

PRESS RELEASE

Zwolle, 10 March 2016

RoodMicrotec: EBITDA improved in 2015; new contracts boost our future sales expectations

2015 HIGHLIGHTS

Commercial/operational

- Two big contracts in automotive sector, EUR 25 million and EUR 20 million over 10 years
- Contract with OEM in the industrial sector, approximately EUR 9 million over 10 years
- Strengthened relationship with large players (wafer foundries, assembly houses and design houses)
- Collaboration agreement with leading design houses in Europe
- Two publicly funded projects in the area of Industry 4.0 / IoT
- Several new qualification orders according automotive standard AEC-Q100
- Strengthened management team with addition of Martin Sallenhag as CTO
- Continued focus on supply chain management activities by addition of experienced project manager
- Investments in Automotive Competence Center that resulted in new contracts and new prospects
- Successful seminar on automotive qualification held with many industry participants

Financials

- Sales in 2015 of EUR 10.3 million, 3% increase compared to 2014 (EUR 10.0 million)
- Net debt position decreased by 24% to EUR 1.6 million (2014: EUR 2.2 million)
- EBITDA: EUR 0.3 million negative (2014: EUR 0.7 million negative)
- EBIT (operating result) EUR 1.2 million negative (2014: EUR 1.5 million negative)
- Net income: EUR 1.4 million negative (2014: EUR 1.7 million negative)
- Solvency increased to 41% (2014: 27%)
- Balance sheet total decreased to EUR 11.3 million (2014: 13.6 million) due to netting of pension liabilities and pension assets
- Early January 2016, a final agreement was made with Grant Thornton regarding the audit fees 2014. Total additional audit-related fees and legal fees to finalise the annual report 2014, accounted for in 2015, were € 0.2 million
- Early March 2016, a group of investors committed to provide an amount of up to EUR 1.5 million to enable required investments in equipment in 2016 (see press release 3 March 2016)

Key figures

(EUR x1,000 unless stated otherwise)

	IFRS 2015	IFRS 2014	Unaudited Change
Result			
Net sales	10,250	9,971	3%
Gross margin	8,431	8,184	3%
EBITDA	-313	-722	57%
EBIT (operating result)	-1,242	-1,514	18%
EBT	-1,429	-1,675	15%
Net result	-1,439	-1,693	15%
Capital, debt & liquidity ratios			
Total assets	11,347	13,617	-17%
Group equity	4,650	3,706	25%
Net debt	1,635	2,159	-24%
Capital (=net debt + equity)	6,285	5,865	7%
Gearing ratio (net debt / capital)	26%	37%	-11%
Solvency (group equity / total liabilities)	41%	27%	14%
Debt ratio (net debt / EBITDA)	-5.22	-2.99	-74%
Net working capital	523	-125	n/a
Working capital ratio (current assets / current liabilities)	1.25	0.95	32%
Assets			
Tangible and intangible fixed assets	7,169	7,308	-2%
Investments in (in)tangible fixed assets	790	499	58%
Depreciation of (in)tangible fixed assets	929	792	17%
Issue of nominal shares			
At year-end (x 1,000)	54,411	43,519	25%
Number of FTEs (permanent)			
Average	94	97	-3%

Sales and result

In 2015, RoodMicrotec's sales increased by 3% compared to 2014.

Net sales are presented below, broken down by customer category/sector (market segment).

(x EUR 1,000)	2015	2014	approx. change
Automotive	3,021	2,671	+13%
Telecoms	211	239	-12%
Industrial/Medical	5,201	5,545	-6%
Electronic Data Processing	551	527	+5%
Consumer	598	478	+25%
Hi-rel/Space	668	511	+31%
Total	10,250	9,971	+3%

The increase in the automotive market is mainly due to the announced new orders and growth of recurring business of running projects. Industrial market with a slight decrease from 2014 to 2015 but a stable growth over the year. In this segment we started several projects which will create growing and recurring revenue for the coming years. Hi-rel/space market increases significantly due to several new and some running projects. This growth will continue into next years.

The sales results of the business units were as follows:

(x EUR 1,000)	2015	2014	approx. change
Test	3,676	3,503	+5%
Supply Chain Management	2,348	2,850	-18%
Failure & Technology Analysis	1,655	1,517	+9%
Test Engineering	437	516	-15%
Qualification & Reliability	2,134	1,585	+35%
Total	10,250	9,971	+3%

The growth in the BU Qualification & Reliability Investigation was the result of an increase of qualification orders from automotive, industrial and space customers. The increase in the BU Failure & Technology Analysis was due to the fact that the company has strengthened its reputation in the market and also offers new services. Sales in the BU Test increased as a result of a growing market in existing products. Decrease in sales of the BU Supply Chain Management was related to a temporary market driven slowdown of our main customer. This is expected to recover in 2016. The BU Test Engineering invested effort in the internal development of tools and procedures to prepare the BU Test for the increasing demand in the future.

Sales by market segment in the second half of 2015 vs. first half of 2015

(EUR x 1,000)	HY2	HY1	approx. change
Automotive	1,563	1,457	+7%
Telecom	131	80	+64%
Industrial/Medical	2,725	2,476	+10%
Electronic Data Processing	292	259	+13%
Consumer	270	329	-18%
Hi-Rel/Space	357	311	+15%
Total	5,338	4,912	+9%

The recovery in the second half 2015 was seen in all relevant market segments. Key customers continue to grow in industrial and hi-rel/space market in the second half 2015.

Sales by business unit in the second half of 2015 vs. first half of 2015

(EUR x 1,000)	HY2	HY1	approx. change
Test	1,946	1,730	+12%
Supply Chain Management	1,150	1,198	-4%
Failure & Technology Analysis	809	846	-4%
Test Engineering	266	171	+56%
Qualification & Reliability	1,167	967	+21%
Total	5,338	4,912	+9%

Developments

Our strategic move to larger and long-term projects brings more predictable and recurring sales. In 2015 we succeeded in concluding a number of long-term contracts with reputed companies in our focus sectors. One of our top 3 customers is among the top 500 fastest growing and most innovative companies in Germany.

In 2014 we decided to set up our Automotive Competence Centre in order to be able to offer new services that are required and expected for automotive projects. Our main objectives were to act as an expert first point of contact for automotive customers wishing to subcontract individual services such as component qualification, or searching for a component manufacturer to develop a new component and deliver it – under agreed accountability – to the corresponding customer's site. Our efforts resulted in acceptance and recommendation from the automotive sector and as a result we succeeded in concluding two large contracts with well-known companies in the automotive sector.

We achieved a partnership in two publicly funded projects. Being a partner in a consortium with leading companies enhances our visibility in the market and so strengthens our reputation and on top of that it will help us to gain further expertise. Both projects are in the field of Industry 4.0 / IoT (Internet of Things), which is one of our focus areas for 2016 and beyond. Industry 4.0 / IoT means extensive networking, using innovative IT systems that enable entirely new production methods.

We have concluded a major collaboration agreement with one of Europe's leading and most successful fabless companies (design houses). This design house develops many high-grade microchips every year. Due to its growth, the design house felt a need to select a specialist supplier who could support it in manufacturing high-grade microchips (high-reliability chips) and in its growth process. Our experience, knowledge and infrastructure, including our equipment, proved to be a perfect match to the design house's needs. Depending on the product (the chip), we will provide both individual services and backend manufacturing services. With this agreement we have gained a new customer relationship with one of the leading fabless companies including a new order, and we are preparing for a second new order for this customer.

These developments and also the fact that we are accepted by some big players in the market (assembly houses, wafer fabs and Electronic Manufacturing Services) proves that we are recognised as a serious player. This, next to concluding contracts and receiving orders, is very important for our reputation and our visibility in the market and therefore crucial for our future growth.

Trends 2015

Outsourcing

Medium-sized companies are increasingly working together in order to raise their joint services to a higher level so as to best combat competition from Asian countries. OEMs who still develop ASICs or other chips in-house will increasingly outsource this work to independent service providers like RoodMicrotec. This outsourcing trend is expected to continue. Partly due to our infrastructure, we are in an excellent position to profit from this optimally. We are highly experienced in a wide range of services, such as test engineering, failure & technology analysis and qualification & reliability. With shock proofing, thermal load and electrostatic discharge tests, we are uniquely able to investigate whether products will function under all conditions and predict their expected life. Another benefit is that as an independent service provider we are never in competition with the Intellectual Property (IP) of other companies; in fact we can protect our customers' IP.

Automotive

For a number of reasons, the automotive sector promises to be a particularly dynamic driver of growth for the semiconductor industry. Although the conventional car is still selling well, electric cars and hybrids are rapidly gaining ground. Furthermore, the semiconductor content of cars is not only growing quickly, as they rely on greater intelligence, connectivity and sophisticated electronics (autonomous drive, car-to-car communication), but the nature of the automotive industry model is also shifting in new directions. Conventional cars will eventually disappear. Concepts of product ownership will give way to service propositions to deliver mobility to consumers who will pay only for what they use. Creating and managing the systems to deliver that mobility will depend heavily on complex electronics.

Industrial (Industry 4.0/IoT)

The basic principle of Industry 4.0/ IoT is that by connecting machines, equipment and systems, businesses are creating intelligent networks along the entire value chain that can control each other autonomously. Characteristic for industrial production in an Industry 4.0 environment are strong customisation of products under the conditions of high flexibilised (mass-) production. The required automation technology is improved by the introduction of methods of self-optimisation, self-configuration, self-diagnosis, cognition and intelligent support of workers in their increasingly complex work. Examples of Industry 4.0 are machines that can predict failures and trigger maintenance processes autonomously or self-organising logistics that react to unexpected changes in production.

In addition to Industry 4.0, IoT describes the complete world of different sensors with electronics and is connected to detect and control temperature, humidity, light, electricity, etc. in all kind of different applications in the home (electricity, refrigerator, light, etc.), in cars (car-to-car communication, internal car communication), in agriculture and elsewhere.

High customer expectations

In the semiconductor industry, and especially the sectors we focus on customers that have high expectations concerning reliability and quality. These customers also expect excellent service, on-time delivery, know-how and support. And in addition to our strategy in which we contribute more actively to new product development (co-creating and co-operation) and in which we are responsible for the supply chain management, they also expect us to come up with solutions during the whole process. These customers see us as the expert. As a consequence we are responsible for each step in the process. We are fully aware of this and are acting accordingly. The way we have set up the procedures in our Automotive Competence Centre is completely in line with this urge for responsibility.

Personnel and organisation

During 2015 RoodMicrotec continued the consolidation process in personnel and organisation.

In that period 12 employees from different departments left RoodMicrotec. In the key positions RoodMicrotec hired experienced people to strengthen the position of RoodMicrotec in the market, such as CTO Martin Sallenhag, CFO Erwin Vrielink, Dr. Christin Gädtke in Sales & Marketing, Cornelia Gehweiler in SCM and Michael Dommel in Qualification & Reliability.

The average number of full-time employees (FTE) decreased by approx. 3% from 97 FTEs in 2014 to 94 FTEs in 2015.

Sales per full-time employee increased by approx. 6% from EUR 103,000 in 2014 to EUR 109,000 in 2015. Our policy is to continue to strive for growth of sales per FTE.

Vision and Mission

Two major changes in the world will be of great importance for the future of our company: increasingly outsourcing of activities and the fact that we are living in a technology driven world. We anticipate that an increasing number of product design companies will focus on the segments in which they have a strong position, but also that many of these often vertically integrated companies will outsource non-core activities to lower their risk exposure. Such activities would be supply chain management (SCM), testing, assembly and engineering.

Rapid technological innovation is driving growth in the semiconductor industry. More and more people are connected with each other and with equipment. Equipment is also connected and communicating with other equipment. And this is only the beginning. We are entering the fourth industrial revolution: Industry 4.0, the collective term for embracing a number of contemporary automation, data exchange and manufacturing technologies. In this context the automotive and industrial markets will be growth engines for the semiconductor market. In the automotive sector the main drivers are electric cars and hybrids, autonomous driving and car-to-car communication.

The developments described above will create a market for specialised service providers focusing on supporting leaner OEMs and Fabless Companies (FCs). We are such a specialised service provider, and we have the knowledge to offer these OEMs and FCs high-quality products, both independently and within our Supply Chain Management. This forms the basis for our growth potential.

Our mission is to be a knowledge and technology driven service provider in the field of modern devices that is able to handle the whole chain for complex requirements as well as individual services.

Strategy

- We will focus on automotive and industrial markets to grow further in both sectors.
- We will continue to work with fabless companies to show that RoodMicrotec is a competitive SCM partner and encourage them so strengthen the partnership with our company.
- We will continue to work with OEMs to show that RoodMicrotec can offer competitive eXtended SCM in conjunction with design companies.
- We will continue to look for smaller faster turnaround opportunities in Failure Analysis, Qualification & Reliability and Test.
- We will continue to strengthen our internal quality system by certification according the new version 2015 of ISO 9001 with focus on risk assessment which is important for automotive customers amongst others

The above items will result in a good combination of long-term contracts with long lead times and short term orders with short lead times. Certainly for the next 4 to 5 years we also need short-term orders to generate

cash flow. In the meantime we will continue to focus on concluding long-term contracts, which will bring much more stable, predictable recurring revenues and make us the supply chain specialist.

- To strengthen our technical position for automotive, industrial, Industry 4.0 and IoT we will invest in a new high-technological test system and 12"-probe equipment.
- To establish direct contact with Tier 1 customers as an ASIC provider. This will enable us to take on more of the tasks in the complete flow and thereby generate more and higher sales.
- To strengthen relationships with customers, suppliers and appropriate partners (foundries, assemblers, design houses, OEMs/system houses). This will make us stronger as well as a better known and important player.
- Continuous training with focus on development of new technologies and special requirements from the market, e.g. standard requirements for automotive.
- To strengthen our awareness in the market by organising seminars on qualification, failure analysis, outsourcing and supply chain activities.

Outlook for 2016

As a result of new announced arrangements early 2016 and the contracts announced in 2015, RoodMicrotec expects that turnover will increase substantially in the coming years. We expect that in 2020 our turnover will approximately be 75% higher compared to the total turnover of over EUR 10 million in 2015.

Given the increased order value and other positive signals for 2016, we raise our expectation for turnover in 2016 to the upper end of the marked growth range (7% to 12%).

Conference call today, 10 March 2016, start 9.30 am

A conference call will be held for press, analysts and other interested parties on 10 March 2016.

The telephone number to join the call is **+31 20 531 5854**.

Financial agenda

14 April 2016	Publication annual report 2015
12 May 2016	Publication trading update
26 May 2016	Annual general meeting of shareholders
7 July 2016	Publication sales figures first half 2016
25 August 2016	Publication interim report 2016
25 August 2016	Conference call for press and analysts
15 November 2016	Publication trading update

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

With more than 45 years' experience as an independent value-added service provider in the area of micro and optoelectronics, **RoodMicrotec** offers Fabless Companies, OEMs and other companies a one-stop shop proposition. With its *powerful solutions* **RoodMicrotec** has built up a strong position in Europe.

Our services comply with the industrial and quality requirements of the high reliability/space, automotive, telecommunications, medical, industrial and electronics sectors.

Certified by RoodMicrotec concerns inter alia certification of products to the stringent ISO/TS 16949 standard that applies to suppliers to the automotive industry. The company also has an accredited laboratory for test activities and calibration to the ISO/IEC 17025 standard.

Its value-added services include supply chain management and total manufacturing solutions with partners, failure & technology analysis, qualification & burn-in, test & product engineering, production test (including device programming and end-of-line service), ESD/ESDFOS assessment & training and quality & reliability consulting.

RoodMicrotec has branches in Germany (Dresden, Nördlingen, Stuttgart), United Kingdom (Bath) and the Netherlands (Zwolle).

Further information:

Philip Nijenhuis, CEO, Reinhard Pusch, COO/CSO, Martin Sallenhag, CTO, Erwin Vrielink, CFO

Telephone: +31 38 4215216

Postal address:

RoodMicrotec N.V., PO Box 1042, 8001 BA Zwolle

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.

Consolidated statement of profit or loss

Unaudited

(x EUR 1,000)

	2015	2014
Net sales	10,250	9,971
Cost of sales	-1,819	-1,787
Gross profit	8,431	8,184
Personnel expenses	-5,862	-6,058
Other operating expenses	-2,882	-2,848
Total operating expenses	-8,744	-8,906
EBITDA	-313	-722
Depreciation and amortisation	-929	-792
EBIT	-1,242	-1,514
Financial expenses	-187	-161
Profit before tax	-1,429	-1,675
Taxation	-10	-18
Net profit	-1,439	-1,693

Consolidated statement of other comprehensive income

Unaudited

(x EUR 1,000)

	2015	2014
Income for the year	-1,439	-1,693
Remeasurement of defined benefit obligations	246	-954
Revaluation of building	14	191
Total comprehensive income	-1,179	-2,456

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

(x EUR 1,000)

	2015	2014
ASSETS		
Property, plant and equipment	4,928	5,567
Intangible assets	2,241	1,741
Deferred tax assets	1,083	1,079
Financial assets	488	2,982
Non-current assets	8,740	11,369
Inventories	315	344
Trade and other receivables	1,625	1,712
Cash and cash equivalents	667	192
Current assets	2,607	2,248
TOTAL ASSETS	11,347	13,617
EQUITY AND LIABILITIES		
Share capital	5,985	4,788
Share premium	18,979	18,084
Other reserves	-20,314	-19,166
Equity, attributable to shareholders	4,650	3,706
Loans and borrowings	2,264	2,306
Retirement benefit obligation	2,349	5,232
Non-current liabilities	4,613	7,538
Loans and borrowings	38	45
Trade and other payables	1,986	2,270
Current tax liabilities	60	58
Current liabilities	2,084	2,373
TOTAL EQUITY AND LIABILITIES	11,347	13,617

Accounting policies used in the preparation of the annual accounts

RoodMicrotec N.V.'s annual accounts for the financial year 2015 contain an overview of the applied accounting policies for financial reporting. The principles laid out in this overview are in accordance with the standards laid down by the International Accounting Standards Board (IASB) and approved by the European Commission, as applicable on 31 December 2015. 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 laid down by the IASB and approved by the European Commission and which were in force for the period beginning 1 January 2015. None of these standards had a material effect on the Group's financial statements.

Other

The condensed financial information presented in this press release have 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 2015 on 14 April 2016. The annual accounts 2015 will be submitted to the General Meeting of Shareholders for adoption on 26 May 2016.