

NOTE's Interim Report January–September 2021

Financial performance 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.

Financial performance 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.

CEO's comment – New record quarter and greatly improved future prospects.

"We are experiencing an ever-increasing demand. Our order backlog, for delivery in the next few quarters and for comparable units, was at a record high level and more than 70% above the previous year. Sales during the first three quarters increased by 30% to SEK 1,829 million. Adjusted for acquisitions and currency effects, organic growth was 23%. The positive development was further strengthened during Q3 with a growth of 58%. In Q3 NOTE's organic growth was 34%.

Growth this year is taking place in a market for electronic components, including so-called semiconductors, that is under strong pressure in terms of availability and lead time. We estimate that the challenges in the component market led to delivery delays in Q3 of at least SEK 50 million with increased capital tied up in inventories as a result, which temporarily limited cash flow.

In terms of earnings, our positive trend continued, mainly due to strong growth, stable margins in ongoing customer assignments and good cost development as a result of implemented efficiency programmes. During the first three quarters of the year, operating profit increased by 48% to SEK 164 million. And in Q3, earnings growth was 78% and the operating margin strengthened to 9.4% - our highest level ever.

NOTE is enjoying a very strong operational momentum, and we are still in a clear expansion phase. Including iPRO, acquired in June, our pro forma sales over the past 12 months amount to just over SEK 2.5 billion. Considering our strong order situation, and despite the difficult situation in the component market, we still see good opportunities to continue to achieve total growth of around 50% in the next quarters. The potential for continuing our strong earnings trend is really positive", says Johannes Lind-Widestam, CEO and President.

NOTE's Interim Report for January–September is now available in PDF format on the corporate web site, www.note-ems.com, and attached to this message. Today at 10.00 CET, NOTE organises a telephone conference for analysts, media and investors, where CEO and President Johannes Lind-Widestam presents the report. NOTE's year-end report will be published on 28 January 2022.

For more information, please contact:
Johannes Lind-Widestam, CEO and President, tel. +46 (0)70 541 7222
Henrik Nygren, CFO, tel. +46 (0)70 977 0686

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 2,295 million; the group has approximately 1,300 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 19 October 2021.