



Year-end Report 2021

NOTE[™]
YOUR MANUFACTURING PARTNER

Q4 in brief

Financial performance in Q4 (October-December)

- Sales increased by 75% to SEK 814 (466) million. Adjusted for acquisitions and currency effects, growth was 48%.
- Operating profit was up by 125% to SEK 87 (38) million. Operating profit includes positive non-recurring items of SEK 5 million.
- Operating margin increased by 2.3 percentage points to 10.6% (8.3%), adjusted for non-recurring items, the operating margin was 10.0%.
- Profit after tax increased by 115% to SEK 68 (32) million, corresponding to SEK 2.39 (1.12) per share.
- Cash flow after investments was negatively impacted by high organic growth, and was SEK -44 (44) million, or SEK -1.54 (1.55) per share. Payment for the acquisition of iPRO affected cash flow by SEK -12 million.

Dividend

To ensure maximum financial freedom of action in the ongoing structural transformation of the industry, the Board proposes that no dividend be paid for 2021.

Events in the year

Successes on the market continue

After several years of successful new business sales, NOTE is in a clear expansion phase. Despite facing major challenges in terms of lead-times and availability of electronic components on the market, sales rose by 41%—and organic growth was 30%. Sales increased progressively, reaching the highest level to date for a single quarter in Q4. Growth in Q4 totalled 75%, and nearly 50% in organic terms. The increased sales consist of higher volumes to several expansive customers like Charge Amps (electric vehicle charging products) and Plejd (smart lighting), as well as ramp-ups of serial production for new, expansive customers. Consistent with the company's growth agenda, NOTE has also secured several big deals within its strong and established customer base, in Sweden and internationally.

Acquisition for more expansion in the UK

In Q2, NOTE acquired iPRO of the UK, an enterprise specialising in manufacturing box build electronics products. Its customers

Financial performance in January-December

- Sales increased by 41% to SEK 2,643 (1,874) million. Adjusted for acquisitions and currency effects, growth was 30%.
- Operating profit was up by 68% to SEK 251 (149) million.
- Operating margin increased by 1.5 percentage points to 9.5% (8.0%).
- Profit after tax increased by 68% to SEK 194 (116) million, corresponding to SEK 6.82 (4.11) per share.
- Cash flow after investments and acquisitions amounted to SEK -142 (172) million, or SEK -4.97 (6.06) per share. Payment for the acquisition of iPRO affected cash flow by SEK -80 million.

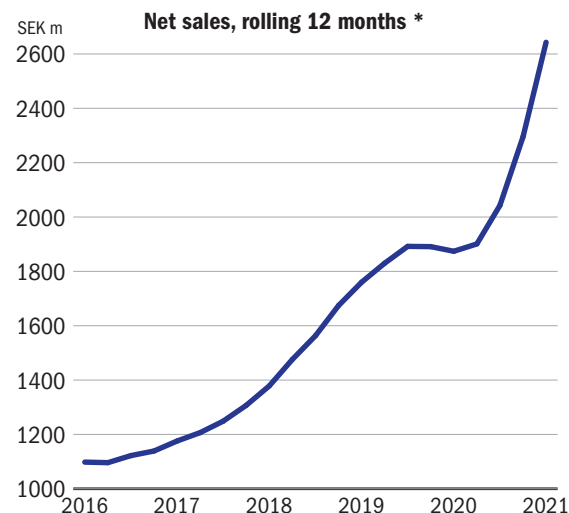
are mainly in the Greentech, Medtech and Industrial segments. iPRO is in a rapid growth phase with several manufacturing contracts for electric vehicle charging products. For the full year, iPRO's growth was over 40%.

New long-term growth, profitability and sustainability targets presented at Capital Markets Day in Q4

Including iPRO, NOTE's sales increased to almost SEK 2.8 billion proforma in 2021, doubling the level of the previous three years. The new growth target is to achieve sales of SEK 5 billion latest by 2025. This will mainly be achieved by continued high organic growth, backed by carefully selected acquisitions. The new profitability target is to achieve a minimum operating margin of 10% latest by 2025. NOTE's other financial targets for capital structure and dividends remain unchanged.

NOTE has been a long-term driver of active sustainability work that contributes to the global goals of Agenda 2030. NOTE's new concretized sustainability goals means that by as early as by 2022:

- * NOTE's operations in Scopes 1 & 2 of the Greenhouse Gas Protocol will be 100% CO2 neutral.
- * All NOTE plants will be ISO 45000 certified for occupational health & safety.



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

** Operating profit adjusted for non-recurring items with SEK -16 million in Q1 2017, SEK +7 million in Q3 2018, and SEK -5 million in Q4 2021.

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 19%. 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.

Record progress in the year

We experienced progressively stronger demand across all domestic markets in the year. The combination of highly 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. At year-end, our order backlog in like-for-like terms (excluding iPRO) had more than doubled on the previous year. With the very challenging shortage on the component market in the year, we have, as in the previous year, been encouraging our customers to place orders over a longer horizon than usual. Against that background it's more important to consider the order backlog for shipment during the coming year. For NOTE this increase is 70% compared to the same time last year (excluding iPRO) - a clear sign of our strength.

Sales increased by 41% to SEK 2,643 million. Organic growth was 30%, clearly above our long-term growth target. In Q4, sales were up by 75% to SEK 814 million, our highest-ever sales number for a single quarter. Organic growth in Q4 was nearly 50%.

We increased sales in all customer segments, and all domestic markets, not least Sweden, the UK and China. We also have every reason to take a very positive view of the progress of iPRO of the UK, which we acquired in June. This company 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 26% (16%) of our sales in the fourth quarter. There's great potential for increased growth in this segment.

In earnings terms, our positive trend continued. Operating profit was up by 68% to SEK 251 million, and our operating margin widened by 1.5 percentage points to 9.5%, our highest level to date. For Q4, the strongest quarter of this year, the earnings improvement was 125%, and our operating margin widened to 10.6%—adjusted for positive non-recurring items, our operating margin during Q4 was 10.0%. Our positive earnings performance is the result of our robust growth, stable margins on customer assignments, and rationalisation executed on our cost side.



A new record year for NOTE, with high growth, a 68% increase in operating profit and sustained, very positive future prospects.

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. As an example, we recently completed the extensive expansion of our Torsby plant in Sweden and expanded the capacity of our already modern machinery in China to address the firm demand we're seeing.

Our high growth has been achieved on an electronic components market that is out of balance. Against the backdrop of limited availability and long lead-times of several component types, including semiconductors, we took the early decision to increase our inventory of critical components. We put in a lot of effort alongside customers and suppliers to get components in on time. Predicting when the component market will return to balance is difficult. But the direct delivery delays of just over SEK 50 million that we informed about in the Q3 report did not increase, but remain at about the same level in Q4. The combination of the problematic situation on the component market with our high growth rate contributed to limiting our cash flow after investments to SEK -142 (172), whereof SEK -80 million was paid in purchase consideration for iPRO. Our Balance Sheet is strong, our return on operating capital is at a record 28%, and we're working actively to exploit new acquisition opportunities.

Future

Apart from the pronounced electrification trend across society, there is plenty of evidence favouring positive progress in our sector. A significantly sharper focus on sustainability issues, trade barriers proliferating across the global economy and the consequences of the pandemic are three factors tangibly accentuating European customer interest in finding manufacturing partners closer to their core business. This is progress that strongly favours NOTE, with most of its plants and customers in Europe.

NOTE is still in an expansive phase and has many new major customers with a high growth rate. We also anticipate very brisk sales performance in 2022. Despite the ongoing pandemic and the remaining challenges on the component market, we see good prospects of achieving growth of the order of 50% in Q1. The potential to continue our positive earnings trend remains really strong.

A handwritten signature in blue ink, appearing to read 'Johannes Lind-Widestam'. The signature is fluid and cursive, written over a white background.

Johannes Lind-Widestam

Comments on the Year-end Report

Sales, January–December

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, and normally, manufacturing assignments span complete product life cycles. Another clear trend, not least among new, innovative enterprises, is for customers increasingly demanding more manufacture of box build products.

Demand for NOTE's services kept progressing strongly in the year. Sales increased by 41% to SEK 2,643 (1,874) million. Adjusted for additional sales from UK acquisition iPRO in June, and altered exchange rates, mainly the USD, EUR and GBP, organic growth was 30%.

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 serial production and higher volumes.

Demand progressed very strongly in Sweden, with growth of 35%. After extensive restrictions and lockdowns across UK industry last year in response to the pandemic, there was a gradual demand recovery in the UK. Excluding the additional volumes from iPRO of the UK, sales in Western Europe grew by 26%.

Sales from the plant in Estonia, which are mainly made to customers in Sweden and Finland, were up by just over 10% on 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 59%.

Growth was noted across all customer segments, with the biggest sales gains posted 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 54% (47%) of group sales. No single customer (group) represented more than about 7% (6%) of total sales.

A sustained high level of new business sales and clear demand recovery across industry were contributors to record

order intake in the year. Readers should note that right from the beginning of the challenging shortage on the global electronic component market, and with the aim of safeguarding 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. In like-for-like terms (excluding iPRO), the group's order backlog was more than twice the level of the previous year-end. Calculated on the same basis, the order backlog for shipment during the coming year was 70% above the previous year's level, supporting continued strong sales growth.

Results of operations, January–December

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. The clear outcomes of this improvement work include 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 57% to SEK 354 (225) million. Gross margin increased by 1.4 percentage points to 13.4% (12.0%).

Sales and administration overheads for the period were SEK 15 million (17%) higher than the previous year, essentially a consequence of additional expenses of iPRO, which was acquired in Q2. These overheads reduced to 3.8% (4.5%) of sales.

Other operating income/expenses, essentially consisting of the revaluation of operating assets and liabilities denominated in foreign currency, were SEK -3 (+9) million. NOTE received SEK 5 million of refunds for previous premiums paid for contractual pension and insurance in Sweden.

Operating profit in the period improved by 68% to SEK 251 (149) million, and the operating margin increased by 1.5 percentage points to a record 9.5% (8.0%).

Ahead of the acquisition of iPRO of the UK, NOTE returned to its previous higher level of invoice factoring. Net financial income/expenses during the year was negatively affected by the translation of liabilities in foreign currencies and amounted to SEK -14 (-6) million in the period.

Profit after net financial items increased by 66% to SEK 237 (143) million, which means the profit margin increased by 1.4 percentage points to 9.0% (7.6%).

Profit after tax was up by 68% to SEK 194 (116) million, or SEK 6.82 (4.11) per share. The tax expense for the period corresponded to 18% (19%) of profit before tax.

Sales and results of operations October–December

The demand for NOTE's services made record progress in the fourth quarter. Sales increased by 75% to SEK 814 (466) million. Adjusted for iPRO of the UK, acquired at month end May/June, organic growth was 48%. The effect of exchange rate fluctuations was limited. Sales increased on all domestic markets, and across all customer segments. Progress was especially strong in

Sweden and China, with sales gains of 55% and 72% respectively. In addition to iPRO's continued robust progress, NOTE's other UK operations posted 20%-plus growth. Sales from NOTE's plant in Estonia, essentially to customers in Sweden and Finland, remained high, and over 40% 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 90% to SEK 112 (59) million. NOTE's gross margin widened by 1.1 percentage points to 13.7% (12.6%).

Sales and administration overheads for the period increased by 22% to SEK 28 (23) million. Most of the cost increase consisted of the extra costs of iPRO. Overheads reduced to 3.4% (4.9%) of sales.

Other operating income/expenses, mainly consisting of revaluations of operating assets and liabilities, amounted to SEK +3 (+2) million, of which SEK 5 million being positive non-recurring items for refunds for previous premiums paid for contractual pension and insurance in Sweden.

The combination of high growth with stable margins and continued positive progress on costs resulted in operating profit increasing by 125% to SEK 87 (38) million. NOTE's operating margin widened by 2.3 percentage points to 10.6% (8.3%). Adjusted for the positive non-recurring items, the operating margin was 10.0%.

Net financial items for the period were SEK -5 (+2) million. Profit after financial items increased by 108% to SEK 82 (40) million, which meant NOTE's profit margin increased to 10.0% (8.4%).

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. To enhance delivery precision, NOTE deliberately increased its inventory of critical components. With the growth rate and large order backlog at year-end, this was a contributor to capital tied-up in inventory being 125% higher than one year previously. The inventories of acquisition iPRO meant inventory increased by 18%.

NOTE is making continuous efforts to monitor the credit risks and limit the number of outstanding customer credit days. Due to sales growth, accounts receivable—trade have automatically increased since year-end, and were 100% higher than the previous year-end. 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 142% higher than at the previous year-end.

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 -142 (172) million, corresponding to SEK -4.97 (6.06) per share. Payments for the acquisition of iPRO affected cash flow this year by SEK -80 million. 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.

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 year-end, and after the acquisition of iPRO, the equity to assets ratio was 38.6% (51.2%).

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 215 (184) million at year-end. The liquidity situation is strong - the invoice factoring limit was raised in Q4 and in January 2022 the limit for NOTE's overdraft facility increased significantly. Disregarding estimated financial liabilities on the additional right-of-use assets for leased properties under IFRS 16 (Leases), net debt at year-end was SEK 267 (28) million.

Investments

Capital expenditure on property, plant and equipment, excluding right-of-use assets for leased properties, was SEK 67 (70) million, corresponding to 2.5% (3.7%) of sales, and mainly consisted of projects to increase capacity, efficiency and quality.

Plan depreciation increased to SEK 66 (49) million, of which the amortisation of right-of-use assets for leased properties was SEK 21 (17) million.

Parent company

The parent company, NOTE AB (publ), is primarily focused on the management, coordination and development of the group. Revenue during the year was SEK 33 (38) million, mainly from intra-group services. Profit after tax amounted to SEK 8 (-1) 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 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 Haddenham, 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 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 favourable circumstances, linked to future growth and profitability in iPRO during 2021 and 2022 respectively, additional purchase price of maximum SEK 27 million may be paid. In December, a first part of SEK 12 million was paid, based on the development during 2021. 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 incl additional consideration	91
Cash in acquired entity	-11
Net outflow, cash and cash equivalents	80

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.

Audit review

As in previous years, the Interim Report for Q4 has not been subject to review by the company's auditor.

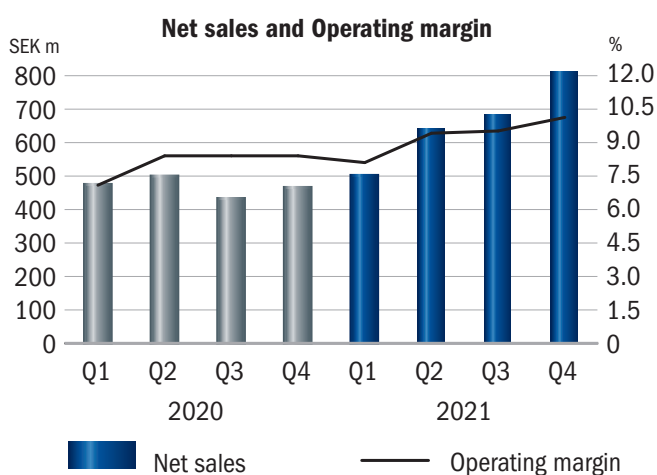
Johannes Lind-Widestam
CEO and President

Stockholm, Sweden, 27 January 2022

Consolidated summary

Quarterly summary

SEK million	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Net sales	814	685	642	502	466	433	500	475
Gross margin	13.7%	13.4%	13.5%	12.6%	12.6%	11.2%	12.0%	12.1%
Operating margin	10.6%	9.4%	9.3%	8.0%	8.3%	8.3%	8.3%	7.0%
Profit margin	10.0%	8.6%	9.1%	7.5%	8.4%	7.8%	8.4%	5.8%
Cash flow after investing activities	-44	-49	-53	4	44	1	64	63
Cash flow per share, SEK	-1.54	-1.71	-1.85	0.14	1.55	0.04	2.26	2.26
Equity per share, SEK	28.0	25.2	23.3	21.7	20.0	19.5	18.6	18.1
Equity to assets ratio	38.6%	38.2%	38.6%	47.7%	51.2%	45.0%	42.9%	40.9%
Average number of employees	1,314	1,283	1,186	1,091	1,086	1,103	1,124	1,090
Net sales per employee, SEK 000	619	534	541	460	429	393	445	436



Six-year summary

SEK million	2021	2020	2019	2018	2017	2016
Net sales	2,643	1,874	1,760	1,379	1,176	1,098
Gross margin	13.4%	12.0%	11.7%	12.5%	11.9%	12.0%
Operating margin	9.5%	8.0%	7.1%	6.1%	7.9%	5.5%
Profit margin	9.0%	7.6%	6.6%	5.7%	7.6%	5.0%
Cash flow after investing activities	-142	172	75	-76	70	41
Cash flow per share, SEK	-4.97	6.06	2.69	-2.63	2.41	1.42
Equity per share, SEK	28.0	20.0	16.7	13.3	12.8	11.0
Return on operating capital	27.6%	22.7%	20.7%	17.8%	24.2%	16.1%
Return on equity	28.4%	22.5%	21.7%	17.1%	21.0%	14.9%
Equity to assets ratio	38.6%	51.2%	41.2%	39.8%	48.8%	45.8%
Average number of employees	1,218	1,101	1,070	980	912	987
Net sales per employee, SEK 000	2,170	1,702	1,645	1,407	1,289	1,113

Consolidated Financial Reports

Income Statement

SEK million	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Net sales	814	466	2,643	1,874
Cost of goods and services sold	-702	-407	-2,289	-1,649
Gross profit	112	59	354	225
Selling expenses	-17	-13	-59	-51
Administrative expenses	-11	-10	-41	-34
Other operating income/expenses	3	2	-3	9
Operating profit	87	38	251	149
Net financial income/expenses	-5	2	-14	-6
Profit after financial items	82	40	237	143
Income tax	-14	-8	-43	-27
Profit after tax	68	32	194	116

Other Comprehensive Income

SEK million	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Profit after tax	68	32	194	116
Other comprehensive income				
Items that can be subsequently reversed in the income statement:				
Exchange rate differences	14	-18	35	-28
Cash flow hedges	0	0	0	0
Tax on hedges and exchange rate difference	-1	1	-3	3
Total other comprehensive income after tax	13	-17	32	-25
Comprehensive income after tax	81	15	226	91

Earnings per Share

	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Number of shares at end of period (000)	28,584	28,373	28,584	28,373
Weighted average number of shares (000)*	28,584	28,373	28,445	28,178
Weighted average number of shares (000)**	28,920	28,677	28,864	28,548
Earnings per share, SEK*	2.39	1.12	6.82	4.11
Earnings per share, SEK**	2.36	1.11	6.72	4.05

* Before dilution

** After dilution

Balance Sheet

SEK million	2021 31 Dec	2020 31 Dec
Assets		
Goodwill	141	106
Intangible assets—customer relationships	25	9
Other intangible assets	10	11
Right of use assets—rented properties	102	55
Property, plant and equipment	174	137
Deferred tax assets	5	6
Other financial assets	1	1
Total non-current assets	458	325
Inventories	798	354
Accounts receivable—trade	675	338
Other current receivables	44	25
Cash and bank balances	99	68
Total current asset	1,616	785
TOTAL ASSETS	2,074	1,110
Equity and liabilities		
Equity	800	568
Liabilities		
Long-term interest-bearing liabilities	79	55
Long-term liabilities, right of use asset—rented properties	79	40
Deferred tax liabilities	28	15
Total non-current liabilities	186	110
Current interest-bearing liabilities	287	41
Short-term liabilities, right of use asset—rented properties	23	17
Accounts payable—trade	595	246
Other current liabilities	182	127
Other short term provisions	1	1
Total current liabilities	1,088	432
TOTAL EQUITY AND LIABILITIES	2,074	1,110

Change in Equity

SEK million	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Opening equity	719	553	568	465
Comprehensive income after tax	81	15	226	91
New share issue	-	-	6	12
Closing equity	800	568	800	568

Cash Flow Statement

SEK million	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Operating activities				
Profit after financial items	82	40	237	143
Reversed depreciation and amortisation	19	13	66	49
Other non-cash items	-9	11	1	13
Tax paid	4	-1	-17	-18
Change in working capital	-117	-13	-320	2
Cash flow from operating activities	-21	50	-33	189
Cash flow from investing activities	-23	-6	-109	-17
Cash flow from financing activities	56	-114	168	-172
Change in cash and cash equivalents	12	-70	26	0
Cash and cash equivalents				
At beginning of period	85	145	68	73
Cash flow after investing activities	-44	44	-142	172
Cash flow from financing activities	56	-114	168	-172
Exchange rate difference in cash and cash equivalents	2	-7	5	-5
Cash and cash equivalents at end of period	99	68	99	68
Un-utilised credits	116	116	116	116
Available cash and cash equivalents	215	184	215	184

Operating Segments

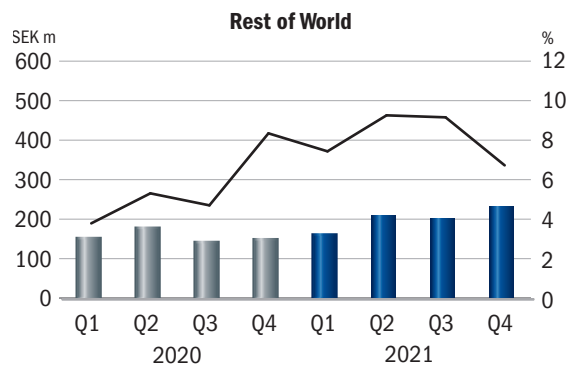
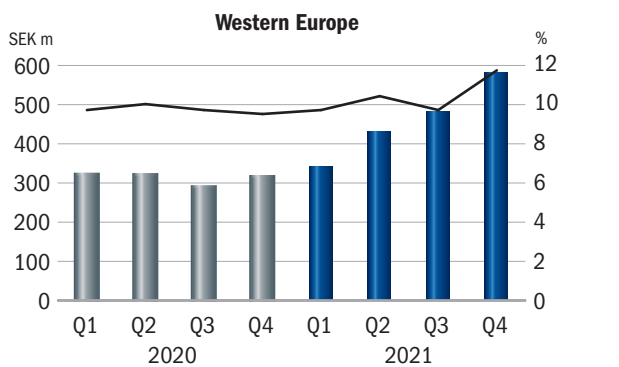
NOTE's operating segment Western Europe consist of units located in geographical regions with high industrial activity and innovation standards in Sweden, Finland and the UK. These units provide advanced production technology services in close collaboration with customers, such as component selection, developing test equipment, prototyping and serial 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 Q4	2020 Q4	2021 Full year	2020 Full year
WESTERN EUROPE				
External net sales	582	317	1,838	1,253
Internal net sales	6	1	29	4
Operating profit	68	30	194	121
Operating margin	11.6%	9.4%	10.4%	9.6%
Inventories	558	233	558	233
External accounts receivable—trade	477	246	477	246
Average number of employees	744	526	658	523
REST OF WORLD				
External net sales	232	149	805	621
Internal net sales	20	8	78	31
Operating profit	17	13	72	36
Operating margin	6.7%	8.3%	8.1%	5.6%
Inventories	240	121	240	121
External accounts receivable—trade	196	92	196	92
Average number of employees	553	541	543	559
INTRA-GROUP				
Internal net sales	-26	-9	-107	-35
Operating profit	2	-5	-15	-8
External accounts receivable—trade	2	0	2	0
Average number of employees	17	19	17	19



Net sales external

Operating margin

Sales per Customer Segment

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

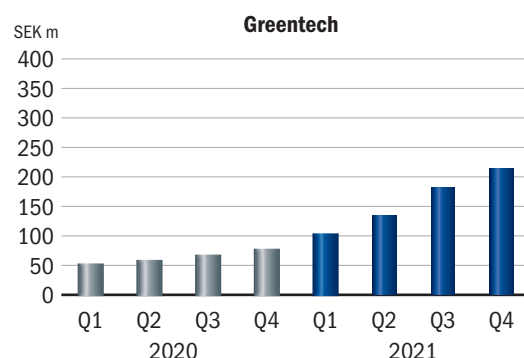
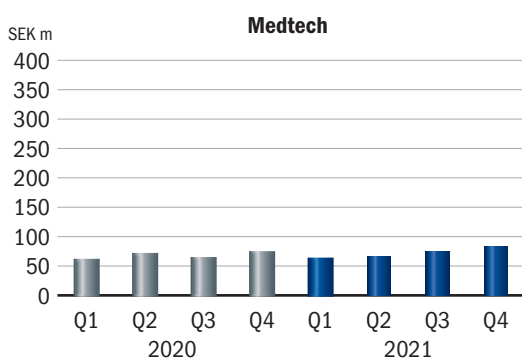
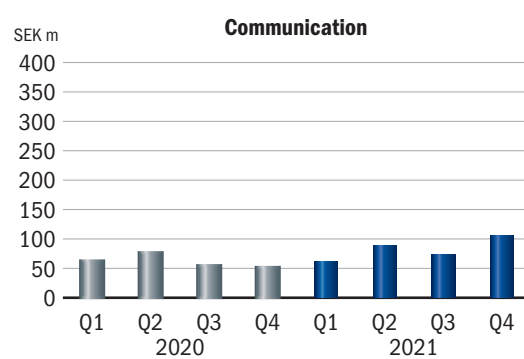
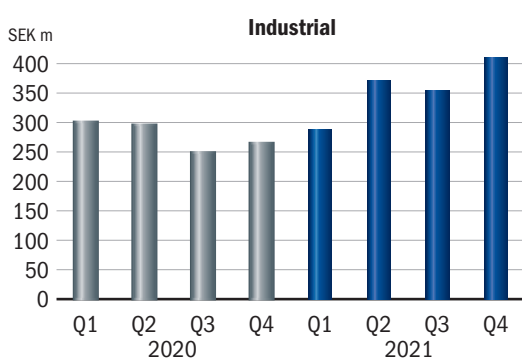
Industrial: With high quality and flexibility, products are manufactured in areas such as automation, control, infrastructure, energy and construction technology.

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 Q4	2020 Q4	2021 Full year	2020 Full year
WESTERN EUROPE				
Industrial	275	168	906	722
Communication	37	23	111	95
Medtech	81	69	267	261
Greentech	189	57	554	175
Total external sales	582	317	1,838	1,253
REST OF WORLD				
Industrial	136	97	489	389
Communication	69	29	218	152
Medtech	2	4	19	5
Greentech	25	19	79	75
Total external sales	232	149	805	621
TOTAL				
Industrial	411	265	1,395	1,111
Communication	106	52	329	247
Medtech	83	73	286	266
Greentech	214	76	633	250
Total external sales	814	466	2,643	1,874



Parent Company Financial Reports

Income Statement

SEK million	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Net sales	9	10	33	38
Cost of services sold	-4	-4	-13	-14
Gross profit	5	6	20	24
Selling expenses	-5	-5	-14	-17
Administrative expenses	-3	-4	-12	-12
Other operating income/expenses	7	-5	15	-14
Operating profit	4	-8	9	-19
Net financial income/expenses	2	0	5	-1
Profit after financial items	6	-8	14	-20
Appropriations	-4	19	-4	19
Profit before tax	2	11	10	-1
Income tax	-1	-3	-2	0
Profit after tax	1	8	8	-1

Other Comprehensive Income

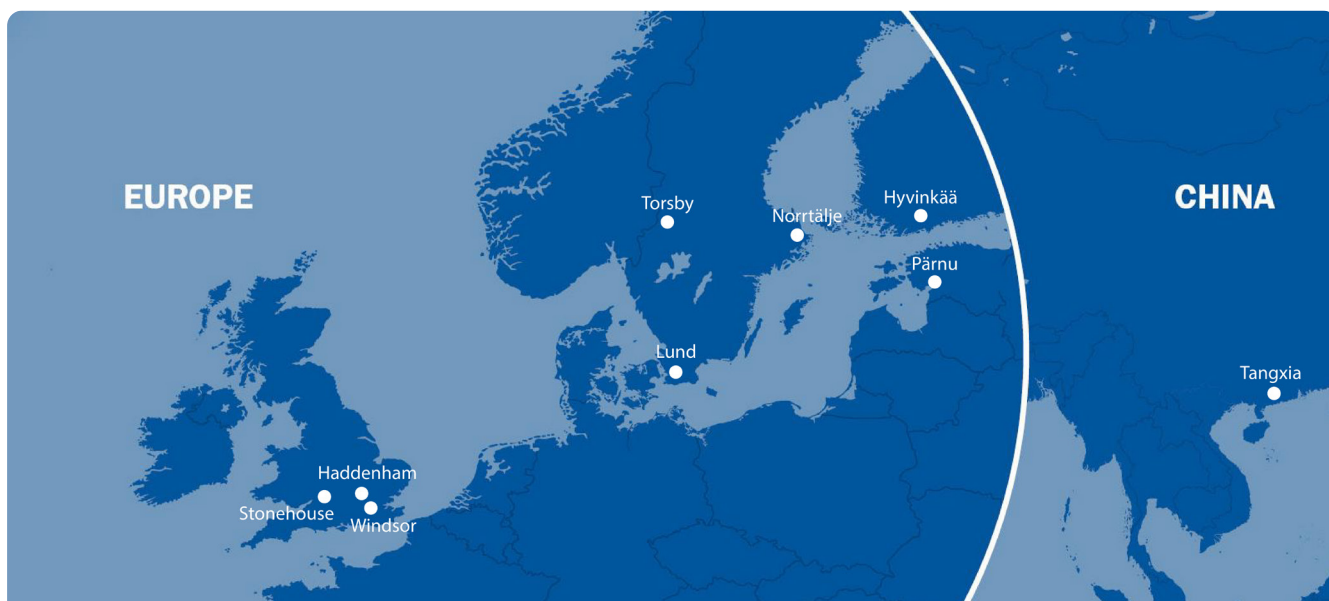
SEK million	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Profit after tax	1	8	8	-1
Other comprehensive income				
Items that can be subsequently reversed in the income statement:	-	-	-	-
Total other comprehensive income	-	-	-	-
Comprehensive income after tax	1	8	8	-1

Balance Sheet

SEK million	2021 31 Dec	2020 31 Dec
Assets		
Intangible assets	2	3
Property, plant and equipment	0	1
Long-term receivables from group companies	217	106
Financial non-current assets	197	221
Total non-current assets	416	331
Receivables from group companies	27	11
Other current receivables	14	7
Cash and bank balances	19	11
Total current assets	60	29
TOTAL ASSETS	476	360
Equity and liabilities		
Equity	265	251
Untaxed reserves	10	7
Liabilities		
Liabilities to financial institutions	0	0
Liabilities to group companies	186	88
Other current liabilities and provisions	15	14
Total current liabilities	201	102
TOTAL EQUITY AND LIABILITIES	476	360

Change in Equity

SEK million	2021 Q4	2020 Q4	2021 Full year	2020 Full year
Opening equity	264	243	251	240
Comprehensive income after tax	1	8	8	-1
New share issue	-	-	6	12
Closing equity	265	251	265	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

serial 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 serial production of PCBAs and box build products are provided.

The NOTE share has been available on Nasdaq Stockholm OMX Mid Cap since the turn of the year 2021-2022.

Financial information

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

Calendar

Interim Report Q1	20 Apr 2022
Interim Report Q2	14 Jul 2022
Interim Report Q3	18 Oct 2022

Annual Report

The Annual Report for 2021 will be published on NOTE's website, www.note-ems.com, week 13.

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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