

Bondholder Meeting

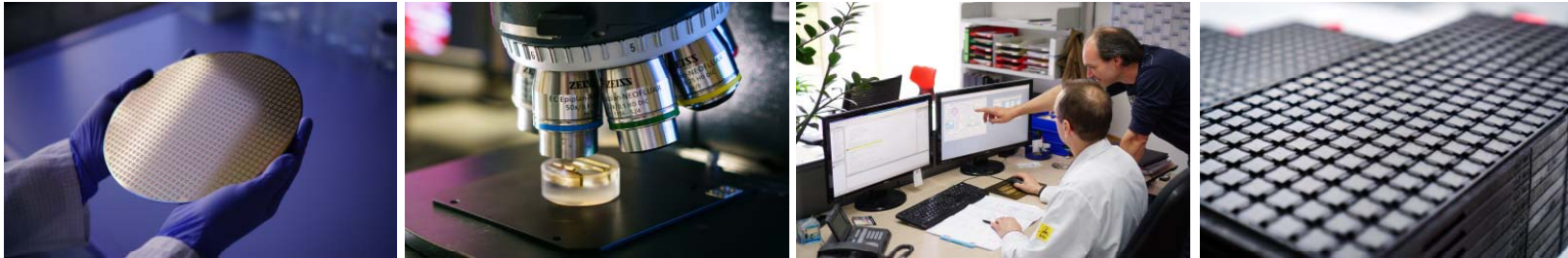
Zwolle
May 18, 2018



Participants

 Martin Sallenhag CEO

 Arvid Ladega CFO



2017 Highlights – Operational

Martin Sallenhag

CEO



Communication

- A joint event about eco-systems for qualified ASIC-development and Supply Chain Services organised by ams, Fraunhofer IIS and RoodMicrotec.
- A special technical lecture about failure analysis subjects has been presented as part of a conference organised by one of our customers (Fabless Design house).
- The new website, launched end of the year, shows a modern, innovative, attractive and clear design.

- Launch of the new Company Brochure



Global Supplier to the Electronics Industry

- World Class ASIC Turnkey Production Solutions for the Automotive, Industrial, Healthcare and Aerospace Sectors
- Recognised expert in development of Test Solutions for Sensor, Analog Mixed Signal, Opto and RF ASICs
- Extensive Test and Qualification Expertise with in-house equipment
- Outstanding Failure Analysis know-how acquired from decades of chip and board level work

Key Focus Areas



Automotive

- Global driver for the semiconductor industry
- High complexity, high quality demands, high volumes



Industrial

- Industry 4.0
- Internet of Things (IoT)



Healthcare

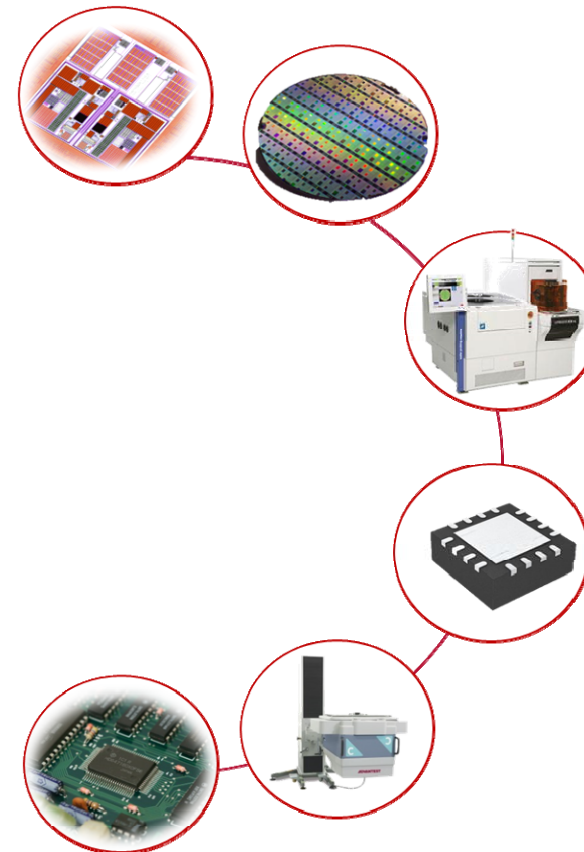
- High quality, complex devices
- Long lead times, complex test environments



HiRel/Aerospace

- Space exploration, very high quality and reliability demands
- Long lead times, low volumes, very high value





Products & Turnkey Services



2017 Highlights - Operational

-  **Three new supply chain orders from new customers**
Secured three new orders from design houses in Germany, Switzerland and the UK, covering industrial and high-reliability market areas. Revenue over five years is expected to be around EUR 2.0 million.
-  **Major automotive SCM project ramped up for production**
The industrialisation and qualification phase for a major automotive project is finalised and the ramp-up for production started mid of 2017. Full production will be reached in early 2018 and is expected to run until 2025.
-  **Healthcare project released for production & life time extended to 15 years**
This project is released for production with a ramp-up phase that will take longer than originally planned, but the lifetime has been extended to 15 years.
-  **Two new orders in the field of optoelectronics**
Booked new projects for reliability investigations and quality improvements of optoelectronics components and vertical-cavity surface-emitting laser diodes (VCSEL). Total revenue of more than EUR 250,000.

2017 Highlights - Operational

-  **Intensifying consulting services with a “Reliability Competence Center”**
Automotive reliability demands are growing and transferring of consumer products to automotive applications needs innovative solutions. In 2017 the Automotive Competence Center (ACC) was expanded into a Reliability Competence Center (RCC) to support our customers in the area of reliability assessment and implementation.
-  **Framework agreement signed with leading test equipment manufacturer**
Supply Chain Management framework agreement with Rohde & Schwarz signed which will further growth our activities and future expansion in our relationship.
-  **Cooperation ams, Fraunhofer IIS and RoodMicrotec**
This new foundry ecosystem provides solutions for ASIC design service, testing and fabrication for Original Equipment Manufacturer (OEMs), system integrators and innovative start-ups will enable them to get their ASIC solutions more quickly and more easily to the market.
-  **Strengthened relationship with large players**
We further strengthened our relationship with top global players in the area of assembly houses, important European design houses and foundries.

2017 Highlights - Operational

Publicly funded project

An additional publicly funded project in the area of industrial power electronics was started. This will enable us to build-up know-how for wafer test with high current and voltages and new reliability estimation methods within the GaN technology (Gallium Nitride-on-Silicon wafers).

Investments

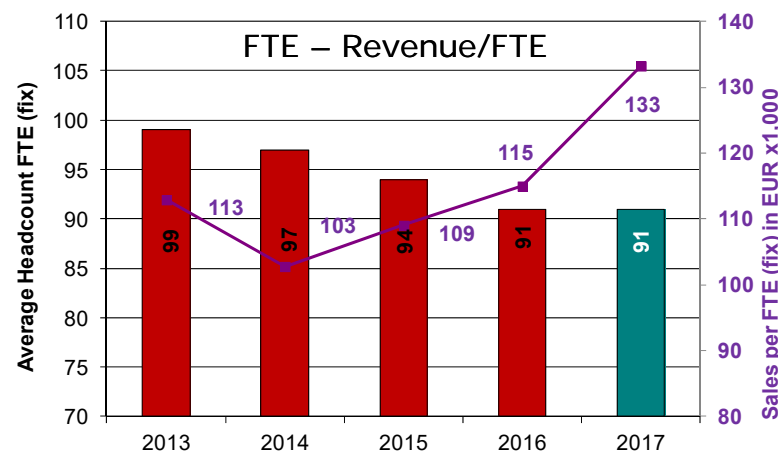
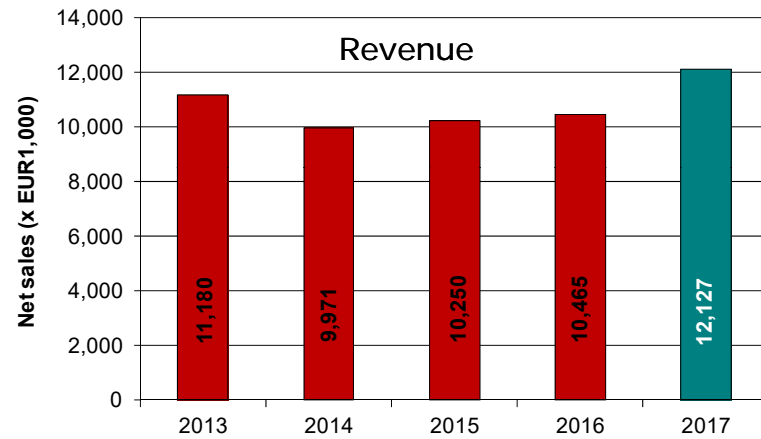
To meet further demands and requirements of our customers we invested in a Teradyne IntegraFlex test system and a handling system for 8-times parallel test.

Certification and accreditation

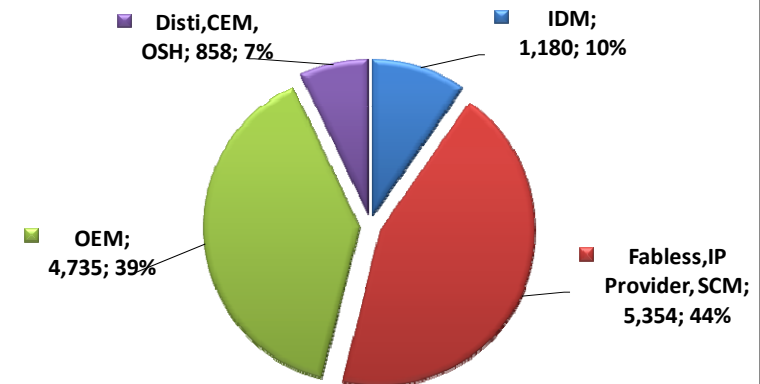
Accreditation of our laboratories according ISO/IEC 17025 has been renewed. Our ISO 9001 certification also has been renewed in 2017 and follows the new 2015 version of the standard.



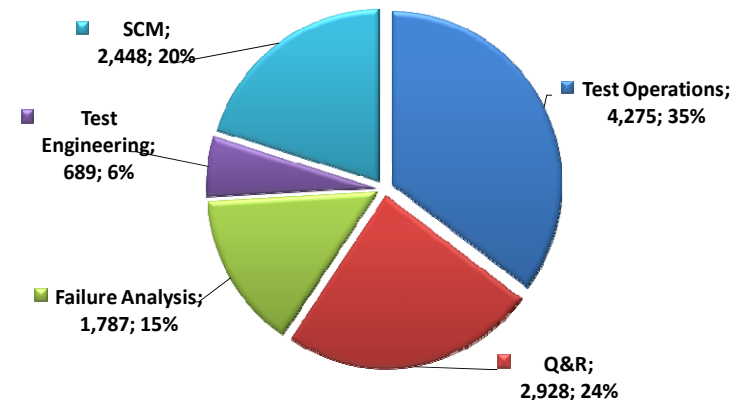
2017 Highlights - Operational



Revenue by Customer Type 2017



Revenue by Business Units 2017





2017 Highlights – Financial

Arvid Ladega

CFO



Statement of Profit or Loss



| (x EUR 1,000) | 2017 | 2016 |
|-----------------------------------|---------------|---------------|
| Net sales | 12,127 | 10,465 |
| Cost of sales | -1,970 | -1,850 |
| Gross profit | 10,157 | 8,615 |
| Personnel expenses | -6,105 | -6,016 |
| Other operating expenses | -2,703 | -2,909 |
| Termination benefit costs | -400 | |
| Total operating expenses | -9,208 | -8,925 |
| EBITDA | 949 | -310 |
| Depreciation and amortisation | - 1,018 | - 1,029 |
| EBIT | -69 | -1,339 |
| Financial expenses | -258 | -248 |
| Profit (loss) before taxes | -327 | -1,587 |
| Taxes | 283 | 9 |
| Net profit (loss) | -44 | -1,578 |

Operating Expenses

| (x EUR 1,000) | | 2017 | % Revenue | 2016 | % Revenue |
|---------------------------------|--|---------------|--------------|---------------|--------------|
| | | | | | |
| Personnel expenses | | -6,105 | 50.3% | -6,016 | 57.5% |
| Other operating expenses | | -2,703 | 22.3% | -2,909 | 27.8% |
| Total operating expenses | | -8,808 | 72.6% | -8,925 | 85.3% |

● Total operating expenses decreased

- Personnel expenses increased; less capitalized internal hours (-153kEUR)
- Significant reduction in other operating expenses

Statement of Financial Position



| (x EUR 1,000) | 31-12-2017 | 31-12-2016 |
|-------------------------------|---------------|---------------|
| Assets | | |
| Property, plant and equipment | 6,023 | 5,283 |
| Intangible assets | 2,428 | 2,401 |
| Deferred income taxes | 1,284 | 1,151 |
| Financial assets | 503 | 3,001 |
| Non-current assets | 10,238 | 11,836 |
| Inventories | 581 | 474 |
| Trade and other receivables | 1,980 | 1,712 |
| Cash and cash equivalents | 617 | 689 |
| Current assets | 3,178 | 2,875 |
| Total assets | 13,416 | 14,711 |

Statement of Financial Position



| (x EUR 1,000) | 31-12-2017 | 31-12-2016 |
|--|---------------|---------------|
| Equity and liabilities | | |
| Issued share capital | 7,339 | 6,979 |
| Share premium | 19,906 | 19,659 |
| Revaluation reserve | 2,216 | 1,763 |
| 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 |
| Total equity | 4,767 | 4,053 |
| Loans and borrowings | 2,880 | 3,004 |
| Defined benefit obligation | 2,899 | 5,247 |
| Provisions | 144 | 72 |
| Non-current liabilities | 5,923 | 8,323 |
| Loans and borrowings | 188 | 113 |
| Trade and other payables | 2,480 | 2,159 |
| Current tax liabilities | 58 | 63 |
| Current liabilities | 2,726 | 2,335 |
| Total equity and liabilities | 13,416 | 14,711 |

2017 Highlights - Financial

- Balance sheet total: €13.4 million (2016: €14.7 million)
 - Plan assets netted with pension obligations, Plentum
- Equity: €4.8 million (2016: € 4.0 million)
- Solvency: Increased to 36% (2016: 28%)
- Non Current Liabilities: Decreased to €5.9 million (2016: €8.3 million)
 - Plentum, €2.5 million
- Current Liabilities: Increased to €2.7 million (2016: €2.3 million)
 - Settlement with former CEO/advisor, €0.4 million

2017 Highlights - Plentum

- 2016 and prior - presented under financial assets
 - Bonds not qualified as “fair value”

- 2017 - presented under defined benefit obligation
 - Further information received from Plentum
 - Information used to determine the “fair value”
 - Qualified as “fair value” (level 3)
 - Netted with pension obligations
 - Impairment of €0.3 million

Consolidated Statement of Comprehensive Income



| (x EUR 1,000) | 2017 | 2016 |
|--|------------|---------------|
| Net profit (loss) | -44 | -1,578 |
| Items that will not be reclassified to profit and loss: | | |
| Remeasurement of defined benefit obligations | -286 | -459 |
| Remeasurement of defined benefit obligations – DTL | -16 | 126 |
| Revaluation of land and buildings | 586 | - |
| Revaluation of land and buildings – DTL | -133 | - |
| Total comprehensive income | 107 | -1,911 |

Total comprehensive income attributable to:

| | | |
|-----------------------------------|------------|---------------|
| Equity holders of the company | 107 | -1,911 |
| Non-controlling interests | - | - |
| Total comprehensive income | 107 | -1,911 |

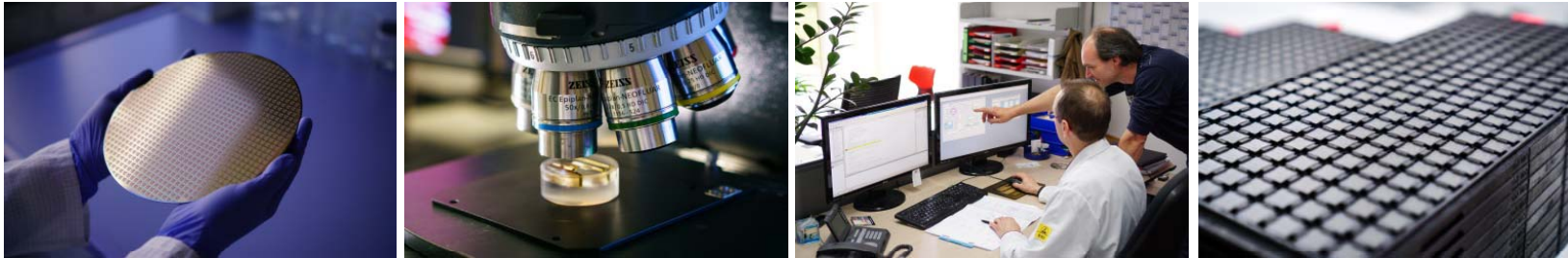
Cash Flow Statement



| (X EUR 1,000) | 2017 | 2016 |
|---|---------------|---------------|
| EBITDA | 949 | -310 |
| Adjustments for: | | |
| - Movements in net defined benefit obligations | -141 | -76 |
| - Share based payments | -1 | 13 |
| - Accrued interest | -25 | -28 |
| Changes in working capital | | |
| - Inventories | -107 | -194 |
| - Trade and other receivables | -268 | -53 |
| - Trade and other current liabilities | 409 | 361 |
| Cash generated from operating activities | 816 | -287 |
| Interest paid | -188 | -165 |
| Net cash from operating activities | 628 | -452 |
| Cash flows from investing activities | | |
| Investments in property, plant and equipment | -1,127 | -1,590 |
| Disposal of property, plant and equipment | - | - |
| Investments in intangible assets | -72 | -289 |
| Net investments in financial assets | 4 | 1 |
| Net cash from investing activities | -1,195 | -1,878 |
| Cash flows from financing activities | | |
| Proceeds from issuance of share capital | 608 | 1,629 |
| Proceeds from borrowings | - | 723 |
| Repayment of borrowings | -113 | - |
| Net cash flow from financing activities | 495 | 2,352 |
| Net cash flow | -72 | 22 |

Events after balance sheet date

- Exercise of warrants Series III that resulted in an increase of 2,303,963 shares (exercise price: EUR 0.21) on 11 January 2018.
- On 1 February 2018, 1,530,785 shares were issued at EUR 0.33 and 1,530,785 non listed warrants were issued with strike price of EUR 0,42 and 5 year exercise period.
- Exercise of options that resulted in an increase of 110,000 shares (exercise price: EUR 0.11) on 14 February 2018.
- Exercise of options that resulted in an increase of 300,000 shares (exercise price: EUR 0.11) on 27 February 2018.
- Exercise of options that resulted in an increase of 1,150,000 shares (exercise price: EUR 0.11) on 2 March 2018.
- Exercise of options that resulted in an increase of 468,440 shares (exercise price: EUR 0.11) on 07 March 2018.
- Sale of 6.524 square meters of land to a neighbour company, EUR 300.000 will be used to pay back part of the 2016 bond loan.
- Exercise of warrants Series III that resulted in an increase of 108,166 shares (exercise price: EUR 0.21) on 11 April 2018.
- Provisions of EUR 130,000 taken for legal proceedings against a debtor on 26 April 2018.



Markets, Projects & Applications

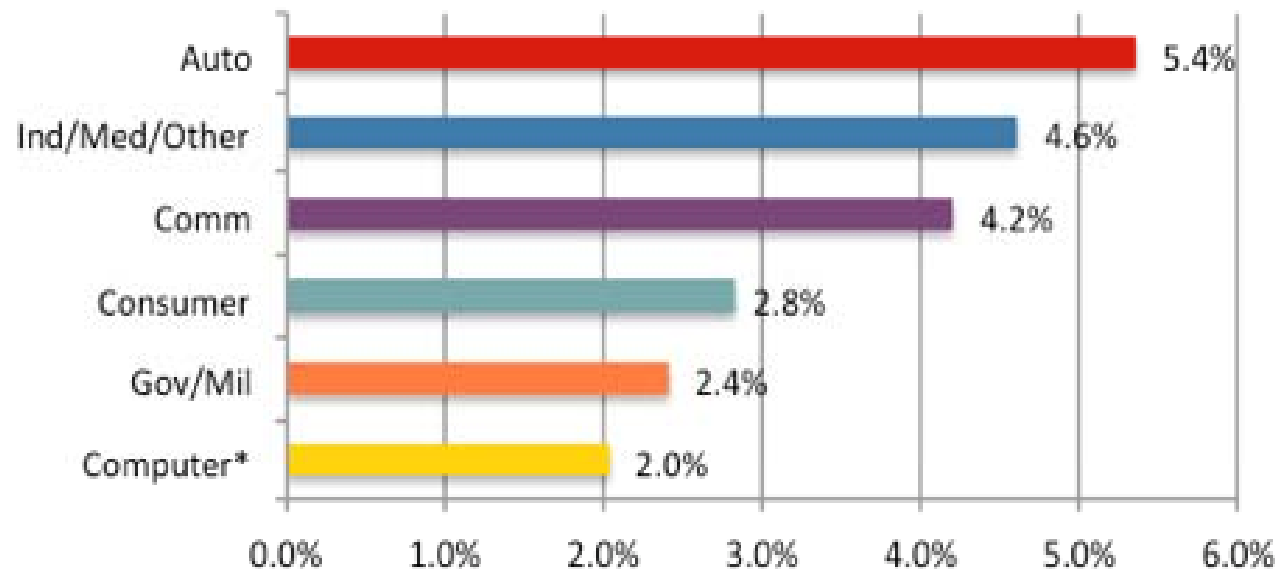
Martin Sallenhag

CEO



Focus on the fastest growing sectors

Worldwide Electronic System CAGRs (\$, 2016-2021F)



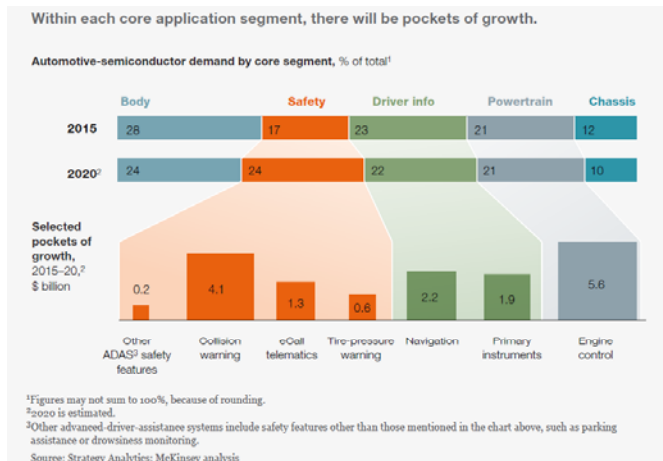
Source IC Insights

*Includes tablets

Market Outlook

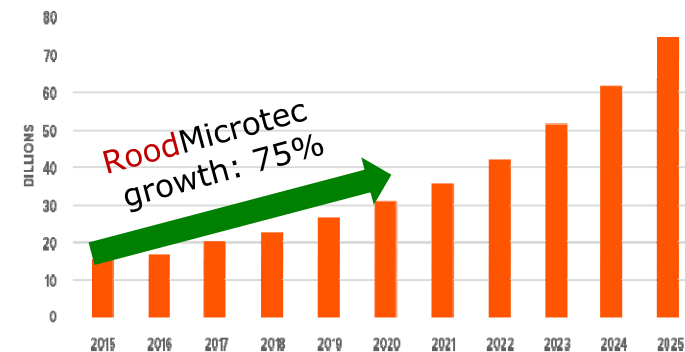


Automotive



IoT GLOBAL MARKET INSTALLED DEVICES

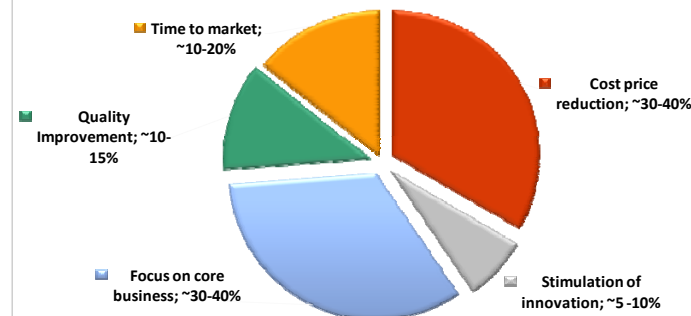
Source: IHS, IoT platforms: Enabling the Internet of Things, March 2016.



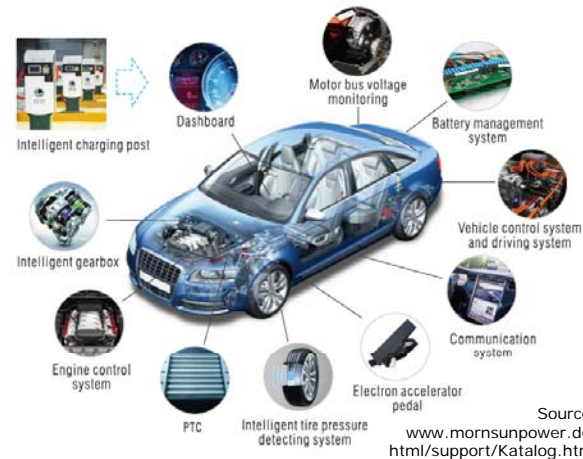
Industrial

Outsourcing

Outsourcing Reasons for our Customers



Applications – Automotive Electronics



Electric cars



Copyright: Picture from BMW

Vehicle communication

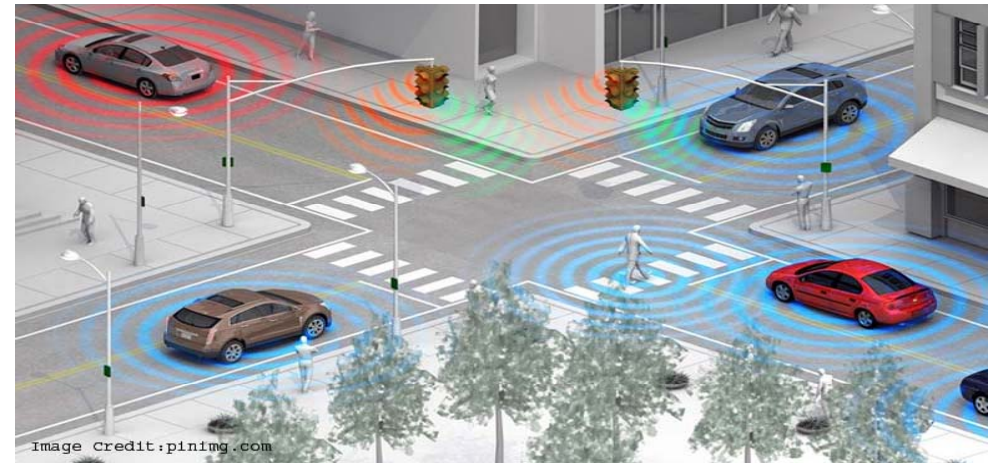
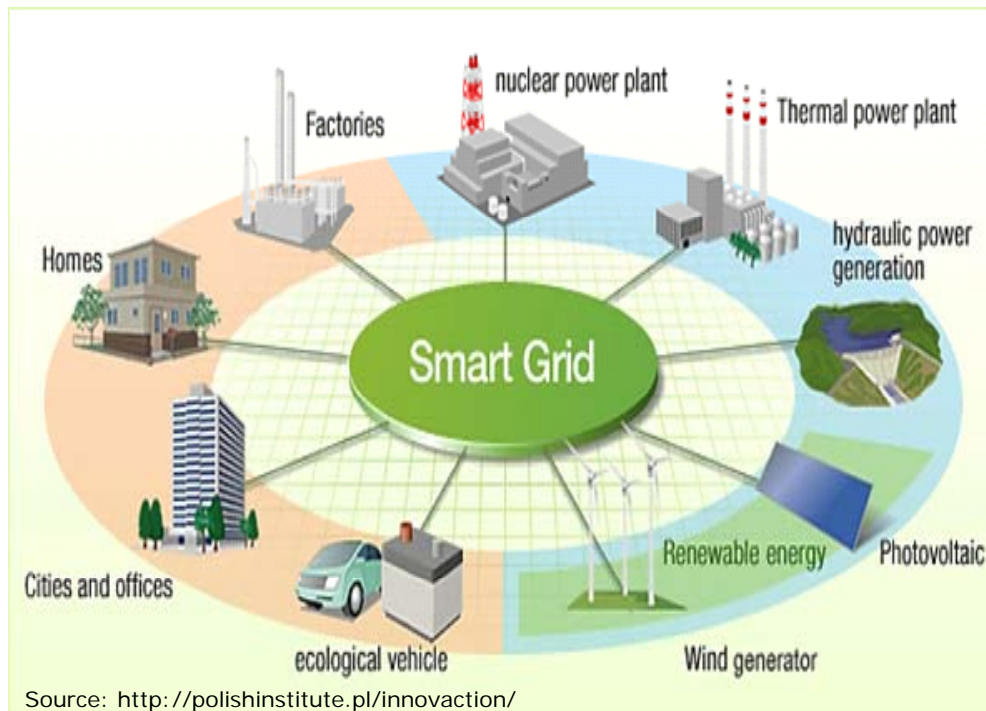


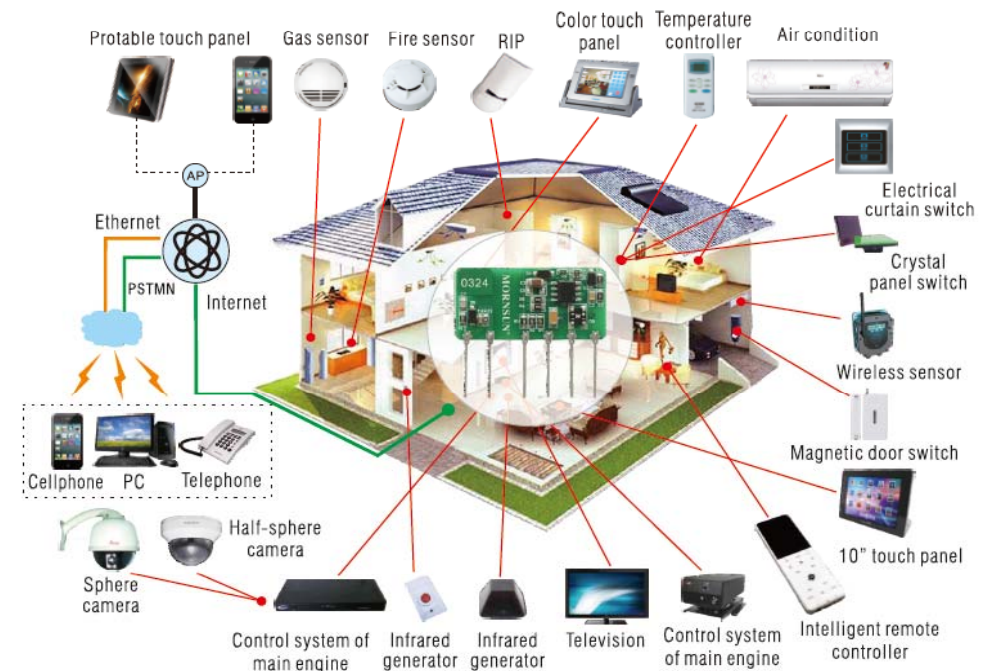
Image credit: pining.com

Applications – Industrial

Smart Grid

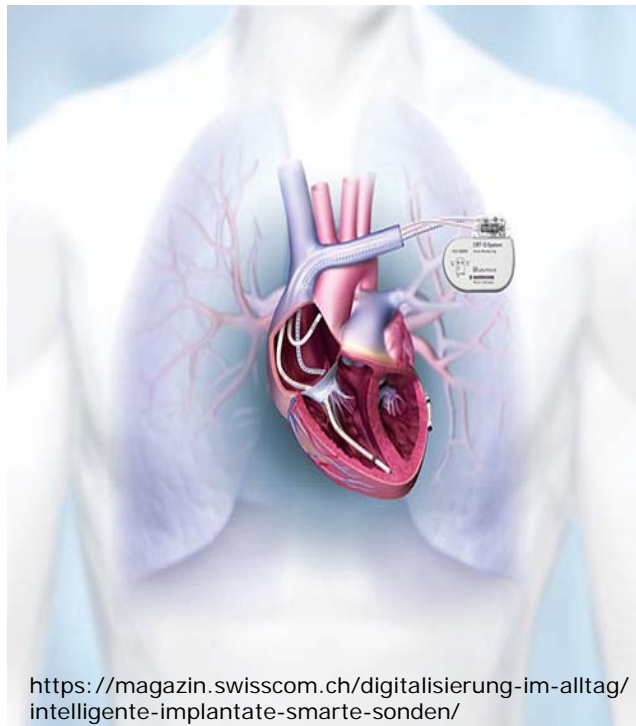


Intelligent Building



Applications – Healthcare: Intelligent Implants

Pace maker combined with alarm system monitoring the electrical activity of the heart.



<https://magazin.swisscom.ch/digitalisierung-im-alltag/intelligente-implantate-smarte-sonden/>

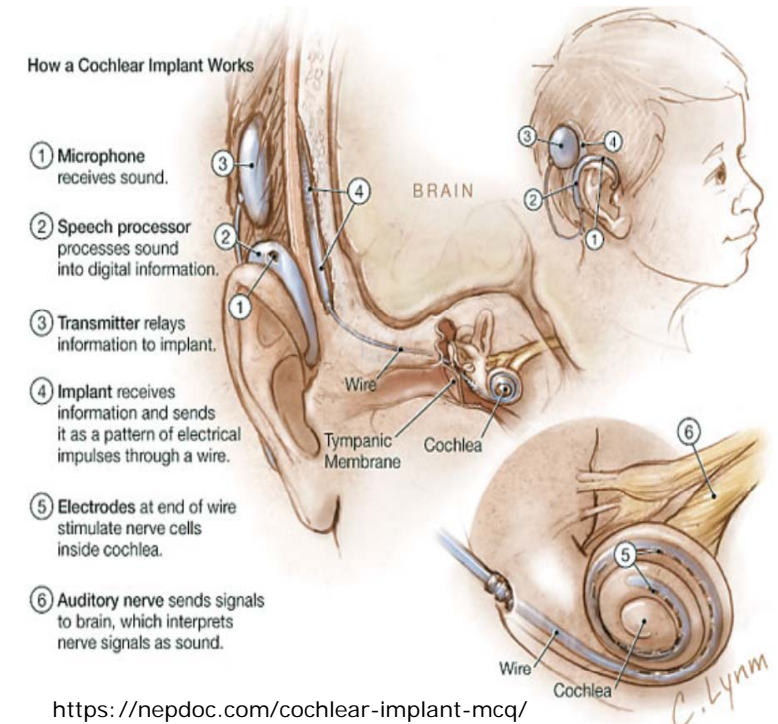
Nerve pacemaker for therapy of special headache / epilepsy



Source:

<https://www.bvmed.de/de/technologien>

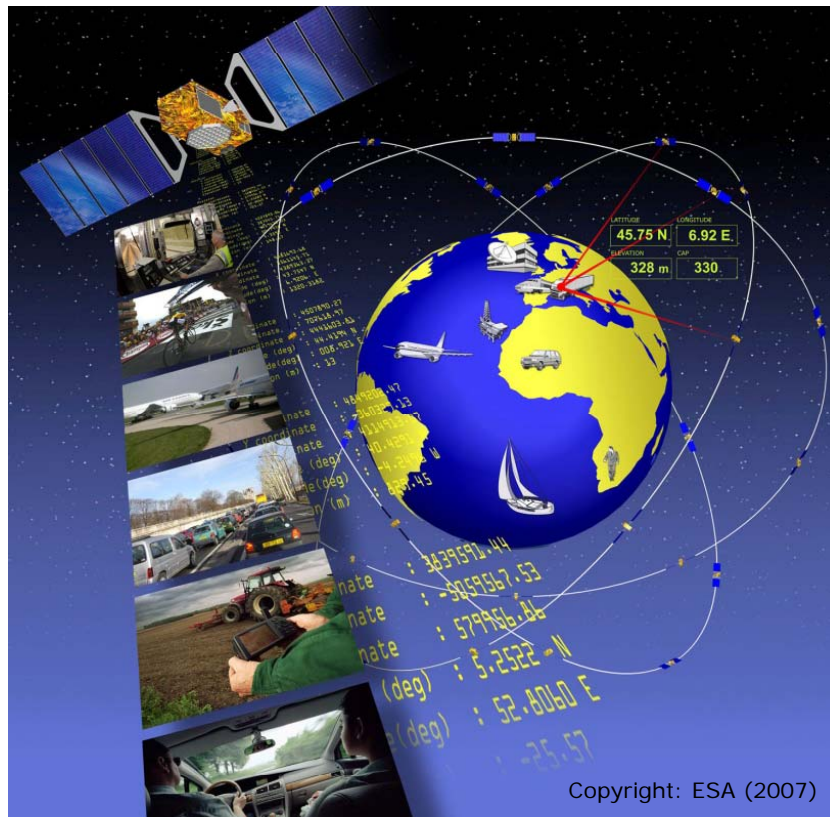
Cochlea implant can make deaf people hear (electrical-acoustic simulation)



<https://nepdoc.com/cochlear-implant-mcq/>

Applications - HiRel

Satellites



Aircraft



Technology and Roadmap

HF – High Frequency

- ASICs for radar applications

- Markets:

- Automotive
- Industrial

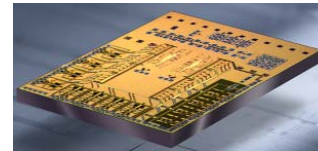
- Roadmap:

| | | |
|-----------|-------|-----|
| Yesterday | 24 | GHz |
| Today | 60/77 | GHz |
| Tomorrow | 125 | GHz |

- Based on customer projects and publicly funded projects (EuroPAT-MASIP)

Photonics

- Photonic ASICs



- Markets:

- Communication
- Industrial sensoric

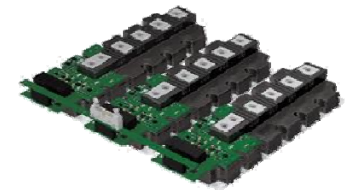
- Roadmap: Wafer test

| | |
|-----------|--------------------|
| Yesterday | Electrical |
| Today | Optical low speed |
| Tomorrow | Optical high speed |

- Based on customer projects

High Power Electronics

- IGBT



- Markets:

- e-mobility
- Industrial

- Roadmap: Current Voltage:

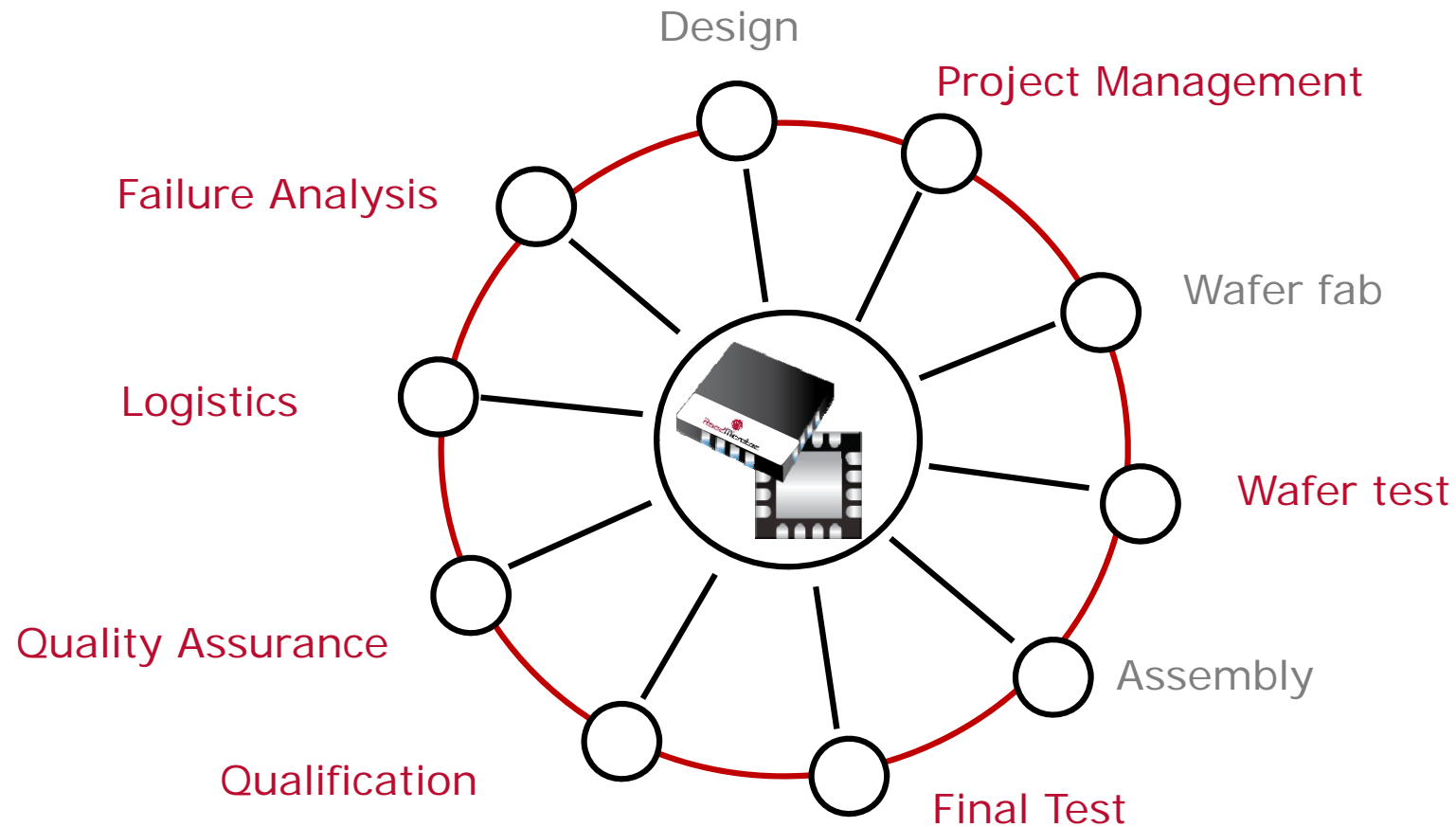
| | | |
|-----------|-------|--------|
| Yesterday | 5 A | 60 V |
| Today | 20 A | 180 V |
| Tomorrow | 100 A | 2000 V |

- Based on customer projects and publicly funded projects (GaNScan)

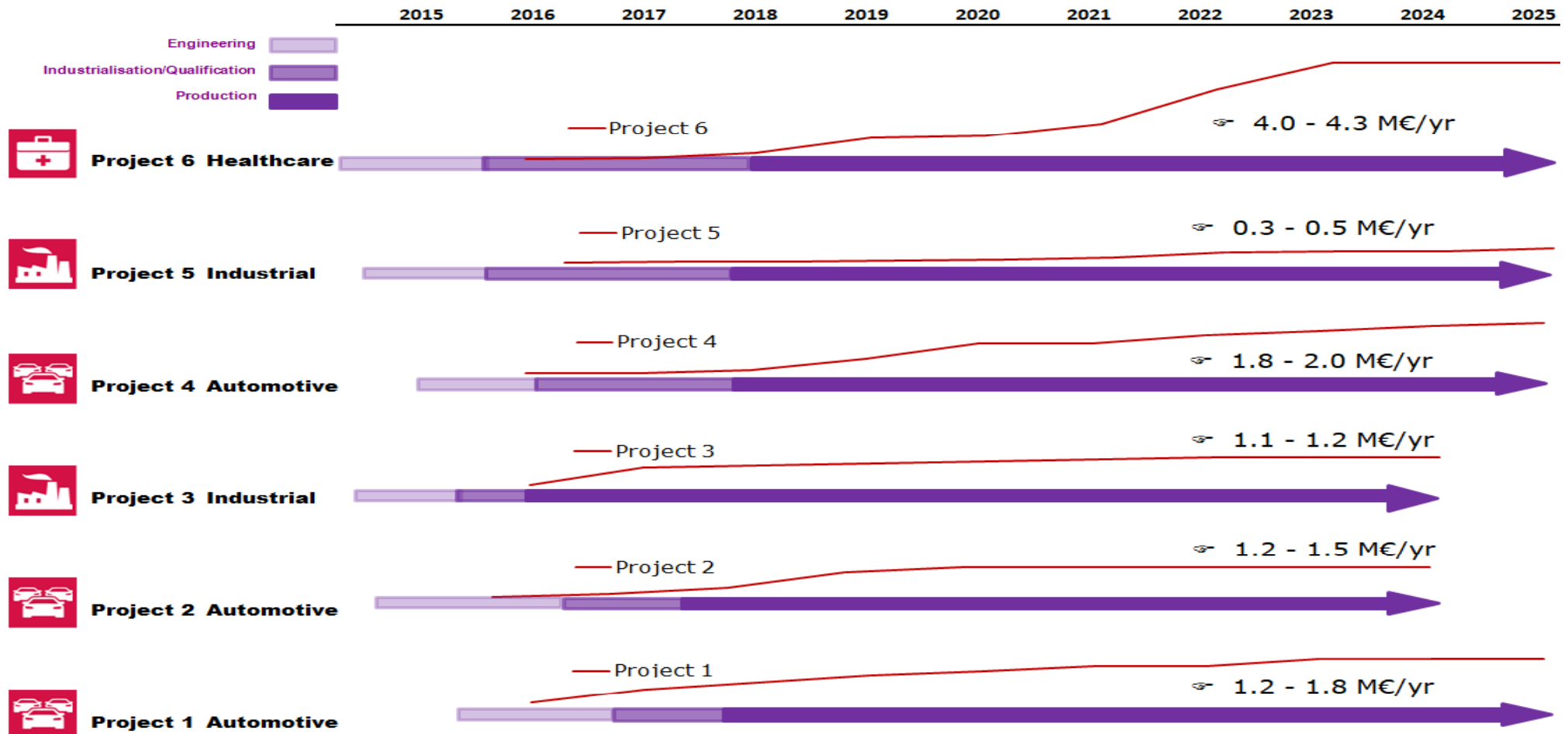
Picture above: Source: <http://sicoya.com/de/>

Picture above: Source: <https://www.semikron.com/products/new-products/semitrans-10-dpd.html>

SCM Process Circle

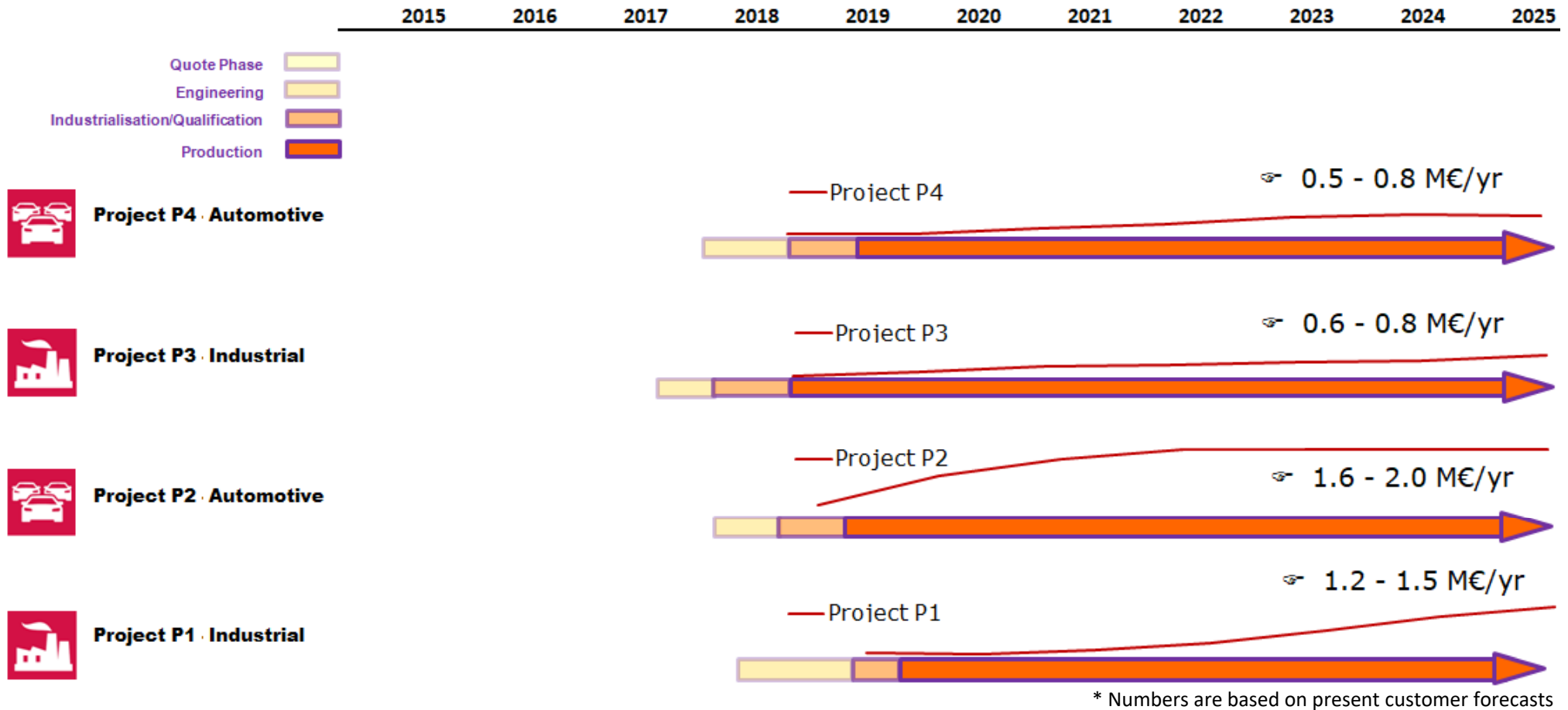


Running SCM Projects



* Numbers are based on present customer forecasts April 2018

SCM Projects under Negotiation



Outlook

- The growth in 2017 exceeded the most forecasts significantly, e.g. WSTS forecasted 6.5% in February 2017 and real global growth ended at 21.6%
- Beyond 2017, the semiconductor market is expected to grow across all regions:
 - WSTS forecasts 9.5% growth globally for 2018 (Source: WSTS press release 28 February 2018).
 - IC Insights sees the IC market to grow 15% in 2018 (Source: IC Insights Research Bulletin dated March 14, 2018).
- 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.
- First quarter sales in 2018 was 17% higher compared to Q1-2017 with significant increase in sales revenue in Supply Chain Management and Test Operations. This is due to the moving of long-term projects into production.



Thank you for your participation and
your support to **Rood**Microtec!

