

NOTE's Year-end Report 2020

Financial performance in October–December

- Sales decreased by 4% to SEK 466 (483) million. Adjusted for currency effects, sales were at the same level as the previous year.
- Operating profit was up by 8% to SEK 38 (35) million.
- Operating margin widened by 0.9 percentage points to 8.3% (7.4%).
- Profit after net financial items increased by 17% to SEK 40 (33) million.
- Profit after tax increased by 21% to SEK 32 (26) million, corresponding to SEK 1.12 (0.94) per share.
- Cash flow after investments amounted to SEK 44 (96) million, or SEK 1.55 (3.44) per share.

Financial performance in January–December

- Sales increased by 6% to SEK 1,874 (1,760) million. Adjusted for currency effects, growth was approximately 7%.
- Operating profit was up by 20% to SEK 149 (124) million.
- Operating margin widened by 0.9 percentage points to 8.0% (7.1%).
- Profit after net financial items increased by 23% to SEK 143 (116) million.
- Profit after tax increased by 25% to SEK 116 (92) million, corresponding to SEK 4.11 (3.31) per share.
- Cash flow after investments amounted to SEK 172 (75) million, or SEK 6.06 (2.69) per share.

Dividend

To ensure maximum financial freedom of action in the beginning of 2021 and to be able to actively participate in the ongoing structural transformation of the industry, the Board currently proposes that no dividend be paid for 2020. However, the Board may return later in the year and propose a dividend given the strong balance NOTE has.

CEO's comment – 2020 was a record year for NOTE with continued good growth, 20% increased operating profit and a very strong cash flow.

"In 2020, we increased sales by 6% to the new record level of SEK 1,874 million. Including exchange rate changes, organic growth was 7%. We continue to feel a great interest in our flexible and broad customer offering. With a focus on the market and technology areas where we are already strong, we won several of our largest deals ever, both in the engineering industry and medtech.

It is also gratifying that, despite a difficult market situation (covid-19), we managed to continue our positive earnings trend. Operating profit increased by 20% to SEK 149 million and the operating margin widened by 0.9 percentage points to 8.0%, which in both cases is our highest levels ever. Earnings per share increased to SEK 4.11 (3.31).

Continued efficiencies in our working capital utilisation in combination with our positive earnings trend contributed to cash flow, after investments, improving to SEK 172 million, corresponding to SEK 6.06 per share, which is also our highest level ever.

We win new customers and projects in a convincing way and the order backlog at the turn of the year was approximately 20% higher than last year. Based on the current market situation, I consider the opportunities to be very good to reach our growth target of at least 10% in 2021 and continue our positive earnings trend", says Johannes Lind-Widestam, CEO and President.

NOTE's Year-end Report for 2020 is now available in PDF format at the web site, www.note-ems.com, and attached to this message. Today at 10:00 a.m. CET NOTE will arrange a teleconference for analysts, media and investors where the report will be presented by NOTE's CEO and President Johannes Lind-Widestam. The Interim Report for January–March will be published on 19 April.

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About NOTE

NOTE is one of northern Europe's leading EMS partners, producing PCBAs, subassemblies and box build products. NOTE's offering covers the complete product lifecycle, from design to after-sales. NOTE has a presence in Sweden, Finland, the UK, Estonia and China. Net sales in the last 12 months were SEK 1,874 million; the group has approximately 1,100 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note-ems.com.

This information is such information that NOTE AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of Johannes Lind-Widestam, at 8:30 a.m. CET on 28 January 2021.