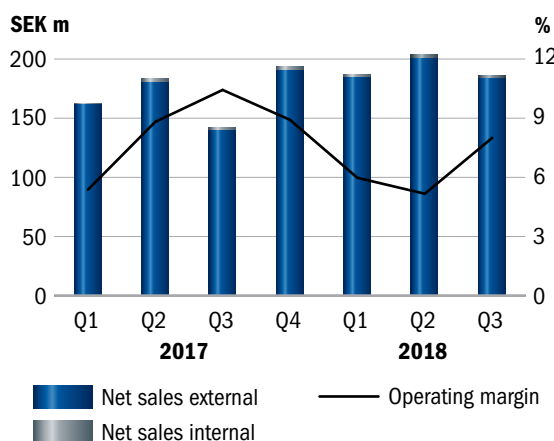
Operating segment Rest of World, located in Estonia and China, are close to large end markets and in regions with strong

traditions of production and high competence levels. In addition to development-oriented services, these units also offer cost-efficient volume production of PCBAs and box build products.

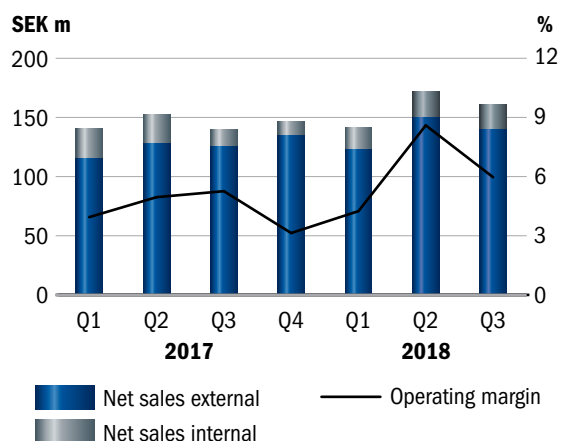
Intra-Group are group-wide business support functions in the parent company and for the sourcing operations in NOTE Components.

SEK million	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	Rolling 12 mth.	2017 full year
WESTERN EUROPE						
External net sales	183.8	139.4	569.2	481.4	759.1	671.3
Internal net sales	2.7	2.9	8.6	6.9	12.0	10.3
Operating profit	14.8	14.7	36.3	39.3	53.3	56.3
Operating margin	7.9%	10.3%	6.3%	8.0%	6.9%	8.3%
Inventories	177.1	142.5	177.1	142.5	177.1	129.4
External accounts receivable—trade	161.7	115.9	161.7	115.9	161.7	158.9
Average number of employees	326	287	319	280	315	287
REST OF WORLD						
External net sales	139.8	125.8	412.9	369.3	548.0	504.4
Internal net sales	20.8	13.7	61.2	63.1	72.4	74.3
Operating profit	9.5	7.2	30.0	20.2	34.5	24.7
Operating margin	5.9%	5.2%	6.3%	4.7%	5.6%	4.3%
Inventories	149.2	121.3	149.2	121.3	149.2	110.1
External accounts receivable—trade	96.9	117.5	96.9	117.5	96.9	102.5
Average number of employees	635	638	614	600	619	606
INTRA-GROUP						
Internal net sales	-23.5	-16.6	-69.8	-70.0	-84.4	-84.6
Operating profit	-8.8	-1.8	-10.5	11.3	-9.4	12.4
External accounts receivable—trade	-1.4	0.4	-1.4	0.4	-1.4	0.4
Average number of employees	22	18	21	18	20	19

Western Europe



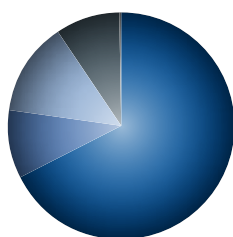
Rest of World



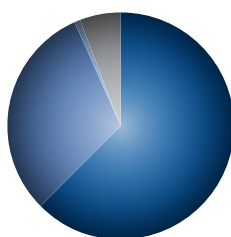
Sales per customer segment

SEK million	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	Rolling 12 mth.	2017 full year
WESTERN EUROPE						
Industrial	118.2	98.5	384.6	313.4	515.1	443.9
Communication	19.1	15.1	55.7	55.4	77.5	77.2
Medtech	26.3	19.0	76.6	83.9	102.9	110.2
Defence	19.9	6.3	51.6	27.0	61.8	37.2
High end consumer	0.3	0.5	0.7	1.7	1.8	2.8
Total external sales	183.8	139.4	569.2	481.4	759.1	671.3
REST OF WORLD						
Industrial	83.6	76.6	258.6	243.2	345.1	329.7
Communication	44.3	40.2	127.6	107.7	168.6	148.7
Medtech	1.4	0.4	3.2	1.0	3.3	1.1
Defence	0.0	0.0	0.0	0.0	0.0	0.0
High end consumer	10.5	8.6	23.5	17.4	31.0	24.9
Total external sales	139.8	125.8	412.9	369.3	548.0	504.4
TOTAL						
Industrial	201.8	175.1	643.2	556.6	860.2	773.6
Communication	63.4	55.3	183.3	163.1	246.1	225.9
Medtech	27.7	19.4	79.8	84.9	106.2	111.3
Defence	19.9	6.3	51.6	27.0	61.8	37.2
High end consumer	10.8	9.1	24.2	19.1	32.8	27.7
Total external sales	323.6	265.2	982.1	850.7	1,307.1	1,175.7

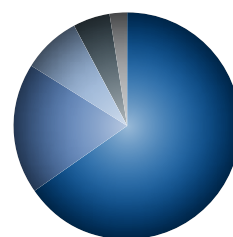
Western Europe Q1-Q3



Rest of World Q1-Q3



Total Q1-Q3



■ Industrial ■ Communication ■ Medtech ■ Defence ■ High end consumer

Parent Company Income Statement

SEK million	2018 Q3	2017 Q3	2018 Q1–Q3	2017 Q1–Q3	Rolling 12 mth.	2017 full year
Net sales	8.3	6.2	27.9	25.3	37.4	34.8
Cost of services sold	-3.8	-3.4	-12.7	-12.5	-16.8	-16.6
Gross profit	4.5	2.8	15.2	12.8	20.6	18.2
Selling expenses	-10.3	-3.9	-16.8	-11.8	-22.0	-17.0
Administrative expenses	-2.6	-2.7	-8.3	-8.7	-11.4	-11.8
Other operating income/expenses	-0.8	0.5	0.5	-2.0	2.2	-0.3
Operating profit	-9.2	-3.3	-9.4	-9.7	-10.6	-10.9
Net financial income/expenses	0.2	0.1	1.2	38.3	32.8	69.9
Profit after financial items	-9.0	-3.2	-8.2	28.6	22.2	59.0
Appropriations	-	-	-	-	-	-
Profit before tax	-9.0	-3.2	-8.2	28.6	22.2	59.0
Income tax	-	-	-	-	-4.7	-4.7
Profit after tax	-9.0	-3.2	-8.2	28.6	17.5	54.3

Parent Company Statement of Other Comprehensive Income

SEK million	2018 Q3	2017 Q3	2018 Q1–Q3	2017 Q1–Q3	Rolling 12 mth.	2017 full year
Profit after tax	-9.0	-3.2	-8.2	28.6	17.5	54.3
Other comprehensive income						
Items that can be subsequently reversed in the income statement:	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Comprehensive income after tax	-9.0	-3.2	-8.2	28.6	17.5	54.3

Parent Company Balance Sheet

SEK million	2018 30 sep	2017 30 sep	2017 31 dec
Assets			
Intangible assets	2.0	1.1	1.1
Property, plant and equipment	0.4	0.5	0.4
Long-term receivables from group companies	–	4.8	4.9
Financial non-current assets	221.4	221.4	221.4
Total non-current assets	223.8	227.8	227.8
Receivables from group companies	76.2	50.5	66.1
Other current receivables	12.5	1.7	3.3
Cash and bank balances	21.1	37.1	46.9
Total current assets	109.8	89.3	116.3
TOTAL ASSETS	333.6	317.1	344.1
Equity and liabilities			
Equity	212.4	223.8	249.5
Liabilities			
Liabilities to group companies	103.1	80.2	81.3
Other current liabilities and provisions	18.1	13.1	13.3
Total current liabilities	121.2	93.3	94.6
TOTAL EQUITY AND LIABILITIES	333.6	317.1	344.1

Parent Company Change in Equity

SEK million	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	Rolling 12 mth.	2017 full year
Opening equity	221.4	227.0	249.5	215.4	223.8	215.4
Comprehensive income after tax	–9.0	–3.2	–8.2	28.6	17.5	54.3
Dividend	–	–	–28.9	–20.2	–28.9	–20.2
Closing equity	212.4	223.8	212.4	223.8	212.4	249.5

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 shares at end of the period (before dilution).

Equity per share

Equity divided by the number of shares at end of the period (before dilution).

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.

Profit margin

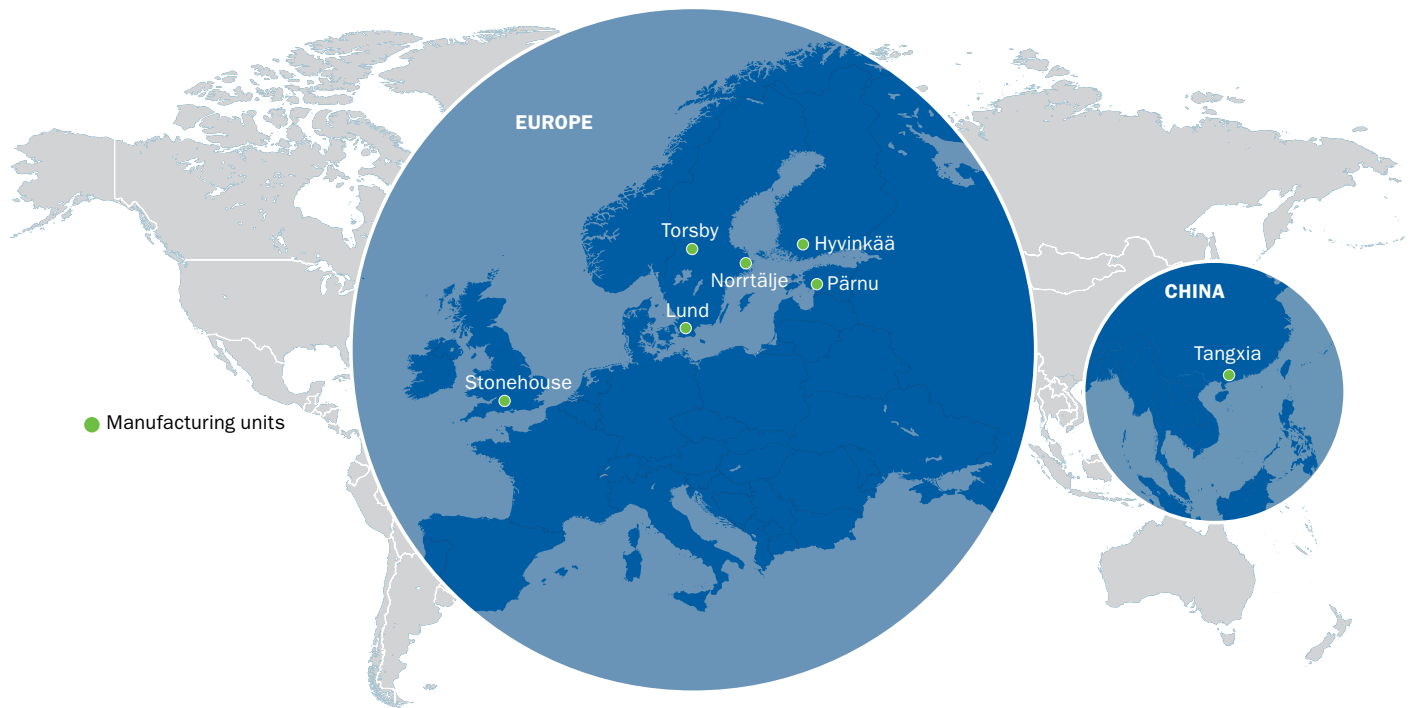
Profit after financial items as a percentage of net sales.

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.



This is NOTE

NOTE produces PCBAs, subassemblies, and increasingly box build products. The products are embedded in complex systems used in applications including electronic control, surveillance and security.

The customers are active in medtech, defence, industrial, communication and high end consumer electronics. Primarily, the customer base consists of large corporations operating on the global market, but also businesses whose main sales are in northern Europe.

The business model is based on delivering advanced manufacturing services, tailored logistics solutions as well as value-added consulting services for the best total cost. The customer offering covers complete product lifecycles from design to after-sales.

In Western Europe, NOTE has plants located in geographical regions with high industrial activity and innovation capabilities. At these plants, NOTE provides sophisticated production technology services in close partnership

with customers, such as component selection, developing test equipment, prototyping and batch production.

NOTE's plants in Estonia and China are close to major final markets, and in regions with strong traditions of production and high skills levels. Over and above development-oriented services, cost-efficient batch production of PCBAs and box build products are provided.

Financial information

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

Calendar

Year-end Report 2018	5 Feb 2019
Interim Report Q1	25 Apr 2019

Annual General Meeting

The AGM will be held at Spårvagnshallarna in Stockholm, Sweden, at 2 p.m. on 25 April 2019.

Ordering financial information

Financial and other relevant information can be ordered from NOTE. Out of consideration for the environment, a subscription service is readily available from NOTE's website.

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