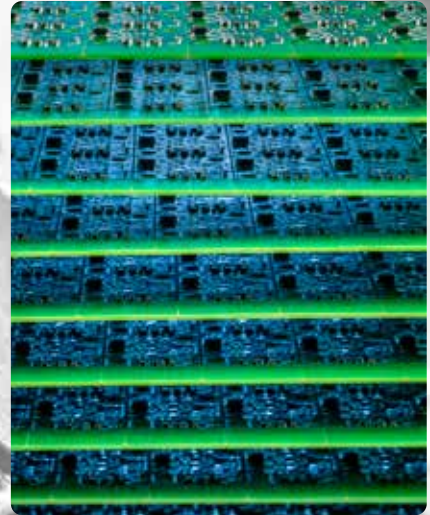
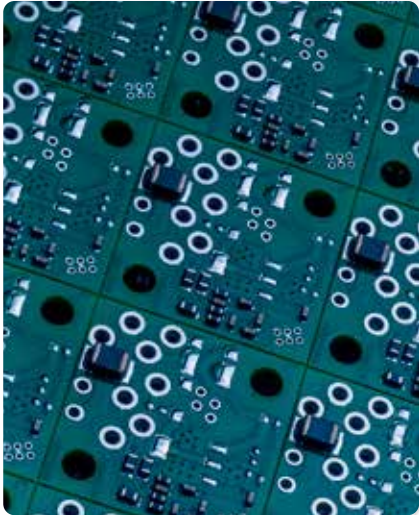


Interim Report January–September 2020



Interim Report Q3

Financial performance in January–September

- Sales increased by 10% to SEK 1,408 (1,277) million.
- Operating profit was up by 25% to SEK 111 (89) million.
- Operating margin widened by 0.9 percentage points to 7.9% (7.0%).
- Profit after net financial items increased by 25% to SEK 103 (83) million.
- Profit after tax increased by 27% to SEK 84 (66) million, corresponding to SEK 2.99 (2.37) per share.
- Cash flow after investments increased to SEK 128 (-21) million, or SEK 4.51 (-0.75) per share.

Events in the year

More successes on the market

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. In order to succeed, NOTE is working methodically to expand its business on existing accounts, while also winning new business customers in those technology and market segments where it is already strong. Despite significantly altered conditions across several sectors and regions due to the spread of covid-19, sales on both new projects and new business accounts were consistent with the previous year's record levels. Developments include NOTE being appointed as a manufacturing partner by several major international industrial and medtech customers. Relatively recent customer partnerships where volumes have expanded notably in the year include Charge-Amps, DeLaval, Hövding, Maven Wireless and Plejd.

Actions and consequences of covid-19

Actions resulting from the global spread of covid-19 featured clearly in operations during 2020. The closure of the plant in China continued for a week longer than planned for the Chinese New Year. Production at this plant then returned to normal from the end of February. After the summer however, production in China has been at a lower level than planned, mainly because of delays to development and manufacturing projects, which have not been possible to complete at the scheduled rate during the current pandemic.

Consistent with a UK government decision to limit all non-essential travel and industrial operations, we temporarily closed our plant at Windsor at the end of March. This closure qualifies for UK government support, which includes substantial compensation for payroll expenses for furloughed staff. Production at Windsor resumed at the beginning of May, and has increased progressively since.

Financial performance in July–September

- Sales amounted to SEK 433 (434) million.
- Operating profit was up by 14% to SEK 36 (32) million.
- Operating margin widened by 1.0 percentage points to 8.3% (7.3%).
- Profit after net financial items increased by 15% to SEK 33 (30) million.
- Profit after tax increased by 27% to SEK 28 (22) million, corresponding to SEK 0.98 (0.81) per share.
- Cash flow after investments of SEK 1 (1) million, or SEK 0.04 (0.04) per share.

The spread of covid-19 and extensive industrial closures across several markets meant reduced demand and lower volumes on many ongoing customer partnerships. For NOTE, the effects are especially apparent in the UK and China, where we estimate that sales in the overall period decreased by the order of SEK 50-100 million compared to original business plans.

Obviously, the lower rate across industry as a consequence of the pandemic has also affected demand on other domestic markets. However, sales and profitability development in Sweden, Finland and Estonia remained very good. Lower volumes in several sectors were offset by continued strong new business sales, the start-up of batch deliveries on several projects and increased volumes to customers in sectors including medtech. In the long term, NOTE thinks that the demand for EMS across Europe will grow sharply as an effect of customers increasingly demanding manufacture closer to home.

Senior executives investing in NOTE shares

Senior executives acquired a total of 500,000 new shares in May under the terms of the three-year incentive programme launched in 2017. This raised the company a total of nearly SEK 12 million.

The current incentive programme of 2018-2019 has a total of 611,000 share warrants, corresponding to about 2% of the number of outstanding shares.

CEO's comments

Our strong progress continues

NOTE has performed strongly in recent years, posting organic growth above our target of 10% per year. This has been a contributor to increased market shares and progressively expanding margins. The critical success factors are the company's methodical work to assure top-class quality and delivery precision, which are important to ourselves and our customers—we've achieved sector-leading levels in these respects.

Our business model builds on long-term customer relationships and partnerships. Our customer base is broad, and we already partner with several of the Nordic leaders across industry, communication, defence, and increasingly, medtech. We enjoy great growth potential to expand our partnerships across our strong customer base. In this way, we've successfully secured some of our biggest-ever deals in both industry and medtech this year.

We're still 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 successfully secured a large number of new accounts recently in traditional industries, as well as in new, expansive application segments. The latter include our close partnerships with growth company Plejd, active in smart lighting, and Charge Amps, which develops and sells electric vehicle charging solutions.

Progress in the nine-month period

We moved into 2020 with a high organic growth rate of 20%. Naturally, our business was impacted by the spread of covid-19 in the year, which drastically altered conditions in several sectors. Although the first half-year did include substantial demand variations, and for a time, we were compelled to close our plants in the UK and China, we still achieved growth of some 15%. Overall, this was somewhat better than we initially feared. After the summer, we witnessed continued caution on the market, with reduced output due to inventory adjustments by customers. We also see deferments on a few major customer projects. These delays should be viewed against the background of joint development and start-up projects having longer lead-times, because for example, physical field testing is difficult during the current pandemic.

Sales in the first three quarters of the year increased by 10% to SEK 1,408 million. All the growth was organic, and the impact of foreign currencies was marginal. Sales in Q3 were SEK 433 million, implying that growth in local currencies was 3%. This was below target, but displacements between quarters are a natural part of our everyday business.

We're seeing continued very robust progress in Sweden and Finland, especially from industrial and medtech customers. However, extensive closures across the UK economy are slowing our onward progress. Accordingly, for the period overall, our growth in Western Europe was restricted to 16%. Year to date, our business in China is down significantly on the previous year, mainly because of closures and challenges related to the pandemic. Moreover, as a result of restrictions to global trade, we have transferred some manufacture from China to our plants in Europe. Sales from our Estonian plant, which are essentially to customers in northern Europe, maintained their brisk progress. In earnings terms, our positive trend continued. Mainly due to growth, good cost control after restructuring programmes imple-



Q3—strong profit performance continues despite lower tempo across industry

mented and brisk progress in Western Europe, not least Sweden and Finland, operating profit increased by 25% to SEK 111 million. Our operating margin widened by nearly 1 percentage point to 7.9%. Despite lower growth in Q3, operating profit improved by 14% in the third quarter, and our operating margin widened by 1.0 percentage points to 8.3%. As part of our methodical improvement work, we previously executed several successful programmes to improve the profitability of our Nordic plants. We've used our experiences here, and are also now seeing profitability improvements in our other international operations.

Having multiple new projects in growth phases sets high demands on the efficient management of working capital. So I'm pleased that simultaneous with positive earnings performance, we're also delivering strong cash flows. Year to date, cash flow after investments was SEK 128 (-21) million, or SEK 4.51 per share. For the most recent 12-month period, cash flow was SEK 224 million, or SEK 7.89 per share. Building from our strong financial position, with very good liquidity, a high equity to assets ratio of 45% and low actual net debt (excluding IFRS 19 Leases) of SEK 30 million, we're working actively to exploit new growth opportunities.

Future

We're still winning new customers and projects convincingly and the order backlog at the end of Q3 was approximately 10% higher than last year. Year to date, our growth is in line with our long-term target. Sales variations between individual quarters are natural and consistent with progress in Q3, for the short term, we anticipate lower output on several ongoing customer projects. However, our underlying business is still developing very positively, and we're continuing to invest for higher growth. I see really good potential to increase our market shares and maintain our positive earnings trend.

Johannes Lind-Widestam

Sales and results of operations

Sales, January–September

NOTE is one of the most expansive and competitive electronics manufacturers in the Nordics, and a stable business partner for Swedish and international customers that need advanced industrial electronics. NOTE's business model is based on long-term customer relationships and partnerships. NOTE sells to a large customer base, essentially active across industry, communication, medtech, defence and high end consumer electronics. The customer base includes large global corporations active worldwide, and local enterprises whose sales are mainly in northern Europe. Usually, customers outsource all EMS to one or several production partners. Another clear trend is for customers increasingly demanding the manufacture and direct shipment of box build products.

The current pandemic has clearly resulted in a deteriorated demand situation in several sectors and regions. However, overall demand for NOTE's services progressed positively in the period. Sales in the first three quarters of the year increased by 10% to SEK 1,408 (1,277) million. Growth was wholly organic, and the impact of altered exchange rates, mainly USD and EUR, was marginal. Sales growth consisted of new, expanded business on existing accounts, and the progressive impact of increased sales in a large number of new customer relationships. Most of NOTE's new business customers are SMEs across Europe and Asia. Several of these assignments, which usually start with industrialisation services (service sales, prototyping and pilot series), have now resulted in batch production and higher volumes.

Demand in Sweden and Finland was very high, especially from industrial and medtech customers. Due to extensive restrictions and closures across UK industry, sales in the UK were down by over 20%, helping restrict growth in Western Europe to 16%. Sales from the Estonian plant, which are mainly to northern European customers, also made positive progress, with growth of 17%. NOTE reported record growth for one relatively recent high-growth Swedish customer in the communication segment, and continued high demand from industrial customers.

Sales from the plant in China are to local and global custo-

mers. The extended production stoppage in Q1, and precautionary measures against the spread of covid-19, combined with migrating production from China to Europe, resulted in sales in China reducing by 17%.

NOTE's high growth in Western Europe should be viewed against the background of a rapidly changing market. Previously, manufacturers were keen to locate electronics manufacture in Asia. Accentuated by increasing restrictions to global trade, a sharper focus on sustainability issues, and not least the current pandemic, there is a clear trend for European customers to increasingly demand development and manufacturing services closer to home. With more manufacturing capacity and efficient plants in Europe, NOTE's organisation is prepared to benefit from this progress.

NOTE's 15 largest customers in sales terms represented 47% (46%) of group sales. No single customer (group) represented more than 6% (6%) of total sales.

At the end of the period, the group's order backlog, which is a combination of fixed orders and customer forecasts, was up by about 10% on the corresponding point of the previous year.

Results of operations, January–September

In order to keep increasing competitiveness and create the potential for continued 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.

Mainly as a consequence of increased sales with stable margins on current and new business accounts, gross profit increased by 11% to SEK 166 (150) million. The gross margin was unchanged at 11.8% (11.8%).

Sales and administration overheads in the period increased by 4% to SEK 62 (59) million. As a share of sales, these overheads reduced to 4.4% (4.7%).

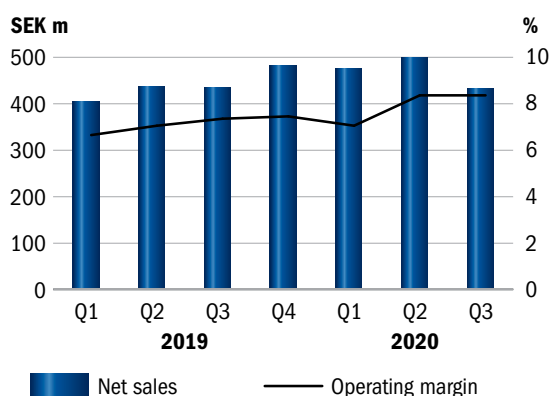
Other operating expenses/income, essentially consisting of the revaluation of assets and liabilities denominated in foreign currency, were SEK 7 (-2) million.

Operating profit in the period improved by 25% to SEK 111 (89) million, and the operating margin widened by 0.9 percentage points to 7.9% (7.0%).

Net financial income/expense deteriorated somewhat to SEK -8 (-6) million, the cost increase mainly consisting of revaluations of debt factoring liabilities in foreign currencies, mainly USD and EUR.

Profit after net financial items increased by 25% to SEK 103 (83) million, equivalent to a profit margin of 7.3% (6.5%).

Profit after tax was up by 27% to SEK 84 (66) million, or SEK 2.99 (2.29) per share. The tax expense for the period corresponded to 19% (20%) of profit before tax.



Sales and results of operations, July-September

Because it includes holiday periods, progress in Q3 is obviously more difficult to forecast than the other quarters. Sales in Q3 were SEK 433 (434) million. Considering depreciation of the SEK, mainly against the USD and EUR, growth in local currency was 3%, and thus below NOTE's target. Mainly due to the current market situation (COVID-19), sales in the UK and China were down clearly on the previous year. However demand in Sweden and Finland remained brisk, with elements of reduced volumes on current projects as a result of inventory reductions by a few industrial and communication customers. The current market situation (COVID-19) has also meant delays to the start-up of a few major development and manufacturing projects. Including the sales downturn in the UK, growth in Western Europe was limited to 8%, with respect to the Swedish krona depreciation, growth was some 10%. Continued good growth was reported by the Estonian plant, while sales in China were down by some 25%.

Primarily as a result of high growth in Sweden, combined with stable margins on current customer projects and positive pro-

gress on costs, gross profit was SEK 49 (49) million. However, gross margin narrowed somewhat to 11.2% (11.5%), basically because of an altered mix of customer assignments.

Overheads for the period were SEK 18 (17) million, or 4.1% (4.1%) of sales.

Other operating income/expenses, mainly consisting of revaluations of assets and liabilities denominated in foreign currency, were SEK 5 (0) million.

Operating profit increased by 14% to SEK 36 (32) million, implying operating margin widening by 1.0 percentage points to 8.3% (7.3%).

Net financial income/expense deteriorated somewhat to SEK -3 (-2) million, mainly due to SEK depreciation against several other currencies.

Profit after net financial items was SEK 33 (30) million, equating to a profit margin of 7.8% (6.8%).



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 logistics solutions. Accordingly, NOTE faces a major challenge to continuously improve its business methods and internal processes in these segments.

Due to the global spread of covid-19 and a high share of electronic component manufacture being located in China, NOTE did a lot of work already back in Q1 to identify and overcome challenges in sourcing materials. Disruptions to incoming shipments of components did occur throughout the overall period, but to a lesser extent than initially feared. Accordingly, NOTE was able to maintain delivery precision to customers at a high level. The progress of inventories in the period was fairly stable. Primarily as a result of growth, capital tied-up in inventory increased by 9% on year-end. Compared to the end of the third quarter of the previous year, this meant a 1% decrease in capital tied-up in inventory, contributing to some improvement to the utilisation of working capital.

NOTE is making continuous efforts to monitor credit risks and limit the number of outstanding days of credit. A change in the factoring finance solution in Estonia meant that accounts receivable–trade for the period decreased by just over SEK 30 million, which was a contributor to accounts receivable–trade being 9% lower than at the corresponding point of the previous year. Accordingly, the number of outstanding days of credit was somewhat lower than the previous year.

Equity to assets ratio

45.0%

Cash flow after investments

SEK+128 m

Accounts payable–trade mainly consist of purchases of electronic components and other production materials. NOTE actively pursues a partner model on the supplier side, which has outcomes including concentrating sourcing on fewer, quality-assured suppliers as far as possible. This working method also helps reduce costs and rationalise working capital. Accounts payable–trade have increased by 12% on year-end, and were 10% above the level at the corresponding point of the previous year.

Continued positive earnings performance, combined with the more efficient utilisation of working capital, helped cash flow after investments to increase significantly to SEK 128 (-21) million, or SEK 4.51 (-0.75) per share. In the last 12 months, cash flow was SEK 224 million, or SEK 7.89 per share.

Equity to assets ratio

According to NOTE's externally communicated financial targets, its minimum equity to assets ratio should be 30%. At the end of the period, the equity to assets ratio was 45.0% (38.7%).

Liquidity and investments

Liquidity and net debt

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

At the end of the third quarter, the group's available cash and cash equivalents, including unutilised overdraft facilities, were SEK 262 (79) million. Factored accounts receivable–trade were approximately SEK 227 (244) million. Disregarding estimated financial liabilities on the additional right-of-use assets resulting from IFRS 16 Leases, net debt at the end of the period was SEK 30 (222) million.

Investments

Capital expenditure on fixed assets in the first nine months of the year was SEK 51 (24) million, of which SEK 19 (-) million consisted of additional investments in leased premises (IFRS 16 Leases). The investments corresponded to 3.6% (1.9%) of sales, and mainly consisted of projects to increase efficiency and capacity.

Plan depreciation and amortisation increased to SEK 36 (33) million, of which SEK 13 (12) million was additional depreciation of right-of-use assets, mainly on leasehold premises, after the adoption of IFRS 16 Leases.

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 28 (28) million, and mainly related to intra-group services.

Profit after tax amounted to SEK -9 (5) million. Exchange rate fluctuations on loans to foreign subsidiaries had a negative effect on the profit.

Transactions with related parties

Within the framework of the three-year incentive programme launched in 2017, senior executives purchased all 500,000 newly issued shares in May in accordance with the terms of the programme. In total, the company received almost SEK 12 million. No other transactions with related parties were made during

the first three quarters of the year. In the ongoing incentive programme from 2018-2019, there are a total of 611,000 warrants corresponding to about 2% of the number of shares outstanding. In line with the decision of the AGM, 1,000,000 earlier repurchased NOTE shares were canceled in Q2. Since the year-end, the number of shares outstanding in NOTE has thus been reduced by 500,000.

Dividend 2019

Due to the uncertainty surrounding the corona pandemic, the Board decided in March to withdraw the previously communicated proposal to the Annual General Meeting (AGM) on a dividend to the shareholders of SEK 1.20 per share.

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 2019, more specifically

to the Risks section on page 13, the Report of the Directors on page 42, 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 2019. 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 2020, the segment's operating profit are followed up with a slightly changed approach. This means that the item "Other operating income/expenses" is no longer allocated to the various segments instead it is followed up at the overall level. Comparative figures for the segments have been adjusted in accordance with the new approach.

Earnings per share are reported in accordance with IAS 33 Earnings per share. NOTE has three incentive programmes that were initiated during the period 2017-2019, all of which run for a 3-year period. These warrants have a dilution effect when the stock price exceeds the exercise price. At the end of 2018, a repurchase of shares was made where 1 million treasury

shares were acquired. As a result, these shares are not reported as outstanding. At the AGM 2020 a decision was made to cancel these shares. Comparative periods have been adjusted accordingly. Purchase of all of the 500,000 shares from the incentive programme established in 2017 was made in Q2.

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

Stockholm, Sweden, 18 October 2020

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 2020 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.

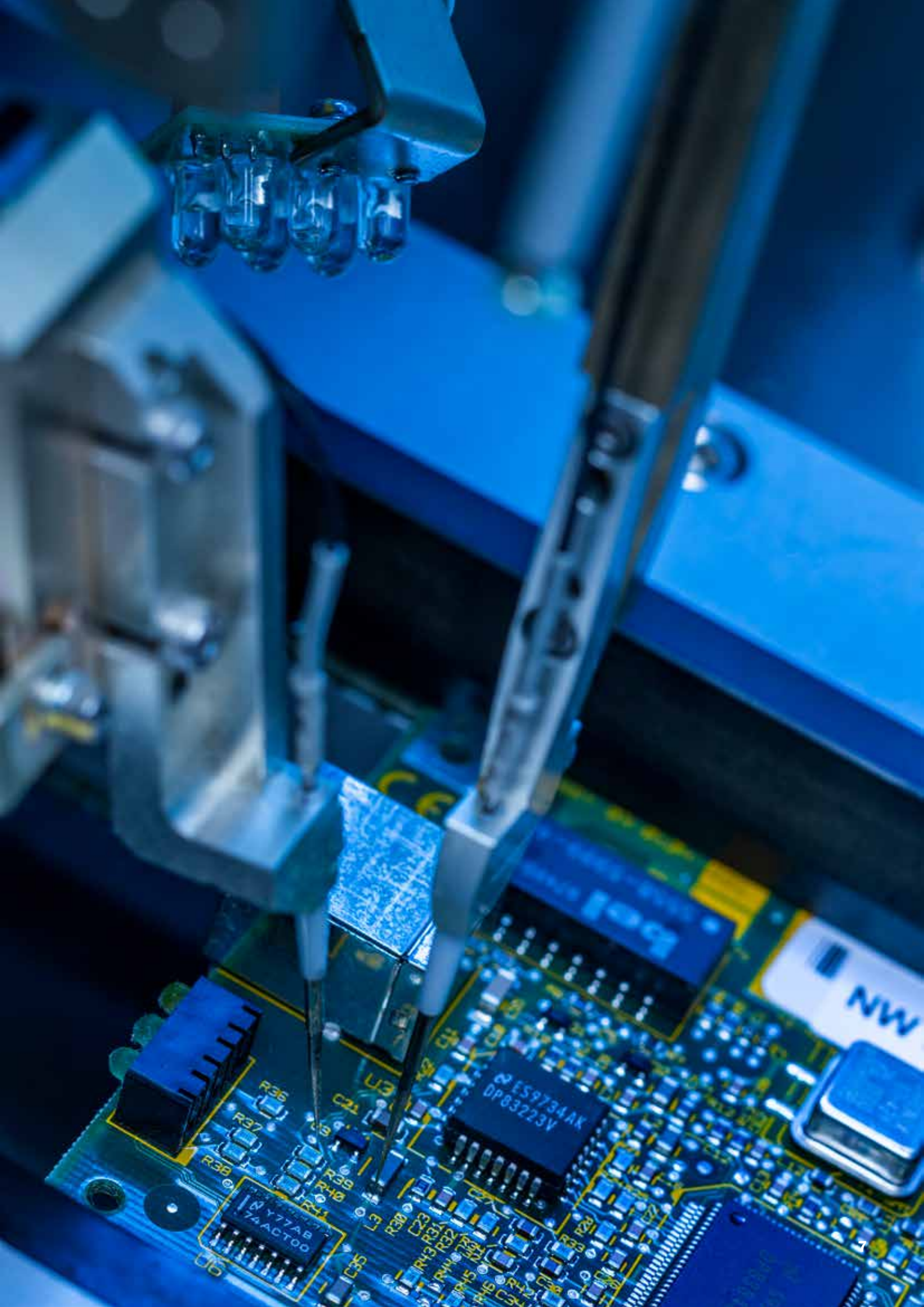
The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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, 18 October 2020



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Consolidated quarterly summary

SEK million	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Net sales	433	500	475	483	434	437	405
Gross margin	11.2%	12.0%	12.1%	11.6%	11.5%	11.7%	12.1%
Operating margin	8.3%	8.3%	7.0%	7.4%	7.3%	7.0%	6.6%
Profit margin	7.8%	8.4%	5.8%	6.9%	6.8%	6.6%	6.1%
Cash flow after investing activities	1	64	63	96	1	-24	2
Cash flow per share, SEK	0.04	2.26	2.26	3.44	0.04	-0.85	0.07
Equity per share, SEK	19.5	18.6	18.1	16.7	15.9	14.9	14.9
Equity to assets ratio	45.0%	42.9%	40.9%	41.2%	38.7%	36.7%	36.8%
Average number of employees	1,103	1,124	1,090	1,092	1,070	1,070	1,045
Net sales per employee, SEK 000	393	445	436	442	406	409	388

Consolidated six-year summary

SEK million	Rolling 12 mth.	2019	2018	2017	2016	2015
Net sales	1,891	1,760	1,379	1,176	1,098	1,122
Gross margin	11.7%	11.7%	12.5%	11.9%	12.0%	10.9%
Operating margin	7.7%	7.1%	6.1%	7.9%	5.5%	4.0%
Profit margin	7.2%	6.6%	5.7%	7.6%	5.0%	3.5%
Cash flow after investing activities	224	75	-76	70	41	5
Cash flow per share, SEK	7.89	2.69	-2.63	2.41	1.42	0.18
Equity per share, SEK	19.5	16.7	13.3	12.8	11.0	9.9
Return on operating capital	21.4%	20.7%	17.8%	24.2%	16.1%	12.9%
Return on equity	22.1%	21.7%	17.1%	21.0%	14.9%	12.4%
Equity to assets ratio	45.0%	41.2%	39.8%	48.8%	45.8%	43.3%
Average number of employees	1,102	1,070	980	912	987	940
Net sales per employee, SEK 000	1,716	1,645	1,407	1,289	1,113	1,193

Consolidated Income Statement

SEK million	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
Net sales	433	434	1,408	1,277	1,891	1,760
Cost of goods and services sold	-384	-385	-1,242	-1,127	-1,669	-1,554
Gross profit	49	49	166	150	222	206
Selling expenses	-11	-10	-38	-35	-52	-49
Administrative expenses	-7	-7	-24	-24	-33	-33
Other operating income/expenses	5	0	7	-2	9	0
Operating profit	36	32	111	89	146	124
Net financial income/expenses	-3	-2	-8	-6	-10	-8
Profit after financial items	33	30	103	83	136	116
Income tax	-5	-8	-19	-17	-26	-24
Profit after tax	28	22	84	66	110	92

Consolidated Statement of Other Comprehensive Income

SEK million	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
Profit after tax	28	22	84	66	110	92
Other comprehensive income						
Items that can be subsequently reversed in the income statement:						
Exchange rate differences	-3	7	-10	16	-15	11
Cash flow hedges	0	0	0	0	0	0
Tax on hedges and exchange rate difference	1	-1	2	-2	2	-2
Total other comprehensive income after tax	-2	6	-8	14	-13	9
Comprehensive income after tax	26	28	76	80	97	101

Earnings per share

	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
Number of shares at end of period (000)	28,373	27,873	28,373	27,873	28,373	27,873
Weighted average number of shares (000)*	28,373	27,873	28,113	27,873	28,052	27,873
Weighted average number of shares (000)**	28,714	27,990	28,497	27,942	28,429	27,973
Earnings per share, SEK*	0.98	0.81	2.99	2.37	3.92	3.31
Earnings per share, SEK**	0.97	0.81	2.95	2.37	3.87	3.30

* Before dilution

** After dilution

Consolidated Balance Sheet

SEK million	2020 30 Sep	2019 30 Sep	2019 31 Dec
Assets			
Goodwill	107	109	110
Intangible assets—customer relationships	10	14	13
Other intangible assets	12	12	14
Right of use assets	60	55	54
Property, plant and equipment	108	89	96
Deferred tax assets	5	2	1
Other financial assets	1	0	0
Total non-current assets	303	281	288
Inventories	405	409	370
Accounts receivable—trade	354	388	380
Other current receivables	23	26	18
Cash and bank balances	145	42	73
Total current asset	927	865	841
TOTAL ASSETS	1,230	1,146	1,129
Equity and liabilities			
Equity	553	444	465
Liabilities			
Long-term interest-bearing liabilities	31	17	21
Long-term liabilities, right of use asset	44	39	38
Deferred tax liabilities	11	7	12
Other long term provisions	0	6	-
Total non-current liabilities	86	69	71
Current interest-bearing liabilities	144	247	191
Short-term liabilities, right of use asset	17	15	16
Accounts payable—trade	302	274	270
Other current liabilities	127	96	109
Other short term provisions	1	1	7
Total current liabilities	591	633	593
TOTAL EQUITY AND LIABILITIES	1,230	1,146	1,129

Consolidated Change in Equity

SEK million	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
Opening equity	527	416	465	384	444	384
Comprehensive income after tax	26	28	76	80	97	101
New share issue	-	-	12	-	12	-
Payment warrants	-	0	-	0	-	0
Dividend	-	-	-	-20	-	-20
Closing equity	553	444	553	444	553	465

Consolidated Cash Flow Statement

SEK million	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
Operating activities						
Profit after financial items	33	30	103	83	136	116
Reversed depreciation and amortisation	12	11	36	33	47	44
Other non-cash items	-3	1	2	-4	7	1
Tax paid	-5	-7	-17	-20	-17	-20
Change in working capital	-33	-25	15	-97	67	-45
Cash flow from operating activities	4	10	139	-5	240	96
Cash flow from investing activities	-3	-9	-11	-16	-16	-21
Cash flow from financing activities	-19	9	-58	31	-122	-33
Change in cash and cash equivalents	-18	10	70	10	102	42
Cash and cash equivalents						
At beginning of period	160	31	73	31	42	31
Cash flow after investing activities	1	1	128	-21	224	75
Cash flow from financing activities	-19	9	-58	31	-122	-33
Exchange rate difference in cash and cash equivalents	3	1	2	1	1	0
Cash and cash equivalents at end of period	145	42	145	42	145	73
Un-utilised credits	117	37	117	37	117	116
Available cash and cash equivalents	262	79	262	79	262	189

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.

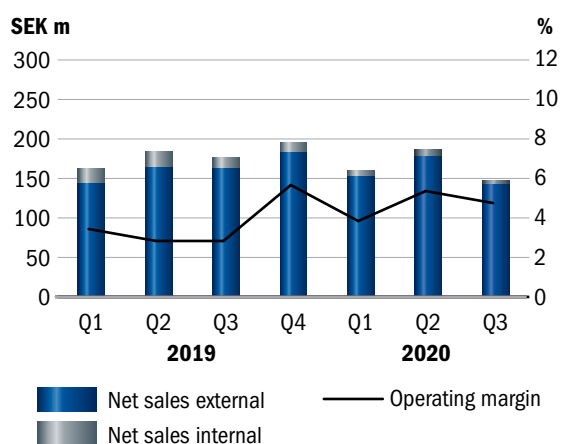
Intra-Group are group-wide business support functions in the parent company and for the sourcing operations in NOTE Components. The segment also includes group eliminations.

SEK million	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
WESTERN EUROPE						
External net sales	291	271	936	806	1,236	1,106
Internal net sales	1	1	3	4	3	4
Operating profit	28	29	91	79	114	102
Operating margin	9.6%	10.7%	9.7%	9.7%	9.2%	9.2%
Inventories	254	256	254	256	254	237
External accounts receivable–trade	248	251	248	251	248	238
Average number of employees	530	476	522	457	515	468
REST OF WORLD						
External net sales	142	163	472	471	655	654
Internal net sales	6	14	23	53	35	65
Operating profit	7	5	23	16	34	27
Operating margin	4.7%	2.8%	4.6%	3.1%	4.9%	3.8%
Inventories	151	153	151	153	151	133
External accounts receivable–trade	105	137	105	137	105	142
Average number of employees	554	577	566	588	569	585
INTRA-GROUP						
Internal net sales	-7	-15	-26	-57	-38	-69
Operating profit	1	-2	-3	-6	-2	-5
External accounts receivable–trade	1	0	1	0	1	0
Average number of employees	19	17	18	17	18	17

Western Europe



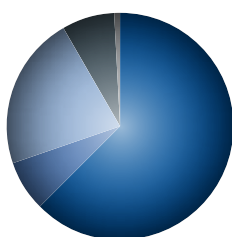
Rest of World



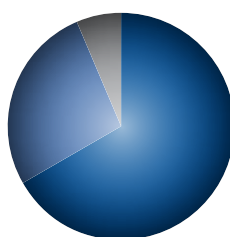
Sales per customer segment

SEK million	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
WESTERN EUROPE						
Industrial	186	164	586	494	763	671
Communication	23	28	69	88	95	114
Medtech	67	51	203	124	260	181
Defence	12	26	71	95	109	133
High end consumer	3	2	7	5	9	7
Total external sales	291	271	936	806	1,236	1,106
REST OF WORLD						
Industrial	98	104	315	310	424	419
Communication	33	42	127	135	188	196
Medtech	0	0	0	0	0	0
Defence	0	0	0	0	0	0
High end consumer	11	17	30	26	43	39
Total external sales	142	163	472	471	655	654
TOTAL						
Industrial	284	268	901	804	1,187	1,090
Communication	56	70	196	223	283	310
Medtech	67	51	203	124	260	181
Defence	12	26	71	95	109	133
High end consumer	14	19	37	31	52	46
Total external sales	433	434	1,408	1,277	1,891	1,760

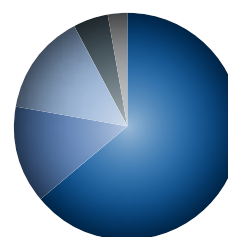
Western Europe Q1-Q3



Rest of World Q1-Q3



Total Q1-Q3



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

Parent Company Income Statement

SEK million	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
Net sales	9	9	28	28	38	38
Cost of services sold	-4	-3	-10	-11	-15	-16
Gross profit	5	6	18	17	23	22
Selling expenses	-4	-4	-12	-13	-17	-18
Administrative expenses	-2	-3	-8	-8	-11	-11
Other operating income/expenses	-4	4	-9	7	-10	6
Operating profit	-5	3	-11	3	-15	-1
Net financial income/expenses	-1	2	-1	4	71	76
Profit after financial items	-6	5	-12	7	56	75
Appropriations	-	-	-	-	-19	-19
Profit before tax	-6	5	-12	7	37	56
Income tax	2	-2	3	-2	-7	-12
Profit after tax	-4	3	-9	5	30	44

Parent Company Statement of Other Comprehensive Income

SEK million	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
Profit after tax	-4	3	-9	5	30	44
Other comprehensive income						
Items that can be subsequently reversed in the income statement:	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Comprehensive income after tax	-4	3	-9	5	30	44

Parent Company Balance Sheet

SEK million	2020 30 Sep	2019 30 Sep	2019 31 Dec
Assets			
Intangible assets	3	4	4
Property, plant and equipment	1	0	1
Long-term receivables from group companies	142	91	149
Financial non-current assets	221	221	221
Total non-current assets	367	316	375
Receivables from group companies	15	87	19
Other current receivables	8	13	3
Cash and bank balances	107	20	25
Total current assets	130	120	47
TOTAL ASSETS	497	436	422
Equity and liabilities			
Equity	243	201	240
Untaxed reserves	26	7	26
Liabilities			
Liabilities to financial institutions	0	75	1
Liabilities to group companies	217	138	138
Other current liabilities and provisions	11	15	17
Total current liabilities	228	228	156
TOTAL EQUITY AND LIABILITIES	497	436	422

Parent Company Change in Equity

SEK million	2020 Q3	2019 Q3	2020 Q1-Q3	2019 Q1-Q3	Rolling 12 mth.	2019 Full year
Opening equity	247	198	240	216	201	216
Comprehensive income after tax	-4	3	-9	5	30	44
New share issue	-	-	12	-	12	-
Dividend	-	-	-	-20	-	-20
Closing equity	243	201	243	201	243	240

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 (before dilution).

Equity per share

Equity divided by the number of outstanding 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.

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

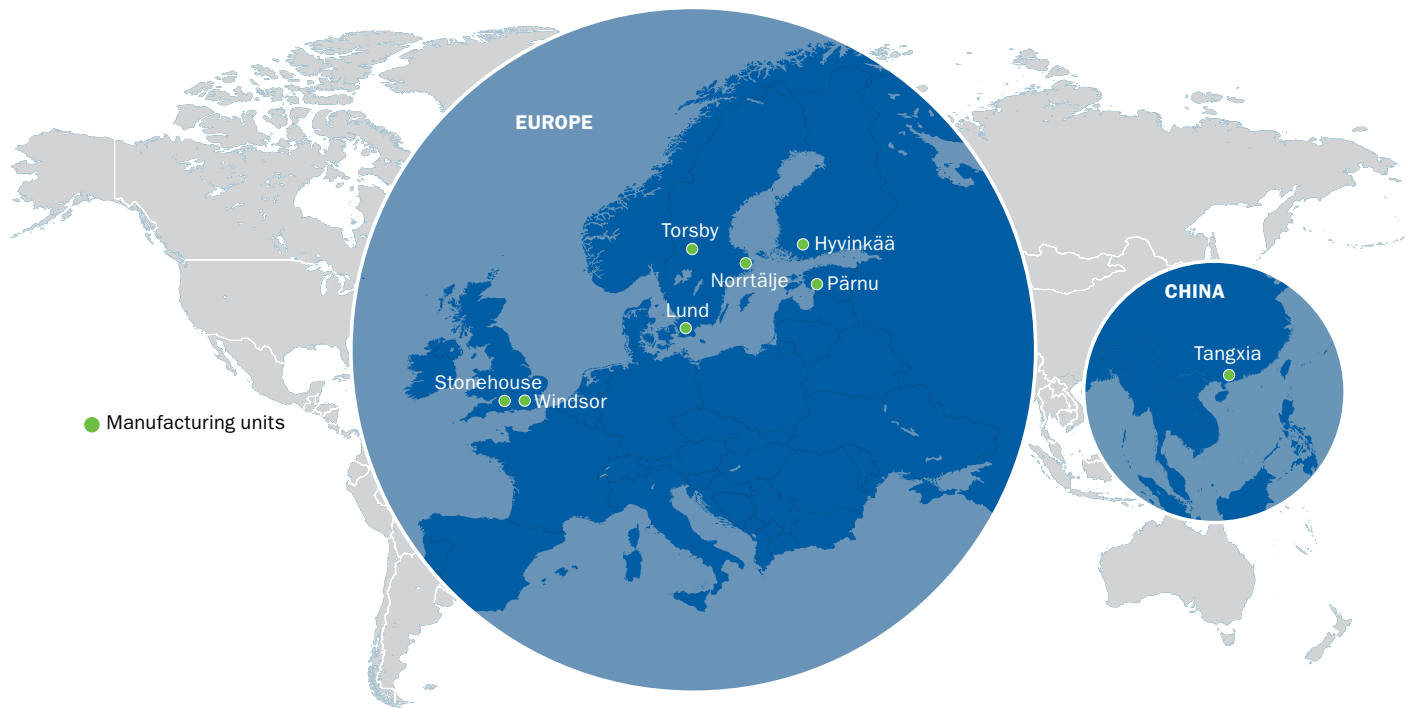
Profit after financial items as a percentage of net sales.

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.



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 2020	28 Jan 2021
Interim Report Q1	19 Apr 2021

Annual General Meeting

The AGM will be held at Bonnier Magasinet in Stockholm, Sweden, at 2 p.m. on 19 April 2021.

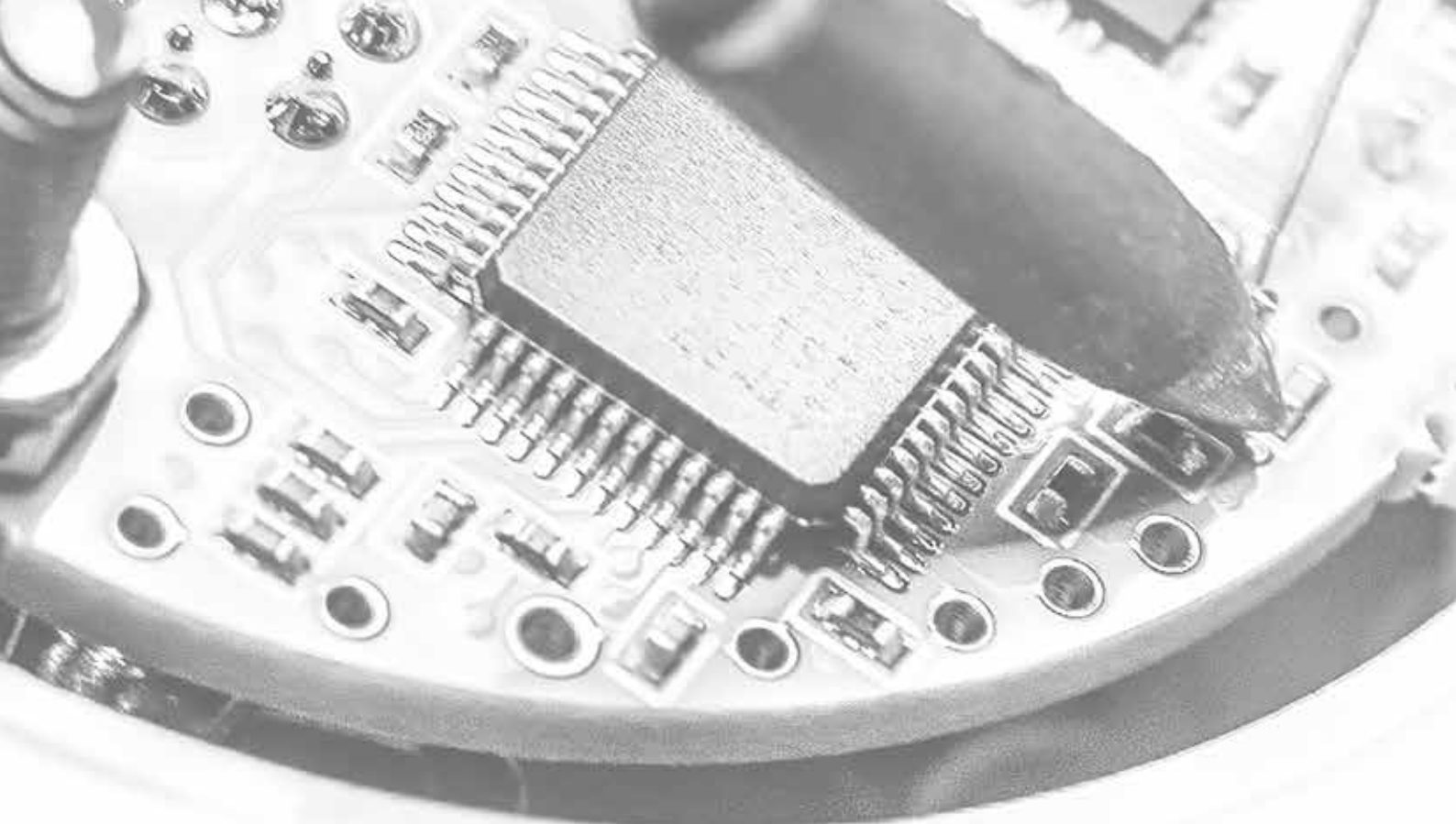
Ordering financial information

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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