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PRESS RELEASE

RoodMicrotec N.V. publishes 2019 annual report with audited financial statements

- **Total income of EUR 13.2 million with an EBITDA of EUR 1.5 million**
- **Net result of EUR -0.07 million (after taxes)**
- **Cash flow from operating activities of EUR 1.2 million positive**

Deventer, 11th June 2020 – RoodMicrotec N.V., a leading independent company for semiconductors supply and quality services, today published the Company's Annual Report for the financial year 2019 including the financial statements.

You will find the complete 2019 Annual Report, which is available in English and only as an electronic version, on our corporate website: www.roodmicrotec.com/en/investor-relations-en/financial-publications.

The stable sales figure for 2019 compared to 2018 was due to the overall market situation, which also impacted our total income. We however managed to be more successful than the market and this shows that the diversity that we have in our product portfolio is a big advantage. The year started at the same level as 2018 ended, which for us was a very promising start of the year. We planned to increase the total income throughout the year and this was looking positive until the end of the summer. Then the market situation for the semiconductor industry changed and we saw a more conscious view from our customers. We however managed to keep a stable level throughout the year, even though the market showed a reduction in the second half.

"We have continued to invest for the future also during 2019. In the first half of the year we bought an Automatic Optical Inspection system for wafers, that will enable us to deliver even higher quality services to our customers. We have also purchased a new test system from National Instruments, which enables us to offer quick test solutions where the volumes are not high enough for a full-blown test system. We upgraded our FLEX test system with additional capabilities to support future automotive requirements and added a brand-new storage cabinet to be able to store customer goods under well controlled conditions until they are delivered. This is in line with our goal to increase the quality of our services every year", says Martin Sallenhag, CEO of RoodMicrotec.

Due to the global outbreak of the coronavirus (COVID-19) in the beginning of 2020 and the uncertain situation since then, it is important for us to protect our partners - employees as well as customers and suppliers. We are closely monitoring the situation and are taking steps to keep our partners safe and help to prevent the spread of the virus. We are also taking extensive measures to be able to maintain a permanent outstanding level of service as well as unimpaired business relationships with our customers and suppliers. RoodMicrotec's facilities are carrying out normal operations to further support our customers.

2019 HIGHLIGHTS / MAIN DEVELOPMENTS

Financials

- Total income: EUR 13.2 million (2018: EUR 13.4 million).
- EBITDA: EUR 1.5 million positive (2018: EUR 1.4 million positive).
- Balance sheet total: EUR 14.3 million (2018: EUR 13.6 million).
- Net result: EUR 0.07 million negative (2018: EUR 0.13 million positive).
- Cash flow from operating activities was EUR 1.2 million positive, and adjusted cash flow from operating activities (excluding impact of adopting IFRS 16, for comparison purposes) was EUR 0.9 million (2018: EUR 0.6 million).

Commercial/operational

- During the last quarter of 2018 and the first quarter of 2019 three out of the earlier reported four SCM projects under negotiation have been booked as projects and are now in the engineering phase. Production for these projects will be starting in 2020 and 2021.
- **RoodMicrotec** and CoreHW established long-term supply chain partnership.
- Test Operations business unit shows a steady increase and continues to run at a good utilization level. Qualification & Failure Analysis business unit reports a revenue increase in the second half of 2019.
- Four publicly funded projects were active during 2019, giving both new commercial contacts as well as technology developments.
- In September 2019, **RoodMicrotec** signed a contractual agreement with KERR s.r.l., who will be using their presence, knowledge and network in Italy to promote the Company and sell its services to the Italian market.
- Expanding SCM services into ASSP market through a Memorandum of Understanding with Fraunhofer Institut für Integrierte Schaltungen IIS and EBV Elektronik GmbH, announcing cooperation in production and marketing of Fraunhofer ready to use chip IP.
- **RoodMicrotec** and Totech Europe B.V. signed a cooperation agreement bundling the core competences of both companies offering long-term storage and related quality testing services of semiconductor components to the market.
- **RoodMicrotec** installed an automatic optical inspection (AOI) system, STI iFocus 505, for semiconductor wafers. The industry's requirements especially in the automotive sector are quickly developing towards a full automation of processes.

Changes in Management and Supervisory Board

- Mr. Reinhard Pusch, COO and managing director, retired mid of 2019 and Mr. Arvid Ladega was appointed CFO and managing director of **RoodMicrotec** N.V.
- Mr. Jan de Koning Gans and Mr. Klaus Dittmann were appointed managing directors of **RoodMicrotec** GmbH.
- Mr. Jeroen Tuik and Mr. Herman Bartelink stepped down from the Supervisory Board.
- Mr. Marc Verstraeten was elected as new Supervisory Board member for a period of four years during the Annual General Shareholders Meeting held in May 2019.

New auditor

- In May 2019, Baker Tilly Berk N.V. informed **RoodMicrotec** that they will stop auditing listed companies as from financial year 2019. After an intense search, **RoodMicrotec** decided to appoint KPMG Accountants N.V. as auditor for the coming four years. This will bring stability to the Company with this long-term engagement.

Key figures

(x EUR 1,000)	2019	2018
Results		
Total income	13,217	13,425
EBITDA	1,539	1,383
EBIT (operating result)	123	365
EBT	-87	124
Cash flow from operating activities	1,156	563
Net result	-73	125
Capital, Debt & Liquidity Ratios		
Total assets	14,294	13,606
Group equity	3,945	5,209
Net debt	1,472	915
Capital (net debt + equity)	5,416	6,124
Gearing ratio (net debt/ capital)	27%	15%
Solvency (group equity / total liabilities)	28%	38%
Debt ratio (net debt / EBITDA)	1.0	0.7
Net working capital	1,505	1,933
Working capital ratio	0.72	1.78
Assets		
Tangible and intangible fixed assets	9,404	7,682
Investments in (in)tangible fixed assets	1,895	576
Depreciation of (in)tangible fixed assets	1,416	1,018
Data per share (x EUR 1.-)		
Group equity	0.053	0.072
Operating results	0.002	0.005
Cash flow	-0.010	0.015
Net result	-0.001	0.002
Share price: at year-end	0.247	0.250
Share price: highest	0.284	0.390
Share price: lowest	0.202	0.234
Issue of nominal shares		
At year-end (x 1,000)	74,896	72,779
Number of FTE's (permanent)		
At year-end	98	93
Average	96	94
Total income / Average FTE's (permanent)	138	143

Sales and result

In 2019, RoodMicrotec's total income came in 1.5% lower than 2018 at EUR 13.2 million (2018: EUR 13.4 million) with 94% of its total sales in the European countries. The total income was affected by the decline in the semiconductor industry sales. The decrease in total income in RoodMicrotec was less than the 7.3% decline reported by the Semiconductor Industry Association (SIA) for the total industry sales in Europe. The worldwide semiconductor industry declined by 12.1% (2018: +13.7%).

Total income in the industrial / healthcare sector rose by 14% to EUR 6.9 million (2018: EUR 6.0 million) and represents 52% of the total income. This was mainly due to the ramp-up of new industrial and healthcare projects but also increased demand from already existing customers. Total income from the automotive sector declined in 2019 by 13% to EUR 4.7 million (2018: EUR 5.4 million). This decline was due to a loss of a major project by one of our customers which resulted in a drop in demand. The HiRel / Aerospace segment declined by 9% to EUR 0.8 million (2018: EUR 0.9 million). The total income in this sector mainly consists of failure analysis and qualification work and this is very much depending on the design cycles at our customers. Total income in other sectors declined by 24% to EUR 0.8 million (2018: EUR 1.1 million).

Total income by market sector:

(x EUR 1,000)	2019	2018	change
Automotive	4,674	5,395	-13%
Industrial/Healthcare	6,883	6,024	14%
HiRel / Aerospace	852	937	-9%
Others	808	1,069	-24%
Total	13,217	13,425	-1.5%

In 2019 the total income in the operational unit Test Operations came in 7% higher, at EUR 6.5 million (2018: EUR 6.1 million) and continues to run at a good utilization level. The total income in the unit Qualification & Failure Analysis declined by 12% to EUR 3.6 million (2018: EUR 4.1 million). In the second half of 2019 the unit reported an increase in total income thanks to new customer engagements. Total income in the Supply Chain Management unit declined by 5% to EUR 3.1 million (2018: EUR 3.3 million) mainly due to one specific, cancelled customer project which had started to ramp up in the fourth quarter of 2018 but was stopped at the end of 2018 and affected the total income in the automotive market sector.

Total income results per operational unit:

(x EUR 1,000)	2019	2018	change
Supply Chain Management	3,131	3,283	-5%
Test Operations	6,482	6,060	7%
Qualification & Failure Analysis	3,604	4,082	-12%
Total	13,217	13,425	-1.5%

Developments

The Test Operations business unit shows a steady increase, +7% compared to 2018, and continues to run at a good utilization level. Some older customers came back with additional volumes of their old products which 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 sales in Test Operations since some of them are now in volume production. The installation of the new automatic optical inspection system for wafers improved the already high quality of service provided by RoodMicrotec to our customers. This has already generated additional interest from new customers in the services by RoodMicrotec.

The decrease in revenue in the Supply Chain Management business unit compared to 2018 is mainly due to the cancelled customer project, which had started to ramp-up in the fourth quarter of 2018 but was stopped at the end of 2018. Without this project, the revenue of this business unit is maintained at a stable level with a positive view of the coming years based on new customer orders. The change of strategy is now bearing fruit with a more predictable load situation 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 Qualification & Failure Analysis business unit reports a revenue increase in the second half of 2019 thanks to new customer engagements. During 2019 we continued to promote our services in the market with for example a technology seminar relating to electrical over stress and how to reduce the impact of this with services that RoodMicrotec offers. This has already paid off with a significant increase of customer inquiries and we 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.

Personnel and organization

During 2019, RoodMicrotec continued the consolidation process in personnel and organization. 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 96 FTEs in 2019. Sales per full-time employee decreased from EUR 143,000 in 2018 to EUR 138,000 in 2019. Our policy is to strive for growth of sales per FTE.

Impact due to COVID-19 pandemic

The worldwide outbreak of COVID-19 creates significant levels of uncertainties, which are seen in all industries across the globe, and has a negative effect on sales, operations, profit and cash flows in 2020 and possibly also in 2021. Additionally, the Company's secured bond loan matures on 30 June 2021 and the possibilities to refinance it are also negatively affected by COVID-19.

The projections for semiconductor market for 2020 are mixed, according to IDC the year-on-year growth of the semiconductor market will decrease by 6% (with a 54% possibility). For the first quarter of 2020 compared to the same period in 2019 a decline in revenue of 4% is reported. In the short-term management expects there will be lower demand for systems and some impact to component availability, but as recovery sets in, growth will return to the market. The automotive market shows a significant drop in demand in our major market Germany. The industrial market may suffer somewhat from automotive but positive signs are seen from the medical chip market. With lower productivity and revenue management has decided to introduce short-time work and reduce the personnel expenses.

Outlook

At this stage, it is not possible to reliably forecast either the duration of the COVID-19 disruption or its impact on the Company's business and financial results for 2020 and 2021. RoodMicrotec accordingly withdraws all its earlier guidance for 2020 and 2021 and will provide further updates as and when appropriate.

Conference call

You are invited to take part in RoodMicrotec's conference call for financial press and analysts on
Thursday, 11th June 2020 at 9:30 CEST.

The management will present the Annual Report 2019 in detail and answer your questions.

The dial-in number for the call is: **+31 (0)20 531 5863** (via operator)

Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders of the Company will be held by webcast (virtual meeting) on Thursday, 23rd July 2020 at 15:00 CEST. In light of the COVID-19 pandemic and the ongoing safety measures imposed by the Dutch government, the Board of Management and Supervisory Board have decided to organize the AGM in such manner, that it can only be attended by registered shareholders through a webcast. Shareholders do not have the option to attend the AGM in person, as the Meeting will only be held remotely via a digital platform (virtual meeting).

The convening notice (including registration and voting instructions) and the agenda with explanatory notes, as well as all other meeting documents for the AGM (e.g. the 2019 Annual Report including the financial statements, the 2019 Remuneration Report, the Remuneration Policy) are available from today onwards on our corporate website: www.roodmicrotec.com/en/investor-relations-en/annual-general-meeting.

Financial calendar

11 th June 2020	Conference call for financial press and analysts
23 rd July 2020	Annual General Meeting of Shareholders
24 th July 2020	Annual Bondholders Meeting
30 th July 2020	Publication interim report 2020
30 th July 2020	Conference call for financial press and analysts
15 th October 2020	Trading update quarter 3 of 2020

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 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 headquarters are located in Deventer, Netherlands, with operational units in Nördlingen and Stuttgart, Germany.

Further information

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This press release is only published in English.