

Press Release
Stockholm, Sweden, 13 April 2023

NOTE acquires modern electronics plant in Bulgaria

NOTE expands its manufacturing capacity through the acquisition of all shares in the Bulgarian electronics manufacturer ATM Electronics. Through the acquisition, NOTE gets its second plant in Eastern Europe. The plant in Bulgaria is expected to meet a rapidly growing need for cost-effective production close to customers in Europe.

In the same way as NOTE, ATM Electronics focuses on long-term customer collaborations, high quality and good delivery precision. The main operations in Sofia are run in modern premises fully adapted for electronics manufacturing. Electrical assembly is done in large series in nearby Petrich. The customers consist of large international industrial companies as well as local customers. The business model is currently based on the processing of materials (electronic components) owned by the customers. Therefore, the company's sales today essentially consist of services ("value-add") without materials. These sales amount to approximately SEK 40 million on an annual basis with an operating margin of approximately 8%.

NOTE expects that the demand for electronics manufacturing in Europe will continue to develop strongly in the coming years. NOTE therefore sees great opportunities to significantly grow both manufacturing in ATM Electronics and at the same time increase the customer offering to also include complete PCBAs and products ("Turn-key").

The purchase price, after deductions for existing debts, amounts to approximately SEK 36 million. Payment of the purchase price is made in cash based on NOTE's strong balance sheet. The current principal owner, Sergej Shardin, who has successfully developed the company for many years, will continue in his role as CEO of the business. The number of employees amounts to approximately 80.

"NOTE continues to develop strongly. We are enthusiastic about this acquisition, which, in addition to adding another profitable plant to the group, also expands our manufacturing capacity in Eastern Europe. We see great value in the fact that we are now expanding the possibilities to offer our existing customers advanced electronics manufacturing in a very cost-effective part of Europe. Together with existing customers, staff and management in Bulgaria, we look forward to developing the business further and continuing our profitable growth journey", says Johannes Lind-Widestam, CEO and President at NOTE.

"I have come to know NOTE as a company that shares our core values of high quality and putting the customer at the center. I see great advantages for us and our customers that we now become part of NOTE - not least on the purchasing side. We have strong customer relationships and I look forward to continuing to develop our plants in Sofia and Petrich together with the other operations in NOTE", says Sergej Shardin, CEO at ATM Electronics OOD.

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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, Bulgaria and China. Net sales in the last 12 months were SEK 3,687 million; the group has approximately 1,400 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note-ems.com.

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