

NOTE's Year-end Report 2018

Financial performance October–December

- Sales increased by 22% to SEK 396.5 (325.0) million.
- Operating profit rose by 24% to SEK 28.1 (22.6) million.
- Operating margin expanded by 0.1 percentage points to 7.1% (7.0%).
- Profit after financial items increased by 25% to SEK 27.1 (21.6) million.
- Profit after tax rose to SEK 24.0 (17.8) million, corresponding to SEK 0.83 (0.62) per share.
- Cash flow after investments, including acquisition, amounted to SEK -80.8 (1.8) million, or SEK -2.80 (0.06) per share.

Financial performance January–December

- Sales increased by 17% to SEK 1,378.6 (1,175.7) million.
- Operating profit amounted to SEK 83.9 (93.4) million. The underlying operating profit, adjusted for non-recurring items during the first quarter of last year and for expenses caused by the change of CEO during the third quarter, improved by 17% to 90.9 (77.7).
- Operating margin was 6.1% (7.9%). The underlying operating margin, adjusted for non-recurring items during the first quarter of last year and for expenses caused by the CEO shift during the third quarter, amounted to 6.6% (6.6%).
- Profit after financial items amounted to SEK 78.8 (88.8) million.
- Profit after tax amounted to SEK 64.2 (72.1) million, corresponding to SEK 2.22 (2.50) per share.
- Cash flow after investments, amounted to SEK -76.0 (69.7) million, or SEK -2.63 (2.41) per share.

Dividend

The Board of Directors is proposing a dividend of SEK 0.70 (1.00) per share, corresponding to SEK 20.2 (28.9) million.

CEO's comment – 2018 was a great year for NOTE

"In 2018, we increased sales by 17% to SEK 1,379 million. Organic growth was 15%, which was seasoned slightly during Nov-Dec with our newly acquired UK company Speedboard Assembly Services. During Q4, growth was 22%. We still see high demand at all home markets, and the order backlog, for comparable units, was just over 25% higher than last year.

Our reported operating profit amounted to SEK 84 million. The underlying operating profit, excluding non-recurring items, improved by 17% to SEK 91 million, corresponding to an operating margin of 6.6%. For Q4, the operating margin was 7.1%.

Growth naturally contributes to increased working capital tied up, which puts pressure on the cash flow. After the fourth quarter's expansive acquisition, and the repurchase of own shares, our balance sheet remained strong with an equity ratio of approximately 40%.

We still see good opportunities to increase our market share. We work hard to ensure that our new company Speedboard will reach its full potential. In addition, our intention is to be active on the acquisition side going forward", says Johannes Lind-Widestam, President and CEO.

NOTE's Year-end Report for 2018 is now available in PDF format at the web site, www.note.eu, and attached to this message. The Interim Report for January–March will be published on 25 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 1,379 million; the group has approximately 1,060 employees. NOTE is listed on Nasdaq Stockholm. For more information, please go to www.note.eu.

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