

## **RoodMicrotec N.V. publishes 2020 annual report with audited financial statements**

- **Total income of EUR 11.9 million with an EBITDA of EUR 1.3 million**
- **Net result of EUR -0.3 million (after taxes)**
- **Cash flow from operating activities of EUR 1.5 million**

**Deventer, April 22, 2021** – RoodMicrotec N.V., a leading independent company for semiconductors supply and quality services, today published the Company's Annual Report for the financial year 2020 including the audited financial statements.

The complete 2020 Annual Report, which is available in English and only as an electronic version, is available on the corporate website: [www.roodmicrotec.com/en/investor-relations-en/financial-publications](http://www.roodmicrotec.com/en/investor-relations-en/financial-publications).

The total income for 2020 amounted to EUR 11.9 million, which was 10% lower than in 2019 but includes a substantial increase in the second half of 2020 (EUR 6.5 million) compared to the first half of 2020 (EUR 5.4 million). The net result after taxes for 2020 was EUR 0.3 million negative, mainly due to the COVID-19 impact in the second quarter. The second half of 2020 showed a net profit after taxes of EUR 0.5 million, which was due to the increase in total revenue together with tight cost control throughout the year.

The Qualification & Failure Analysis unit showed an increase compared to 2019, thanks to well established relationships with long-term customers. The Test Operations and Supply Chain Management units showed a decrease compared to 2019. This is mainly because of the COVID-19 situation with quite some logistic challenges and the reduced demand due to the lock-downs and inventory management. Due to the unclear market situation, many customers reduced their demand as well as their inventories and thus did not order new components. This drop was mainly seen in the second quarter of 2020 and significantly improved in the second half of the year.

*"We were expecting and budgeted a continuing increase in total income and net profit in 2020, but the COVID-19 pandemic significantly affected us. We continued to serve our customers with our usual high quality, but saw a reduced demand in our test operations and supply chain management due to changes in inventory management by our customers",* says Martin Sallenhag, CEO of RoodMicrotec. *"Even with an investment in a new test system early in the year, the cash situation at the end of the year 2020 improved by EUR 0.4 million to EUR 1.4 million compared to the end of 2019."*

The global outbreak of the COVID-19 pandemic in the beginning of 2020 and the uncertain situation since then have made it important for us to protect our partners, employees, customers and suppliers. We are continuing to closely monitor the situation and are taking steps to 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 have been carrying out normal operations during the whole year to support our customers.

## 2020 HIGHLIGHTS / MAIN DEVELOPMENTS

### Financials

- Total income: EUR 11.9 million (2019: EUR 13.2 million).
- EBITDA: EUR 1.3 million (2019: EUR 1.5 million).
- Balance sheet total: EUR 14.3 million (2019: EUR 14.3 million).
- Net result: EUR 0.26 million negative (2019: EUR 0.07 million negative).
- Cash flow from operating activities: EUR 1.5 million (2019: EUR 1.2 million).

### Commercial/operational

- Due to an increased demand for testing from our customers, especially in the automotive sector, a second V93k SmartScale SoC Testsystem was installed at the RoodMicrotec test facility in Nördlingen. Starting in the first quarter of 2020, the new state-of-the-art testing system added extended services to the Company's portfolio.
- In the summer, a third V93k test system from Advantest was installed. This is running tests of specific high demanding parts for a well renowned customer.
- The projects that were booked during the last quarter of 2018 and the first quarter of 2019 are progressing well towards mass production. Three projects are in the final qualification stage and one is still in the definition phase and the implementation phase will start shortly.
- With our extensive knowledge and equipment, we are able to perform the complete test plans of large OEMs or Tier1 suppliers for press fit connectors according to supplier approval instructions. We perform all process steps and analyses from pin separation, press-in with force-displacement-diagram measurements, and climate conditioning up to characterization by means of metallographic cross sectioning, whisker inspection, and electrical contact resistance investigations.
- In February 2020, RoodMicrotec signed a sales representative agreement with Cedar Technologies Ltd. in order to develop new business and grow RoodMicrotec's market share in the Nordic countries, Poland, the United Kingdom, and Ireland. Expanding our market share in various selected countries is part of our company growth strategy.
- The GaNScan-project, where RoodMicrotec developed reliable processes for testing of Gallium Nitride-on-Silicon as well as prototype high-power GaN devices, was finalized in September 2020. This project improved two of RoodMicrotec's core competencies in a very relevant way: Supply Chain Management gained experience how to design and organize customized and affordable low-volume high-power packages for power electronics and Test Operations modified a wafer prober to enable high voltage and high current testing of power electronics
- During 2020 we could not offer face-to-face events as in the last years due to the COVID-19 pandemic. At several online events / conferences we gave lectures on various subjects to about 300 participants in total through webcasts and digital platforms. The lecture "Reliability Testing Services for VCSELS, laser & photodiodes" given during an EPIC meeting on VCSEL Technology and Applications has been published on [YouTube](#).

## Key figures

(x EUR 1,000)	2020	2019
<b>Results</b>		
Total income	11,874	13,217
EBITDA	1,345	1,539
EBIT (operating result)	-199	123
EBT	-369	-87
Cash flow from operating activities	1,517	1,156
Net result	-265	-73
<b>Capital, Debt &amp; Liquidity Ratios</b>		
Total assets	14,337	14,294
Group equity	3,844	3,945
Net debt	1,137	1,472
Capital (net debt + equity)	4,981	5,416
Gearing ratio (net debt/ capital)	23%	27%
Solvency (group equity / total liabilities)	27%	28%
Debt ratio (net debt / EBITDA)	0.8	1.0
Net working capital	1,296	1,505
Working capital ratio	0.71	0.72
<b>Assets</b>		
Tangible and intangible fixed assets	9,177	9,404
Investments in (in)tangible fixed assets	866	1,895
Depreciation of (in)tangible fixed assets	1,544	1,416
<b>Data per share (x EUR 1.-)</b>		
Group equity	0.051	0.053
Operating results	-0.003	0.002
Cash flow	0.005	-0.010
Net result	-0.004	-0.001
Share price: at year-end	0.183	0.247
Share price: highest	0.267	0.284
Share price: lowest	0.107	0.202
<b>Issue of nominal shares</b>		
At year-end (x 1,000)	74,896	74,896
<b>Number of FTE's (permanent)</b>		
At year-end	95	98
Average	86	96
Total income / Average FTE's (permanent)	138	138

## Sales and result

In 2020, RoodMicrotec's total income came in 10% lower than in 2019 at EUR 11.9 million (2019: EUR 13.2 million), with 93% of its total sales in the European countries. The total income was predominantly affected by the lower economic activity in Europe and Asia due to the COVID-19 pandemic.

Total income in the industrial / healthcare sector declined in 2020 by 21% to EUR 5.5 million (2019: EUR 6.9 million) and represents 46% of the total income. Total income in the automotive sector increased in 2020 by 7% to EUR 5.0 million (2019: EUR 4.7 million). The HiRel / aerospace sector increased by 7% to EUR 0.9 million (2019: EUR 0.9 million). The total income in this segment 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 39% to EUR 0.5 million (2019: EUR 0.8 million).

Total income by market sector:

(x EUR 1,000)	2020	2019	change
Automotive	5,021	4,674	7%
Industrial/Healthcare	5,454	6,883	-21%
HiRel / Aerospace	908	852	7%
Others	491	808	-39%
<b>Total</b>	<b>11,874</b>	<b>13,217</b>	<b>-10%</b>

In 2020 the total income in the Supply Chain Management unit decreased by 15% to EUR 2.7 million (2019: EUR 3.1 million). The total income in the operational unit Test Operations decreased by 16% to EUR 5.4 million (2019: EUR 6.5 million). The total income in the unit Qualification & Failure Analysis came in 5% higher, at EUR 3.8 million (2019: EUR 3.6 million).

Total income results per operational unit:

(x EUR 1,000)	2020	2019	change
Supply Chain Management	2,659	3,131	-15%
Test Operations	5,429	6,482	-16%
Qualification & Failure Analysis	3,786	3,604	5%
<b>Total</b>	<b>11,874</b>	<b>13,217</b>	<b>-10%</b>

## Developments

The decrease in revenue in the Supply Chain Management unit compared to 2019 is mainly due to inventory management at the end customers. In the second quarter of 2020, many customers decided not to order new components due to the uncertainty of the market situation. This impacted the revenue in this unit but the up-swing started to take place in the second half again. The customers realized that the need for components was maintained at a higher level than expected and started to order new parts from RoodMicrotec. Our expertise in SCM is furthermore being endorsed by partnerships we have forged with other leaders in the industry.

The Test Operations unit showed a decrease of 16% compared to 2019 but it almost recovered to the same level as in 2019 in the second half of the year. In the second half of 2020 the unit ran at a reasonable utilization level since the customers that reduced the volumes in the second quarter came back with more volumes in the second half of the year. The flexibility of RoodMicrotec to be able to handle these type of down- and up-swing is greatly appreciated by the customers. The major SCM projects that RoodMicrotec is running also contributed to the sales

in Test Operations since some of them are now in volume production. The installation of the two new V93k test systems during the year has already started to pay off with increased revenue in the automotive market segment.

The Qualification & Failure Analysis unit reported an increase of 5% compared to 2019, thanks to well established relationships with long-term customers. Even though there was a concern in the market during the year, the customers continued to run their development projects and this was visible with increased revenue in the Qualification & Failure Analysis unit. During 2020 we started to offer services to perform the complete test plans of large OEMs or Tier1 suppliers for press fit connectors according to supplier approval instructions. We also participated in online events / conferences where we gave lectures on various subjects to about 300 participants in total through webcasts and digital platforms. 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 2020, RoodMicrotec continued to optimize the organization to keep track with the changing demands from the customers and markets. 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 86 FTEs in 2020. Total income per average full-time employee stayed stable at from EUR 138,000 compared to 2019. Our policy is to strive for growth of sales per FTE.

From March 2020 we had to introduce short-time working in our company in order to be able to react to the international effects of COVID-19. Short-time work had an effect on the average full-time employees of minus 10 FTEs. It was and is absolutely crucial for us not to have to lay off any employees, so we are very happy to be able to use the short-time working option. In some positions, our employees have also decided to voluntarily work more from home in order to reduce the number of colleagues present.

We have not experienced any interruptions in the business operations due to the COVID-19 pandemic. The measures taken with masks, distance between the working places, home offices and general care, have enabled us to offer a safe environment for our employees and we have had very few incidents in the company during 2020.

### **Impact due to COVID-19 pandemic**

COVID-19 has not only influenced our private and working life, it has completely changed it. Flexibility and digitalization are now the decisive points that will define our future. The first quarter was in line with our forecast and the plans for the rest of the year were solid. The second quarter was very tough with a lot of customers being cautious with ordering new devices and managing their inventory. We started to take actions to manage this lower demand through optimizing the work flows as well as implementing short-time work in both our operating facilities.

Towards the summer, many of our customers realized that the demand for their products remained at a reasonable level and they started to order components again. This enabled us to see a level in the second half of 2020 which was very close to the level of 2019. It still was lower than the forecasted sales but still encouraging to see that the demand was rising.

## Outlook

Currently, it is still not possible to forecast the duration of the COVID-19 disruption, the impact of the increasing number of infections in Europe or the impact of the worldwide logistics situation. With the present visibility, RoodMicrotec expects a total income in the range of EUR 12.8 million to EUR 13.4 million in 2021. The profit before tax in 2021 is expected to be in the range of 2% to 4% of the total income.

## Conference call

You are invited to take part in RoodMicrotec's conference call for financial press and analysts on  
**Thursday, April 22, 2021 at 9:30 CEST.**

The management will present the Annual Report 2020 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, June 10, 2021 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 will be available from April 29, 2021 onwards on our corporate website: [www.roodmicrotec.com/en/investor-relations-en/annual-general-meeting](http://www.roodmicrotec.com/en/investor-relations-en/annual-general-meeting).

## Financial calendar

April 29, 2021	Publication of agenda and invitation for the Annual General Meeting of Shareholders
June 10, 2021	Annual General Meeting of Shareholders
July 22, 2021	Publication interim report 2021
July 22, 2021	Conference call for press and analysts
October 14, 2021	Trading update quarter 3-2021

## 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 more than 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 headquarter is located in Deventer, Netherlands, with operational units in Nördlingen and Stuttgart, Germany.

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

## Further information

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*This press release is only published in English.*