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**PRESS RELEASE**

## **RoodMicrotec reports unaudited annual figures for 2017: Significant increase in cash flow from operating activities and improved net result by EUR 1.2 million over 2016**

- **Significant increase in cash flow from operating activities, EUR 0.63 million positive (2016: EUR 0.45 million negative)**
- **Positive result for the year, before one-time termination benefit costs of EUR 0.4 million**
- **Sales revenue climbs 16% to a level of EUR 12.1 million**

RoodMicrotec N.V., the leading independent company for semiconductors supply and quality services, released today its unaudited annual figures for 2017. The company reports positive result for the year before non-recurring restructuring costs. RoodMicrotec was confident to achieve a positive net result in 2017, but due to an extraordinary one-time payment to a former advisor, the company only narrowed its net loss to EUR 0.4 million, which is a significant improvement compared to the net loss of EUR 1.6 million realized previous year. The company increased its sales revenue by 16% up to EUR 12.1 million. Another strong leading indicator is the positive cash flow from operating activities that the company achieved during 2017.

Martin Sallenhag, CEO RoodMicrotec: *"2017 was an exceptionally good year for RoodMicrotec. We strengthened our position in the ASIC market with the signing of additional customers and together with the new equipment acquired in 2016 we offer a well aligned service portfolio. Consequently, we were able to increase revenues strongly and achieve a positive operational result. The increase of 55% in the order books compared to the beginning of 2017 together with high staff motivation levels and improvements in operational efficiency gives us confidence our growth is sustainable."*

### **2017 HIGHLIGHTS**

#### **Commercial/operational**

- Significant increase in sales revenue in all business units.
- Significant growth of business in the two major market segments - automotive and industrial.
- Supply Chain Management framework agreement signed with leading test equipment manufacturer Rohde & Schwarz.
- Three new supply chain orders secured across key European markets.
- New foundry ecosystem with RoodMicrotec, ams and Fraunhofer provides solutions for ASIC design service, testing and fabrication.
- Ramp up of two major SCM projects for production, as client extends lifetime of healthcare project to 15 years.
- Two new orders in the field of optoelectronics worth more than EUR 250,000.
- EuroPAT-MASIP project secures ECSEL funding to bring semiconductor packaging back to Europe.
- Launch of new website – modern, innovative, attractive.

## Financials

- Sales in 2017 of EUR 12.1 million, 16% increase compared to 2016 (EUR 10.5 million.)
- Net debt remained unchanged at EUR 2.4 million (2016: EUR 2.4 million).
- EBITDA: EUR 0.60 million positive (2016: EUR 0.31 million negative).
- EBIT (operating result) EUR 0.41 million negative (2016: EUR 1.34 million negative).
- Net profit: EUR 0.390 million negative (2016: EUR 1.578 million negative).
- Solvency increased to 31% (2016: 28%).
- Balance sheet total increased to EUR 15.6 million (2016: 14.7 million).
- In late December Philip Nijenhuis stepped down as an advisor and as a result of this a one-time termination benefit costs of EUR 0.40 million was recognized.
- The plan assets related to the pension obligations with Plentum were written down by EUR 0.35 million due to changes in the portfolio valuation.

## Key figures

(EUR x 1,000 unless stated otherwise)

	Unaudited 2017	2016
<b>Sales and result</b>		
Net sales	12,127	10,465
Gross margin	10,157	8,615
EBITDA	603	-310
EBIT (operating result)	-415	-1,339
EBT	-673	-1,587
Net result	-390	-1,578
Cash flow from operating activities	627	-452
<b>Capital, debt &amp; liquidity ratios</b>		
Total assets	15,564	14,711
Group equity	4,767	4,053
Net debt	2,452	2,428
Capital (=net debt + equity)	7,219	6,481
Gearing ratio (net debt / capital)	34%	37%
Solvency (group equity / total liabilities)	31%	28%
Debt ratio (net debt / EBITDA)	4.1	-7.8
Net working capital	452	540
Working capital ratio (current assets / current liabilities)	1.17	1.23
<b>Assets</b>		
Tangible and intangible fixed assets	8,451	7,684
Investments in (in)tangible fixed assets	1,199	1,879
Depreciation of (in)tangible fixed assets	1,018	1,029
<b>Issue of nominal shares</b>		
At year-end (x 1,000)	66,716	63,411
<b>Number of FTEs (permanent)</b>		
Average	91	91
Sales / FTE	133	115

## Sales and result

The sales results broken down by customer segment:

(EUR x 1,000)	2017	2016	approx. change
Automotive	5,011	4,013	+25%
Industrial/Healthcare	5,563	4,700	+18%
Hi-rel/Space	620	779	-20%
Others	933	973	-4%
<b>Total</b>	<b>12,127</b>	<b>10,465</b>	<b>+16%</b>

The increase in the automotive market is a result of efforts to consolidate our reliability competence centre and attract large new orders in automotive. Our growth in this sector is very much in line with our strategic goals to expand our activities in this industry, which is being revolutionised by the disruptive technologies of artificial intelligence, automation and the internet of things, driving up demand for bespoke semiconductor products and services.

The industrial/healthcare segment saw a significant increase of 18% compared to 2016 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 decline in the HiRel/Space segment is due to the nature of this business. 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 sales results of the business units were as follows:

(EUR x 1,000)	2017	2016	approx. change
Supply Chain Management	2,448	2,077	+18%
Test Engineering	689	471	+46%
Test Operations	4,275	3,727	+15%
Failure & Technology Analysis	1,787	1,494	+20%
Qualification & Reliability Investigations	2,928	2,696	+9%
<b>Total</b>	<b>12,127</b>	<b>10,465</b>	<b>+16%</b>

## Developments

All business units show revenue increases compared to 2016 which is very encouraging and shows that RoodMicrotec is present in the right service sectors as well as the focus on achieving increases throughout the complete offering.

The sales of the Test Operations Business Unit increased by 15% as a result of new test equipment purchased in 2016. The new test systems and the 12" wafer prober together with a higher load on all other systems have contributed to the increase. The major SCM projects that RoodMicrotec has won also contributed significantly to the increase in test operations since some of them are now in volume production.

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 of the business unit 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.

Our Failure & Technology Analysis business very much depends on the short term needs of our customers. In 2017 we increased the efforts to be known in the market and this has already paid off with a significant increase in the revenue. We also see that our efforts, to consolidate this important part of our business is leading to new long term contracts with existing customers.

Test Engineering and Qualification & Reliability Investigation saw a substantial year-on-year rise in sales over the past 12 months, on the back of some large ongoing projects and the start of qualification in other big contracts. We see additional orders coming in to support qualification of standard components for the expanding automotive market.

The RoodMicrotec management team is very positive about the future development of the company, as five of six important projects in the key strategic focus automotive and industrial/healthcare sectors have entered the industrialization or the production phase in 2017. These projects will generate a combined turnover of up to EUR 10 million per year when they have all been ramped up for full production.

Industry wide, growth of semiconductor businesses in Europe saw a 15.4% increase, with a projected 4.6% increase in 2018 (WSTS Forecast Summary November 2017).

## Personnel and organisation

During 2017 RoodMicrotec continued the consolidation process in personnel and organisation. We continue to recruit highly experienced personnel to be able to support our plans for the future.

The average number of full-time employees (FTE) remained stable at 91 FTEs in 2017. Sales per full-time employee increased by approx. 16% from EUR 115,000 in 2016 to EUR 133,000 in 2017. Our policy is to continue to strive for growth of sales per FTE.

## Outlook

RoodMicrotec expects a continuing revenue increase over the next years and projects the revenue in 2020 to be approximately EUR 18 million. The results will continue to improve and the company expects to report yearly positive net profits.

## Conference call today, 8 March 2018, start 9.30 am

You are invited to take part in RoodMicrotec's conference call for press and analysts on Thursday, 8<sup>th</sup> March 2018 at 9.30 am. The management will present the Unaudited Annual Figures 2017 in detail and answer your questions.

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

## Financial agenda

28 March 2018	Publication annual report 2017
17 May 2018	Annual general meeting of shareholders
18 May 2018	Annual bondholder meeting
5 July 2018	Publication sales figures first half 2018
02 August 2018	Publication interim report 2018
02 August 2018	Conference call for press and analysts

## Forward-looking statements

This press release contains 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, healthcare, industrial and electronics sectors.

Our integrated quality management system is based on international DIN EN ISO 9001:2015 standards. In addition, our quality management is broadly consistent with the Automotive Specification ISO/TS 16949. The company also has an accredited laboratory for test activities and qualification to the ISO/IEC 17025 standard.

Its value-added services include (eXtended) 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).

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

## Further information

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*This press release is published in English and Dutch. 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	
	<b>2017</b>	<b>2016</b>
Net sales	12,127	10,465
Cost of sales	-1,970	-1,850
<b>Gross profit</b>	<b>10,157</b>	<b>8,615</b>
Personnel expenses	-6,105	-6,016
Other operating expenses	-2,703	-2,909
Termination benefit costs	-400	0
Impairment of financial assets	-346	0
	-746	0
<b>Total operating expenses</b>	<b>-9,554</b>	<b>-8,925</b>
<b>EBITDA</b>	<b>603</b>	<b>-310</b>
Depreciation and amortisation	-1,018	-1,029
<b>EBIT</b>	<b>-415</b>	<b>-1,339</b>
Financial expenses	-258	-248
<b>Profit (loss) before taxes</b>	<b>-673</b>	<b>-1,587</b>
Tax Expense	283	9
<b>Net profit (loss)</b>	<b>-390</b>	<b>-1,578</b>

## Consolidated statement of other comprehensive income

(x EUR 1,000)	unaudited	
	<b>2017</b>	<b>2016</b>
Net profit (loss)	-390	-1,578
Remeasurement of defined benefit obligations	60	-459
Remeasurement of defined benefit obligations – DTL	-16	126
Revaluation of building	586	-
Revaluation of building – DTL	-133	-
<b>Total comprehensive income</b>	<b>107</b>	<b>-1,911</b>

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

(x EUR 1,000)	unaudited 2017	2016
<b>Assets</b>		
Property, plant and equipment	6,023	5,283
Intangible assets	2,428	2,401
Deferred income taxes	1,284	1,151
Financial assets	2,651	3,001
<b>Non-current assets</b>	<b>12,386</b>	<b>11,836</b>
Inventories	581	474
Trade and other receivables	1,980	1,712
Cash and cash equivalents	617	689
<b>Current assets</b>	<b>3178</b>	<b>2,875</b>
<b>Total assets</b>	<b>15,564</b>	<b>14,711</b>
<b>Equity and liabilities</b>		
Issued share capital	7,339	6,979
Share premium	19,906	19,659
Revaluation reserve	2,216	1763
Retained earnings	-27,188	-26,842
Equity, attributable to equity holders of the parent	2,273	1,559
Non-controlling interests	2,494	2,494
<b>Total equity</b>	<b>4,767</b>	<b>4,053</b>
Loans and borrowings	2,880	3,004
Retirement benefit obligation	5,047	5,247
Provisions	144	72
<b>Non-current liabilities</b>	<b>8,071</b>	<b>8,323</b>
Current loans and borrowings	188	113
Trade and other payables	2,480	2,159
Current tax liabilities	58	63
<b>Current liabilities</b>	<b>2,726</b>	<b>2,335</b>
<b>Total equity and liabilities</b>	<b>15,564</b>	<b>14,711</b>

## Consolidated Cash Flow

(x EUR 1,000)	unaudited	
	2017	2016
EBITDA	603	-310
Adjustments for:		
- Movements in retirement benefit obligations	-141	-76
- Share-based payments	-1	13
- Accrued interest	-25	-28
- Impairment loss on financial assets	346	-
Changes in working capital:		
- Inventories	-107	-194
- Trade and other receivables	-268	-53
- Trade and other current liabilities	408	361
<b>Cash flow from operating activities</b>	<b>815</b>	<b>-287</b>
Interest paid	-188	-165
Income taxes paid	-	-
<b>Net cash flow from operating activities</b>	<b>627</b>	<b>-452</b>
<b>Cash flow from investing activities</b>		
Investments in property, plant and equipment	-1,127	-1,590
Disposals of property, plant and equipment	-	-
Investments in intangible assets	-72	-289
Desinvestment in intangible assets	-	-
Net investments in financial assets	4	1
<b>Net cash flow from investing activities</b>	<b>-1,195</b>	<b>-1,878</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share capital	609	1,629
Proceeds from borrowings	-	723
Repayment of borrowings	-113	-
<b>Net cash flow from financing activities</b>	<b>496</b>	<b>2,352</b>
<b>Net cash flow</b>	<b>-72</b>	<b>22</b>
Cash +/- bank overdrafts at beginning of period	689	667
Cash +/- bank overdrafts at end of period	617	689
<b>Net cash flow</b>	<b>-72</b>	<b>22</b>

## Accounting policies used in the preparation of the annual accounts

RoodMicrotec N.V.'s annual accounts for the financial year 2017 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 2017. 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 2017. None of these standards had a material effect on the Group's financial statements.

## Other

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 2017 on 28 March 2018. The annual accounts 2017 will be submitted to the General Meeting of Shareholders for adoption on 17 May 2018.