

Interim Report January–June 2022

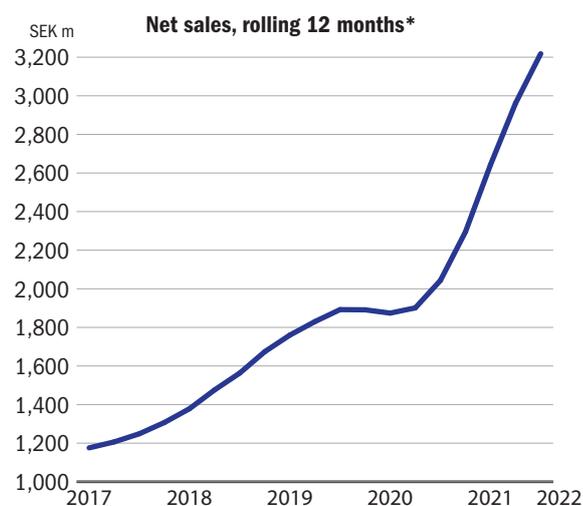
NOTETM
YOUR MANUFACTURING PARTNER

Financial performance in April-June

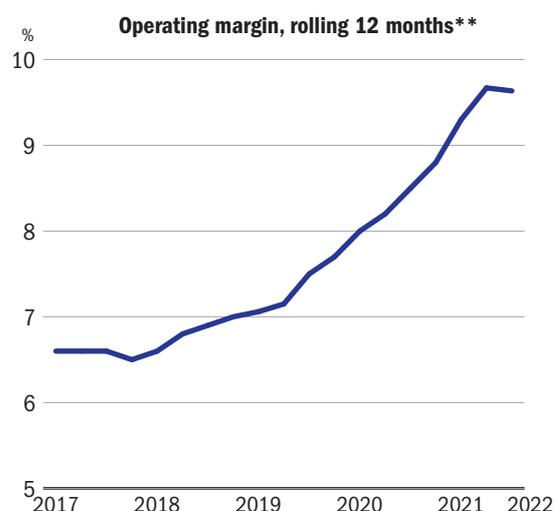
- Sales increased by 40% to SEK 898 (642) million. Adjusted for acquisitions and currency effects growth was 24%.
- Operating profit was up by 39% to SEK 83 (60) million.
- Operating margin was 9.3% (9.3%).
- Profit after financial items was up by 22% to SEK 72 (58) million.
- Profit after tax increased by 24% to SEK 59 (47) million, corresponding to SEK 2.02 (1.66) per share.
- Cash flow after investments amounted to SEK -4 (-53) million, or SEK -0.14 (-1.85) per share. Cash flow was negatively affected by the continued challenges in the market for electronic components. Last year's cash flow was also negatively impacted by the SEK -68 million payment for the acquisition of iPRO of the UK.

Financial performance in January–June

- Sales increased by 50% to SEK 1,719 (1,144) million. Adjusted for acquisitions and currency effects, growth was 29%.
- Operating profit was up by 60% to SEK 159 (100) million.
- Operating margin increased by 0.6 percentage points to 9.3% (8.7%).
- Profit after financial items was up by 47% to SEK 141 (96) million.
- Profit after tax increased by 47% to SEK 115 (78) million, corresponding to SEK 3.98 (2.75) per share.
- Cash flow after investments was SEK 5 (-49) million, or SEK 0.17 (-1.71) per share. Cash flow in the previous year was negatively impacted by the SEK -68 million payment for the acquisition of iPRO of the UK.



* The subsidiary iPRO is included from June 2021.



** Operating margin adjusted for non-recurring items, by SEK -16 million in Q1 2017, SEK +7 million in Q3 2018, and SEK -5 million in Q4 2021.

Events in January-June

• Major successes on the market

After several years of successful new business sales, NOTE is in a clear expansion phase. Viewed over the last three years, average yearly organic growth has been over 20%. In Q1, NOTE communicated that its partnership with a well-established international customer in its Industrial segment was performing significantly above estimates—sales of over SEK 130 million are already expected this year. Also in Industrial, NOTE communicated a new partnership in June with a world leader in cutting and welding. Serial production will begin in the autumn, and the current partnership is expected to result in an annualised level of some SEK 70 million. In Communication, which has been negatively impacted by the pandemic in recent years, high order intake is expected to generate record sales in 2022—growth year to date is 53%. Several new, high-potential projects in Medtech have recently entered serial production, in Sweden and internationally. Last year's successful acquisition of iPRO of the UK has advanced positioning in Greentech as planned—NOTE has several expansive customers in the green technology transition in serial production, with products including charging points for electric vehicles.

- **High growth despite a challenging component market**

Sales increased strongly in all customer segments. Despite challenges presented by the pandemic and continued shortages of electronic components on the market, sales in the first half year grew by 50%—adjusted for currency effects and acquisitions, organic growth was 29%. In addition, some 5% of sales consisted of straight re-invoicing of extraordinary cost increases on electronic components linked to the market's shortage situation. Essentially, these extra sales had no margin.

- **Strong order levels**

To increase the availability of electronic components during the market's continued shortage, as in the previous year, NOTE has been encouraging its customers to place orders over longer terms than usual. In combination with continued high new business sales, this was a contributor to total order backlog being just over 50% above the midpoint of the previous year. The increase in order backlog for shipment in the second half year was just over 40%.

- **Very limited impact of the war in Ukraine**

Based on sales to customers and sourcing of materials in Russia and Ukraine last year being at marginal levels, NOTE anticipates a very limited direct near-term impact on its business.

- **CEO increases NOTE shareholding**

Within the three-year incentive programme launched in 2019, NOTE's CEO Johannes Lind-Widestam purchased all 400,000 newly issued shares in Q1 under the terms of the programme.

Events after the end of the period

- **Acquisition to lift growth in Sweden**

In early-July, NOTE acquired all the shares of electronics manufacturer Dynamic Precision Solutions AB in Herrljunga, Sweden. The company's business model is reminiscent of NOTE's with its focus on long-term customer partnerships, high quality and good delivery precision. Sales are forecast at just over SEK 140 million for the full year 2022, and customers are mainly in Communication and Industrial. The company is making brisk progress and the operating margin is in line with NOTEs. Operations are conducted at leased premises of just over 5,000 m², which significantly increases production capacity in Sweden, NOTE's largest market.

CEO's comments

Focusing on profitable growth

NOTE is one of the fastest-growing companies in our sector and a stable provider of EMS for customers with high standards. The combination of a clear growth agenda and strong customer offering, with continuous rationalisation on our cost side, have been contributors to increased market shares and progressively expanding margins. Our critical success factors are methodical work on assuring quality and delivery precision of the highest class to customers, and in these segments, we've secured a sector-leading position. By focusing on the market and technology segments where we're already strong, we've successfully secured a large number of new accounts in traditional industries, as well as in new, expansive application segments.

European EMS market in profound change

Several megatrends indicate continued robust progress of electronics manufacturing Europe. Market commentators are anticipating growth on the European EMS market of the order of 7-10% per year. The clear electrification trend, and emergence of a growing base of smart solutions, are contributors to this positive market sentiment.

Moreover, customers in the West were previously very interested in locating electronics production in Asia, which brought supply chain vulnerability and a significant need for transportation. But in the wake of the pandemic, with a sharper focus on sustainability issues, increasing barriers in global trade and uncertainty on freight markets, it's clear that the customers are demanding development and manufacturing services closer to home. Recent geopolitical events have further accentuated this clear reshoring trend. We noticed this early, and have progressively expanded the capacity of our already efficient plants in Europe, and got the rest of NOTE's organisation well prepared to deal with expected market growth.

Continued positive progress in the first half year

NOTE's sales made record progress in the first half year. Despite continued and complex challenges related to the shortage on the component market, in the first half year, we succeeded in increasing sales by 50% to SEK 1,719 million. Adjusted for currency effects and acquisitions, organic growth was 29%. Readers should note that some 5% of sales in this period were straight re-invoicing of extraordinary costs of materials linked to the shortage. In Q2, we saw our strongest sales figure to date of SEK 898 million, an increase of 40%. Organic growth was 24%. In addition, approximately 5% consisted of straight re-invoicing of extraordinary material costs.

We're growing significantly in all customer segments. In Communication, previously negatively impacted by the pandemic, growth was 53% for the first half year. In Greentech, which includes several expansive customers with products making a clear contribution to energy optimisation, or the transition from fossil fuels to renewables, growth was 62%.

Sales made brisk progress on all domestic markets. Despite us encountering progressively stronger comparative figures, growth in Sweden was 37%, and for our Western Europe segment overall, organic growth was 33%. I'm also pleased that sales from our plant in Estonia, which are mainly to customers in Sweden and Finland, made strong progress, with growth as high as 51%. Additionally, our sales in China, essentially to domestic end-customers, increased by 32%. I'm also delighted that we succeeded in sustaining our positive earnings trend. In the first half year, operating profit was up by 60% to



Q2 was a record quarter with our highest sales to date and a strong operating margin, despite challenges in both the materials and foreign exchange markets.

SEK 159 million, and our operating margin expanded by 0.6 percentage points to 9.3%. In Q2, our operating margin was at the same level as in Q1. Major fluctuations on the currency market, not least USD appreciation of as much as 13% in the second quarter, meant that the revaluation of operating assets and liabilities denominated in foreign currency was clearly negative, reducing our Q2 operating margin by about one percentage point. Accordingly, underlying profitability was consistent with our estimates. Our strong earnings performance in recent years has been enabled by growth, stable margins on customer assignments and continuous rationalisation on our cost side.

We have a highly functional business model and state-of-the-art, efficient plants. At the same time, we won't hesitate to keep investing to boost growth, automation levels and efficiency, which benefit ourselves and our customers. With our high growth rate, we are continuously striving to stay one step ahead and adding more production capacity when required. Our latest acquisition in Herrljunga, Sweden, has created the potential to expand manufacturing capacity significantly in Sweden, our largest domestic market.

We're growing on an electronic components market that is clearly unbalanced. In this problematic situation, not least in terms of the availability of semiconductors, we took the early decision to increase both our procurement resources and inventories to ensure good supply of materials to customers where possible. The combination of this inventory build-up with high growth puts pressure on our cash flow. At the midpoint of the year, our direct delivery delays were some SEK 150 million as a result of material shortages, which was a contributor to cash flow after investments year to date being limited to SEK 5 million. NOTE has a very good financial position, and the July acquisition of our new electronics plant in Herrljunga was paid in cash, based on our strong Balance Sheet.

Future

We still anticipate very brisk market progress and are well placed to achieve our goal of sales of SEK 5 billion by 2025 at the latest. Our order situation is fantastic, and we have a large base of expansive customers in serial production, plus several major manufacturing assignments in the start-up phase. Despite continued challenges on the component market, we anticipate sales of at least SEK 3.6 billion in 2022, corresponding to growth of some 35%. For the second half of the year, this corresponds to a growth of at least 25%. We continue to look forward to increased operating profit and a stronger operating margin.

Johannes Lind-Widestam

Comments on Q2

Sales, January–June

NOTE is a competitive electronics manufacturer, and a stable business partner for Swedish and international customers that need advanced EMS. NOTE's business model is based on long-term customer relationships and partnerships. NOTE sells to a large customer base, active in the Industrial, Communication, Medtech and Greentech segments. Its customer base includes global corporations active worldwide, and local enterprises whose main sales are in Europe. Usually, customers outsource all EMS to one or several production partners. One clear trend, not least among new, innovative companies, is for customers increasingly demanding more manufacture of box build products. About half of NOTE's sales are box build.

Demand for NOTE's services kept progressing strongly in the first half year. Sales increased by 50% to SEK 1,719 (1,144) million. After adjusting for sales added by UK acquisition iPRO in June last year, and altered exchange rates, mainly the USD, EUR and GBP, growth was 29%. Readers should note that approximately 5% of sales consisted of straight re-invoicing of extraordinary cost increases on electronic components linked to the shortage situation in the market. This additional sale is essentially without margin.

The sales increase consisted of new business with established customers, and the progressive impact of increased sales to a large base of new business customers. Most of NOTE's new business customers are companies across Europe and Asia. Several of these customer assignments, which usually start with industrialisation services (service sales, prototyping and pilot series), have now transitioned to serial production and higher volumes.

Demand progressed very strongly on all domestic markets. In Sweden, NOTE's largest market, growth was 37%. The company also achieved significant sales gains in the UK and Finland. After adjusting for the extra sales of iPRO, growth in Western Europe was 33%. Previously, sales from the plant in China were mainly linked to international customers in Europe and the US. NOTE has worked successfully to regenerate its customer base recently, so most of its sales are now direct to customers in China or nearby markets. Sales and order intake in China progressed strongly. Despite an extended production stoppage linked to a stringent response to the pandemic, growth in China was 32%. Sales from our plant in Estonia, mainly to customers in northern Europe, were 51% above the previous year's high level, mainly because of increased serial production on several recently secured deals.

NOTE's 15 largest customers in sales terms made up 51% (54%) of group sales. No single customer (group) represented more than about 6% of total sales.

Successful new sales to new and current business customers, and continued healthy demand in all customer segments, were contributors to record-high order intake. Right from the start of the shortage that still persists on the global electronic component market, and with the aim of safeguarding the availability of components and other production materials, NOTE has been working actively for customers to place fixed orders over longer periods than usual. Total order backlog at the end of the second

quarter was just over 50% above the midpoint of the previous year. The increase in order backlog for delivery for the rest of the year was just over 40%. NOTE's strong order position indicates high sales growth continuing, simultaneous with the supply of electronic components being highly significant to growth in the short term.

Results of operations, January–June

In order to keep sharpening competitiveness and create the potential for profitable 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. One clear example of outcomes of this improvement work is the company's positive trend of sales per employee over time.

Mainly as a consequence of increased sales and continued rationalisations on the costs side, gross profit increased by 51% to SEK 227 (150) million. Gross margin increased somewhat to 13.2% (13.1%).

Sales and administration overheads for the period were some SEK 10 million (21%) higher than the previous year, essentially because of the extra expenses from iPRO, which was acquired in June last year. These overheads were 3.4% (4.2%) of sales.

Other operating income/expenses, largely consisting of the revaluation of operating assets and liabilities denominated in foreign currency, were SEK -10 (-3) million. The cost increase relates mainly to sharp appreciation of the USD against the SEK in the second quarter.

Operating profit in the first half year improved by 60% to SEK 159 (100) million. Operating margin increased by 0.6 percentage points to 9.3% (8.7%).

An increased need for financing, mainly for working capital, and revaluation of factoring liabilities denominated in foreign currencies, contributed to net financial income/expenses in the period of SEK -18 (-4) million.

Profit after net financial items increased by 47% to SEK 141 (96) million, which equated to a profit margin of 8.2% (8.4%).

Profit after tax was up by 47% to SEK 115 (78) million, or SEK 3.98 (2.75) per share. The tax expense for the period corresponded to 18% (19%) of profit before tax.

Sales and results of operations, April-June

The demand for NOTE's services made record progress in the second quarter. Sales increased by 40% to SEK 898 (642) million. Adjusted for the sales of iPRO, acquired in May/June last year, and exchange rate fluctuations, organic growth was 24%. Straight re-invoicing of extraordinary costs for electronic components represented some 5% of second-quarter sales.

Progress was especially strong in Sweden and Estonia, with sales gains of 31% and 66% respectively. Sales in the UK, adjusted for sales added by UK acquisition of iPRO in June last year, performed positively with growth of just over 10%. Demand from NOTE's plant in China remained high, with growth of 19%.

Mainly as a result of the sales increase, stable margins on current customer assignments and continued positive progress on costs, gross profit increased by 40% to SEK 121 (87) million. The gross margin was 13.5% (13.5%).

Sales and administration overheads for the period increased by 8% to SEK 29 (27) million, essentially as a result of extra costs in iPRO, acquired in June last year. As a share of sales, overheads reduced to 3.2% (4.2%).

Other operating income/expenses, largely consisting of the revaluation of operating assets and liabilities, were SEK -9 (0) million. Essentially, the cost increase relates to depreciation of the SEK against USD and EUR.

Mainly because of growth, stable margins and continued positive progress on costs, operating profit increased by 39% to SEK 83 (60) million. The operating margin was an unchanged 9.3% (9.3%).

An increased need for financing, mainly for working capital, and revaluation of factoring liabilities denominated in foreign currencies, were the main contributors to net financial income/expense in the period of SEK -11 (-2) million. Profit after financial items rose by 22% to SEK 72 (58) million.

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 puts a lot of focus on continuously improving its business methods and internal processes in these areas.

One of NOTE's key missions is to maintain a good and cost-efficient supply of materials to customers. The global market for electronic components is usually considered fairly volatile, with limited supply of various types of components from time to time. Access to semiconductors has been an especially limiting factor in the industry for the past year-plus. Accordingly, NOTE has done a lot of work in limiting disruptions and delays to the shipments of components it receives.

As part of these efforts, it has consciously upscaled its inventories of critical components. The high growth and direct shipping delays to customers of the order of SEK 150 million caused by the shortage on the component market, were contributors to capital tied-up in inventory being 54% higher than at the midpoint of the previous year.

NOTE is making continuous efforts to monitor credit risks and limit the number of outstanding customer credit days. Accounts receivable—trade have automatically increased since year-end, and were 39% higher than at the corresponding point of the previous year. With record sales in June, the number of outstanding days of customer credit was consistent with the previous year's level.

Accounts payable—trade mainly consist of purchases of electronic components and other production materials. NOTE is working actively on a partner model on the supplier side, which has implications including sourcing being concentrated on fewer,

quality-assured suppliers as far as possible. This working method simultaneously helps rationalise the utilisation of working capital. Accounts payable—trade increased by 14% since year-end, and were 29% higher than compared to the corresponding point of the previous year.

Despite continued positive profit performance, the increased need for working capital, mainly linked to growth and problems on the component market, resulted in cash flow after investments for the first half year being limited to SEK 5 (-49) million, or SEK 0.17 (-1.71) per share. Cash flow in the previous year was negatively impacted in Q2 by the SEK -68 million payment for the acquisition of iPRO.

Equity to assets ratio

NOTE has a strong financial position. According to NOTE's financial targets, its minimum equity to assets ratio should be 30%. At the midpoint of the year the equity to assets ratio was 40.8% (38.6%).

Liquidity and net debt

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

The group's reported available cash and cash equivalents, including unused credit facilities, amounted to SEK 209 (227) million at the midpoint of the year. Disregarding estimated financial liabilities on the additional right-of-use assets for leased properties under IFRS 16 (Leases), net debt at the midpoint of the year was SEK 275 (158) million.

Investments

In the first half year, expenditure on property, plant and equipment, excluding right-of-use assets for leased properties (IFRS 16 Leases), was SEK 32 (30) million, corresponding to 1.9% (2.6%) of sales, and mainly consisted of projects to increase capacity, efficiency and quality.

Scheduled depreciation on property, plant and equipment, excluding right-of-use assets for leased properties (IFRS 16 Leases) increased to SEK 22 (16) million.

Parent company

The parent company, NOTE AB (publ), is primarily focused on the management, coordination and development of the group. Revenue in the period was SEK 20 (16) million, mainly from intra-group services. Profit after tax amounted to SEK 11 (4) million in the first half year.

Other information

Transactions with related parties

Within the framework of the three-year incentive programme launched in 2019, NOTE's CEO Johannes Lind-Widestam bought all 400,000 newly issued shares in February in accordance with the terms of the programme. In total, almost SEK 12 million was provided to the company. After some divestment to finance the share acquisition, Johannes' holding privately, via companies and related parties, amounts to 497,100 shares.

Annual General Meeting

At the Annual General Meeting in April, Anna Belfrage, Bahare Mackinovski, Charlotte Stjerngren, Claes Mellgren and Johan Hagberg were re-elected. Claes Mellgren was re-elected Chairman of the Board. In line with the Board's proposal the decision was made that no dividend be paid for the 2021 financial year.

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 2021, more specifically to the Risks section on page 15, the Report of the Directors on page 47, as well as note 24, Financial risks and finance policy, on page 65–66.

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 54–56 of the Annual Report for 2021. 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 2021 onwards, NOTE is reporting sales in four customer segments—Industrial, Communication, Medtech, and Greentech. Reclassifications of customers are natural, which is reflected in quarterly and cumulative figures for the full period.

All amounts are in SEK million unless otherwise stated.

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.

Equity per share Equity divided by the number of outstanding shares at end of the period.

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.

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.

Audit review

As in previous years, the Interim Report for January-June has not been subject to review by the company's auditor.

Certification

This Interim Report gives a true and fair view of the parent company's and group's operations, financial position and results of operations, and reviews the significant risks and uncertainty factors facing the parent company and group companies.

Claes Mellgren
Chairman

Anna Belfrage
Board member

Bahare Mackinovski
Board member

Charlotte Stjerngren
Board member

Johan Hagberg
Board member

Christoffer Skogh
Board member, Employee representative

Jörgen Blomberg
Board member, Employee representative

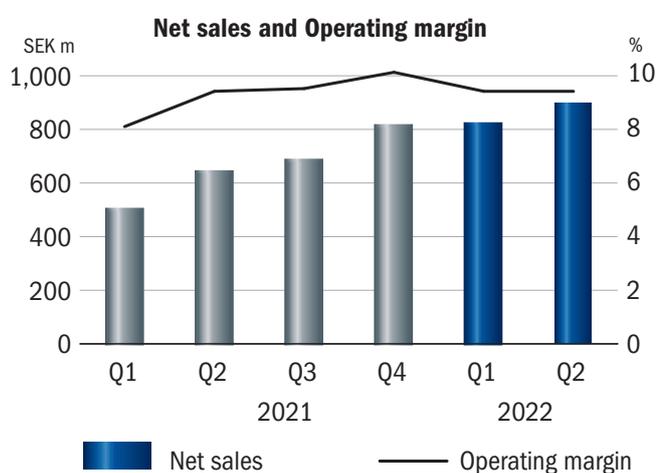
Johannes Lind-Widestam
CEO

The Board of Directors and CEO of NOTE AB (publ)
Stockholm, Sweden
13 July 2022

Consolidated summary

Quarterly summary

SEK million	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Net sales	898	821	814	685	642	502
Gross margin	13.5%	12.8%	13.7%	13.4%	13.5%	12.6%
Operating margin	9.3%	9.3%	10.6%	9.4%	9.3%	8.0%
Profit margin	8.0%	8.4%	10.0%	8.6%	9.1%	7.5%
Cash flow after investing activities	-4	9	-44	-49	-53	4
Cash flow per share, SEK	-0.14	0.31	-1.54	-1.71	-1.85	0.14
Equity per share, SEK	32.8	30.2	28.0	25.2	23.3	21.7
Equity to assets ratio	40.8%	40.9%	38.6%	38.2%	38.6%	47.7%
Average number of employees	1,346	1,319	1,314	1,283	1,186	1,091
Net sales per employee, SEK 000	667	622	619	534	541	460



Six-year summary

SEK million	Rolling 12 mth.	2021	2020	2019	2018	2017
Net sales	3,218	2,643	1,874	1,760	1,379	1,176
Gross margin	13.4%	13.4%	12.0%	11.7%	12.5%	11.9%
Operating margin	9.6%	9.5%	8.0%	7.1%	6.1%	7.9%
Profit margin	8.7%	9.0%	7.6%	6.6%	5.7%	7.6%
Cash flow after investing activities	-88	-142	172	75	-76	70
Cash flow per share, SEK	-3.04	-4.97	6.06	2.69	-2.63	2.41
Equity per share, SEK	32.8	28.0	20.0	16.7	13.3	12.8
Return on operating capital	27.9%	27.6%	22.7%	20.7%	17.8%	24.2%
Return on equity	28.6%	28.4%	22.5%	21.7%	17.1%	21.0%
Equity to assets ratio	40.8%	38.6%	51.2%	41.2%	39.8%	48.8%
Average number of employees	1,315	1,218	1,101	1,070	980	912
Net sales per employee, SEK 000	2,447	2,170	1,702	1,645	1,407	1,289

Consolidated Financial Reports

Income Statement

SEK million	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
Net sales	898	642	1,719	1,144	3,218	2,643
Cost of goods and services sold	-777	-555	-1,492	-994	-2,787	-2,289
Gross profit	121	87	227	150	431	354
Selling expenses	-17	-15	-34	-27	-66	-59
Administrative expenses	-12	-12	-24	-20	-45	-41
Other operating income/expenses	-9	0	-10	-3	-10	-3
Operating profit	83	60	159	100	310	251
Net financial income/expenses	-11	-2	-18	-4	-28	-14
Profit after financial items	72	58	141	96	282	237
Income tax	-13	-11	-26	-18	-51	-43
Profit after tax	59	47	115	78	231	194

Other Comprehensive Income

SEK million	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
Profit after tax	59	47	115	78	231	194
Other comprehensive income						
Items that can be subsequently reversed in the income statement:						
Exchange rate differences	19	-5	25	14	46	35
Cash flow hedges	0	0	0	0	0	0
Tax on hedges and exchange rate difference	-1	1	-1	-1	-3	-3
Total other comprehensive income after tax	18	-4	24	13	43	32
Comprehensive income after tax	77	43	139	91	274	226

Earnings per Share

	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
Number of shares at end of period (000)	28,984	28,584	28,984	28,584	28,984	28,584
Weighted average number of shares (000)*	28,984	28,451	28,838	28,412	28,710	28,445
Weighted average number of shares (000)**	28,984	28,816	28,962	28,710	28,938	28,864
Earnings per share, SEK*	2.02	1.66	3.98	2.75	8.04	6.82
Earnings per share, SEK**	2.02	1.64	3.96	2.72	7.98	6.72

* Before dilution

** After dilution

Balance Sheet

SEK million	2022 30 June	2021 30 June	2021 31 Dec
Assets			
Goodwill	142	138	141
Intangible assets—customer relationships	22	28	25
Other intangible assets	9	12	10
Right of use assets—rented properties	96	70	102
Property, plant and equipment	187	157	174
Deferred tax assets	4	5	5
Other financial assets	2	1	1
Total non-current assets	462	411	458
Inventories	953	618	798
Accounts receivable—trade	761	546	675
Other current receivables	57	36	44
Cash and bank balances	96	111	99
Total current asset	1,867	1,311	1,616
TOTAL ASSETS	2,329	1,722	2,074
Equity and liabilities			
Equity	951	665	800
Liabilities			
Long-term interest-bearing liabilities	84	92	79
Long-term liabilities, right of use asset—rented properties	72	51	79
Deferred tax liabilities	27	19	28
Total non-current liabilities	183	162	186
Current interest-bearing liabilities	288	177	287
Short-term liabilities, right of use asset—rented properties	26	20	23
Accounts payable—trade	677	525	595
Other current liabilities	203	172	182
Other short term provisions	1	1	1
Total current liabilities	1,195	895	1,088
TOTAL EQUITY AND LIABILITIES	2,329	1,722	2,074

Change in Equity

SEK million	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
Opening equity	874	616	800	568	665	568
Comprehensive income after tax	77	43	139	91	274	226
New share issue	-	6	12	6	12	6
Closing equity	951	665	951	665	951	800

Cash Flow Statement

SEK million	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
Operating activities						
Profit after financial items	72	58	141	96	282	237
Reversed depreciation and amortisation	20	16	40	29	77	66
Other non-cash items	1	-2	1	-1	3	1
Tax paid	-18	-7	-46	-16	-47	-17
Change in working capital	-69	-43	-112	-78	-354	-320
Cash flow from operating activities	6	22	24	30	-39	-33
Cash flow from investing activities	-10	-75	-19	-79	-49	-109
Cash flow from financing activities	34	86	-11	90	67	168
Change in cash and cash equivalents	30	33	-6	41	-21	26
Cash and cash equivalents						
At beginning of period	64	79	99	68	111	68
Cash flow after investing activities	-4	-53	5	-49	-88	-142
Cash flow from financing activities	34	86	-11	90	67	168
Exchange rate difference in cash and cash equivalents	2	-1	3	2	6	5
Cash and cash equivalents at end of period	96	111	96	111	96	99
Un-utilised credits	113	116	113	116	113	116
Available cash and cash equivalents	209	227	209	227	209	215

Operating Segments

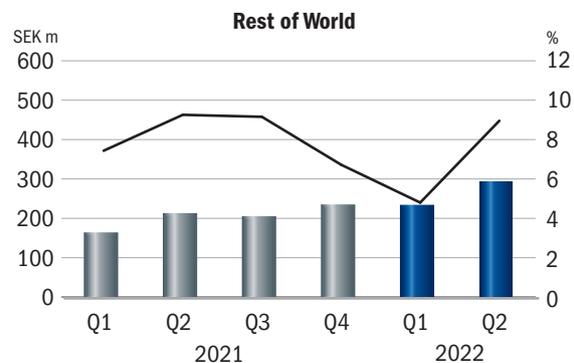
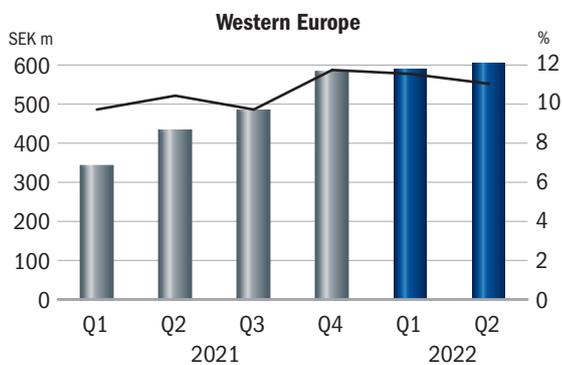
NOTE's operating segment Western Europe consist of units located in geographical regions with high industrial activity and innovation standards in Sweden, Finland and the UK. These units provide advanced production technology services in close collaboration with customers, such as component selection, developing test equipment, prototyping and serial 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	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
WESTERN EUROPE						
External net sales	605	432	1,195	773	2,260	1,838
Internal net sales	1	5	2	6	25	29
Operating profit	66	45	133	78	249	194
Operating margin	10.9%	10.3%	11.1%	10.0%	10.9%	10.4%
Inventories	660	419	660	419	660	558
External accounts receivable—trade	529	384	529	384	529	477
Average number of employees	757	621	757	585	746	658
REST OF WORLD						
External net sales	293	210	524	371	958	805
Internal net sales	9	19	21	28	71	78
Operating profit	27	21	39	34	77	72
Operating margin	8.9%	9.2%	7.2%	8.5%	7.5%	8.1%
Inventories	293	199	293	199	293	240
External accounts receivable—trade	228	161	228	161	228	196
Average number of employees	574	548	560	537	553	543
INTRA-GROUP						
Internal net sales	-10	-24	-23	-34	-96	-107
Operating profit	-10	-6	-13	-12	-16	-15
External accounts receivable—trade	4	1	4	1	4	2
Average number of employees	15	17	16	17	16	17



Net sales external

Operating margin

Sales per Customer Segment

NOTE divides its sales into four customer segments: Industrial, Communication, Medtech and Greentech.

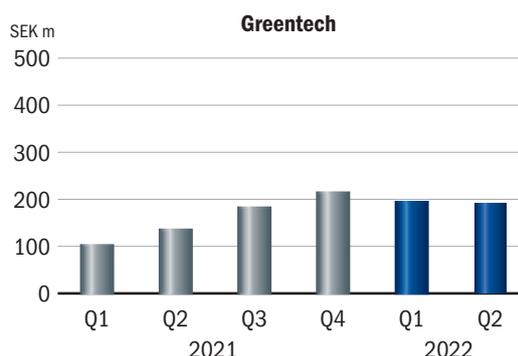
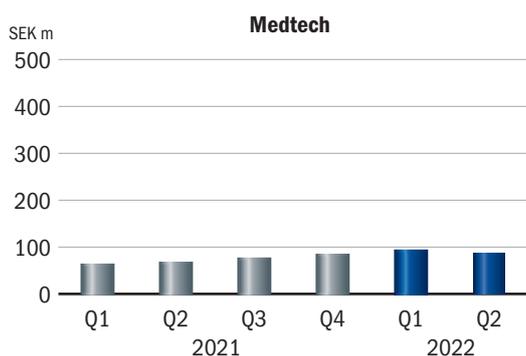
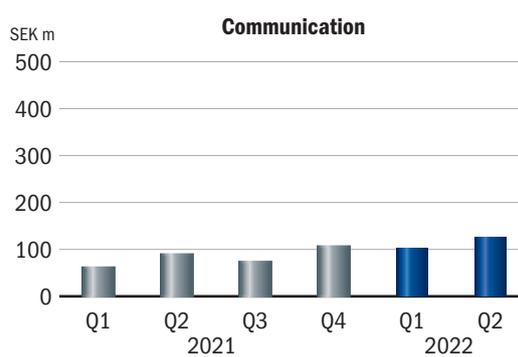
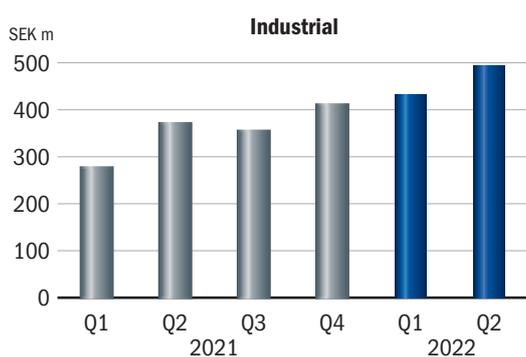
Industrial: With high quality and flexibility, products are manufactured in areas such as automation, control, infrastructure, energy and construction technology.

Communication: One of NOTE's core areas since the company was founded. The extensive and rapid development requires technical competence and equipment at the forefront.

Medtech: Medical technology products in diagnostics, treatment and X-ray are the basis in the segment. Medtech has been part of NOTE for many years.

Greentech: The new segment Greentech consists of customers active in the fast-growing green technology shift. Here you will find customers with products that contribute positively to increased sustainability, for example to the transition from fossil to renewable energy or to optimisation of energy consumption.

SEK million	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
WESTERN EUROPE						
Industrial	309	223	593	401	1,098	906
Communication	46	31	88	51	148	111
Medtech	83	62	174	120	321	267
Greentech	167	116	340	201	693	554
Total external sales	605	432	1,195	773	2,260	1,838
REST OF WORLD						
Industrial	184	129	332	228	593	489
Communication	80	58	141	99	260	218
Medtech	5	4	6	8	17	19
Greentech	24	19	45	36	88	79
Total external sales	293	210	524	371	958	805
TOTAL						
Industrial	493	352	925	629	1,691	1,395
Communication	126	89	229	150	408	329
Medtech	88	66	180	128	338	286
Greentech	191	135	385	237	781	633
Total external sales	898	642	1,719	1,144	3,218	2,643



Parent Company Financial Reports

Income Statement

SEK million	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
Net sales	10	8	20	16	37	33
Cost of services sold	-4	-3	-8	-6	-15	-13
Gross profit	6	5	12	10	22	20
Selling expenses	-3	-3	-7	-6	-15	-14
Administrative expenses	-3	-3	-6	-6	-12	-12
Other operating income/expenses	6	-2	8	6	17	15
Operating profit	6	-3	7	4	12	9
Net financial income/expenses	2	0	7	1	11	5
Profit after financial items	8	-3	14	5	23	14
Appropriations	-	-	-	-	-4	-4
Profit before tax	8	-3	14	5	19	10
Income tax	-2	1	-3	-1	-4	-2
Profit after tax	6	-2	11	4	15	8

Other Comprehensive Income

SEK million	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
Profit after tax	6	-2	11	4	15	8
Other comprehensive income						
Items that can be subsequently reversed in the income statement:	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Comprehensive income after tax	6	-2	11	4	15	8

Balance Sheet

SEK million	2022 30 June	2021 30 June	2021 31 Dec
Assets			
Intangible assets	2	3	2
Property, plant and equipment	0	0	0
Long-term receivables from group companies	227	196	217
Financial non-current assets	197	221	197
Total non-current assets	426	420	416
Receivables from group companies	56	18	27
Other current receivables	20	19	14
Cash and bank balances	1	25	19
Total current assets	77	62	60
TOTAL ASSETS	503	482	476
Equity and liabilities			
Equity	288	261	265
Untaxed reserves	10	7	10
Liabilities			
Liabilities to financial institutions	5	0	0
Liabilities to group companies	190	202	186
Other current liabilities and provisions	10	12	15
Total current liabilities	205	214	201
TOTAL EQUITY AND LIABILITIES	503	482	476

Change in Equity

SEK million	2022 Q2	2021 Q2	2022 Q1-Q2	2021 Q1-Q2	Rolling 12 mth.	2021 Full year
Opening equity	282	257	265	251	261	251
Comprehensive income after tax	6	-2	11	4	15	8
New share issue	-	6	12	6	12	6
Closing equity	288	261	288	261	288	265



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 the Industrial, Communication, Medtech and Greentech segments. 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 serial 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 serial production of PCBAs and box build products are provided.

The NOTE share has been available on Nasdaq Stockholm OMX Mid Cap since the turn of the year 2021-2022.

Financial information

NOTE AB (publ)
Corporate ID no. 556408-8770

Calendar

Interim Report Q3 17 Oct 2022

Ordering Financial Information

Financial and other relevant information can be ordered from NOTE. Out of consideration for the environment, an electronic subscription service is readily available from NOTE's website.

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