

NOTE's Interim Report January–September 2022

Financial performance Q3 (July–September)

- Sales increased by 36% to SEK 930 (685) million. Adjusted for acquisitions and currency effects, organic growth was 18%. Approximately 6% of sales consisted of re-invoicing of extraordinary cost increases on electronic components.
- Operating profit was SEK 57 (64) million. Adjusted for doubtful debt of SEK 30 million and for currency revaluations of operating assets and liabilities in foreign currencies, underlying operating profit increased by 37% to SEK 92 (67) million.
- Operating margin was 6.2% (9.4%). Adjusted for the doubtful debt, currency revaluations of operating assets and liabilities in foreign currencies and adjusted for re-invoicing of extraordinary cost increases on electronic components, essentially without margin, the underlying operating margin increased by 0.4 percentage points to 10.2% (9.8%).
- Profit after financial items was SEK 47 (59) million.
- Profit after tax amounted to SEK 40 (48) million, corresponding to SEK 1.37 (1.68) per share.
- Cash flow after investments amounted to SEK -59 (-49) million, or SEK -2.04 (-1.71) per share. The quarter's cash flow includes the SEK -20 million payment for the acquisition of NOTE Herrljunga.

Financial performance January–September

- Sales increased by 45% to SEK 2,649 (1,829) million. Adjusted for acquisitions and currency effects, organic growth was 25%. Approximately 5% of sales consisted of re-invoicing of extraordinary cost increases on electronic components.
- Operating profit was SEK 216 (164) million. Adjusted for the doubtful debt of SEK 30 million, and adjusted for currency revaluations of operating assets and liabilities in foreign currencies, the underlying operating profit increased by 53% to SEK 261 (170) million.
- Operating margin was 8.2% (9.0%). Adjusted for the doubtful debt, currency revaluations of operating assets and liabilities in foreign currencies and adjusted as well as re-invoicing of extraordinary cost increases on electronic components essentially without margin, the operating margin increased by 0.9 percentage points to 10.2% (9.3%).
- Profit after financial items was SEK 188 (155) million.
- Profit after tax amounted to SEK 155 (126) million, corresponding to SEK 5.35 (4.42) per share.
- Cash flow after investments was SEK -54 (-98) million, or SEK -1.86 (-3.43) per share. The year's cash flow includes the SEK -20 million payment for the acquisition of NOTE Herrljunga. Cash flow in the previous year was impacted by the SEK -68 million payment for the acquisition of iPRO of the UK.

CEO's comment – Continued strong development despite a challenging market.

“During the period, NOTE was forced to make a provision for a potential bad debt, which affected NOTE's operating profit in Q3 by SEK 30 million. The incident does not affect NOTE's underlying operations, which continued to develop strongly. Our underlying operating profit for the first three quarters of the year increased by 53% to SEK 261 million, while the underlying operating margin strengthened by 0.9 percentage points to 10.2%. Then we have adjusted for the potential bad debt, currency conversion effects and re-invoicing of material costs without a margin. The underlying profitability was in line with our expectations and the long-term profitability target we have set for the operations.”

NOTE's sales during the first three quarters of the year developed at a record high. Despite continued and complicated challenges linked to the shortage situation on the component market, we managed to increase sales by 45% to SEK 2,649 million. Organic growth was 25%. In Q3, we saw our strongest sales figure to date of SEK 930 million, a growth of 36%. Organic growth was 18%.

NOTE is in a clearly expansive phase and the order situation remains strong. The total order backlog at the end of the third quarter was roughly 50% higher, for comparable units, than at the same time last year. Based on the current market situation, we see good opportunities to reach quarterly sales

of SEK 1 billion for Q4 for the first time ever, corresponding to a growth of approximately 25%”, 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 27 January 2023.

For more information, please contact:

Johannes Lind-Widestam, CEO and President, tel. +46 (0)70 541 7222

Frida Frykstrand, CFO, tel. +46 (0)70 462 0939

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 3,463 million; the group has approximately 1,400 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 17 October 2022.