MYCRONIC

Q3

Interim Report January–September 2021

Third quarter

- Order intake amounted to SEK 1,242 (739) million, up 68 percent
- Net sales decreased 8 percent to SEK 986 (1,068) million. Based on constant exchange rates, net sales decreased 9 percent
- EBIT declined to SEK 106 (348) million and EBIT margin was 11 (33) percent
- Earnings per share were SEK 0.82 (2.71)

January–September

- Order intake amounted to SEK 3,272 (2,822) million, up 16 percent
- Net sales increased 16 percent to SEK 3,341 (2,889) million. Based on constant exchange rates, the increase was 21 percent
- EBIT rose to SEK 845 (684) million and EBIT margin was 25 (24) percent
- Earnings per share were SEK 6.66 (5.29)

"During the third quarter, order intake showed a positive trend, with an increase of 68 percent, while a significantly less advantageous product mix for Pattern Generators led to reduced sales and EBIT. We announced an acquisition within High Volume, which strengthens and broadens the division's product portfolio and enables it to offer its customers more complete and attractive solutions. We also announced a divestment within Global Technologies, which will enable the division to focus on and invest in markets that are strategically more relevant. Both transactions are expected to be completed during the fourth quarter of 2021 or the first quarter of 2022," says Anders Lindqvist, President and CEO.

Outlook 2021

It is the Board of Directors' opinion that consolidated net sales for 2021 will be at a level of SEK 4.5 billion, based on prevailing exchange rates, including the completed acquisition.

	Q3		Jan-Sep		Rolling	Jan-Dec
Group summary	**2021**	**2020**	**2021**	**2020**	**12 month**	**2020**
Order intake, SEK million	1,242	739	3,272	2,822	4,137	3,687
Net Sales, SEK million	986	1,068	3,341	2,889	4,333	3,882
Book-to-bill	1.3	0.7	1.0	1.0	1.0	0.9
Order backlog, SEK million	2,030	2,096	2,030	2,096	2,030	1,969
Gross margin, %	41.0%	58.3%	51.8%	54.0%	51.9%	53.6%
EBIT, SEK million	106	348	845	684	1,058	898
EBIT margin, %	10.7%	32.6%	25.3%	23.7%	24.4%	23.1%
Earnings per share before/after dilution, SEK	0.82	2.71	6.66	5.29	8.46	7.10
Cash Flow, SEK million	-138	109	-444	442	-197	689
Changes in Net Sales						
Total growth, %	-8%	19%	16%	-8%	6%	-10%
Organic growth, %	-22%	25%	16%	-6%	8%	-8%
Growth from acquisitions, %	13%	-	5%	-	3%	-
Currency effects, %	1%	-6%	-6%	-1%	-5%	-2%

CEO comments

During the third quarter, order intake showed a positive trend, with an increase of 68 percent, while a significantly less advantageous product mix for Pattern Generators led to reduced sales and EBIT. We announced one acquisition within High Volume and one divestment within Global Technologies during the quarter. These transactions are expected to be completed during the fourth quarter of 2021 or the first quarter of 2022. Through the acquisition of Shenzhen Huan Cheng Xin Precision Manufacture Co., Ltd, High Volume strengthens and broadens its product portfolio and has the opportunity to offer its customers more complete and attractive solutions. The divestment of Automation Engineering, Inc will enable Global Technologies to focus on and invest in markets that are strategically more relevant for Mycronic.

After a downturn in 2020, the market for photomasks for displays has still not returned to pre-pandemic levels. At the same time, the semiconductor market shows a strong trend, creating favorable conditions for the SLX mask writer. Pattern Generators received orders for six mask writers during the quarter. The division delivered two systems, which was as many as in the same period last year. However, the product mix was less advantageous, since the preceding year included the delivery of a Prexision 800 Evo, our most advanced mask writer. At the customer's request, the delivery of an SLX announced earlier was moved from the third to the fourth quarter.

High Flex received many customer inquiries during the third quarter and secured a higher number of orders, but of smaller size. While demand for MYPro products continues to be at a high level, customers are also increasingly interested in the MYSmart product line, with its various dispensing solutions.

High Volume's market was stable during the quarter and the division is focused on offering competitive and intelligent automation solutions that help customers to reduce labor costs and raise the quality of production.

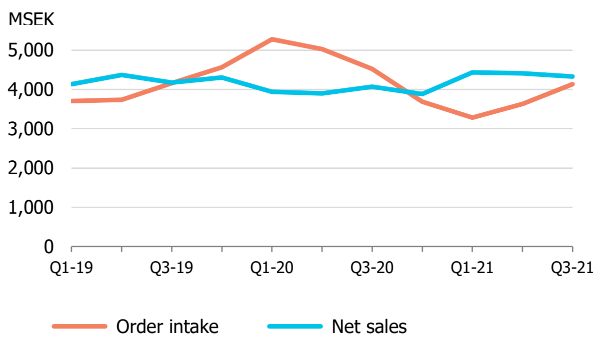
Within Global Technologies the integration of atg L&M, which was acquired at the end of the second quarter, is proceeding according to plan. The Chinese market, where customers are implementing significant expansion plans, was strong for systems for electrical tests of bare board PCBs. Sales and production ramp up of a new machine generation that was launched in the first quarter have gone well. Also die bonding displayed healthy activity in the Chinese market and is being positively impacted by 5G investments.

The shortage of supply of components, raw materials and distribution logistics impacted the divisions to various extents during the quarter. Pattern Generators was not impacted to any significant extent, while High Flex began to notice the effects of component shortages and higher transportation costs. For High Volume, increased delivery costs and higher prices for raw materials and certain components impacted the quarter, although there was no shortage of components. At the end of the quarter, power rationing was introduced in China, which may have a negative impact going forward. Global Technologies was affected by disruption in the supply chain and component shortages, creating challenges for deliveries during the fourth quarter. The situation led to customers postponing purchasing decisions in certain cases.

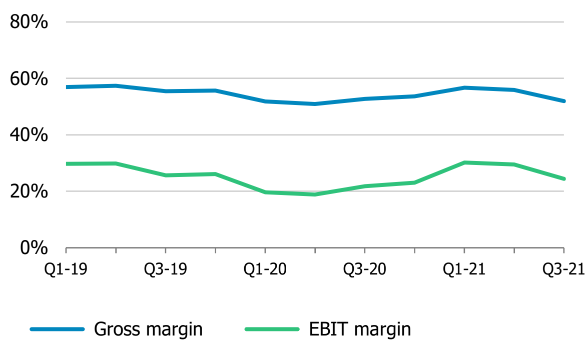
As part of Mycronic's sustainability strategy, an innovation fund for sustainability was established. The purpose of the fund is to finance projects, internal or in collaboration with external partners, that support the transition to a sustainable electronics industry and that connect to Mycronic's strategic sustainability goals.

Anders Lindqvist, President and CEO

Order intake and net sales, rolling 12 months



Gross and EBIT margin, rolling 12 months



MYCRONIC

Financial performance

GROUP

	Q3		Jan-Sep		Rolling	Jan-Dec
	2021	2020	2021	2020	12 month	2020
Order intake, SEK million	1,242	739	3,272	2,822	4,137	3,687
Order backlog, SEK million	2,030	2,096	2,030	2,096	2,030	1,969
Net Sales, SEK million	986	1,068	3,341	2,889	4,333	3,882
Gross profit, SEK million	405	622	1,731	1,560	2,250	2,080
Gross margin, %	41.0%	58.3%	51.8%	54.0%	51.9%	53.6%
EBIT, SEK million	106	348	845	684	1,058	898
EBIT margin, %	10.7%	32.6%	25.3%	23.7%	24.4%	23.1%
EBITDA, SEK million	162	434	993	857	1,248	1,112

During the third quarter, the acquisition of Shenzhen Huan Cheng Xin Precision Manufacture Co., Ltd was announced, as was the divestment of Automation Engineering, Inc (AEi). These transactions are expected to be completed during the fourth quarter of 2021 or the first quarter of 2022. The company also repurchased 89,600 of its own shares for delivery to participants in the LTIP 2021 long-term incentive program.

As a result of an organizational change, the current CFO, Torbjörn Wingårdh, has decided to leave the company. He will be succeeded on October 25 by Pierre Brorsson, but will remain with Mycronic until March 7, 2022, to ensure a smooth transition.

The Group’s order intake increased 68 percent to SEK 1,242 (739) million during the third quarter, which was primarily attributable to Pattern Generators securing orders for six mask writers, but with Global Technologies also contributing to the increase. For the first nine months of the year, order intake increased 16 percent to SEK 3,272 (2,822) million. The Group’s order backlog at the end of the quarter was SEK 2,030 (2,096) million.

During the quarter, Pattern Generators delivered two systems, which was as many as in the same period last year. However, the product mix was significantly less advantageous, since the preceding year included the delivery of a Prexision 800 Evo. This is the reason that the Group’s net sales for the quarter declined 8 percent to SEK 986 (1,068) million, despite the fact that the acquisition of atg L&M contributed SEK 141 million in net sales. For the first nine months, net sales increased 16 percent to SEK 3,341 (2,889) million. Net sales for the quarter were positively impacted by currency effects of SEK 11 million and the first nine months of the year negatively by SEK 162 million.

The Group’s gross margin for the third quarter was 41 (58) percent. The decrease is primarily attributable to a significantly less advantageous product mix in Pattern Generators and the expensing of acquired inventory at fair value at atg L&M of SEK 26 million. This reduces the gross margin until the acquired inventory has been turned over, which happened during the quarter. The gross margin for the first nine months was 52 (54) percent.

EBIT for the period declined to SEK 106 (348) million and EBIT margin was 11 (33) percent. For the first nine months of the year, EBIT amounted to SEK 845 (684) million, corresponding to an EBIT margin of 25 (24) percent. Acquisition-related costs amounted to SEK 73 (71) million.

Cash flow and financial position

Consolidated cash and cash equivalents at the end of September amounted to SEK 887 (1,089) million. Cash flow amounted to SEK -444 (442) million for the first nine months of the year. Cash flow from operating activities amounted to SEK 758 (831) million. Working capital tied up increased by SEK 5 million during the first nine months of the year, compared with a decrease of SEK 188 million in the preceding year.

Investments amounted to SEK 1,093 (122) million, of which the acquisition of atg L&M utilized SEK 1,027 million. Capitalization of product development accounted for SEK 33 (69) million and investments in tangible assets for SEK 29 (37) million. Financing activities utilized SEK 108 (266) million, of which the utilization of credit facilities contributed SEK 306 million, while SEK 294 million pertained to dividend to the shareholders of the parent company. In addition, the acquisition of the holdings of non-controlling interests in Axxon Piezoelectric Technology Co, Ltd utilized SEK 39 million.

MYCRONIC

PATTERN GENERATORS

	Q3		Jan-Sep		Rolling	Jan-Dec
	2021	2020	2021	2020	12 month	2020
Order intake, SEK million	407	122	849	958	1,252	1,361
Order backlog, SEK million	759	1,138	759	1,138	759	1,156
Net Sales, SEK million	265	506	1,246	1,178	1,631	1,563
Gross profit, SEK million	154	404	881	873	1,164	1,156
Gross margin, %	58.0%	79.7%	70.7%	74.1%	71.4%	74.0%
EBIT, SEK million	94	364	686	687	887	889
EBIT margin, %	35.3%	71.9%	55.1%	58.3%	54.4%	56.8%
EBITDA	103	368	714	701	921	908
R&D expenditures, SEK million	-48	-47	-162	-163	-220	-222
R&D costs, SEK million	-45	-35	-149	-112	-200	-163

After a downturn in 2020, the market for photomasks for displays has still not returned to pre-pandemic levels. At the same time, the semiconductor market shows a strong trend, creating favorable conditions for the SLX mask writer. During the quarter, Pattern Generators had a strong order intake and received orders for six mask writers; a Prexision Lite 8 Evo, an FPS 6100 Evo and four SLXs. Order intake increased 235 percent to SEK 407 (122) million during the quarter. The strong increase is attributable to the fact that there were no orders for mask writers during the third quarter of 2020. For the first nine months, order intake declined 11 percent to SEK 849 (958) million. At the end of September, the order backlog amounted to SEK 759 (1,138) million and contained 13 systems, with planned deliveries as follows:

2021 Q4: 4 SLX, FPS 6100 Evo

2022 Q1: 2 SLX
2022 Q2: 2 SLX
2022 H1: SLX
2022 Q3: 2 SLX

2023 Q2: Prexision Lite 8 Evo

At the customer's request, the delivery of an SLX announced earlier was moved from the third to the fourth quarter. Accordingly, Pattern Generators delivered two systems during the third quarter: one Prexision Lite 8 Evo and one SLX. That is as many systems as during the same period last year, but with a significantly less advantageous product mix, since the preceding year included the delivery of a Prexision 800 Evo, our most advanced mask writer. Net sales during the quarter decreased as a result of this by 48 percent to SEK 265 (506) million. For the first nine months of the year, net sales increased 6 percent to SEK 1,246 (1,178) million. Net sales for the third quarter were negatively impacted by currency effects of SEK 3 million and the first nine months of the year negatively by SEK 51 million.

Component shortages and higher logistics costs did not impact operations significantly in the third quarter, but continue to comprise a risk going forward. The significantly less advantageous product mix meant that the gross margin declined to 58 (80) percent. The gross margin for the first nine months of the year was 71 (74) percent.

EBIT for the quarter was SEK 94 (364) million, corresponding to an EBIT margin of 35 (72) percent. EBIT for the first nine months of the year amounted to SEK 686 (687) million, corresponding to an EBIT margin of 55 (58) percent.

R&D costs for the third quarter amounted to SEK 45 (35) million and SEK 149 (112) million for the first nine months. The capitalization of development costs amounted to SEK 3 (13) million for the quarter and SEK 13 (51) million for the first nine months.

MYCRONIC

HIGH FLEX

	Q3		Jan-Sep		Rolling	Jan-Dec
	2021	2020	2021	2020	12 month	2020
Order intake, SEK million	334	296	936	763	1,205	1,032
Order backlog, SEK million	214	148	214	148	214	86
Net Sales, SEK million	271	237	809	749	1,139	1,079
Gross profit, SEK million	111	98	318	289	454	425
Gross margin, %	40.8%	41.2%	39.3%	38.6%	39.8%	39.4%
EBIT, SEK million	31	24	77	7	102	33
EBIT margin, %	11.5%	10.1%	9.5%	1.0%	9.0%	3.0%
EBITDA	41	32	105	31	141	67
R&D expenditures, SEK million	-41	-39	-131	-144	-173	-186
R&D costs, SEK million	-36	-35	-114	-129	-150	-165

High Flex received many customer inquiries during the third quarter and secured a higher number of orders, but of smaller size. While demand for MYPro products continues to be at a high level, customers are also increasingly interested in the MYSmart product line, with its various dispensing solutions. Geographically, the Mexican market noted a very positive development, with strong growth. At the same time, the shortage of components and parts in the supply chain has an impact among High Flex customers, which leads to them focusing mainly on necessary production equipment, while to a certain extent postponing other investments. Order intake increased 13 percent during the quarter and amounted to SEK 334 (296) million. For the first nine months of the year, order intake increased 23 percent to SEK 936 (763) million. At the end of the quarter, the order backlog totaled SEK 214 (148) million.

Net sales rose 14 percent during the quarter and amounted to SEK 271 (237) million. For the first nine months, net sales increased 8 percent to SEK 809 (749) million. Net sales for the quarter were negatively impacted by currency effects of SEK 2 million and the first nine months of the year negatively by SEK 59 million.

During the quarter, High Flex began to notice the effects of component shortages and more expensive transportation. The gross margin for the third quarter was 41 (41) percent and 39 (39) percent for the first nine months.

The division’s EBIT for the third quarter was SEK 31 (24) million, corresponding to an EBIT margin of 11 (10) percent. EBIT for the first nine months of the year amounted to SEK 77 (7) million, corresponding to an EBIT margin of 9 (1) percent.

R&D costs for the third quarter amounted to SEK 36 (35) million and SEK 114 (129) million for the first nine months. The capitalization of development costs amounted to SEK 6 (5) million for the quarter and SEK 20 (18) million for the first nine months of the year.

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HIGH VOLUME

	Q3		Jan-Sep		Rolling	Jan-Dec
	2021	2020	2021	2020	12 month	2020
Order intake, SEK million	236	235	1,007	820	1,170	983
Order backlog, SEK million	759	711	759	711	759	669
Net Sales, SEK million	235	224	918	670	1,121	873
Gross profit, SEK million	87	84	418	283	485	351
Gross margin, %	37.2%	37.3%	45.5%	42.3%	43.3%	40.2%
EBIT, SEK million	30	38	214	151	244	181
EBIT margin, %	12.8%	17.1%	23.3%	22.5%	21.8%	20.7%
EBITDA	35	43	228	164	263	198
R&D expenditures, SEK million	-27	-21	-83	-58	-112	-87
R&D costs, SEK million	-28	-22	-86	-62	-116	-92

High Volume's market was stable during the quarter. The division is focused on offering competitive and intelligent automation solutions that help customers to reduce labor costs and raise the quality of production. For one mobile telephone manufacturer High Volume went from selling individual dispensing machines to offering an intelligent final assembly line, without operators. Order intake was stable during the quarter at SEK 236 (235) million. For the first nine months of the year, order intake increased 23 percent to SEK 1,007 (820) million. At the end of the quarter, the order backlog totaled SEK 759 (711) million.

During the third quarter, net sales increased 5 percent to SEK 235 (224) million. For the first nine months, net sales increased 37 percent to SEK 918 (670) million. Currency effects impacted net sales in the quarter positively with SEK 15 million. For the first nine months, net sales were affected by SEK 23 million in negative currency effects.

Increased logistics costs and higher prices for raw materials and certain components impacted the quarter. However, no components were unavailable. At the end of the quarter, power rationing was introduced in China, which may have a negative impact going forward. The gross margin for the third quarter amounted to 37 (37) percent and 46 (42) percent for the first nine months.

EBIT for the quarter was SEK 30 (38) million, corresponding to an EBIT margin of 13 (17) percent. EBIT for the first nine months of the year amounted to SEK 214 (151) million, corresponding to an EBIT margin of 23 (23) percent.

R&D costs for the third quarter amounted to SEK 28 (22) million and SEK 86 (62) million for the first nine months.

In August, the acquisition of Shenzhen Huan Cheng Xin Precision Manufacture Co., Ltd was announced, which manufactures automated stencil printers and pick & place machines. Stencil printers account for 80 percent of sales and pick & place machines for the remaining 20 percent. China is the company's principal market, with 95 percent of sales. Through the acquisition, High Volume strengthens and broadens its product portfolio and has the opportunity to offer its customers more complete and attractive solutions. The transaction is expected to be completed during the fourth quarter of 2021.

GLOBAL TECHNOLOGIES

	Q3		Jan-Sep		Rolling	Jan-Dec
	2021	2020	2021	2020	12 month	2020
Order intake, SEK million	282	89	517	306	568	357
Order backlog, SEK million	299	100	299	100	299	57
Net Sales, SEK million	232	104	405	319	498	412
Gross profit, SEK million	52	35	114	114	146	146
Gross margin, %	22.6%	33.6%	28.2%	35.8%	29.3%	35.5%
EBIT, SEK million	-16	-57	-23	-79	-31	-87
EBIT margin, %	-6.7%	-55.2%	-5.8%	-24.7%	-6.3%	-21.1%
EBITDA	-2	-7	1	-12	-3	-16
R&D expenditures, SEK million	-20	-17	-45	-52	-59	-66
R&D costs, SEK million	-26	-39	-55	-79	-71	-95

The market for camera modules to the automotive industry has recovered from the impact of COVID-19, but is now affected by component and semiconductor shortages. Die bonding displayed healthy activity in the Chinese market and is being positively impacted by 5G investments. The Chinese market, where customers are implementing significant expansion plans, was also strong for systems for electrical tests of bare board PCBs. A new machine generation was launched in the first quarter and sales and production ramp up have gone according to plan. The market was favorable, although customers to a certain extent waited with making purchase decisions due to the prevailing uncertainty. Order intake increased 218 percent to SEK 282 (89) million during the quarter, where the acquisition of atg L&M contributed SEK 121 million. Organic order intake increased 81 percent. For the first nine months of the year, order intake increased 69 percent to SEK 517 (306) million. The order backlog amounted to SEK 299 (100) million.

Net sales increased 124 percent during the third quarter to SEK 232 (104) million, where atg L&M contributed SEK 141 million. Organic net sales declined 12 percent. For the first nine months net sales increased 27 percent to SEK 405 (319) million. Net sales for the quarter were negatively impacted by currency effects of SEK 2 million and the first nine months of the year negatively by SEK 28 million.

Global Technologies was affected by disruption in the supply chain and component shortages, which also creates challenges for deliveries during the fourth quarter.

The gross margin during the third quarter was 23 (34) percent and was negatively impacted by expensing of acquired inventory at fair value at atg L&M of SEK 26 million. This reduces the gross margin until the acquired inventory has been turned over, which happened during the quarter. For the first nine months, the gross margin was 28 (36) percent. Excluding these acquisition-related costs, gross margin during the quarter was 34 percent and for the first nine months 35 percent.

EBIT for the quarter was SEK -16 (-57) million and was impacted by SEK 36 million in total acquisition-related costs. The EBIT margin was -7 (-55) percent. Earnings for the third quarter of 2020 were impacted by the impairment of intangible assets of SEK 43 million. EBIT for the first nine months of the year amounted to SEK -23 (-79) million, corresponding to an EBIT margin of -6 (-25) percent.

R&D costs for the quarter amounted to SEK 26 (39) million and SEK 55 (79) million for the first nine months.

At the end of September the divestment of AEi to Singapore-based ASM Pacific Technology was announced. The divestment will enable Global Technologies to focus on and invest in markets that are strategically more relevant for Mycronic. The transaction is expected to be finalized during the fourth quarter of 2021 or the first quarter of 2022.

The electronics industry

The global electronics industry grew by 1.7 percent in 2020 to USD 2,209 billion[1]. For full-year 2020, the semiconductor market displayed a positive trend, with growth of 6.5 percent to the equivalent of USD 439 billion[1].

OUTLOOK

Annual growth for the electronics industry is forecast at 5.2 percent for the period 2020-2025[1]. Segments with the strongest expected growth during this five-year period are electronics for data center and wireless communication infrastructure, the automotive industry and industrial applications. The electronics industry is forecast to grow 11.1 percent in 2021. The semiconductor market is expected to grow 21.0 percent in full-year 2021 compared with 2020 and is forecast to be positive during the 2021-2025 period as a whole, with annual growth of 3.7 percent[1]. For the display market, growth for 2020 was 14 percent to USD 124 billion[2]. This positive trend is expected to continue in 2021, with growth of 30 percent to USD 161 billion[2], largely driven by higher prices for LCD displays. The long-term trend toward a larger share of advanced displays is expected to continue.

Size/growth	2021F	2020	2019
Electronics industry, percentual change[1]	+11.1%	+1.7%	+0.8%
Semiconductor industry, percentual change[1]	+21.0%	+6.5%	-12.1%
SMT component mounting, percentual change[3]	NA	+7.2%	-10.5%
Dispensing, USD million[4]	NA	730	800
Automotive camera modules, units, million[4]	210	171	187
Displays, USD, billion[2]	161	124	109
Photomasks for displays, percentual change in value[5]	+4.5%	-10.6%	+8.0%
Photomasks for semiconductors, percentual change in value[6]	+12.7%	+8.0%	+6.9%
Display photomask area, thousand sq. meters[5]	17.7	17.9	17.4

SMT AND DISPENSING MARKET AREA

The global market for SMT equipment has annual sales of approximately USD 5,000 million[7]. The segment SMT robots for component mounting grew by 7.2 percent to USD 2,945 million[3] in 2020, driven primarily by strong development in China, while markets in America, Europe and Japan declined. During the first two quarters, the segment saw a continued positive global development compared with the same period last year, although the market in Japan declined. The dispensing equipment market decreased 8.8 percent and had sales of USD 730 million[8] in 2020. Mycronic's product portfolio comprises production systems for component mounting, non-contact high-speed dispensing of solder paste, inspection equipment, automated storage solutions, and equipment for dispensing, including coating of PCBs.

ASSEMBLY AUTOMATION AND TEST MARKET AREA

Mycronic offers die-bonding systems with very high precision for the production of micro and optoelectronics that are used in, for example, the data and telecommunication, aerospace, defense and medical devices industries. With the development of data centers, 5G, artificial intelligence and internet of things, optical components for communication are expected to grow from USD 9.3 billion in 2020 to USD 16.0 billion in 2026, which corresponds to annual growth of 9.4 percent[9]. Mycronic also offers solutions for assembly and testing of camera modules including those for Advanced Driver Assistance Systems (ADAS) in the automotive market. The number of automotive camera modules manufactured is expected to increase from 187 million units in 2019 to 333 million in 2025, corresponding to 10.1 percent annual growth[4]. In addition, Mycronic offers advanced equipment for electrical tests of bare board PCBs and substrates.

PATTERN GENERATORS MARKET AREA

PHOTOMASKS FOR DISPLAYS

The market for photomasks showed negative growth of 10.6 percent from USD 918 million to USD 821 million[5,10] during 2020. The negative trend was largely connected with the pandemic generating large demand for displays in the second half of 2020, which led to display manufacturers focusing on producing existing models instead of launching new ones. The forecast for 2021 is that the market will begin to recover and demonstrate positive growth of 4.5 percent to USD 858 million[5,10]. The market is driven primarily by a higher proportion of advanced photomasks for AMOLED displays. At the same time, predicted growth for G10 photomasks has been slower due to increased price pressure and lower-than-expected[5] volumes. The forecast for the total area growth amounts to an average of 3.8 percent per year for 2020-2025[5]. Strong growth for AMOLED photomasks is expected, with an annual average area growth of 12.1 percent for 2020-2025[5], which drives the need for photomasks produced by Prexision 80 and Prexision 800 systems.

PHOTOMASKS FOR SEMICONDUCTORS

During 2020, the market showed positive growth of 8.0 percent from USD 5.0 billion to USD 5.4 billion[6]. Despite the pandemic, the market trend was strong, primarily driven by strong growth for the most advanced photomasks. The forecast for 2021 is that the market will continue to perform positively, with growth of 12.7 percent to USD 6.1 billion[6]. The market will continue to be primarily driven by higher volumes of the most advanced photomasks.

1) Prismark, latest forecast September 2021
2) Omdia, most recent forecast, July 2021

3) Protec MDC, July 2021
4) Prismark, May and December 2020
5) Omdia, June 2021 (annual update)
6) VLSI research, April 2021
7) Prismark April 2019, Protec MDC January 2021, Mycronic analysis
8) Prismark, April 2021
9) Lightcounting, April 2021
10) 110 YEN/USD used by Mycronic for conversion

Other

PARENT COMPANY
Mycronic AB is the Group's Parent Company.

The Parent Company's net sales amounted to SEK 1,830 (1,736) million for the first nine months of the year. EBIT amounted to SEK 634 (504) million.

Cash and cash equivalents at the end of September amounted to SEK 157 million, compared with SEK 719 million at the end of 2020.

FINANCIAL INFORMATION
Mycronic AB (publ) is listed on Nasdaq Stockholm, Large Cap. The information in this report is published in accordance with the EU Market Abuse Regulation and the Swedish Securities Act. The information was submitted for publication, through the contact persons stated below at 8:00 a.m CEST on October 21, 2021.

Financial reports and press releases are published in Swedish and English and are available on www.mycronic.com.

This report was reviewed by the company's auditor.

CONFERENCE CALL
Mycronic will hold a teleconference at 10:00 a.m. CEST on October 21 with President and CEO Anders Lindqvist and CFO Torbjörn Wingårdh. To take part of the presentation, please dial one of the numbers or watch via the web link below.

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https://mycronic-external.creo.se/211021

FINANCIAL CALENDAR

Year-end report 2021	February 9, 2022
Interim Report January–March 2022	April 21, 2022
Annual General Meeting 2022	May 5, 2022
Capital Markets Day	June 8, 2022
Interim Report January–June 2022	July 14, 2022
Interim Report January–Sept. 2022	October 20, 2022
Year-end report 2022	February 8, 2023

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

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Group

Consolidated profit and loss accounts in summary, SEK million	Note	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Rolling 12 month	Jan-Dec 2020
Net sales	5, 6	986	1,068	3,341	2,889	4,333	3,882
Cost of goods sold		-581	-446	-1,609	-1,329	-2,082	-1,802
Gross profit		**405**	**622**	**1,731**	**1,560**	**2,250**	**2,080**
Research and development	7	-136	-130	-405	-382	-538	-514
Selling expenses		-120	-101	-374	-359	-450	-435
Administrative expenses		-66	-52	-179	-170	-245	-236
Other income and expenses		23	9	71	34	40	3
EBIT		**106**	**348**	**845**	**684**	**1,058**	**898**
Financial income and expenses		-1	-2	-2	-5	-4	-8
Profit/loss before tax		**105**	**346**	**843**	**679**	**1,054**	**890**
Tax		-25	-78	-193	-156	-224	-187
Net Profit/loss		**80**	**268**	**650**	**523**	**830**	**703**
Earnings per share before/after dilution, SEK		0.82	2.71	6.66	5.29	8.46	7.10
Average number of shares, thousand		97,599	97,741	97,656	97,764	97,662	97,743
Results attributable to owners of the Parent Company		80	265	650	517	826	694
Results attributable to non-controlling interests		-	3	-	5	4	10
		80	**268**	**650**	**523**	**830**	**703**

Consolidated statement of comprehensive income in summary, SEK million	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Rolling 12 month	Jan-Dec 2020
Net Profit/loss	**80**	**268**	**650**	**523**	**830**	**703**
Other comprehensive income						
Items not to be reclassified to profit/loss, after tax						
Actuarial profit/loss from defined benefits to employees	-	-	-	-	3	3
Items to be reclassified to profit/loss, after tax						
Translation differences at translating foreign entities	62	-32	120	-39	-2	-161
Hedging of net investment in foreign entities	-3	-	-3	-	-3	-
Changes in cash flow hedges	-8	18	-60	24	-24	61
Total comprehensive income	**131**	**254**	**707**	**508**	**805**	**606**
Total comprehensive income attributable to owners of the Parent Company	131	251	707	502	802	597
Total comprehensive income attributable to non-controlling interests	-	3	-	5	3	9
	131	**254**	**707**	**508**	**805**	**606**

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Consolidated statements of financial position in summary, SEK million	30 Sep 21	30 Sep 20	31 Dec 20
ASSETS			
Fixed assets			
Intangible assets	2,154	1,329	1,253
Tangible assets	454	442	465
Non-current receivables	37	48	40
Deferred tax assets	135	119	128
Total fixed assets	**2,780**	**1,938**	**1,886**
Current assets			
Inventories	1,363	1,242	1,181
Trade receivables	604	645	601
Other current receivables	317	307	348
Cash and cash equivalents	887	1,089	1,303
Total current assets	**3,172**	**3,283**	**3,433**
Assets held for sale*	167	-	-
Total assets	**6,118**	**5,220**	**5,319**
EQUITY AND LIABILITIES			
Equity	**3,719**	**3,275**	**3,378**
Long-term liabilities			
Long-term interest-bearing liabilities	188	239	185
Deferred tax liabilities	286	240	281
Other non-current liabilities	56	44	41
Total long-term liabilities	**529**	**524**	**507**
Short-term liabilities			
Short-term interest-bearing liabilities	377	65	79
Trade payables	301	261	261
Other current liabilities	1,163	1,095	1,094
Total current liabilities	**1,840**	**1,421**	**1,434**
Liabilities directly associated with the assets held for sale*	30	-	-
Total liabilities	**2,399**	**1,945**	**1,941**
Total equity and liabilities	**6,118**	**5,220**	**5,319**

*Pertains to the divestment of Automation Engineering, Inc (AEi). The transaction is expected to be finalized in the fourth quarter of 2021 or first quarter of 2022.

Consolidated cash flow statements in summary, SEK million	Q3		Jan-Sep		Rolling	Jan-Dec
	2021	2020	2021	2020	12 month	2020
Profit/loss before tax	105	346	843	679	1,054	890
Adjustments for non-cash items and paid income tax	7	28	-80	-36	-26	18
Change in working capital	-37	190	-5	188	25	218
Cash flow from operating activities	**76**	**564**	**758**	**831**	**1,053**	**1,126**
Cash flow from investing activities	-23	-26	-1,093	-122	-1,121	-150
Cash flow from financing activities	-191	-429	-108	-266	-130	-288
Cash flow for the period	**-138**	**109**	**-444**	**442**	**-197**	**689**
Cash and cash equivalents, opening balance	1,019	984	1,303	655	1,089	655
Exchange difference for cash and cash equivalents	15	-3	37	-8	3	-41
Cash and cash equivalents classified as assets held for sale	-8	-	-8	-	-8	-
Cash and cash equivalents, closing balance	**887**	**1,089**	**887**	**1,089**	**887**	**1,303**

Consolidated statement of changes in equity in summary, SEK million	Jan-Sep		Jan-Dec
	2021	2020	2020
Opening balance	**3,378**	**2,978**	**2,978**
Dividend to owners	-294	-196	-196
Dividend to non-controlling interests	-4	-1	-1
Acquisition of holdings of non-controlling interests*	-53	-	-
Swap agreement related to own shares	4	-17	-15
Repurchase of own shares	-23	-	-
Equity-settled share based payments	4	4	5
Total comprehensive income	707	508	606
Closing balance	**3,719**	**3,275**	**3,378**
Of which holdings of non-controlling interests	-	10	14

*Pertains to the acquisition of the non-controlling interest in Axxon Piezoelectric Technology Co, Ltd, of which SEK 39 million was paid during the period.

Other key figures *	Jan-Sep		Jan-Dec
	2021	2020	2020
Equity per share, SEK	38.10	33.54	34.58
Return on equity (rolling 12 months), %	23.7%	21.9%	22.1%
Return on capital employed (rolling 12 months), %	27.2%	26.9%	26.1%
Net cash, SEK million	323	785	1,039
Average number of employees	1,636	1,505	1,506

*In addition to Key Figures presented on page 1. See calculations on page 19.

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Parent Company

Profit/loss accounts in summary, Parent Company, SEK million	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Rolling 12 month	Jan-Dec 2020
Net sales	457	662	1,830	1,736	2,475	2,381
Cost of goods sold	-243	-223	-779	-695	-1,054	-970
Gross profit	**214**	**439**	**1,051**	**1,041**	**1,421**	**1,411**
Other operating expenses	-106	-155	-417	-537	-688	-808
EBIT	**108**	**284**	**634**	**504**	**733**	**604**
Result from financial items	3	41	134	157	67	90
Profit/loss after financial items	**111**	**325**	**768**	**661**	**800**	**694**
Appropriations	-	-	-	-	-157	-157
Profit/loss before tax	**111**	**325**	**768**	**661**	**643**	**537**
Tax	-23	-62	-132	-111	-124	-103
Net Profit/loss	**88**	**264**	**635**	**550**	**519**	**434**
Total comprehensive income	**88**	**264**	**635**	**550**	**519**	**434**

Balance sheets in summary, Parent Company, SEK million	30 Sep 21	30 Sep 20	31 Dec 20
ASSETS			
Fixed assets			
Intangible and tangible assets	340	105	162
Financial assets	2,762	1,993	1,842
Total fixed assets	**3,102**	**2,099**	**2,005**
Current assets			
Inventories	553	551	494
Current receivables	691	807	722
Cash and cash equivalents	157	561	719
Total current assets	**1,401**	**1,919**	**1,936**
TOTAL ASSETS	**4,504**	**4,018**	**3,941**
EQUITY AND LIABILITIES			
Equity	**2,515**	**2,300**	**2,188**
Untaxed reserves	**1,076**	**919**	**1,076**
Long-term interest-bearing liabilities	-	18	9
Other non-current liabilities	1	1	1
Total long-term liabilities	**1**	**20**	**10**
Short-term interest bearing liabilities	323	19	17
Other current liabilities	587	761	650
Total current liabilities	**911**	**780**	**667**
TOTAL EQUITY AND LIABILITIES	**4,504**	**4,018**	**3,941**

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Notes

NOTE 1 ACCOUNTING POLICIES

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting together with applicable provisions in the Swedish Annual Accounts Act. The report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act. For the Group and Parent Company, accounting policies, valuation policies and assumptions were applied in accordance with the latest annual report. The accounting principles of the segments are the same as for the Group, with the exception of IFRS 16 Leases. The segments and the Parent Company recognize lease payments as a cost on a straight-line basis over the period of the lease. The right-of-use asset and the lease liability are thus not reported in the balance sheet.

At the beginning of April 2020, a new organization was implemented according to which the Assembly Solutions business area was divided between the three divisions of High Flex, High Volume and Global Technologies, while Pattern Generators formed the fourth division. As a result of this reorganization, the company identified the four divisions as segments in accordance with IFRS 8. Comparative figures have been restated in this interim report.

The nature of financial assets and liabilities is, in all material respects, the same as on December 31, 2020. As was the case at the end of 2020, the carrying amounts and fair values are deemed to essentially correspond with one another.

NOTE 2 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in Note 8 of the 2020 Annual Report. The scope and focus of these transactions did not change significantly during the period.

NOTE 3 RISKS AND UNCERTAINTY FACTORS

There are a number of risks and uncertainty factors of an operational and financial character to which the Group is exposed through its operations, these are described in the 2020 Annual Report. Mycronic is for example exposed to country-specific risks such as political decisions or overarching changes to the regulatory framework, both geographically and product-wise. Mycronic is also exposed to effects from the COVID-19 outbreak.

NOTE 4 EVENTS AFTER THE END OF THE PERIOD

There have been no events after the end of the period which have any significant effects on the Group's results or financial position.

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Q3		Jan-Sep		Rolling	Jan-Dec
Revenue by geographical market, SEK million	**2021**	**2020**	**2021**	**2020**	**12 month**	**2020**
EMEA	168	113	411	389	602	580
North and South America	126	141	372	378	492	497
Asia	692	814	2,557	2,122	3,239	2,804
	986	**1,068**	**3,341**	**2,889**	**4,333**	**3,882**
Revenue by type of good/service, SEK million						
System	631	774	2,412	2,021	3,098	2,707
Aftermarket	354	294	929	868	1,235	1,174
	986	**1,068**	**3,341**	**2,889**	**4,333**	**3,882**
Timing of revenue recognition, SEK million						
Goods transferred at a point in time	791	871	2,764	2,312	3,574	3,122
Services transferred over time	195	197	576	577	759	760
	986	**1,068**	**3,341**	**2,889**	**4,333**	**3,882**

NOTE 6 SEGMENT REPORTING

SEK million	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Rolling 12 month	Jan-Dec 2020
Net sales by Division						
Pattern Generators	265	506	1,246	1,178	1,631	1,563
High Flex	271	237	809	749	1,139	1,079
High Volume	235	224	918	670	1,121	873
Global Technologies	232	104	405	319	498	412
Internal net sales between divisions	-17	-4	-37	-26	-57	-46
	986	**1,068**	**3,341**	**2,889**	**4,333**	**3,882**
EBIT by Division						
Pattern Generators	94	364	686	687	887	889
High Flex	31	24	77	7	102	33
High Volume	30	38	214	151	244	181
Global Technologies	-16	-57	-23	-79	-31	-87
Group functions etc	-34	-22	-109	-81	-143	-115
Amortization of previously acquired intangible assets	-	-	-2	-2	-4	-4
Effects from IFRS 16	1	0	2	1	2	2
Group	**106**	**348**	**845**	**684**	**1,058**	**898**

SEK million	30 Sep 21	30 Sep 20	31 Dec 20
Assets by Division			
Capitalized Development Costs			
Pattern Generators	71	62	69
High Flex	50	45	47
	122	**107**	**116**
Inventories			
Pattern Generators	430	403	357
High Flex	260	316	292
High Volume	521	399	418
Global Technologies	155	126	117
	1,363	**1,242**	**1,181**
Trade Receivables			
Pattern Generators	150	249	247
High Flex	201	190	213
High Volume	91	113	89
Global Technologies	161	92	52
	604	**645**	**601**

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NOTE 7 RESEARCH AND DEVELOPMENT EXPENSES

	Q3		Jan-Sep		Rolling	Jan-Dec
Research and development costs, SEK million	**2021**	**2020**	**2021**	**2020**	**12 month**	**2020**
R&D expenditures						
Pattern Generators	-48	-47	-162	-163	-220	-222
High Flex	-41	-39	-131	-144	-173	-186
High Volume	-27	-21	-83	-58	-112	-87
Global Technologies	-20	-17	-45	-52	-59	-66
	-136	**-124**	**-422**	**-417**	**-566**	**-561**
Capitalization of Development Costs						
Pattern Generators	3	13	13	51	21	60
High Flex	6	5	20	18	27	25
	9	**18**	**33**	**69**	**48**	**85**
Amortization of Acquired Technology						
High Flex	-1	-1	-3	-3	-4	-4
High Volume	-1	-1	-3	-4	-5	-5
Global Technologies	-6	-2	-10	-8	-12	-10
	-9	**-5**	**-17**	**-15**	**-21**	**-19**
Impairment of Acquired Technology						
Global Technologies	-	-19	-	-19	-	-18
Reported cost	**-136**	**-130**	**-405**	**-382**	**-538**	**-514**

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NOTE 8 BUSINESS COMBINATIONS

During the second quarter, 100 percent of the shares in atg Luther & Maelzer GmbH was acquired. The acquisition broadens the Group's offering, strengthens Mycronic generally and underlines the Global Technologies division's focus on leading niche technologies, which have the potential to grow faster than the market as a whole. Domiciled in Wertheim in Germany and with approximately 190 employees, atg L&M develops, produces and sells advanced equipment that tests, measures and verifies PCBs and substrates. Mycronic's acquisition of atg L&M encompasses the entire global operations of the company, including companies in Taiwan, Germany and China. Following the transaction, atg L&M becomes part of Mycronic's Global Technologies division. In 2020, atg L&M's sales amounted to approximately SEK 420 million, with an EBIT margin of about 22 percent. The purchase consideration amounts to SEK 1,063 million, corresponding to USD 125 million on a cash and debt-free basis.

Work to assign values to acquired assets and liabilities is ongoing and the acquisition analysis is therefore still preliminary as of September 30. According to the preliminary acquisition analysis, goodwill amounts to SEK 658 million. Goodwill is primarily attributable to the company's leading position as a supplier of advanced equipment for electrical testing of PCBs and substrates, as well as the collective expertise of its employees. The company was consolidated in the Mycronic Group as of June 25, 2021. Had the acquisition been completed at the beginning of the year, the Group's net sales would have been affected by approximately SEK 225 million and EBIT by about SEK 37 million.

SEK million	**30 Sep 21**
Acquisition price atg L&M	
Cash paid for the acquisition	1,063
Deferred considerations for the acquisition	-
Total	**1,063**
Acquired assets and liabilities at fair value	
Intangible assets	273
Tangible assets	15
Long-term receivables	5
Inventories	97
Current receivables	135
Cash and cash equivalents	36
Non-current liabilities	-38
Current liabilities	-118
Total	**405**
Goodwill	**658**
Changes in consolidated cash and cash equivalents as of the acquisition	
Cash paid for the acquisition	1,063
Cash and cash equivalents in acquired subsidiaries	-36
Total	**1,027**

NOTE 9 DEFINITIONS AND RECONCILIATION ALTERNATIVE PERFORMANCE MEASURES, ETC

The European Securities and Markets Authority (ESMA) has issued guidelines regarding alternative performance measures for listed companies.

These relate to financial key figures used by management, to control and evaluate the Group's business, which cannot be directly inferred from the financial statements. Alternative performance measures are also considered to be of interest to external investors and analysts who monitor the company. For definitions of other key ratios, please refer to the Annual Report.

Acquisition-related costs
Acquisition-related costs include expensing of acquired inventories at fair value, amortization and impairment of acquired intangible assets, changes in value and revaluation of contingent considerations and transaction expenses.

Book-to-bill
Order intake in relation to net sales. Indicates future development of net sales.

Capital employed
Balance sheet total less non-interest bearing liabilities. Used to show a company's ability to meet capital needs from operations.

Earnings per share
Net result attributable to the owners of the Parent Company divided by the average number of outstanding shares before and after dilution. Used to show a company's results per share.

EBITDA
Operating result (EBIT) before depreciation and amortization, interest and tax. EBITDA is a component used in expressing the company's financial goals and dividend policy.

Equity per share
Equity on balance day divided by the number of outstanding shares at the end of the period. Used to measure the value of the company per share.

Net cash
Cash and cash equivalents less interest-bearing liabilities.

Order backlog
Remaining orders for goods, valued at the closing date exchange rate. Used to show secured future net sales of goods.

Order intake
Received orders for goods and services, valued at average exchange rates. The order intake also includes revaluation of the order backlog at closing date exchange rates. Used to show orders received.

Organic growth
Change in net sales excluding increase related to acquisitions, recalculated to the previous year's currency rates, as a percentage of the previous year's net sales. Net sales from acquired companies are included in the calculation of organic growth as of the first day of the first month which falls 12 months after the date of acquisition.

Return on capital employed
Earnings before financial expenses as a percentage of average capital employed. Used to show return on capital needed for operations.

Return on equity
Net profit/loss as a percentage of average equity. Used to demonstrate return on shareholder capital over time.

Underlying EBIT and underlying EBIT margin
Underlying EBIT consists of operating profit/loss excluding acquisition-related costs. The underlying EBIT margin is underlying EBIT as a percentage of net sales. Used to describe how operations are developing and performing excluding acquisition-related costs.

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	Jan-Sep		Rolling	Jan-Dec
Return on equity	**2021**	**2020**	**12 month**	**2020**
Net profit/loss (rolling 12 months)	830	675	830	703
Average shareholders' equity	3,497	3,079	3,497	3,178
	23.7%	**21.9%**	**23.7%**	**22.1%**
Return on capital employed				
Profit/loss before tax (rolling 12 months)	1,054	882	1,054	890
Financial expenses	14	14	14	14
Profit/loss before financial expenses	**1,068**	**896**	**1,068**	**904**
Average balance sheet total	5,669	5,002	5,669	5,059
Average non-interest-bearing liabilities	1,738	1,665	1,738	1,591
Average capital employed	**3,931**	**3,337**	**3,931**	**3,469**
	27.2%	**26.9%**	**27.2%**	**26.1%**
Book-to-bill				
Order intake	3,272	2,822	4,137	3,687
Net sales	3,341	2,889	4,333	3,882
	1.0	**1.0**	**1.0**	**0.9**
EBITDA				
EBIT	845	684	1,058	898
Depreciation/Amortization	149	173	190	214
	993	**857**	**1,248**	**1,112**
Underlying EBIT				
EBIT	845	684	1,058	898
Acquisition-related costs included in:				
Cost of goods sold	26	-	26	-
Operating expenses	47	71	53	77
	917	**755**	**1,137**	**975**
Equity per share				
Equity at balance day	3,719	3,275	3,719	3,378
No. of shares at end of period, thousand	97,608	97,672	97,608	97,685
	38.10	**33.54**	**38.10**	**34.58**
Earnings per share before/after dilution, SEK				
Net Profit/loss attributable to owners of the Parent Company	650	517	826	694
Average no. of shares before dilution, thousand	97,656	97,764	97,662	97,743
Average no. of shares after dilution, thousand	97,690	97,775	97,742	97,763
	6.66	**5.29**	**8.46**	**7.10**
Net cash, SEK million				
Cash and cash equivalents	887	1,089	887	1,303
Interest-bearing liabilities	-564	-304	-564	-264
	323	**785**	**323**	**1,039**

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Quarterly data	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19
Order intake								
Pattern Generators	407	209	233	403	122	111	725	1,004
High Flex	334	279	323	269	296	171	297	357
High Volume	236	381	391	163	235	314	271	244
Global Technologies	282	144	90	51	89	74	143	107
Internal order intake between divisions	-17	-11	-10	-20	-4	-19	-3	-5
	1,242	**1,002**	**1,027**	**865**	**739**	**651**	**1,432**	**1,706**
Order Backlog								
Pattern Generators	759	617	797	1,156	1,138	1,522	1,915	1,359
High Flex	214	150	134	86	148	81	166	134
High Volume	759	758	692	669	711	708	610	560
Global Technologies	299	249	82	57	100	114	169	112
	2,030	**1,774**	**1,706**	**1,969**	**2,096**	**2,425**	**2,860**	**2,164**
Net Sales								
Pattern Generators	265	389	592	385	506	503	169	405
High Flex	271	262	276	331	237	248	263	421
High Volume	235	315	368	203	224	225	220	189
Global Technologies	232	107	66	93	104	128	87	172
Internal net sales between divisions	-17	-11	-10	-20	-4	-19	-3	-5
	986	**1,064**	**1,291**	**992**	**1,068**	**1,086**	**736**	**1,181**
Gross Profit								
Pattern Generators	154	252	476	283	404	361	109	277
High Flex	111	97	110	136	98	99	92	180
High Volume	87	166	165	68	84	98	102	68
Global Technologies	52	41	21	32	35	49	30	61
	405	**555**	**772**	**519**	**622**	**605**	**334**	**584**
Gross Margin								
Pattern Generators	58.0%	64.6%	80.4%	73.5%	79.7%	71.7%	64.6%	68.3%
High Flex	40.8%	36.9%	40.1%	41.0%	41.2%	39.9%	35.1%	42.8%
High Volume	37.2%	52.6%	44.8%	33.3%	37.3%	43.4%	46.2%	35.9%
Global Technologies	22.6%	37.9%	32.1%	34.4%	33.6%	38.2%	34.8%	35.2%
	41.0%	**52.1%**	**59.8%**	**52.3%**	**58.3%**	**55.7%**	**45.4%**	**49.4%**
R&D expenses								
Pattern Generators	-45	-57	-47	-51	-35	-38	-39	-59
High Flex	-36	-42	-36	-36	-35	-45	-49	-56
High Volume	-28	-29	-29	-30	-22	-18	-20	-27
Global Technologies	-26	-15	-14	-15	-39	-20	-21	-15
Total R&D expenses	**-136**	**-144**	**-126**	**-132**	**-130**	**-122**	**-130**	**-159**
Selling expenses	-120	-132	-123	-76	-101	-117	-140	-148
Administrative expenses	-66	-55	-57	-66	-52	-61	-57	-66
Other income/expenses	23	17	32	-31	9	-24	49	-8
EBIT	**106**	**241**	**498**	**214**	**348**	**281**	**55**	**204**
Of which EBIT Pattern Generators	94	174	419	201	364	273	51	186
Of which EBIT High Flex	31	11	35	25	24	-15	-2	34
Of which EBIT High Volume	30	94	90	30	38	57	55	29
Of which EBIT Global Technologies	-16	7	-14	-8	-57	-2	-19	5
Of which EBIT Group functions	-34	-44	-30	-35	-22	-30	-29	-47
EBIT margin	10.7%	22.7%	38.6%	21.5%	32.6%	25.8%	7.5%	17.2%
Equity per share	38.10	36.96	38.43	34.58	33.54	33.07	31.52	30.46
Earnings per share before/after dilution	0.82	1.84	3.99	1.80	2.71	2.18	0.40	1.57
Closing share price	218.40	258.20	205.00	245.40	211.40	175.70	121.10	185.10

MYCRONIC

THIS REPORT IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Review report

Mycronic AB (publ), corporate identity number 556351-2374

Introduction
We have reviewed the condensed interim report for Mycronic AB (publ) as at September 30, 2021 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity.* A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, date as evidenced by our digital signature

Ernst & Young AB

Erik Sandström
Authorized Public Accountant