

RoodMicrotec N.V. publishes 2022 annual report with audited financial statements

RoodMicrotec shows strong financial performance for the year 2022.

- **Total income of EUR 16.5 million with an EBITDA of EUR 3.9 million**
- **Net profit of EUR 2.4 million**
- **Cash flow from operating activities of EUR 3.6 million**

Deventer, April 20, 2023 – RoodMicrotec N.V., a leading independent company for semiconductors supply and quality services, today publishes the Company's Annual Report for the financial year 2022 including the audited consolidated and company financial statements. The 2022 Annual Report is available for download on the corporate website: www.roodmicrotec.com/en/investor-relations-en/financial-publications.

The total income for 2022 amounted to EUR 16.5 million, which is 14% higher than in 2021 (EUR 14.5 million) resulting in a second consecutive year with double-digit growth. Notably, this is the highest total income since 2000, and it shows that RoodMicrotec is focusing on the right fast-growing future-oriented markets.

“Once again, we managed to exceed the outlook and deliver a higher total income as well as a higher profit. In the first and second quarter of 2022, we generated a total income that was similar to the fourth quarter of 2021, which was a very good start of the year”, says Martin Sallenhag, CEO of RoodMicrotec. “In the third and fourth quarter of 2022, we saw a steady increase in total income making the full year the best in over 20 years. The profit before tax for the year as well as the overall liquidity put us in a good position for future investments in machinery and services. This allows us to focus on growing the business with new customer engagements.”

Throughout the year, the Test Operations department continued to deliver outstanding results. The total income increased from EUR 7.9 million in 2021 to EUR 10.0 million in 2022, which is a growth of 26%. Our long term customers are increasing their demand and we are able to support them with additional capacity. In 2022, we have added both manpower and new machines to support the expanding business.

The Supply Chain Management unit is growing thanks to long-term projects. The total income increased from EUR 3.4 million in 2021 to EUR 3.5 million in 2022, a growth of 5% year-over-year. This is also driving turnover in the other units, especially in the Test Operations department.

In the Qualification & Failure Analysis department we have seen a big increase in request for counterfeit analysis. Due to the shortage of components, it is becoming more important to analyze the used components before going into mass production. RoodMicrotec is the first and only company in Germany to offer the counterfeit electronic parts standard SAE AS6081 as an accredited method according to DIN EN ISO/IEC 17025:2018.

2022 HIGHLIGHTS / MAIN DEVELOPMENTS

Financials

- Total income: EUR 16.5 million (2021: EUR 14.5 million).
- EBITDA: EUR 3.9 million (2021: EUR 2.8 million).
- Balance sheet total: EUR 17.2 million (2021: EUR 15.0 million).
- Net result: EUR 2.4 million profit (2021: EUR 1.4 million profit).
- Net cash flow from operating activities: EUR 3.6 million (2021: EUR 2.0 million).

Commercial/operational

- **RoodMicrotec** has continued to expand its services in the areas defined in the Company's technology roadmap. High frequency test solutions are being developed for our demanding customers based on this new technology and their demand for production test.
- The first projects to qualify high power electronics according AQG 324 have been started in the Qualification & Failure Analysis department. These new services have been added to handle high power devices aimed for battery management and control.
- **RoodMicrotec** and Rohde & Schwarz have been working together for over 10 years and in this period **RoodMicrotec** has carried out the test development for various high frequency ASICs used by Rohde & Schwarz in their products. **RoodMicrotec** performs wafer and component level tests as well as qualifications prior to product launch. For the coming years, further projects of this kind are already scheduled.
- The world leader in UWB (Ultra-Wideband) sensing solutions, Novelda, and **RoodMicrotec** have reached an agreement on qualification, test, and supply of a new generation of UWB devices. The Ultra-Wideband Sensor can detect the tiniest movements, even breathing and heartbeat. The cooperation with **RoodMicrotec** as European partner enables Novelda to manage faster qualification and industrialization of new products. Effective collaboration, both on engineering and management level, and combining each partner's expertise is allowing 'first time right' development of test solutions, qualification processes, and the rapid launch of production testing and supply.
- The order book is at a higher level than in the beginning of the year, even though the total income was higher than budgeted. This means that the book-to-bill ratio was above 1 for the year.
- During 2022, we have continued to progress the booked SCM projects towards production through test program development as well as qualification work. Some projects have been released for production and we start to see the first volumes for these customers. The turn-key project for a Swiss customer, which includes the design of an ASIC by a design house partner, packaging of the device in Asia, qualification, and in-house test development, is progressing well. The volume production for this device will be launched early in 2023 in the **RoodMicrotec** facility in Nördlingen.
- The nationally and internationally funded APPLAUSE project "Advanced packaging for photonics, optics and electronics for low cost manufacturing in Europe," fosters the European semiconductor value chain by building new tools, methods and processes for high volume manufacturing. **RoodMicrotec** has taken over the leadership of the work package "testing, reliability, failure analysis and metrology". The project has delivered exceptional results with significant immediate or potential impact. The progress over the last period was convincing.
- As a full and final settlement of the 2012 perpetual bond, **RoodMicrotec GmbH** has paid Robus a total settlement amount of EUR 400k nominal, i.e. without any interest, in two equal nominal installments of EUR 200k on February 28, 2022 and June 30, 2022. This final settlement has been reached before and confirmed by the Regional Court of Hamburg in February 2022.

Events after balance sheet date

- RoodMicrotec GmbH has entered into an agreement for a full and final settlement with Prime Capital Debt SCS, SICAV-FIS – Robus Recovery Sub-Fund (“Robus”) regarding the perpetual bond that RoodMicrotec GmbH issued in 2010 and which is held by Robus.

Following an oral hearing held on March 7, 2023, both parties have reached agreement on a full and final settlement that was reached before and confirmed by the Regional Court of Frankfurt am Main. Pursuant to the settlement, RoodMicrotec GmbH shall pay a total amount of EUR 2,194k (110% of the nominal value of the perpetual bond issued in 2010), in four equal installments of EUR 548k, by March 31, June 30, September 30, and December 31, 2023.

Key figures

(x EUR 1,000 unless stated otherwise)	2022	2021
Results & Cash		
Total income	16,548	14,532
EBITDA	3,898	2,786
EBITDA as % of total income	23.6%	19.2%
EBIT (operating result)	2,451	1,227
EBIT as % of total income	14.8%	8.4%
Profit (loss) before tax	2,271	1,038
PBT as % of total income	13.7%	7.1%
Net result	2,380	1,435
Net cash position (year-end)	3,682	2,558
Net cash flow from operating activities	3,553	2,049
Capital, Debt & Liquidity Ratios (at year-end)		
Total assets	17,197	15,014
Equity	7,850	5,583
Net debt ¹	-805	374
Invested capital (net debt + equity)	7,045	5,957
Gearing ratio (net debt / invested capital)	-11%	6%
Solvency (equity / total assets)	46%	37%
Debt ratio (net debt / EBITDA)	-0.2	0.1
Net working capital (working capital - net cash position)	211	317
Net working capital ratio (net working capital / total income)	1.3%	2.2%
ROCE (EBIT / average invested capital)	37.7%	21.0%
Assets (at year-end)		
Tangible and intangible fixed assets	8,765	8,295
Investments in (in)tangible fixed assets	1,743	681
Depreciation of (in)tangible fixed assets	1,447	1,559
Data per share (x EUR 1)		
Equity	0.105	0.074
Operating result	0.033	0.016
Net cash flow from operating activities	0.047	0.027
Net result	0.032	0.019
Share price: year end	0.205	0.201
Share price: highest in the year	0.215	0.267
Share price: lowest in the year	0.171	0.176
Other information		
Number of issued shares at year end (in millions of shares)	75.1	75.1
Average number of employees (FTE)	94	89
Total income / average FTE	176	163
Market capitalization (in EUR millions)	15.4	15.1

¹ net debt includes lease liabilities

Total income and result

In 2022, RoodMicrotec's total income of EUR 16.5 million was 14% higher than in 2021 (2021: EUR 14.5 million), with 92% of its total sales effected in the European countries.

Total income from the Automotive sector increased by 18% to EUR 8.1 million in 2022 (2021: EUR 6.9 million) and represents 49% of the total income. Total income in the Industrial / Medical sector increased by 7% to EUR 6.7 million in 2022 (2021: EUR 6.3 million) and represents 40% of the total income. The HiRel / Aerospace segment declined by 8% to EUR 0.8 million (2021: EUR 0.9 million) and with 5% only represents a small percentage of the total income. The income in this sector mainly consists of failure analysis and qualification work and this is very much depending on our customers' design cycles. Total income in other sectors increased by 105% to EUR 0.9 million (2021: EUR 0.5 million).

Total income by market sector:

(x EUR 1,000)	2022	2021	change
Automotive	8,094	6,886	17.5%
Industrial / Medical	6,683	6,270	6.6%
HiRel / Aerospace	849	926	-8.3%
Others	922	450	104.9%
Total	16,548	14,532	13.9%

Throughout 2022, the Test Operations unit showed a strong increase, which was related to the superior services and the excellent position RoodMicrotec has with its existing and new customers. The Supply Chain Management unit showed a limited increase compared to last year. The sharp increase in the second half of 2022 compared to the first half of 2022 was due to a higher demand for existing products as well as the production ramp-up in the context of new long-term contracts. In 2022, the Qualification & Failure Analysis unit saw a decrease compared to 2021. However, the total income for the second half of 2022 was 9% higher than for the first half of 2022, which shows that new customer projects are now starting.

Total income results per operational unit:

(x EUR 1,000)	2022	2021	change
Supply Chain Management	3,533	3,364	5.0%
Test Operations	10,035	7,938	26.4%
Qualification & Failure Analysis	2,980	3,230	-7.7%
Total	16,548	14,532	13.9%

Operating result

The Company recorded an operating result for 2022 of EUR 2.5 million compared to EUR 1.2 million in 2021, and thus an increase of 99.8%. The increase in total income only led to a modest rise of expenses for raw materials and consumables (in 2021, expenditures for raw materials and consumables were exceptionally high due to a high level of wafer deliveries). Combined with a lower increase in operating expenses than in total income, this led to an increase in the operating margin from 8.4% in 2021 to 14.8% in 2022.

Net result

The Company recorded a net result of EUR 2.4 million profit for 2022, which is an increase of 65.9% compared to 2021.

Personnel and organization

During 2022, RoodMicrotec continued to optimize the organization to keep track with the changing demands from customers and markets. Furthermore, highly experienced personnel has been recruited for support of the Company's future plans. The average number of full-time employees (FTE) in 2022 was 94. Total income per average full-time employee increased to EUR 176,000 from EUR 163,000 in 2021. RoodMicrotec's policy is to strive for growth of sales per FTE.

Looking back, RoodMicrotec got through the COVID-19 period very well and without any material impact on staffing levels. The measures taken with facial masks, distance between the working places, home offices, and general care, offered a safe environment for all employees.

Outlook

RoodMicrotec expects the total income for 2023 to be in the range of EUR 17.0 million to EUR 17.5 million, with a profit before tax of 5-10% and thus in line with the financial targets. The geopolitical situation in the world and the current energy crisis throughout Europe could have an impact on the Company's business. The Management is keeping a close eye on the situation and is doing everything possible to mitigate any potentially negative impact.

Conference call

You are invited to take part in RoodMicrotec's conference call for shareholders, financial press, and analysts via Microsoft TEAMS on

Thursday, April 20, 2023 at 9:30 CEST.

The Board of Management, Martin Sallenhag and Arvid Ladega, will comment on the Annual Report 2022 in detail and will answer your questions.

To join the event please follow these login instructions:

Join with your computer or mobile app [Click here to join the meeting](#)

Or call in (audio only)

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Phone Conference ID: 124 673 558#

Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders of the Company will be held on Tuesday, June 6, 2023 at 15:00 CEST at the Amsterdam Stock Exchange (EURONEXT), Beursplein 5, 1012 JW Amsterdam, the Netherlands.

The convening notice (including registration and voting instructions) and the agenda with explanatory notes, as well as all other meeting documents for the AGM, including the 2022 Annual Report and the 2023 Remuneration Policy are available for download on our corporate website:

www.roodmicrotec.com/en/investor-relations-en/annual-general-meeting.

Financial calendar

June 6, 2023	Annual general meeting of shareholders
July 20, 2023	Publication interim report 2023
July 20, 2023	Conference call for media, analysts and shareholders
October 19, 2023	Trading update quarter 3-2023

Forward-looking statements

This press release contains a number of forward-looking statements. These statements are based on current expectations, estimates and prognoses of the Board of Management, and on the information currently available to the Company. The statements are subject to certain risks and uncertainties which are hard to evaluate, such as the general economic conditions, interest rates, exchange rates, and amendments to statutory laws and regulations. The Board of Management of RoodMicrotec cannot guarantee that its expectations will materialize. Furthermore, RoodMicrotec does not accept any obligation to update the statements made in this press release.

About RoodMicrotec

RoodMicrotec is a leading independent company for semiconductor supply and quality services. With more than 50 years of experience in the semiconductor and electronics industry, RoodMicrotec is well-established as a highly valued partner for many companies worldwide. The Company provides full-turnkey ASIC services for complex microchips that are customized to handle specific applications for individual customers. In cooperation with strong partners, RoodMicrotec manages the entire development and production flow of ASICs in the target volume, ranging from low quantities up to multiple millions per year. The turnkey solution includes project management, wafer test, assembly, final test, qualification, failure analysis, and logistics. All services comply with the industrial and quality requirements of the high reliability, aerospace, automotive, healthcare, and industrial sectors. RoodMicrotec's headquarter is located in Deventer, Netherlands, with operational units in Nördlingen and Stuttgart, Germany.

For more information visit <https://www.roodmicrotec.com>

Further information

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This press release is published in English only.