

Year-end Report January-December 2021

Fourth quarter

- Order intake amounted to SEK 1,234 (865) million, up 43 percent
- Net sales increased 30 percent to SEK 1,295 (992) million. Based on constant exchange rates, net sales increased 27 percent
- EBIT amounted to SEK 204 (214) million and EBIT margin was 16 (22) percent
- Earnings per share were SEK 1.82 (1.80)

January-December

- Order intake amounted to SEK 4,506 (3,687) million, up 22 percent
- Net sales increased 19 percent to SEK 4,635 (3,882) million. Based on constant exchange rates, the increase was 23 percent
- EBIT amounted to SEK 1,049 (898) million and EBIT margin was 23 (23) percent
- Earnings per share were SEK 8.48 (7.10)
- The Board of Directors has proposed a dividend of SEK 3.00 (3.00) per share to the 2022 Annual General Meeting

"During the final quarter of the year, order intake and net sales showed strong growth, with increases of 43 and 30 percent, respectively. Due to a different product mix, mainly lower net sales in Pattern Generators' display segment, the Group EBIT was somewhat lower. High Flex and Global Technologies at the same time showed their best EBIT margin ever, which underscores that Mycronic stands solid with contributions from all divisions. It is gratifying to see that we achieved the ambitious goal that I announced in 2019, of achieving an EBIT margin of 10 percent in the former Assembly Solutions business area not later than in 2021. If we exclude the year's acquisitions, which were not part of the Group when the goal was set, we achieved an EBIT margin of 11 percent in what are now High Flex, High Volume and Global Technologies, including their share of the costs for joint Group functions", says Anders Lindqvist, President and CEO.

Outlook 2022

It is the Board of Directors' opinion that consolidated net sales for 2022 will be at a level of SEK 5 billion, based on prevailing exchange rates. Due to the product mix of announced orders in Pattern Generators with deliveries in 2022, the Group's EBIT margin is expected to be slightly above the long term financial target of >15 percent.

Group summary	Q4		Jan-Dec	
	2021	2020	2021	2020
Order intake, SEK million	1,234	865	4,506	3,687
Net Sales, SEK million	1,295	992	4,635	3,882
Book-to-bill	1.0	0.9	1.0	0.9
Order backlog, SEK million	1,975	1,969	1,975	1,969
Gross margin, %	42.7%	52.3%	49.3%	53.6%
EBIT, SEK million	204	214	1,049	898
EBIT margin, %	15.8%	21.5%	22.6%	23.1%
Earnings per share before/after dilution, SEK	1.82	1.80	8.48	7.10
Cash Flow, SEK million	-218	247	-662	689
Changes in Net Sales				
Total growth, %	30%	-16%	19%	-10%
Organic growth, %	15%	-11%	16%	-8%
Growth from acquisitions, %	12%	-	7%	-
Currency effects, %	3%	-5%	-3%	-2%

CEO comments



During the final quarter of the year, order intake and net sales showed strong growth, with increases of 43 and 30 percent, respectively. Due to a different product mix, mainly lower net sales in Pattern

Generators' display segment, the Group

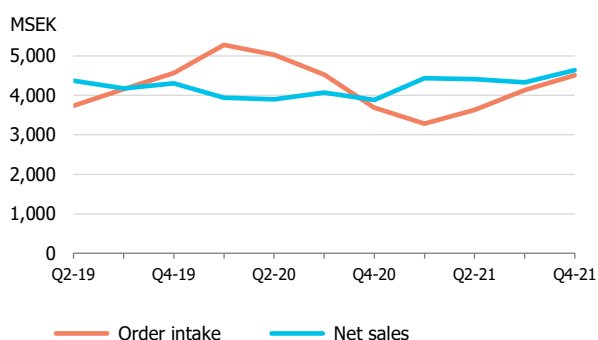
EBIT was somewhat lower. High Flex and Global Technologies at the same time showed their best EBIT margin ever, which underscores that Mycronic stands solid with contributions from all divisions. It is gratifying to see that we achieved the ambitious goal that I announced in 2019, of achieving an EBIT margin of 10 percent in the former Assembly Solutions business area not later than in 2021. If we exclude the year's acquisitions, which were not part of the Group when the goal was set, we achieved an EBIT margin of 11 percent in what are now High Flex, High Volume and Global Technologies, including their share of the costs for joint Group functions.

Our two acquisitions in Global Technologies and High Volume in 2021 comprise milestones for Mycronic, with the acquisition in China being completed at the beginning of November 2021. During the year the divestment of Automation Engineering, Inc (AEI) was announced. The divestment was completed after the close of the period, at the beginning of February 2022.

Pattern Generators received orders for four SLX mask writers from the semiconductor industry during the fourth quarter. In total, orders for 11 SLXs were received in 2021 and order intake since the launch in October 2019 amounts to 19 systems. We have thereby exceeded the expectations we had at the time of the launch. This is attributable to a combination of the strong development in the semiconductor industry and our customers' appreciation of the SLX's performance. The success of SLX system sales is further contributing to a future repeat aftermarket business. After the end of the period, a further two orders, each for one SLX, were received.

During November, High Flex participated at Productronica,

Order intake and net sales, rolling 12 months



a large electronics production fair that takes place in Munich every second year. At Productronica, an updated inspection system and a broader offering in the MYSmart series of products for conformal coating of circuit boards and advanced inline-dispensing solutions were launched.

High Volume's broadening of its offering during the year, from individual dispensing solutions to complete and customized automation solutions, is beginning to reap rewards. During the fourth quarter order intake was strong from the consumer electronics and electric vehicles segments.

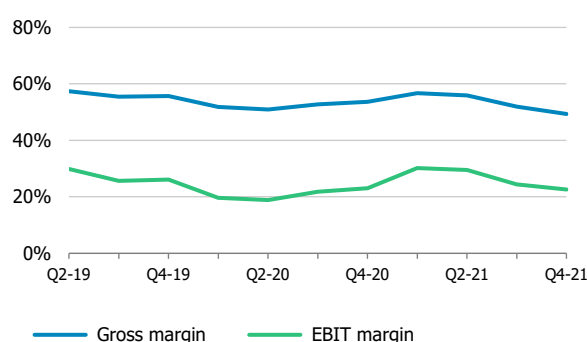
Regarding Global Technologies, infrastructure investments in 5G and datacenters drove the demand for optical components for tele and data communications, which are produced using our die bonding machines. The market for electrical testing of printed circuit boards also showed healthy activity.

The shortages relating to components, raw materials and distribution logistics due to the pandemic continued to have a limited impact on Mycronic during the fourth quarter. Through hard work, we have largely succeeded in delivering the products to our customers, even when this entailed additional costs for personnel, components and freight.

For 2022, my assessment and that of the Board is that Mycronic's net sales will be at a level of SEK 5 billion. This would mean achieving our strategic ambition a year earlier than targeted. Due to the product mix of announced orders in Pattern Generators with deliveries in 2022, the Group's EBIT margin is expected to be slightly above the long term financial target of >15 percent. During the year, we will prepare and present new financial and strategic goals for Mycronic's continued sustainable and profitable growth. I look forward to working with all of our fantastic employees to help our customers by providing them with innovative and sustainable production solutions and thereby enabling the electronics of the future.

Anders Lindqvist, President and CEO

Gross and EBIT margin, rolling 12 months



Financial performance

GROUP

	Q4		Jan-Dec	
	2021	2020	2021	2020
Order intake, SEK million	1,234	865	4,506	3,687
Order backlog, SEK million	1,975	1,969	1,975	1,969
Net Sales, SEK million	1,295	992	4,635	3,882
Gross profit, SEK million	553	519	2,284	2,080
Gross margin, %	42.7%	52.3%	49.3%	53.6%
EBIT, SEK million	204	214	1,049	898
EBIT margin, %	15.8%	21.5%	22.6%	23.1%
EBITDA, SEK million	260	255	1,254	1,112

The Group's order intake increased by 43 percent to SEK 1,234 (865) million in the fourth quarter. This was primarily attributable to strong performance in High Volume and Global Technologies, but High Flex also showed a positive trend. The acquisition of atg L&M contributed SEK 103 million in order intake. For the full year, order intake increased 22 percent to SEK 4,506 (3,687) million. The Group's order backlog at the end of the year was SEK 1,975 (1,969) million.

Net sales during the final quarter of the year increased by 30 percent to SEK 1,295 (992) million, to which the acquisition of atg L&M contributed SEK 118 million. For the full year, net sales increased 19 percent to SEK 4,635 (3,882) million. Currency effects impacted the net sales of the quarter positively with SEK 30 million while full year net sales were impacted negatively by SEK 133 million.

Due to lower net sales in Pattern Generators' display segment, the Group's gross margin for the fourth quarter was 43 (52) percent. The gross margin for the full year was 49 (54) percent.

Due to a different product mix, EBIT for the period decreased to SEK 204 (214) million and EBIT margin was 16 (22) percent. For the full year, EBIT amounted to SEK 1,049 (898) million, corresponding to an EBIT margin of 23 (23) percent. Acquisition-related costs amounted to SEK 24 (6) million for the final quarter of the year and to SEK 97 (77) million for the full year.

Cash flow and financial position

Consolidated cash and cash equivalents at the end of the year amounted to SEK 683 (1,303) million. Cash flow for the year amounted to SEK -662 (689) million. Cash flow from operating activities amounted to SEK 998 (1,126) million. Working capital tied up increased by SEK 68 million during the year, compared with a decrease of SEK 218 million in the preceding year.

Investments amounted to SEK 1,223 (150) million, of which the acquisitions of atg L&M and HC Xin utilized SEK 1,027 million and SEK 87 million, respectively. Capitalization of product development accounted for SEK 46 (85) million and investments in tangible assets for SEK 42 (44) million. Financing activities for the year utilized SEK 437 (288) million, with SEK 294 million attributable to dividends to the Parent Company's shareholders. In addition, the acquisition of the holdings of non-controlling interests in Axxon Piezoelectric Technology Co, Ltd utilized SEK 43 million.

Sustainability

During the quarter Mycronic's sustainability targets innovation for sustainability, future engineers through diversity and environmental footprint, and the related sustainability strategy for 2030, were broken down by the divisions. Each division established goals and action plans to contribute to the overall sustainability strategy. Divisional goals have been adapted to their specific challenges and opportunities to make them as concrete as possible. The intention is to create commitment by ensuring that each employee understands the goals' importance for their specific division's operations.

PATTERN GENERATORS

	Q4		Jan-Dec	
	2021	2020	2021	2020
Order intake, SEK million	384	403	1,233	1,361
Order backlog, SEK million	744	1,156	744	1,156
Net Sales, SEK million	399	385	1,645	1,563
Gross profit, SEK million	224	283	1,105	1,156
Gross margin, %	56.0%	73.6%	67.2%	74.0%
EBIT, SEK million	146	201	832	889
EBIT margin, %	36.6%	52.2%	50.6%	56.8%
EBITDA	156	207	870	908
R&D expenditures, SEK million	-57	-59	-219	-222
R&D costs, SEK million	-52	-51	-201	-163

The semiconductor photomask market is currently showing a combination of high demand for semiconductors combined with a need to replace old mask writers. The market for photomasks for displays is continuing its recovery and is expected to return to its pre-pandemic level.

Pattern Generators received orders for 4 SLX mask writers from the semiconductor industry during the fourth quarter. In total, orders for 11 SLXs were received in 2021 and order intake since the launch in October 2019 amounts to 19 systems. The development regarding SLX orders has exceeded expectations. The success of SLX system sales is adding a future repeat aftermarket business for Pattern Generators. Order intake declined 5 percent during the quarter to SEK 384 (403) million. For the full year, order intake was SEK 1,233 (1,361) million, a decrease of 9 percent. The business is characterized by fluctuations over time and performance should be viewed from a long-term perspective.

At the end of the year, the order backlog amounted to SEK 744 (1,156) million and contained 12 systems with planned system deliveries as follows:

2022 Q1: 2 SLX

2022 Q2: 3 SLX

2022 Q3: 2 SLX

2022 Q4: 1 SLX

2023 Q1: 3 SLX, 1 Prexision Lite 8 Evo

At the customer's request, the delivery of a Prexision Lite 8 Evo announced earlier, has been moved from the second to the first quarter of 2023.

Pattern Generators delivered 5 systems in the final quarter of the year: 1 FPS 6100 Evo and 4 SLXs. Net sales for the quarter amounted to SEK 399 (385) million. For the full year, net sales increased 5 percent to SEK 1,645 (1,563) million. The fourth quarter's net sales were positively impacted by currency effects of SEK 13 million while the corresponding effect for the full year was a negative SEK 38 million.

The gross margin for the quarter decreased to 56 (74) percent due to a less favorable product mix. The gross margin for the full year was 67 (74) percent.

EBIT for the fourth quarter was SEK 146 (201) million, corresponding to an EBIT margin of 37 (52) percent. EBIT for the full year amounted to SEK 832 (889) million, corresponding to an EBIT margin of 51 (57) percent.

R&D costs for the quarter amounted to SEK 52 (51) million and SEK 201 (163) million for the full year. The capitalization of development costs amounted to SEK 5 (8) million for the quarter and SEK 17 (60) million for the full year.

After the end of the period, two orders, each for one SLX, were received.

HIGH FLEX

	Q4		Jan-Dec	
	2021	2020	2021	2020
Order intake, SEK million	284	269	1,220	1,032
Order backlog, SEK million	130	86	130	86
Net Sales, SEK million	368	331	1,176	1,079
Gross profit, SEK million	152	136	469	425
Gross margin, %	41.2%	41.0%	39.9%	39.4%
EBIT, SEK million	59	25	136	33
EBIT margin, %	16.1%	7.7%	11.6%	3.0%
EBITDA	68	36	174	67
R&D expenditures, SEK million	-45	-42	-177	-186
R&D costs, SEK million	-37	-36	-151	-165

During November, High Flex participated at Productronica, a large electronics production fair that takes place in Munich every second year. At Productronica, an upgraded inspection system with fully redesigned ergonomics as well as powerful new programming tools was launched. In addition, a broader offering in the MYSmart series of products for conformal coating of circuit boards and advanced inline dispensing solutions was launched. During the fourth quarter, the market for High Flex in North America remained strong, while Europe showed a favorable recovery. A number of large orders across the entire product portfolio contributed to an increase in order intake during the quarter of 6 percent to SEK 284 (269) million. For the full year, order intake increased 18 percent to SEK 1,220 (1,032) million. The order backlog at the end of the year was SEK 130 (86) million.

Net sales rose 11 percent during the quarter and amounted to SEK 368 (331) million. For the full year, net sales increased 9 percent to SEK 1,176 (1,079) million. Net sales for the quarter were negatively impacted by currency

effects of SEK 1 million while the corresponding effect for the full year was a negative SEK 61 million.

In the final quarter of the year, High Flex succeeded well with its product deliveries. Increases in logistics expenses and costs of some components affected the gross margin for the quarter, which however remained stable at 41 (41) percent. The gross margin for the full year was 40 (39) percent.

The division's EBIT for the fourth quarter increased to SEK 59 (25) million, corresponding to an EBIT margin of 16 (8) percent. EBIT for the full year amounted to SEK 136 (33) million, corresponding to an EBIT margin of 12 (3) percent.

R&D costs for the fourth quarter amounted to SEK 37 (36) million and SEK 151 (165) million for the full year. The capitalization of development costs amounted to SEK 9 (7) million for the quarter and SEK 29 (25) million for the full year.

HIGH VOLUME

	Q4		Jan-Dec	
	2021	2020	2021	2020
Order intake, SEK million	328	163	1,336	983
Order backlog, SEK million	809	669	809	669
Net Sales, SEK million	283	203	1,200	873
Gross profit, SEK million	91	68	508	351
Gross margin, %	32.1%	33.3%	42.3%	40.2%
EBIT, SEK million	17	30	231	181
EBIT margin, %	6.1%	14.9%	19.3%	20.7%
EBITDA	23	35	251	198
R&D expenditures, SEK million	-24	-29	-107	-87
R&D costs, SEK million	-26	-30	-112	-92

High Volume's broadening of its offering during the year, from individual dispensing solutions to complete and customized automation solutions, is beginning to reap rewards. At the same time, there was a strong market development during the fourth quarter of the year, when customers in consumer electronics and electric vehicles started to place orders on new production equipment. Order intake increased 102 percent, amounting to SEK 328 (163) million during the quarter. For the full year, order intake increased 36 percent to SEK 1,336 (983) million. At the end of the year, the order backlog totaled SEK 809 (669) million.

High Volume was able to deliver according to plan and was not affected by the energy rationing in China that was introduced by the authorities in the third quarter of 2021. Net sales rose 39 percent during the fourth quarter to SEK 283 (203) million. For the full year, net sales increased 38 percent to SEK 1,200 (873) million. Net sales for the quarter were positively impacted by currency effects of SEK 17

million. During full-year 2021, net sales were impacted negatively by SEK 6 million in currency effects.

Acquisition-related costs and increased logistics costs due to high freight prices and a larger number of international deliveries impacted the gross margin, which amounted to 32 (33) percent and to 42 (40) percent for the full year.

EBIT for the quarter was SEK 17 (30) million. The higher operating expenses reflect continued investments in commercial resources and low selling costs in the same period last year. EBIT margin was 6 (15) percent. EBIT for the full year amounted to SEK 231 (181) million, corresponding to an EBIT margin of 19 (21) percent.

R&D costs for the quarter amounted to SEK 26 (30) million and SEK 112 (92) million for the full year.

In August, the acquisition was announced of HC Xin, which manufactures automated stencil printers and pick & place machines. The transaction was finalized at the beginning of November 2021.

GLOBAL TECHNOLOGIES

	Q4		Jan-Dec	
	2021	2020	2021	2020
Order intake, SEK million	245	51	761	357
Order backlog, SEK million	291	57	291	57
Net Sales, SEK million	252	93	657	412
Gross profit, SEK million	86	32	200	146
Gross margin, %	34.1%	34.4%	30.4%	35.5%
EBIT, SEK million	21	-8	-3	-87
EBIT margin, %	8.2%	-8.6%	-0.4%	-21.1%
EBITDA	33	-4	34	-16
R&D expenditures, SEK million	-23	-14	-68	-66
R&D costs, SEK million	-29	-15	-84	-95

In Global Technologies, infrastructure investments in 5G and datacenters drove the demand for optical components for tele and data communications, which are produced using Mycronic's die bonding machines. The market for electrical testing of printed circuit boards also showed healthy activity. Order intake during the final quarter of the year amounted to SEK 245 (51) million. The organic order intake increased 178 percent. For the full year, order intake increased 113 percent to SEK 761 (357) million and organic order intake increased 50 percent. The order backlog amounted to SEK 291 (57) million.

Net sales amounted to SEK 252 (93) million during the quarter. The organic net sales increased 45 percent. For the full year, net sales amounted to SEK 657 (412) million and organic net sales increased 4 percent. Net sales for the quarter were negatively impacted by currency effects of SEK 1 million and the corresponding full year effect being a negative SEK 29 million.

Despite challenges in the form of shortages of production personnel due to the pandemic and challenges related to

supply chain disruptions and component deliveries, Global Technologies largely succeeded in completing its product deliveries in the fourth quarter. The gross margin for the quarter amounted to 34 (34) percent and 30 (35) percent for the full year.

EBIT for the quarter amounted to SEK 21 (-8) million and was impacted by acquisition-related costs of SEK 11 million. EBIT margin was 8 (-9) percent. EBIT for the full year amounted to SEK -3 (-87) million, corresponding to an EBIT margin of 0 (-21) percent.

R&D costs for the quarter amounted to SEK 29 (15) million and SEK 84 (95) million for the full year.

In September 2021, the divestment of AEi to Singapore-based ASM Pacific Technology was announced. The divestment was completed after the close of the period, at the beginning of February 2022.

The electronics industry

The global electronics industry is estimated to have grown 11.0 percent in 2021 to USD 2,452 billion¹. For full-year 2021, the semiconductor market is estimated to have grown 25.0 percent to the equivalent of USD 550 billion¹.

OUTLOOK

Annual growth for the electronics industry is forecast at 5.1 percent for the period 2020-2025¹. 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 2.1 percent in 2022. The semiconductor market is expected to grow 6.0 percent in full-year 2022 compared with 2021 and is forecast to be positive during the 2021-2025 period as a whole, with annual growth of 3.9 percent¹. The display market is estimated to have grown 24.1 percent in 2021 to USD 155 billion². For 2022, negative growth of 5.8 percent is forecast due to a reduction in the prices of LCD displays. The long-term trend towards a larger share of advanced displays is expected to continue.

Size/growth	2022F	2021	2020
Electronics industry, percentual change ¹	+2.1%	+11.0%	+1.7%
Semiconductor industry, percentual change ¹	+6.0%	+25.0%	+6.5%
SMT component mounting, percentual change ³	NA	+26.7%	+7.2%
Dispensing, USD million ⁴	NA	NA	730
Displays, USD, billion ²	146	155	125
Photomasks for displays, percentual change in value ⁵	+8.7%	+4.5%	-10.6%
Photomasks for semiconductors, percentual change in value ⁶	+8.2%	+12.7%	+8.0%
Display photomask area, thousand sq. meters ⁵	19.3	18.2	17.0

SMT AND DISPENSING MARKET AREA

The global market for SMT equipment has annual sales of approximately USD 5,000 million⁷. The segment SMT robots for component mounting grew by 26.7 percent to USD 3,732 million³ in 2021, with the strongest development in the Americas followed by the markets in Europe and China. The dispensing equipment market decreased 8.8 percent and had sales of USD 730 million⁸ 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. Components for optical communication are expected to grow from USD 9.4 billion in 2020 to USD 19.4 billion in 2026, which corresponds to annual growth of 12.9 percent⁹. Mycronic also offers advanced equipment for electrical testing of printed circuit boards and substrates. The global market for printed circuit boards and substrates is estimated to have grown by 22.6 percent in 2021, to USD 79.9 billion¹⁰.

PATTERN GENERATORS MARKET AREA

PHOTOMASKS FOR DISPLAYS

The assessment is that the market for photomasks showed growth of 4.5 percent, from USD 821 million to USD 858 million^{5,11}, in 2021. The positive trend is largely related to the increase in demand for photomasks in 2021, since the display manufacturers began to focus on developing new models. In addition there is the ongoing shift towards a higher proportion of advanced displays that require more, and more advanced, photomasks. The expectations for 2022 are that the market will continue to grow and show positive growth of 8.7 percent to USD 933 million^{5,11}. The market is driven primarily by a higher proportion of advanced photomasks for AMOLED displays. The forecast for the total area growth amounts to an average of 2.9 percent per year for 2021-2025⁵. Strong growth for AMOLED photomasks is expected, with an annual average area growth of 12.4 percent for 2021-2025⁵, which drives the need for photomasks produced by advanced mask writers.

PHOTOMASKS FOR SEMICONDUCTORS

The assessment is that, in 2021, the market showed positive growth of 12.7 percent from USD 5.4 billion to USD 6.1 billion⁶. Despite the pandemic, the market trend was strong, primarily driven by robust growth for the most advanced photomasks, although the market for the simpler technology nodes was also positive. The expectations for 2022 are that the market will continue to perform positively, with growth of 8.2 percent to USD 6.6 billion⁶. The market will also remain primarily driven by higher volumes of the most advanced photomasks, which are mainly produced by E-beam mask writers.

- 1) Prismark, latest forecast December 2021
- 2) Omdia, latest forecast January 2022.
- 3) Protec MDC, January 2022
- 4) Prismark, May and December 2020
- 5) Omdia, June 2021 (annual update)
- 6) VLSI research, April 2021 (annual update)
- 7) Prismark April 2019, Protec MDC January 2021, Mycronic analysis
- 8) Prismark, April 2021
- 9) Lightcounting, October 2021
- 10) Prismark, November 2021
- 11) 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 2,557 (2,381) million for the full year. EBIT amounted to SEK 794 (604) million.

Cash and cash equivalents at the end of the year amounted to SEK 116 million, compared with SEK 719 million at the end of 2020.

NOMINATION COMMITTEE

The Nomination Committee for Mycronic's 2022 Annual General Meeting has been appointed in accordance with the instructions for the Nomination Committee as decided by the 2021 Annual General Meeting. The Nomination Committee comprises: Henrik Blomquist, Bure Equity, Patrik Jönsson, SEB Funds, Thomas Ehlin, Fourth AP Fund, and Patrik Tigerschiöld, Chairman of Mycronic. The Nomination Committee represented 46.9 percent of votes and shares as of August 31, 2021.

ANNUAL GENERAL MEETING 2022

The Annual General Meeting will be held on May 5, 2022. The notification will be sent out in due course.

In line with the dividend policy, the Board of Directors is proposing to the Annual General Meeting a dividend of SEK 3.00 (3.00) per share, totaling SEK 293.7 (293.7) million.

The record date for entitlement to the dividend is proposed as May 9, 2022. Provided the Meeting resolves in favor of the dividend proposal, the dividend will be paid on May 12, 2022.

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. CET on February 9, 2022.

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

This report was not reviewed by the company's auditor.

CONFERENCE CALL

Mycronic will hold a teleconference at 10:00 a.m. CET on February 9, 2022, with President and CEO Anders Lindqvist and CFO and Senior VP Corporate Development Pierre Brorsson. To take part of the presentation, please dial one of the numbers or follow via the web link below.

Sweden: +46 8 505 583 51

UK: +44 333 300 9271

USA: +1 646 722 4902

<https://mycronic-external.creo.se/220209/year-end-report-2021>

FINANCIAL CALENDAR

Annual and Sustainability Report 2021	April 4, 2022
Interim Report January–March 2022	April 21, 2022
Annual General Meeting 2022	May 5, 2022
Interim Report January–June 2022	July 14, 2022
Capital Markets Day	September 5, 2022
Interim Report January–Sept. 2022	October 20, 2022
Year-end report 2022	February 8, 2023

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

Anders Lindqvist
President and CEO
+46 8 638 52 00
anders.lindqvist@mycronic.com

Pierre Brorsson
Chief Financial Officer & Sr VP Corporate Development
+46 8 638 52 00
pierre.brorsson@mycronic.com

Sven Chetkovich
Director Investor Relations
+46 70 558 39 19
sven.chetkovich@mycronic.com

The Board of Directors and President certify that this year-end report provides a true and fair picture of the business activities, financial position and results of operations of the Parent Company and the Group and describes the significant risks and uncertainties to which the Parent Company and the Group are exposed.

Täby, February 9, 2022
Mycronic AB (publ)

Anders Lindqvist
President and CEO

Patrik Tigerschiöld
Chairman

Arun Bansal
Board member

Anna Belfrage
Board member

Katarina Bonde
Board member

Staffan Dahlström
Board member

Johan Densjö
Employee representative

Robert Larsson
Board member

Jörgen Lundberg
Employee representative

Mycronic AB (publ)
PO Box 3141
SE-183 03 Täby, Sweden
Tel: +46 8 638 52 00
Fax: +46 8 638 52 90

www.mycronic.com
Reg office: Stockholm
Reg no: 556351-2374
VAT no: SE556351237401

Group

Consolidated profit and loss accounts in summary, SEK million	Note	Q4		Jan-Dec	
		2021	2020	2021	2020
Net sales	5, 6	1,295	992	4,635	3,882
Cost of goods sold		-742	-473	-2,351	-1,802
Gross profit		553	519	2,284	2,080
Research and development	7	-143	-132	-548	-514
Selling expenses		-152	-76	-526	-435
Administrative expenses		-65	-66	-243	-236
Other income and expenses		11	-31	82	3
EBIT		204	214	1,049	898
Financial income and expenses		-1	-3	-2	-8
Profit/loss before tax		203	211	1,046	890
Tax		-26	-31	-219	-187
Net Profit/loss		177	180	827	703
Earnings per share before/after dilution, SEK		1.82	1.80	8.48	7.10
Average number of outstanding shares, thousand		97,626	97,680	97,649	97,743
Results attributable to owners of the Parent Company		178	176	828	694
Results attributable to non-controlling interests		-1	4	-1	10
		177	180	827	703

Consolidated statement of comprehensive income in summary, SEK million	Q4		Jan-Dec	
	2021	2020	2021	2020
Net Profit/loss	177	180	827	703
Other comprehensive income				
Items not to be reclassified to profit/loss, after tax				
Actuarial profit/loss from defined benefits to employees	1	3	1	3
Items to be reclassified to profit/loss, after tax				
Translation differences at translating foreign entities	71	-122	191	-161
Hedging of net investment in foreign entities	-3	-	-6	-
Changes in cash flow hedges	-16	37	-76	61
Total comprehensive income	231	98	938	606
Total comprehensive income attributable to owners of the Parent Company	229	95	936	597
Total comprehensive income attributable to non-controlling interests	2	3	2	9
	231	98	938	606

Consolidated statements of financial position in summary, SEK million	31 Dec 21	31 Dec 20
ASSETS		
Fixed assets		
Intangible assets	2,296	1,253
Tangible assets	429	465
Non-current receivables	55	40
Deferred tax assets	145	128
Total fixed assets	2,926	1,886
Current assets		
Inventories	1,363	1,181
Trade receivables	658	601
Other current receivables	320	348
Cash and cash equivalents	683	1,303
Total current assets	3,024	3,433
Assets held for sale*	186	-
Total assets	6,136	5,319
EQUITY AND LIABILITIES		
Equity	3,997	3,378
Long-term liabilities		
Long-term interest-bearing liabilities	181	185
Deferred tax liabilities	329	281
Other non-current liabilities	59	41
Total long-term liabilities	570	507
Short-term liabilities		
Short-term interest-bearing liabilities	62	79
Trade payables	295	261
Other current liabilities	1,186	1,094
Total current liabilities	1,544	1,434
Liabilities directly associated with the assets held for sale*	26	-
Total liabilities	2,139	1,941
Total equity and liabilities	6,136	5,319

*Pertains to the divestment of Automation Engineering, Inc. (AEi). The divestment was completed after the close of the period, at the beginning of February 2022.

Consolidated cash flow statements in summary, SEK million	Q4		Jan-Dec	
	2021	2020	2021	2020
Profit/loss before tax	203	211	1,046	890
Adjustments for non-cash items and paid income tax	100	54	20	18
Change in working capital	-63	30	-68	218
Cash flow from operating activities	240	296	998	1,126
Cash flow from investing activities	-130	-27	-1,223	-150
Cash flow from financing activities	-328	-22	-437	-288
Cash flow for the period	-218	247	-662	689
Cash and cash equivalents, opening balance	887	1,089	1,303	655
Exchange difference for cash and cash equivalents	14	-33	51	-41
Cash and cash equivalents classified as assets held for sale	-1	-	-9	-
Cash and cash equivalents, closing balance	683	1,303	683	1,303

Consolidated statement of changes in equity in summary, SEK million	Jan-Dec	
	2021	2020
Opening balance	3,378	2,978
Dividend to owners	-294	-196
Dividend to non-controlling interests	-4	-1
Change of non-controlling interests*	-13	-
Swap agreement related to own shares	10	-15
Repurchase of own shares	-23	-
Equity-settled share based payments	6	5
Total comprehensive income	938	606
Closing balance	3,997	3,378
Of which holdings of non-controlling interests	42	14

*Pertains to the acquisition of the non-controlling interest in Axxon Piezoelectric Technology Co, Ltd as well as non-controlling interests in Shenzhen Huan Cheng Xin Precision Manufacture Co., Ltd.

Other key figures *	Jan-Dec	
	2021	2020
Equity per share, SEK	40.94	34.58
Return on equity (rolling 12 months), %	22.4%	22.1%
Return on capital employed (rolling 12 months), %	26.9%	26.1%
Net cash, SEK million	440	1,039
Average number of employees	1,683	1,506

*In addition to Key Figures presented on page 1. See calculations on page 20.

Parent Company

Profit/loss accounts in summary, Parent Company, SEK million	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales	727	645	2,557	2,381
Cost of goods sold	-386	-275	-1,165	-970
Gross profit	341	370	1,392	1,411
Other operating expenses	-181	-270	-598	-808
EBIT	160	100	794	604
Result from financial items	6	-67	140	90
Profit/loss after financial items	166	33	934	694
Appropriations	-199	-157	-199	-157
Profit/loss before tax	-33	-125	735	537
Tax	-2	8	-135	-103
Net Profit/loss	-35	-116	600	434
Total comprehensive income	-35	-116	600	434

Balance sheets in summary, Parent Company, SEK million	31 Dec 21	31 Dec 20
ASSETS		
Fixed assets		
Intangible and tangible assets	119	162
Financial assets	2,915	1,842
Total fixed assets	3,034	2,005
Current assets		
Inventories	512	494
Current receivables	641	722
Cash and cash equivalents	116	719
Total current assets	1,269	1,936
TOTAL ASSETS	4,303	3,941
EQUITY AND LIABILITIES		
Equity	2,486	2,188
Untaxed reserves	1,275	1,076
Long-term interest-bearing liabilities	-	9
Other non-current liabilities	1	1
Total long-term liabilities	1	10
Short-term interest bearing liabilities	8	17
Other current liabilities	532	650
Total current liabilities	540	667
TOTAL EQUITY AND LIABILITIES	4,303	3,941

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 year-end report.

The nature of financial assets and liabilities is, in all material respects, the same as on December 31, 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, which 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

After the end of the period, two orders, each for one SLX, were received. At the beginning of February 2022, Mycronic's division Global Technologies finalized the divestment of AEI to Singapore-based ASM Pacific Technology. The effects of the divestment are not material for the Group's financial position and will be disclosed in the first quarter.

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue by geographical market, SEK million	Q4		Jan-Dec	
	2021	2020	2021	2020
EMEA	231	191	642	580
North and South America	297	119	669	497
Asia	766	682	3,323	2,804
	1,295	992	4,635	3,882
Revenue by type of good/service, SEK million				
System	929	686	3,340	2,707
Aftermarket	366	306	1,295	1,174
	1,295	992	4,635	3,882
Timing of revenue recognition, SEK million				
Goods transferred at a point in time	1,053	809	3,817	3,122
Services transferred over time	242	183	818	760
	1,295	992	4,635	3,882

NOTE 6 SEGMENT REPORTING

SEK million	Q4		Jan-Dec	
	2021	2020	2021	2020
Net sales by Division				
Pattern Generators	399	385	1,645	1,563
High Flex	368	331	1,176	1,079
High Volume	283	203	1,200	873
Global Technologies	252	93	657	412
Internal net sales between divisions	-7	-20	-44	-46
	1,295	992	4,635	3,882
EBIT by Division				
Pattern Generators	146	201	832	889
High Flex	59	25	136	33
High Volume	17	30	231	181
Global Technologies	21	-8	-3	-87
Group functions etc	-40	-35	-149	-115
Amortization of previously acquired intangible assets	-	-1	-2	-4
Effects from IFRS 16	2	1	3	2
Group	204	214	1,049	898
SEK million			31 Dec 21	31 Dec 20
Assets by Division				
Capitalized Development Costs				
Pattern Generators			72	69
High Flex			54	47
			126	116
Inventories				
Pattern Generators			411	357
High Flex			244	292
High Volume			568	418
Global Technologies			148	117
			1,363	1,181
Trade Receivables				
Pattern Generators			182	247
High Flex			240	213
High Volume			117	89
Global Technologies			118	52
			658	601

NOTE 7 RESEARCH AND DEVELOPMENT EXPENSES

Research and development costs, SEK million	Q4		Jan-Dec	
	2021	2020	2021	2020
R&D expenditures				
Pattern Generators	-57	-59	-219	-222
High Flex	-45	-42	-177	-186
High Volume	-24	-29	-107	-87
Global Technologies	-23	-14	-68	-66
	-148	-144	-570	-561
Capitalization of Development Costs				
Pattern Generators	5	8	17	60
High Flex	9	7	29	25
	14	16	46	85
Amortization of Acquired Technology				
High Flex	-1	-1	-4	-4
High Volume	-2	-1	-5	-5
Global Technologies	-6	-2	-16	-10
	-9	-4	-25	-19
Impairment of Acquired Technology				
Global Technologies	-	-	-	-18
Reported cost	-143	-132	-548	-514

NOTE 8 BUSINESS COMBINATIONS

Acquisition of atg L&M

During the second quarter, 100 percent of the shares in atg Luther & Maelzer GmbH was acquired. 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. 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. 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. The purchase price allocation was finalized in the fourth quarter without any material changes. According to the purchase price allocation, goodwill amounts to SEK 656 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.

Acquisition of HC Xin

During the fourth quarter, 70 percent of the shares in Shenzhen Huan Cheng Xin Precision Manufacture Co., Ltd (HC Xin) was acquired with an option to acquire the remaining 30 percent in 2025 based on a pre-defined earnings multiple. The value of the option is not deemed to be significant as per year-end. HC Xin with around 120 employees, is headquartered in Shenzhen and produces automated screen printers and pick & place machines. China is the company's dominating market, accounting for 95 percent of sales. In 2020, sales in the acquired operation amounted to almost SEK 100 million. Following the transaction, HC Xin becomes part of Mycronic's High Volume division. Work to assign values to acquired assets and liabilities is ongoing and the purchase price allocation is therefore still preliminary as of December 31. Goodwill amounts to SEK 87 million in the preliminary purchase price allocation. The full goodwill method has been applied. The company was consolidated in the Mycronic Group as of November 1, 2021.

	atg L&M	HC Xin
SEK million	2021	2021
Acquisition price		
Cash paid for the acquisition	1,063	92
Deferred considerations for the acquisition	-	-
Total	1,063	92
Acquired assets and liabilities at fair value		
Intangible assets	273	23
Tangible assets	15	0
Long-term receivables	7	0
Inventories	97	18
Current receivables	135	25
Cash and cash equivalents	36	5
Non-current liabilities	-38	-6
Current liabilities	-117	-22
Total	407	44
Non-controlling interests	-	40
Goodwill	656	87
Changes in consolidated cash and cash equivalents as of the acquisition		
Cash paid for the acquisition	1,063	92
Cash and cash equivalents in acquired subsidiaries	-36	-5
Total	1,027	87

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.

	Jan-Dec	
	2021	2020
Return on equity		
Net profit/loss (rolling 12 months)	827	703
Average shareholders' equity	3,687	3,178
	22.4%	22.1%
Return on capital employed		
Profit/loss before tax (rolling 12 months)	1,046	890
Financial expenses	14	14
Profit/loss before financial expenses	1,060	904
Average balance sheet total	5,728	5,059
Average non-interest-bearing liabilities	1,787	1,591
Average capital employed	3,941	3,469
	26.9%	26.1%
Book-to-bill		
Order intake	4,506	3,687
Net sales	4,635	3,882
	1.0	0.9
EBITDA		
EBIT	1,049	898
Depreciation/Amortization	205	214
	1,254	1,112
Underlying EBIT		
EBIT	1,049	898
Acquisition-related costs included in:		
Cost of goods sold	30	-
Operating expenses	67	77
	1,146	975
Equity per share		
Equity at balance day	3,997	3,378
No. of outstanding shares at end of period, thousand	97,635	97,685
	40.94	34.58
Earnings per share before/after dilution, SEK		
Net Profit/loss attributable to owners of the Parent Company	828	694
Average no. of outstanding shares before dilution, thousand	97,649	97,743
Average no. of outstanding shares after dilution, thousand	97,709	97,763
	8.48	7.10
Net cash, SEK million		
Cash and cash equivalents	683	1,303
Interest-bearing liabilities	-243	-264
	440	1,039

Quarterly data	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20
Order intake								
Pattern Generators	384	407	209	233	403	122	111	725
High Flex	284	334	279	323	269	296	171	297
High Volume	328	236	381	391	163	235	314	271
Global Technologies	245	282	144	90	51	89	74	143
Internal order intake between divisions	-7	-17	-11	-10	-20	-4	-19	-3
	1,234	1,242	1,002	1,027	865	739	651	1,432
Order Backlog								
Pattern Generators	744	759	617	797	1,156	1,138	1,522	1,915
High Flex	130	214	150	134	86	148	81	166
High Volume	809	759	758	692	669	711	708	610
Global Technologies	291	299	249	82	57	100	114	169
	1,975	2,030	1,774	1,706	1,969	2,096	2,425	2,860
Net Sales								
Pattern Generators	399	265	389	592	385	506	503	169
High Flex	368	271	262	276	331	237	248	263
High Volume	283	235	315	368	203	224	225	220
Global Technologies	252	232	107	66	93	104	128	87
Internal net sales between divisions	-7	-17	-11	-10	-20	-4	-19	-3
	1,295	986	1,064	1,291	992	1,068	1,086	736
Gross Profit								
Pattern Generators	224	154	252	476	283	404	361	109
High Flex	152	111	97	110	136	98	99	92
High Volume	91	87	166	165	68	84	98	102
Global Technologies	86	52	41	21	32	35	49	30
	553	405	555	772	519	622	605	334
Gross Margin								
Pattern Generators	56.0%	58.0%	64.6%	80.4%	73.6%	79.7%	71.7%	64.6%
High Flex	41.2%	40.8%	36.9%	40.1%	41.0%	41.2%	39.9%	35.1%
High Volume	32.1%	37.2%	52.6%	44.8%	33.3%	37.3%	43.4%	46.2%
Global Technologies	34.1%	22.6%	37.9%	32.1%	34.4%	33.6%	38.2%	34.8%
	42.7%	41.0%	52.1%	59.8%	52.3%	58.3%	55.7%	45.4%
R&D expenses								
Pattern Generators	-52	-45	-57	-47	-51	-35	-38	-39
High Flex	-37	-36	-42	-36	-36	-35	-45	-49
High Volume	-26	-28	-29	-29	-30	-22	-18	-20
Global Technologies	-29	-26	-15	-14	-15	-39	-20	-21
Total R&D expenses	-143	-136	-144	-126	-132	-130	-122	-130
Selling expenses	-152	-120	-132	-123	-76	-101	-117	-140
Administrative expenses	-65	-66	-55	-57	-66	-52	-61	-57
Other income/expenses	11	23	17	32	-31	9	-24	49
EBIT	204	106	241	498	214	348	281	55
Of which EBIT Pattern Generators	146	94	174	419	201	364	273	51
Of which EBIT High Flex	59	31	11	35	25	24	-15	-2
Of which EBIT High Volume	17	30	94	90	30	38	57	55
Of which EBIT Global Technologies	21	-16	7	-14	-8	-57	-2	-19
Of which EBIT Group functions	-40	-34	-44	-30	-35	-22	-30	-29
EBIT margin	15.8%	10.7%	22.7%	38.6%	21.5%	32.6%	25.8%	7.5%
Equity per share	40.94	38.10	36.96	38.43	34.58	33.54	33.07	31.52
Earnings per share before/after dilution	1.82	0.82	1.84	3.99	1.80	2.71	2.18	0.40
Closing share price	211.00	218.40	258.20	205.00	245.40	211.40	175.70	121.10