

Martin Sallenhag, CEO
Reinhard Pusch, COO
Arvid Ladega, CFO

RoodMicrotec N.V.

'Rembrandt'; Dokter van Deenweg 58
NL-8025 BC Zwolle

☎ +31 38 4215216

@ investor-relations@roodmicrotec.com

🌐 www.roodmicrotec.com



Zwolle – 14th March 2019

PRESS RELEASE

RoodMicrotec reports unaudited annual figures for 2018: Positive net result of EUR 0.13 million and sales revenue increase of 11% year-on-year

- Sales revenue climbs 11% to a level of EUR 13.4 million
- Positive net result of EUR 0.13 million
- Cash flow from operating activities of EUR 0.56 million positive

Zwolle, 14th March 2019 – RoodMicrotec N.V., the leading independent company for semiconductors supply and quality services, released today its unaudited annual figures for 2018. The company reports a positive result of EUR 0.13 million, which includes EUR 0.39 million in one-time costs related to the legal case previously reported, VAT corrections and pension obligations corrections. The company increased its sales revenue by 11% to EUR 13.4 million. Another strong leading indicator is the positive cash flow from operating activities which the company achieved during 2018.

The revenue shows a strong and steady increase in Supply Chain Management and Test Operations which continues to run at a good utilization level. In Qualification & Failure Analysis the order situation is steadily improving. The consistent increase in revenue in the automotive market sector also shows that RoodMicrotec is well positioned in one of the fast-growing sectors for the future. The order book at the end of 2018 is higher than the year before and this enables RoodMicrotec to plan the production capacity moving into 2019.

Martin Sallenhag, CEO RoodMicrotec: *"2018 was another very good year for RoodMicrotec. We strengthened our position in the ASIC sector by moving additional SCM projects into production and being chosen by EnSilica as a key partner for an automotive project. Consequently, we were able to increase revenue and achieve a positive net result in 2018. The increase of the order books compared to the beginning of 2018 together with high staff motivation levels and improvements in operational efficiency gives us confidence in our sustainable growth."*

2018 HIGHLIGHTS

Commercial/operational

- Solid growth of 11% in sales revenue, EUR 13.4 million (2017: EUR 12.1 million).
- Significant increase in sales revenue in Test Operations and Supply Chain Management.
- Continued growth of business in the two major market segments - automotive and industrial.
- The book-to-bill ratio in 2018 was above 1.0 which gives us a higher order book at the end of 2018 compared to the year before.
- RoodMicrotec was chosen by EnSilica, UK as key partner for an automotive ASIC project for which we perform qualification and test services. Volume production will start in 2020.

- During 2018 we have moved additional SCM projects into production which contributed to the significant increase in SCM revenue with 34% year on year.
- The increase in SCM revenue also brought additional business to the Test Operations unit which showed a growth of 22% year on year.
- Additional partners have been added to the existing major collaboration agreements with several European leading and successful Fabless Companies (design houses).
- Accreditation of our laboratories according to ISO/IEC 17025 and our ISO 9001:2015 certification have both successfully been renewed in 2018.
- A joint workshop about semiconductor supply chain management, organized by BCS (Business Cluster Semiconductors Netherlands) and RoodMicrotec, was successfully concluded with about 30 interested participants.
- The unit Test Engineering has been merged into Test Operations, since Test Engineering is a supporting function enabling future test to be performed in Test Operations. Failure & Technology Analysis and Qualification & Reliability Investigations have been merged into the new unit Qualification & Failure Analysis. Both areas are part of the accredited laboratory.

Financials

- Sales in 2018 of EUR 13.4 million, 11% increase compared to 2017 (EUR 12.1 million).
- Net debt improved to EUR 0.9 million (2017: EUR 2.4 million).
- EBITDA: EUR 1.4 million positive (2017: EUR 0.9 million positive).
- EBIT (operating result) EUR 0.37 million positive (2017: EUR 0.07 million negative).
- Net profit: EUR 0.13 million positive (2017: EUR 0.04 million negative).
- Solvency increased to 38% (2017: 36%).
- Balance sheet total increased to EUR 13.6 million (2017: 13.4 million).
- The plan assets related to the pension obligations with Plentum were written down by EUR 0.94 million due to changes in the portfolio valuation.
- RoodMicrotec started legal proceedings against a debtor concerning a dispute about the (non)fulfilment of the contractual obligations as per agreement between the parties, EUR 0.13 million has been taken as provisions.
- One-time extraordinary costs of EUR 0.26 million taken for VAT and pension corrections (2013 to 2018).
- New shares have been issued (EUR 0.50 million) to Blikkenburg BV for investments into new equipment to enable the company to speed up the transition into new business areas.
- Warrants Series III, ISIN code NL0011556972, were for the last time exercisable in December 2018 and are now delisted.
- As of 30 September 2018, the German subsidiary RoodMicrotec Dresden GmbH has been merged into RoodMicrotec GmbH.

Key figures

(EUR x 1,000 unless stated otherwise)

Unaudited

	2018	2017
Sales and result		
Net sales	13,425	12,127
Gross margin	10,880	10,157
EBITDA	1,383	949
EBIT (operating result)	365	-69
EBT	124	-327
Net result	125	-44
Cash flow from operating activities	563	628
Capital, debt & liquidity ratios		
Total assets	13,606	13,416
Group equity	5,209	4,767
Net debt	915	2,451
Capital (=net debt + equity)	6,124	7,218
Gearing ratio (net debt / capital)	15%	34%
Solvency (group equity / total assets)	38%	36%
Debt ratio (net debt / EBITDA)	0.7	2.6
Net working capital	1,932	452
Working capital ratio (current assets / current liabilities)	1.78	1.17
Assets		
Tangible and intangible fixed assets	7,683	8,451
Investments in (in)tangible fixed assets	576	1,199
Depreciation of (in)tangible fixed assets	1,018	1,018
Issue of nominal shares		
At year-end (x 1,000)	72,779	66,716
Number of FTEs (permanent)		
Average	94	91
Sales / FTE	143	133

Sales and result

The sales results broken down by customer segment:

(x EUR 1,000)	2018	2017	Change
Automotive	5,395	5,011	+8%
Industrial/Healthcare	6,024	5,563	+8%
HiRel/Aerospace	937	620	+51%
Others	1,069	933	+15%
TOTAL	13,425	12,127	11%

The increase in the automotive market is a result of the focus we have set on this very exciting market segment. The growth is anticipated to continue due to the developments with electrical cars, autonomous driving and in-car communications. Our growth in this sector is very much in line with our strategic goals to expand our activities in this industry and shows that the turnkey ASIC projects that we have booked over the last years now pay off in higher revenue.

The industrial/healthcare segment saw an increase of 8% compared to 2017 due to a clear focus to regain market shares in this segment. Some of the long-term customers have also returned with higher volumes in this segment. The increase of 51% in the HiRel/Aerospace segment is also very encouraging. It mainly consists of failure analysis and qualification work and this is very much depending on the design cycles at our customers. We still consider this area of importance to our business and foresee a future increase.

The unit Test Engineering has been merged into Test Operations, since Test Engineering is a supporting function enabling future test to be performed in Test Operations. Failure & Technology Analysis and Qualification & Reliability Investigations have been merged into the new unit Qualification & Failure Analysis. Both areas are part of the accredited laboratory.

The sales results of the operational units were as follows:

(x € 1,000)	2018	2017	Change
Supply Chain Management	3,283	2,448	+34%
Test Operations	6,060	4,964	+22%
Qualification & Failure Analysis	4,082	4,715	-13%
TOTAL	13,425	12,127	+11%

Developments

Revenue in Supply Chain Management (SCM) saw a substantial growth compared to the earlier years. This is due to some of the major SCM projects now being in volume production but also thanks to the revised organisational workflow within the department that enables us to handle the many new projects that are ramping to production over the next years in a professional way. It is very encouraging that we now see the change of strategy bearing fruit and we will focus even more on the growth in this area in the upcoming years. Our expertise in SCM is furthermore being endorsed by partnerships we have forged with other leaders in the industry.

The sales in Test Operations increased by 22% as a result of new installed test equipment together with the increase in the turnkey SCM projects. It was also very encouraging that some older customers came back with additional volumes of their old products. This shows that the flexibility of RoodMicrotec is appreciated and that we can handle

upsides of old products in a professional way. The major SCM projects that RoodMicrotec is running also contributed significantly to the increase in Test Operations since some of them are now in volume production.

Our Qualification & Failure Analysis saw a decrease in revenue from 2017 which is due to the cyclical behaviour of this business. It depends on the short-term needs of our customers for failure analysis combined with the actual start of qualification of the large ongoing projects. In 2018 we continued to promote our services in the market, and this has already paid off with a significant increase of customer inquiries. We also see additional orders coming in to support qualification of standard components for the expanding automotive market. With the excellent reputation that RoodMicrotec has in these services, we see that it is also leading to new long-term contracts with existing customers.

The RoodMicrotec management team remains positive about the future development of the company based on the considerable increase in revenue in the strategic important area of Supply Chain Management. This will also bring growth to the other areas within the company. We are also convinced that the focus on the automotive and industrial/healthcare sectors is the right strategy for the company.

Industry wide, growth of semiconductor businesses in Europe saw a 12.1% increase, with a projected 1.9% increase in 2019 (WSTS Forecast Summary November 2018). RoodMicrotec expects to outperform this since we focus on the automotive and industrial sectors where the electrification will continue to grow even in a softer economy.

Personnel and organisation

During 2018 RoodMicrotec continued the consolidation process in personnel and organisation. Furthermore, we recruit highly experienced personnel to be able to support our plans for the future.

The average number of full-time employees (FTE) was at 94 FTEs in 2018. Sales per full-time employee increased from EUR 133,000 in 2017 to EUR 143,000 in 2018. Our policy is to continue to strive for growth of sales per FTE.

Outlook

Based on several new engagements as well as an increasing number of ASIC supply chain projects in the pipeline, RoodMicrotec expects a continuing revenue increase over the next years and the company expects to report yearly improving positive net results. With a softer market and geopolitical uncertainties revenue for 2020 is expected to be in the range of EUR 16 million till EUR 18 million.

Martin Sallenhag, CEO RoodMicrotec: *“The outlook is due to a significant drop in demand from one of our customers after they lost a major project, combined with the softer market and geopolitical situation.”*

Conference call today, 14th March 2019, starts at 9:30 am

You are invited to take part in RoodMicrotec’s conference call for press and analysts on Thursday, 14th March 2019 at 9.30 am. The management will present the Unaudited Annual Figures 2018 in detail and answer your questions.

Please dial into the conference call using the following telephone number: **+31 (0) 20 531 5850** (via operator).

Financial agenda

14 March 2019	Conference call for press and analysts
04 April 2019	Publication annual report 2018
11 April 2019	Publication agenda and invitation for the annual general meeting of shareholders
25 April 2019	Final registration date for annual general meeting of shareholders
23 May 2019	Annual general meeting of shareholders
24 May 2019	Annual bondholders meeting
04 July 2019	Publication sales figures first half 2019
01 August 2019	Publication interim report 2019
01 August 2019	Conference call for press and analysts

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 materialise. 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 50 years' experience in the semiconductor and electronics industry, RoodMicrotec is well-established as a highly valued partner to 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 the 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 Zwolle, the Netherlands, with operational units in Nördlingen and Stuttgart, Germany.

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

Further information

Martin Sallenhag - CEO, Reinhard Pusch - COO, Arvid Ladega - CFO

Telephone: +31 38 4215216 Email: investor-relations@roodmicrotec.com Web: www.roodmicrotec.com

This press release is published in English, Dutch and German. In case of conflict between these versions the English version shall prevail.

This communication contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation. The company's managing director and CEO Martin Sallenhag, is responsible for arranging for the release of this document on behalf of RoodMicrotec.

Consolidated statement of profit or loss

(x EUR 1,000)	Unaudited 2018	2017
Net sales	13,425	12,127
Cost of sales	-2,545	-1,970
Gross profit	10,880	10,157
Personnel expenses	-6,555	-6,105
Other operating expenses	-2,942	-2,703
Termination benefit costs	-	-400
Total operating expenses	-9,497	-9,208
EBITDA	1,383	949
Depreciation and amortisation	- 1,018	- 1,018
EBIT	365	-69
Financial expenses	-241	-258
Profit (loss) before taxes	124	-327
Taxes	1	283
Net profit (loss)	125	-44

Consolidated statement of other comprehensive income

(x EUR 1,000)	Unaudited 2018	2017
Net profit (loss)	125	-44
Items that will not be reclassified to profit and loss:		
Remeasurement of defined benefit obligations	-117	-286
Remeasurement of defined benefit obligations – DTL	32	-16
Revaluation of land and buildings	-	586
Revaluation of land and buildings - DTL	-	-133
Sale of revalued land – DTL	71	-
Remeasurement of plan assets	-938	0
Total comprehensive income	-827	107

Consolidated statement of financial position (after appropriation of net result)

(x EUR 1,000)	unaudited 2018	2017
Assets		
Property, plant and equipment	5,303	6,023
Intangible assets	2,379	2,428
Deferred tax assets	1,420	1,284
Financial assets	81	503
Non-current assets	9,183	10,238
Inventories	593	581
Trade and other receivables	2,092	1,980
Cash and cash equivalents	1,738	617
Current assets	4,423	3,178
Total assets	13,606	13,416
Equity and liabilities		
Issued share capital	8,006	7,339
Share premium	20,517	19,906
Revaluation reserve	1,943	2,216
Retained earnings	-27,751	-27,188
Equity, attributable to equity holders of the parent	2,715	2,273
Non-controlling interests	2,494	2,494
Total equity	5,209	4,767
Loans and borrowings	2,426	2,880
Defined benefit obligation	3,374	2,899
Provisions	107	144
Non-current liabilities	5,907	5,923
Loans and borrowings	227	188
Trade and other payables	2,205	2,480
Current tax liabilities	58	58
Current liabilities	2,490	2,726
Total equity and liabilities	13,606	13,416

Consolidated Cash Flow

(X EUR 1,000)	Unaudited 2018	2017
EBITDA	1,383	949
Adjustments for:		
- Movements in net defined benefit obligations and provisions	-303	-141
- Share based payments	20	-1
- Accrued interest	-8	-25
Changes in working capital		
- Inventories	-12	-107
- Trade and other receivables	-121	-268
- Trade and other current liabilities	-236	409
Cash generated from operating activities	723	816
Interest paid	-160	-188
Net cash from operating activities	563	628
Cash flows from investing activities		
Investments in property, plant and equipment	-446	-1,127
Disposal of property, plant and equipment	326	-
Investments in intangible assets	-130	-72
Net investments in financial assets	-	4
Net cash from investing activities	-250	-1.195
Cash flows from financing activities		
Proceeds from issuance of share capital	1,258	608
Proceeds from borrowings	-	-
Repayment of borrowings	-450	-113
Net cash flow from financing activities	808	495
Net cash flow	1,121	-72
Cash -/- bank overdrafts at 1 January	617	689
Cash -/- bank overdrafts at 31 December	1,738	617
Net cash flow	1,121	-72

Accounting policies used in the preparation of the annual accounts

RoodMicrotec N.V.'s unaudited annual accounts for the financial year 2018 contain an overview of the applied accounting policies for financial reporting. The principles laid out in this overview are in accordance with the International Financial Reporting Standards as laid down by the International Accounting Standards Board (IASB) and approved by the European Commission (IFRS-EU), as applicable on 31 December 2018. The accounting policies have been applied consistently to the periods presented in this press release.

RoodMicrotec N.V. has applied all the new and amended standards and interpretations applicable to the year under review, which have been approved by the European Commission and which were in force for the period beginning 1 January 2018. None of these standards had a material effect on the Group's financial statements.

Others

The condensed financial information presented in this press release has not been audited. For the insight required to arrive at a responsible opinion concerning the financial position and the results of the company, this press release should be read in combination with the annual accounts.

RoodMicrotec N.V. will publish its annual report 2018 on 04th April 2019. The annual accounts 2018 will be submitted to the General Meeting of Shareholders for adoption on 23rd May 2019.