



Interim Report January–September 2021

NOTE[™]
YOUR MANUFACTURING PARTNER

Q3 in brief

Financial performance in Q3 (July-September)

- Sales increased by 58% to SEK 685 (433) million. Adjusted for acquisitions and currency effects, growth was 34%.
- Operating profit was up by 78% to SEK 64 (36) million.
- Operating margin increased by 1.1 percentage point to 9.4% (8.3%).
- Profit after net financial items increased by 75% to SEK 59 (33) million.
- Profit after tax increased by 72% to SEK 48 (28) million, corresponding to SEK 1.68 (0.98) per share.
- Cash flow after investments was negatively affected by a deliberate inventory build-up to support growth, and amounted to SEK -49 (1) million, or SEK -1.71 (0.04) per share.

Events in the period

Strong growth and new business

NOTE has a clear growth agenda with the express target of increasing market shares and achieving stable organic growth of at least 10% per year.

Year to date, the market for NOTE's customer base has featured a strong recovery, contributing to organic growth for NOTE on 23%. Despite continued pressure on the component market in terms of lead-times and availability, organic growth in Q3 was 34%. Major announced customer partnerships where sales increased significantly include high-growth customers like Charge Amps, which sells electric vehicle charging products, and Plejd, active in smart lighting.

Despite challenges linked to the pandemic, new business sales remained at a record level. In Q1, NOTE was appointed electronics production partner by a leading medtech company. The potential of this new partnership is estimated at just over SEK 85 million annualised. In Q2, NOTE signed a deal with a major international customer, with NOTE recently starting high-volume manufacture of a new programming module in China, designed to expand applications across industry, and in education. NOTE's biggest order ever, worth over SEK 150 million for

Financial performance in January-September

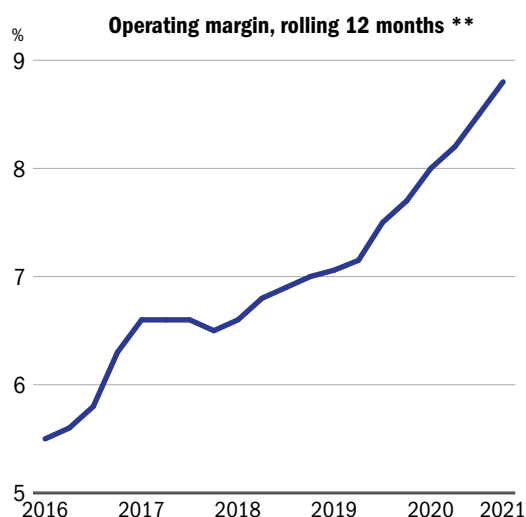
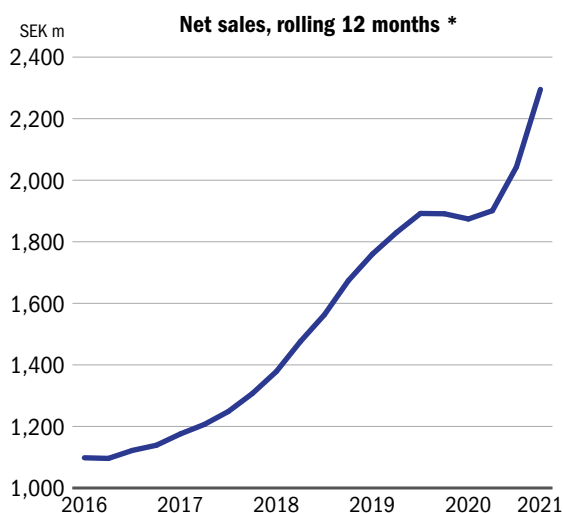
- Sales increased by 30% to SEK 1,829 (1,408) million. Adjusted for acquisitions and currency effects, growth was 23%.
- Operating profit was up by 48% to SEK 164 (111) million.
- Operating margin increased by 1.1 percentage points to 9.0% (7.9%).
- Profit after net financial items increased by 50% to SEK 155 (103) million.
- Profit after tax increased by 50% to SEK 126 (84) million, corresponding to SEK 4.42 (2.99) per share.
- Cash flow after investments and acquisitions amounted to SEK -98 (128) million, or SEK -3.43 (4.51) per share. Payment for the acquisition of iPRO affected cash flow by SEK -68 million.

delivery in 12-18 months, was placed on contract signing. NOTE also communicated a major partnership with Swedish medtech company Mölnlycke on the manufacture of a new generation of wound management equipment. A partnership with Ferroamp of Sweden, an innovative and expansive Greentech company, began in Q3. Several major new business deals were also secured across NOTE's strong and established customer base.

Cash flow during the period was negatively affected by a deliberate inventory build-up to support the growth in the difficult shortage situation that prevails in the global component market.

Acquisition for more expansion in the UK

At month end May/June, NOTE acquired iPRO of the UK, an enterprise specialising in manufacturing box build electronics products. Its customers are mainly in the Greentech, Medtech and Industrial segments. iPRO is in a high growth phase with several manufacturing contracts for vehicle charging products, including charging points for electric vehicles. NOTE's sales increased by 58% in Q3, with iPRO contributing growth of 24%.



* The subsidiary iPRO is included in net sales from June 2021.

** Operating profit adjusted for non-recurring items of SEK -16 million in Q1 2017 and SEK +7 million in Q3 2018.

CEO's comments

Focusing on profitable growth

NOTE is one of the fastest-growing companies in our sector and a stable provider of EMS for customers with high standards. The combination of a clear growth agenda and strong customer offering, with rationalisation on our cost side, have been contributors to increased market shares and progressively expanding margins. In the most recent three-year period, our organic growth has averaged over 15%. One critical success factor is our methodical improvement work on assuring quality and delivery precision of the highest class to customers, and in these segments, we've secured a sector-leading position.

Our business model builds on partnerships and long-term customer relationships. Our customer base is varied, and we already partner with several of the European leaders across a broad spectrum of sectors. One of the cornerstones of our growth plans is to expand collaborations across our strong customer base—the potential to expand business here remains very substantial. At the same time, we're seeing great interest in NOTE's flexible and industrially broad-based offering. By focusing on the market and technology segments where we're already strong, we've successfully secured a large number of new accounts in traditional industries, as well as in new, expansive application segments.

The repercussions of the pandemic, a sharper focus on sustainability issues and trade barriers proliferating across the global economy are three factors clearly increasing European customer interest in bringing manufacture closer to core business. This is a transition that favours NOTE, with most of its plants and customers located in Europe.

Record progress in the year

NOTE has experienced progressively stronger demand through the first three quarters of the year, in Sweden and China especially. The combination of successful new business sales, the start-up of several previously secured deals, and growing volumes on current customer assignments resulted in record high order intake in the period. In like-for-like terms, our order intake passed the full-year level of the previous year as early as August.

Sales in the first nine months of the year were up by 30% to SEK 1,829 million. Adjusted for acquisitions and negative currency effects, organic growth was 23%, clearly above our long-term growth target. In the third quarter of the year, normally weaker than the others, sales were up by 58% to SEK 685 million, our highest-ever sales number for a single quarter. Organic growth in Q3 was 34%.

We increased sales in all customer segments—Industrial, Communication, Medtech and Greentech. We're also really satisfied with the progress of iPRO of the UK, which we acquired in June. Its business is in a highly expansive phase, with several high-growth customers offering electric vehicle charging products. This company clearly consolidates our positioning in the expansive Greentech segment, which represented 27% of our sales in the third quarter. The potential for increased growth in this segment remains very high.

In earnings terms, our positive trend is continuing. Operating profit year to date was up by 48% to SEK 164 million, and our operating margin widened by 1.1 percentage points to 9.0%. For Q3, our earnings improvement was 78%, and our operating margin increased to 9.4%, our highest-ever level. Our positive



New record quarter and greatly improved future prospects.

earnings performance is the result of growth, stable margins on customer assignments, rationalisation executed on our cost side and strong market progress within sales in Europe and China.

Although we operate modern and efficient plants, we don't hesitate to keep investing to increase growth, automation levels and efficiency, which benefits ourselves and our customers. For example, the extensive expansion of our Torsby plant in Sweden will be complete in Q4, and we've recently expanded our already modern machinery in China to address the strong demand we're seeing.

However, our growth is on an electronic components market that remains highly pressurised, not least in terms of lead-times and the availability of several component types, including semiconductors. We took the early decision to upscale our inventory, so that if possible, we could ensure the ready supply of materials to customers. In the current position, we're being compelled to re-plan our production on a daily basis, and are devoting substantial resources to secure components in time. We estimate that challenges on the component market caused delivery delays in Q3 of at least SEK 50 million, resulting in increased capital tied-up in inventory. The combination of the problematic situation on the component market with our high growth rate was a contributor to our ongoing cash flow after investments year to date being limited to SEK -30 (128) million. The SEK -68 million purchase consideration paid for iPRO was additional. Our business model is working well and we still have a strong Balance Sheet, and are working actively to exploit new acquisition opportunities.

Future

NOTE is enjoying really strong operational momentum, and we're still in a clear expansion phase. Including iPRO, our pro forma sales for the past 12 months are just over SEK 2.5 billion. At the end of Q3, order backlog for delivery in the near term, and in like-for-like terms (excluding iPRO) was over 70% above the previous year's level. Considering the problematic position on the component market, we still see good prospects of achieving overall growth of the order of 50% in the next quarters. The potential for continuing our strong earnings trend is really positive.

Johannes Lind-Widestam

Comments on the Interim Report

Sales, January–September

NOTE is a competitive electronics manufacturer, and a stable business partner for Swedish and international customers that need advanced EMS. NOTE's business model is based on long-term customer relationships and partnerships. NOTE sells to a large customer base, essentially active in the Industrial, Communication, Medtech and Greentech segments. Its customer base includes global corporations active worldwide, and local enterprises whose main sales are in Europe. Usually, customers outsource all EMS to one or several production partners. Another clear trend is for customers demanding more manufacture of box build products.

Demand for NOTE's services performed strongly during the period. Sales increased by 30% to SEK 1,829 (1,408) million. Adjusted for extra sales from UK acquisition iPRO in June, and altered exchange rates, mainly the USD, EUR and GBP, organic growth was 23%.

The sales increase consisted of intensified partnerships with established customers, and the progressive impact of increased sales to a large base of new business customers. Most of NOTE's new business customers are companies across Europe and Asia. Several of these customer assignments, which usually start with industrialisation services (service sales, prototyping and pilot series), have now transitioned to batch production and higher volumes.

Demand progressed very strongly in Sweden, with growth of 28%. After extensive restrictions and closures across UK industry in response to the pandemic, there was a gradual demand recovery in the UK. Including extra sales from iPRO of the UK, sales in Western Europe grew by 34%.

Sales from the plant in Estonia, which are mainly made to customers in Sweden and Finland, were slightly higher than the previous year's strong level and with several new customer collaborations in the growth phase. Sales from NOTE's plant in China are to both local and global customers. Driven primarily by new business customers and deal set-ups, growth in China was over 54%.

Growth was across all customer segments, and essentially in Industrial and Greentech. Greentech includes several high-growth companies in the energy and environmental segments.

NOTE's growth and robust new business customer sales in recent years should be viewed against the background of a rapidly evolving market. Previously, industrial customers were keen to locate EMS in Asia. Amplified by increasing restrictions to global trade, and a sharper focus on sustainability issues, there is a clear trend for European customers increasingly demanding development and manufacturing services closer to home. With expanded capacity and several efficient plants in Europe, NOTE's organisation is well prepared to address this migration.

NOTE's 15 largest customers in sales terms represented 51% (47%) of group sales. No single customer (group) represented more than about 7% of total sales.

A sustained high level of new business sales and clear demand recovery across industry were contributors to high order intake in the period. Against the background of the strained position on

the global market for electronic components, and to safeguard the availability of components and other production materials, NOTE has been working actively for customers to place fixed orders over a longer period than usual. By the end of the third quarter and in like-for-like terms, the group's order backlog for shipment in the fourth quarter this year (excluding iPRO) was over 70% above the previous year's level, supporting continued strong sales growth.

Results of operations, January–September

In order to keep sharpening competitiveness and create the potential for profitable growth, NOTE has been conducting methodical improvement work at all the group's plants 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. An obvious result of the improvement work is the company's positive trend of sales per employee.

Mainly as a consequence of increased sales and stable margins on current customer assignments, gross profit increased by 46% to SEK 242 (166) million. Gross margin increased by 1.4 percentage points to 13.2% (11.8%).

Sales and administration overheads for the period were SEK 10 million (16%) higher than the previous year, essentially a consequence of additional expenses of iPRO, which was acquired in Q2. These overheads reduced to 3.9% (4.4%) of sales.

Other operating income/expenses, essentially consisting of the revaluation of operating assets and liabilities denominated in foreign currency, were SEK -6 (+7) million.

Operating profit in the period improved by 48% to SEK 164 (111) million, and the operating margin increased by 1.1 percentage points to 9.0% (7.9%).

Ahead of the acquisition of iPRO, NOTE returned to its previous higher level of invoice factoring. Net financial income/expenses were SEK -9 (-8) million in the period.

Profit after net financial items increased by 50% to SEK 155 (103) million, which means the profit margin increased by 1.2 percentage points to 8.5% (7.3%).

Profit after tax was up by 50% to SEK 126 (84) million, or SEK 4.42 (2.99) per share. The tax expense for the period corresponded to 19% (19%) of profit before tax.

Sales and results of operations July–September

The demand for NOTE's services made record progress in the third quarter. Sales increased by 58% to SEK 685 (433) million. Adjusted for iPRO, acquired at month end May/June, organic growth was 34%. The effect of exchange rate fluctuations was negligible. Progress was especially strong in Sweden and China, with sales gains of 40% and 89% respectively. Sales in the UK stabilised in the wake of the pandemic, and were back at about the same level as the previous year. Demand from NOTE's plant in Estonia remained high, and just over 13% above the previous year's level.

Primarily as a consequence of the sales increase, stable margins on current customer assignments and continued good progress on costs, gross profit increased by 89% to SEK 92 (49) million. NOTE's gross margin widened by 2.2 percentage points to 13.4% (11.2%).

Sales and administration overheads for the period increased by 35% to SEK 25 (18) million. Just over half of the cost increase consisted of the extra costs of iPRO. Overheads reduced to 3.5% (4.1%) of sales.

Other operating income/expenses, mainly consisting of revaluations of operating assets and liabilities, amounted to SEK -3 (+5) million.

Strong growth with stable margins and continued positive progress on costs resulted in operating profit increasing by 78% to SEK 64 (36) million. NOTE's operating margin widened by 1.1 percentage points to 9.4% (8.3%).

Net financial items for the period were SEK -5 (-3) million. Profit after financial items increased by 75% to SEK 59 (33) million, which meant NOTE's profit margin increased to 8.6% (7.8%).

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 logistics solutions. Accordingly, NOTE puts a lot of focus on continuously improving its business methods and internal processes in these areas.

The global market for electronics components is often considered fairly volatile, with limited supply of various types of component from time to time. One of NOTE's key missions is to maintain a good supply of materials to customers continuously. Access to semiconductors has been a limiting factor in the industry for over a year, and accordingly, NOTE has put a lot of work into mitigating disruptions and delays to inward shipments of components. As part of these efforts, the inventory of critical components was deliberately increased. Despite extensive efforts with customers and suppliers, the shortage situation and extended lead-times of components caused delivery delays in the third quarter of over SEK 50 million. With the growth rate and large order backlog at the end of the period, this was a contributor to capital tied-up in inventory being 87% higher than at the end of the third quarter of the previous year. Acquired company iPRO's inventory represented inventory increase of 16%.

NOTE is making continuous efforts to monitor the number of outstanding days of customer credit. With sales growth, accounts receivable—trade have automatically increased since year-end, and were 60% higher than the corresponding point of the previous year. Including iPRO, the number of outstanding days of customer credit was consistent with the previous year's level.

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 as far as possible. This working method simultaneously helps rationalise the utilisation of working capital. Accounts payable—trade increased significantly on year-end, and were 91% higher than at the same time previous year.

Cash flow in the first quarter of the previous year was positively impacted by just over SEK 30 million due to a changed factoring solution in Estonia. Despite continued positive profit performance, the acquisition of iPRO and the deliberate inventory build-up to support growth, cash flow after investments was limited to SEK -98 (128) million, corresponding to SEK -3.43 (4.51) per share. The payment for the acquisition of iPRO in June affected cash flow by SEK -68 million.

Equity to assets ratio

NOTE has a strong financial position. According to NOTE's externally communicated financial targets, its minimum equity to assets ratio should be 30%. At the end of the third quarter and after the acquisition of iPRO, the equity to assets ratio was 38.2% (45.0%).

Liquidity and net debt

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

Against the background of strong cash flow in recent years, the purchase consideration paid for iPRO was financed within existing credit facilities. The group's reported available cash and cash equivalents including unused credit facilities, amounted to SEK 171 (262) million at the end of the third quarter. 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 quarter was SEK 230 (30) million.

Investments

Capital expenditure on property, plant and equipment in the first three quarters of the year, excluding right-of-use assets for leased properties, was SEK 55 (31) million, corresponding to 3.0% (2.2%) of sales, and mainly consisted of projects to increase capacity, efficiency and quality.

Plan depreciation on property, plant and equipment, excluding right-of-use assets for leased properties, increased to SEK 26 (18) million.

Parent company

The parent company, NOTE AB (publ), is primarily focused on the management, coordination and development of the group. Revenue in the period was SEK 24 (28) million, mainly from intra-group services. Profit after tax for the first half-year amounted to SEK 7 (-9) million.

Other information

Transactions with related parties

Within the framework of the three-year incentive programme launched in 2018, senior executives purchased all 211,000 newly issued shares in May in accordance with the terms of the programme. In total, the company received just over SEK 6 million. No other transactions with related parties were made during the first half of the year. In the ongoing incentive programme from 2019, there are a total of 400,000 warrants corresponding to just over 1% of the number of outstanding shares.

Annual General Meeting

At the Annual General Meeting in April, Anna Belfrage, Bahare Hederstierna, Charlotte Stjerngren, Claes Mellgren and Johan Hagberg were re-elected. Claes Mellgren was elected Chairman of the Board. In line with the Board's proposal the decision was made that no dividend be paid for the 2020 financial year.

New CFO

Current CFO Henrik Nygren will retire in connection with the 2022 Annual General Meeting. Henrik will be succeeded by Frida Frykstrand, NOTE's Corporate Accounting Manager and Treasurer. Frida has been working at NOTE since 2013 and is well acquainted with NOTE's successful business model and follow-up procedures.

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 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 2020, more specifically to the Risks section on page 13, the Report of the Directors on page 43, as well as note 24, Financial risks and finance policy, on page 61–62.

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 50–52 of the Annual Report for 2020. 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.

From 2021 onwards, NOTE is reporting sales in four customer segments—Industrial, Communication, Medtech, and Greentech. Reclassifications of customers are natural, which is reflected in quarterly and cumulative figures for the full period.

All amounts are in SEK million unless otherwise stated.

Notes to the Group's financial reports

At month end May/June, all shares in iPRO Holding Ltd in Had-denham, Buckinghamshire, United Kingdom, were acquired. iPRO's sales in the last 12 months before the acquisition amounted to just over SEK 330 million with an operating margin in line with NOTE's. The number of employees at the mid-point of the half year amounted to 110 people. The acquisition strengthens NOTE's position in the UK market and contributes to further growth in the expansive customer segment Greentech. The initial purchase price of SEK 79 million was paid in connection with the acquisition in early June. In favorable circumstances, linked to future growth and profitability in iPRO during 2021–2022, a maximum additional purchase price of SEK 27 million may be paid. The acquisition analysis is based on the maximum purchase price.

Information on purchase price, acquired net assets and goodwill is shown in the table below:

NOTE 1 Acquisitions	
Assets and liabilities taken over in the acquisition	2021
Total purchase consideration	106
Intangible assets - customer relationships	21
Right-of-use assets - rented properties	8
Property, plant and equipment	6
Inventories	63
Accounts receivable - trade and other current receivables	65
Cash and cash equivalents	11
Long-term interest-bearing liabilities	-13
Long-term liabilities, right of use asset—rented properties	-5
Short-term interest-bearing liabilities	-18
Short-term liabilities, right of use asset—rented properties	-3
Deferred tax liability	-4
Accounts payable—trade and other operating liabilities	-54
Acquired identifiable net assets	76
Goodwill	30
Total acquired net assets	106
Cash flow relating to acquisitions in the period	
Purchase consideration paid	79
Cash in acquired entity	-11
Net outflow, cash and cash equivalents	68

External transaction costs for the acquisition amounted to approximately SEK 2 million and were mainly attributable to costs for local lawyers and other advisers. These costs are reported on the line for administrative expenses in the consolidated income statement and are included in current operations in the cash flow analysis.

In connection with the acquisition, existing customer relationships were identified to a total value of SEK 21 million. The goodwill of SEK 30 million that arose in connection with the acquisition is mainly attributable to the company's expertise and processes in the market for charging solutions for electric vehicles and in medtech. In addition, expected coordination gains with NOTE's other operations.

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.

Order backlog A combination of fixed orders and customer forecasts.

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.

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

Stockholm, Sweden, 18 October 2021

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 2021 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 auditing 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

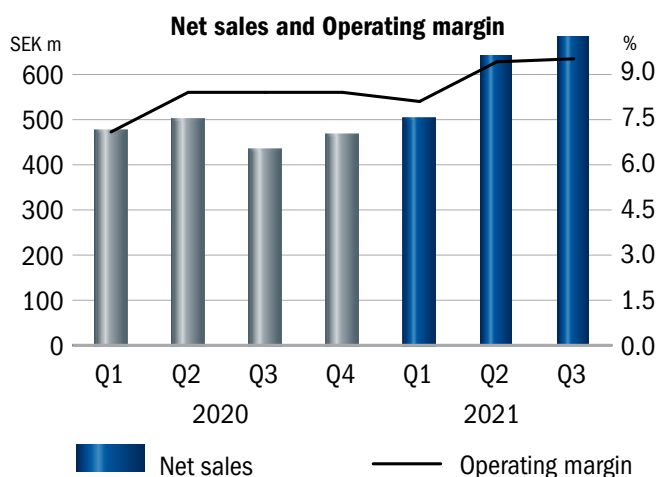
Öhrlings PricewaterhouseCoopers AB

Stockholm, Sweden, 18 October 2021

Consolidated summary

Quarterly summary

SEK million	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Net sales	685	642	502	466	433	500	475
Gross margin	13.4%	13.5%	12.6%	12.6%	11.2%	12.0%	12.1%
Operating margin	9.4%	9.3%	8.0%	8.3%	8.3%	8.3%	7.0%
Profit margin	8.6%	9.1%	7.5%	8.4%	7.8%	8.4%	5.8%
Cash flow after investing activities	-49	-53	4	44	1	64	63
Cash flow per share, SEK	-1.71	-1.85	0.14	1.55	0.04	2.26	2.26
Equity per share, SEK	25.2	23.3	21.7	20.0	19.5	18.6	18.1
Equity to assets ratio	38.2%	38.6%	47.7%	51.2%	45.0%	42.9%	40.9%
Average number of employees	1,283	1,186	1,091	1,086	1,103	1,124	1,090
Net sales per employee, SEK 000	534	541	460	429	393	445	436



Six-year summary

SEK million	Rolling 12 mth.	2020	2019	2018	2017	2016
Net sales	2,295	1,874	1,760	1,379	1,176	1,098
Gross margin	13.1%	12.0%	11.7%	12.5%	11.9%	12.0%
Operating margin	8.8%	8.0%	7.1%	6.1%	7.9%	5.5%
Profit margin	8.5%	7.6%	6.6%	5.7%	7.6%	5.0%
Cash flow after investing activities	-54	172	75	-76	70	41
Cash flow per share, SEK	-1.89	6.06	2.69	-2.63	2.41	1.42
Equity per share, SEK	25.2	20.0	16.7	13.3	12.8	11.0
Return on operating capital	24.4%	22.7%	20.7%	17.8%	24.2%	16.1%
Return on equity	24.8%	22.5%	21.7%	17.1%	21.0%	14.9%
Equity to assets ratio	38.2%	51.2%	41.2%	39.8%	48.8%	45.8%
Average number of employees	1,161	1,101	1,070	980	912	987
Net sales per employee, SEK 000	1,977	1,702	1,645	1,407	1,289	1,113

Consolidated Financial Reports

Income Statement

SEK million	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
Net sales	685	433	1,829	1,408	2,295	1,874
Cost of goods and services sold	-593	-384	-1,587	-1,242	-1,994	-1,649
Gross profit	92	49	242	166	301	225
Selling expenses	-15	-11	-42	-38	-55	-51
Administrative expenses	-10	-7	-30	-24	-40	-34
Other operating income/expenses	-3	5	-6	7	-4	9
Operating profit	64	36	164	111	202	149
Net financial income/expenses	-5	-3	-9	-8	-7	-6
Profit after financial items	59	33	155	103	195	143
Income tax	-11	-5	-29	-19	-37	-27
Profit after tax	48	28	126	84	158	116

Other Comprehensive Income

SEK million	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
Profit after tax	48	28	126	84	158	116
Other comprehensive income						
Items that can be subsequently reversed in the income statement:						
Exchange rate differences	7	-3	21	-10	3	-28
Cash flow hedges	0	0	0	0	0	0
Tax on hedges and exchange rate difference	-1	1	-2	2	-1	3
Total other comprehensive income after tax	6	-2	19	-8	2	-25
Comprehensive income after tax	54	26	145	76	160	91

Earnings per Share

	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
Number of shares at end of period (000)	28,584	28,373	28,584	28,373	28,584	28,373
Weighted average number of shares (000)*	28,584	28,373	28,470	28,113	28,445	28,178
Weighted average number of shares (000)**	28,891	28,714	28,828	28,497	28,803	28,548
Earnings per share, SEK*	1.68	0.98	4.42	2.99	5.54	4.11
Earnings per share, SEK**	1.66	0.97	4.37	2.95	5.47	4.05

* Before dilution

** After dilution

Balance Sheet

SEK million	2021 30 Sep	2020 30 Sep	2020 31 Dec
Assets			
Goodwill	139	107	106
Intangible assets—customer relationships	27	10	9
Other intangible assets	10	12	11
Right of use assets—rented properties	65	60	55
Property, plant and equipment	172	108	137
Deferred tax assets	6	5	6
Other financial assets	1	1	1
Total non-current assets	420	303	325
Inventories	757	405	354
Accounts receivable—trade	568	354	338
Other current receivables	52	23	25
Cash and bank balances	85	145	68
Total current asset	1,462	927	785
TOTAL ASSETS	1,882	1,230	1,110
Equity and liabilities			
Equity	719	553	568
Liabilities			
Long-term interest-bearing liabilities	94	31	55
Long-term liabilities, right of use asset—rented properties	47	44	40
Deferred tax liabilities	18	11	15
Other long term provisions	-	0	-
Total non-current liabilities	159	86	110
Current interest-bearing liabilities	221	144	41
Short-term liabilities, right of use asset—rented properties	19	17	17
Accounts payable—trade	576	302	246
Other current liabilities	187	127	127
Other short term provisions	1	1	1
Total current liabilities	1,004	591	432
TOTAL EQUITY AND LIABILITIES	1,882	1,230	1,110

Change in Equity

SEK million	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
Opening equity	665	527	568	465	553	465
Comprehensive income after tax	54	26	145	76	160	91
New share issue	-	-	6	12	6	12
Closing equity	719	553	719	553	719	568

Cash Flow Statement

SEK million	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
Operating activities						
Profit after financial items	59	33	155	103	195	143
Reversed depreciation and amortisation	18	12	47	36	60	49
Other non-cash items	11	-3	10	2	21	13
Tax paid	-5	-5	-21	-17	-22	-18
Change in working capital	-125	-33	-203	15	-216	2
Cash flow from operating activities	-42	4	-12	139	38	189
Cash flow from investing activities	-7	-3	-86	-11	-92	-17
Cash flow from financing activities	22	-19	112	-58	-2	-172
Change in cash and cash equivalents	-27	-18	14	70	-56	0
Cash and cash equivalents						
At beginning of period	111	160	68	73	145	73
Cash flow after investing activities	-49	1	-98	128	-54	172
Cash flow from financing activities	22	-19	112	-58	-2	-172
Exchange rate difference in cash and cash equivalents	1	3	3	2	-4	-5
Cash and cash equivalents at end of period	85	145	85	145	85	68
Un-utilised credits	86	117	86	117	86	116
Available cash and cash equivalents	171	262	171	262	171	184

Operating Segments

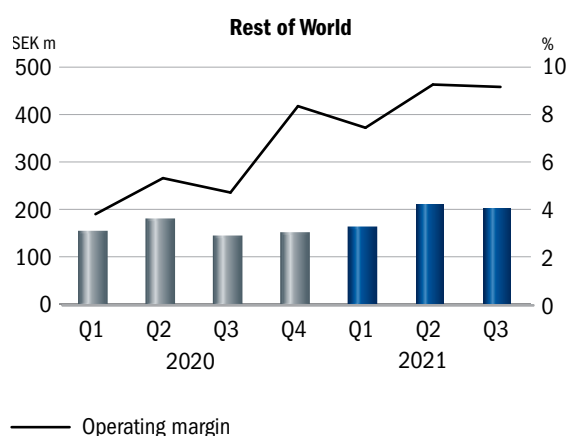
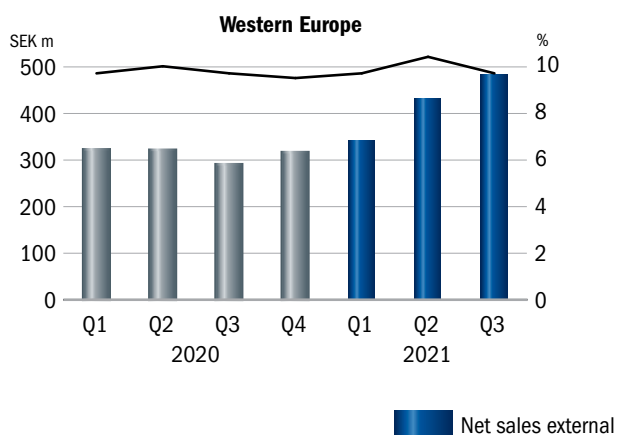
NOTE's operating segment Western Europe consist of units located in geographical regions with high industrial activity and innovation standards in Sweden, Finland and the UK. These units provide advanced production technology services in close collaboration with customers, such as component selection,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

SEK million	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
WESTERN EUROPE						
External net sales	483	291	1,256	936	1,573	1,253
Internal net sales	17	1	23	3	24	4
Operating profit	48	28	126	91	156	121
Operating margin	9.6%	9.6%	9.9%	9.7%	9.8%	9.6%
Inventories	508	254	508	254	508	233
External accounts receivable—trade	409	248	409	248	409	246
Average number of employees	718	530	629	522	603	523
REST OF WORLD						
External net sales	202	142	573	472	722	621
Internal net sales	30	6	58	23	66	31
Operating profit	21	7	55	23	68	36
Operating margin	9.1%	4.7%	8.7%	4.6%	8.6%	5.6%
Inventories	249	151	249	151	249	121
External accounts receivable—trade	157	105	157	105	157	92
Average number of employees	547	554	540	566	541	559
INTRA-GROUP						
Internal net sales	-47	-7	-81	-26	-90	-35
Operating profit	-5	1	-17	-3	-22	-8
External accounts receivable—trade	2	1	2	1	2	0
Average number of employees	18	19	17	18	17	19



Sales per Customer Segment

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

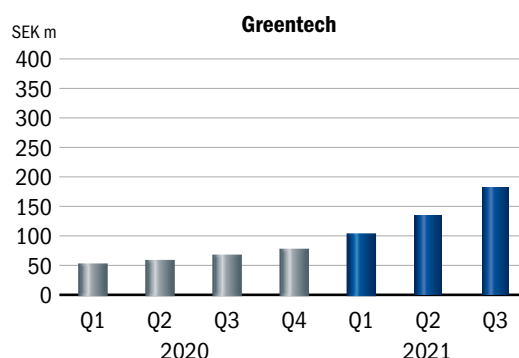
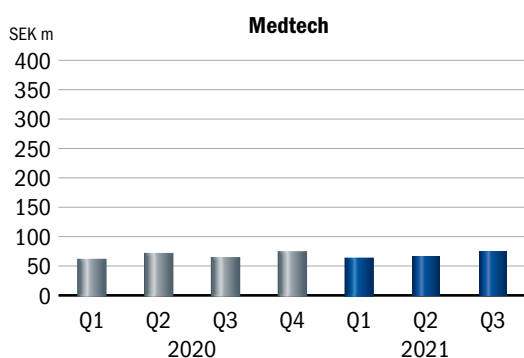
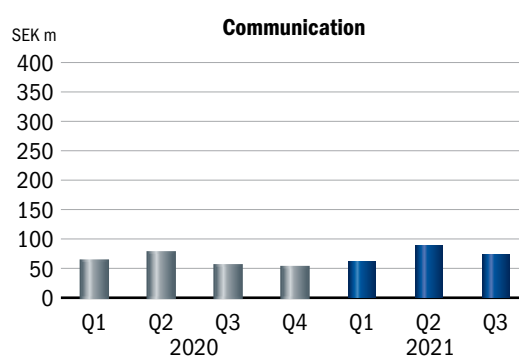
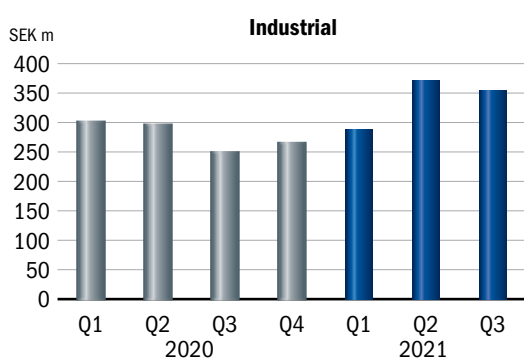
Industrial: With high quality and flexibility, products are manufactured in areas such as automation, control, infrastructure, energy and construction technology.

Communication: One of NOTE's core areas since the company was founded. The extensive and rapid development requires technical competence and equipment at the forefront.

Medtech: Medical technology products in diagnostics, treatment and X-ray are the basis in the segment. Medtech has been part of NOTE for many years.

Greentech: The new segment Greentech consists of customers active in the fast-growing green technology shift. Here you will find customers with products that contribute positively to increased sustainability, for example to the transition from fossil to renewable energy or to optimisation of energy consumption.

SEK million	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
WESTERN EUROPE						
Industrial	230	160	631	554	799	722
Communication	23	23	74	72	97	95
Medtech	66	63	186	192	255	261
Greentech	164	45	365	118	422	175
Total external sales	483	291	1,256	936	1,573	1,253
REST OF WORLD						
Industrial	125	89	353	292	450	389
Communication	50	32	149	123	178	152
Medtech	9	0	17	1	21	5
Greentech	18	21	54	56	73	75
Total external sales	202	142	573	472	722	621
TOTAL						
Industrial	355	249	984	846	1,249	1,111
Communication	73	55	223	195	275	247
Medtech	75	63	203	193	276	266
Greentech	182	66	419	174	495	250
Total external sales	685	433	1,829	1,408	2,295	1,874



Parent Company Financial Reports

Income Statement

SEK million	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
Net sales	8	9	24	28	34	38
Cost of services sold	-3	-4	-9	-10	-13	-14
Gross profit	5	5	15	18	21	24
Selling expenses	-3	-4	-9	-12	-14	-17
Administrative expenses	-3	-2	-9	-8	-13	-12
Other operating income/expenses	2	-4	8	-9	3	-14
Operating profit	1	-5	5	-11	-3	-19
Net financial income/expenses	2	-1	3	-1	3	-1
Profit after financial items	3	-6	8	-12	0	-20
Appropriations	-	-	-	-	19	19
Profit before tax	3	-6	8	-12	19	-1
Income tax	0	2	-1	3	-4	0
Profit after tax	3	-4	7	-9	15	-1

Other Comprehensive Income

SEK million	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
Profit after tax	3	-4	7	-9	15	-1
Other comprehensive income						
Items that can be subsequently reversed in the income statement:	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Comprehensive income after tax	3	-4	7	-9	15	-1

Balance Sheet

SEK million	2021 30 Sep	2020 30 Sep	2020 31 Dec
Assets			
Intangible assets	3	3	3
Property, plant and equipment	0	1	1
Long-term receivables from group companies	205	142	106
Financial non-current assets	197	221	221
Total non-current assets	405	367	331
Receivables from group companies	20	15	11
Other current receivables	20	8	7
Cash and bank balances	2	107	11
Total current assets	42	130	29
TOTAL ASSETS	447	497	360
Equity and liabilities			
Equity	264	243	251
Untaxed reserves	7	26	7
Liabilities			
Liabilities to financial institutions	31	0	0
Liabilities to group companies	134	217	88
Other current liabilities and provisions	11	11	14
Total current liabilities	176	228	102
TOTAL EQUITY AND LIABILITIES	447	497	360

Change in Equity

SEK million	2021 Q3	2020 Q3	2021 Q1-Q3	2020 Q1-Q3	Rolling 12 mth.	2020 Full year
Opening equity	261	247	251	240	243	240
Comprehensive income after tax	3	-4	7	-9	15	-1
New share issue	-	-	6	12	6	12
Closing equity	264	243	264	243	264	251



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 the Industrial, Communication, Medtech and Greentech segments. 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 2021	28 Jan 2022
Interim Report Q1	20 Apr 2022

Annual General Meeting

The AGM will be held at Westmanska Palatset in Stockholm, Sweden, at 2 p.m. on 20 April 2022.

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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