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Zwolle – 02nd August 2018

INTERIM REPORT 2018

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RoodMicrotec reports a positive net result of 276 k€ for the first half of 2018 with a gross margin that is maintained at a consistent high level of 83%. Significant growth in both Test Operations and Supply Chain Management led to an increase of sales of 17% year-on-year compared to the first half of 2017. The high quote portfolio and projected forward order income in the pipeline are expected to continue to drive the expansion in the coming months. The strongest leading indicator, the book-to-bill ratio, is maintained at a level higher than one. These main leading indicators support a continuing improvement in the net result.

RoodMicrotec has continued to invest in new equipment to be able to follow the demands in the industry. These new investments are already used for production quantities.

Personnel expenses have increased slightly over first half of 2017 due to the increase in revenue, especially in the Test Operations unit. The increase is done with caution to avoid unnecessary costs and we see an increase in sales / FTE in the first half of 2018 over the first half of 2017. The operating expenses (without one-time costs) are also well under control with a slight reduction even with the major increase in sales. Depreciation and financial costs are in line with the first half of 2017.

New and promising orders from the rapidly expanding Electric Automotive, Industrial and Healthcare sectors establish RoodMicrotec in pole position in their integration with the breakthrough market for the Internet of Things. We expect to strengthen this position further.

Summary HY1 2018

(x EUR 1,000)	Unaudited HY1 2018	Unaudited HY1 2017
Net Sales	6,843	5,832
Gross margin	5,686	4,817
<i>Gross margin as % of net sales</i>	83%	83%
EBITDA	913	534
<i>EBITDA as % of net sales</i>	13%	9%
EBIT	398	44
<i>EBIT as % of net sales</i>	6%	1%
Net result	276	-85
<i>Net result as % of net sales</i>	4%	-1%

Highlights HY1 2018

- RoodMicrotec secured additional funding from Blikkenburg BV to enable investments for the future.
- RoodMicrotec expanded its presence in the ASIC market by hosting a joint event with Business Cluster Semiconductors Netherlands (BCS). This workshop gave insight into Supply Chain Management for our customers and partners.
- RoodMicrotec started legal proceedings against a debtor concerning a dispute about the (non) fulfilment of the contractual obligations as per agreement between the parties, € 130,000 has been taken as provisions for this matter.
- Strong sales in the Test Operations and Supply Chain Management units in the first-half of 2018 is showing that our strategy to move into long term engagements with our customers is successful.
- The newest generation of testing equipment for high-grade more complex chips that we purchased last year, are constantly used for production quantities.
- The cash situation in the company is continuing to improve with no foreseeable need for additional cash to finance the future investments.
- The net result was € 276,000 in the first half of 2018 (HY1 2017: € -85,000).
- Solvency ratio improved to 46% (HY1 2017: 30%).
- Net debt reduced to € 1.4 million (HY1 2017: € 2.1 million)
- Net working capital improved to € 2.0 million (HY1 2017: € 0.6 million)

Martin Sallenhag, RoodMicrotec CEO:

"We are very pleased with our performance so far and proud to report a positive net result for the first-half of 2018. This demonstrates that RoodMicrotec's strategy as well as the commitment of our employees continues to drive the company's future growth. It is very encouraging to see positive changes throughout the company and how this translates to continued double-digit growth in sales. The significant increase in both, Test Operations and Supply Chain Management, is a clear indication that our strategy to secure long-term engagements is very successful"

Financial Performance Indicators

(x EUR 1,000)	Unaudited HY1 2018	Unaudited HY1 2017	Change
Result			
Net sales	6,843	5,832	1,011
Gross margin	5,686	4,817	869
EBITDA	913	534	379
EBIT	398	44	354
Net result	276	-85	361
Net cash flow	602	231	371
Operating cash flow	-245	520	-765
Capital, debt & liquidity ratios			
Total assets	13,775	15,070	-1,295
Group equity	6,330	4,508	1,822
Net debt	1,415	2,135	-720
Capital (net debt + group equity)	7,745	6,643	1,102
Gearing ratio (net debt/capital)	18%	32%	-14%
Solvency (group equity/ total assets)	46%	30%	16%
Net working capital	1,992	599	1,393
Assets			
Tangible and intangible fixed assets	7,838	7,915	-77
Investment in (in)tangible fixed assets	228	721	-493
Depreciation of (in)tangible fixed assets	515	490	25
Nominal shares issued (x 1,000)	72,587	66,325	6,262
Data per share (x EUR 1)			
Group equity	0.09	0.07	0.02
EBIT	0.01	0.00	0.01
Net cash flow	0.01	0.00	0.01
Net result	0.00	-0.00	0.00
Number of FTEs (Permanent)			
At end of month	95	93	2
Average	94	94	0
Sales/ Average FTEs (Permanent)	146	124	22

Report of the board of management

General

RoodMicrotec's focus is on eXtended Supply Chain Management (SCM), offering ASIC turnkey solutions for the industrial and automotive markets, where it is vital to collaborate closely with design houses, suppliers, foundries, institutes, customers and other related parties. In this process, in which the partners are to some extent interdependent, RoodMicrotec's SCM ensures the weakest link is as strong as possible - this is exactly what turnkey solutions are all about.

Our customer base consists of major industrial and automotive companies throughout Europe where the role of fabless (lacking fabrication capacity) design houses is growing rapidly. These companies help our clients realising their ideas with high reliability and in a short timeframe. RoodMicrotec brings together its clients with design houses, and assists in the physical realisation of their projects, which is why we actively build and maintain relationships with the major players in Europe and Asia.

Moreover, our relationships with suppliers and institutes are also paramount in realising turnkey projects. RoodMicrotec has excellent cooperation agreements with assembly houses and wafer foundries in Asia as well as in Europe, ensuring swift and high quality supplies for our business. Through institutes, we remain at the forefront of research and technology and have access to innovative resources and ideas in the realisation of turnkey projects.

By bringing together these key stakeholders, RoodMicrotec is in a unique position to offer eXtended SCM turnkey solutions to the Industrial and Automotive markets, ensuring a successful business venture for all partners involved.

We also continue to promote our other offerings to the market, especially our well renowned Failure Analysis capabilities and our well-equipped laboratory for Qualification & Reliability Investigations. There is also an increase in demand for pure Test Operations with development of SW and HW in combination with testing of devices in our 24/7 test operations floor.

Our strategy to move more into long term engagements with our customers is shown to be successful with significant increases in both Test Operations and Supply Chain Management. We have decided to merge the Test Engineering unit into the Test Operations unit, since Test Engineering is a supporting function enabling future tests to be performed in Test Operations. Failure & Technology Analysis and Qualification & Reliability Investigations have been merged into the new Qualification & Failure Analysis unit, since they are part of the accredited laboratory and also perform services in these areas.

Developments by business unit (product /service group)

RoodMicrotec net sales HY1 2018 vs. HY1 2017

RoodMicrotec increased its half year sales by 17 percent year-on-year due to its strong ordering intake, especially in the areas Test Operations and Supply Chain Management (SCM). Within the markets, RoodMicrotec raised its sales in the industrial sector by 17 percent and in the automotive sector by 14 percent compared to the year before. The order backlog continues to be strong.

(x EUR 1,000)	HY1 2018	HY1 2017	Change
Test Operations	3,316	2,202	+51%
Supply Chain Management	1,460	1,162	+26%
Qualification & Failure & Analysis	2,067	2,468	-16%
Total	6,843	5,832	+17%

Personnel

The strategy change mentioned above has obviously impacted the organisation, leading to a different composition and management of our staff. The number of permanent employees is 94 FTEs and the sales per FTE continues to increase.

Risk management

The various risks the company is exposed to are listed in RoodMicrotec's 2017 annual report. We strive to limit the risks, inter alia by periodical and systematic risk reviews of selected aspects. These reviews are conducted approximately eight times every year. If necessary, corrective measures are taken. In view of the negative developments in the financial markets, the management is devoting additional attention to cash management. Otherwise, the management does not currently foresee any material changes in its risk in 2018.

We are ISO9001:2015 certified since April 2016 which is risk management focused.

Notes to the financial results

Sales and result

Sales in the first half of 2018 were € 6.8 million, which is € 1.0 million higher compared to the first half of 2017 (HY1 2017: € 5.8 million). The gross profit was with an 83% at a same level as in the first half year of 2017.

EBITDA was € 913,000 (HY1 2017: € 534,000). EBIT was € 398,000 (HY1 2017: € 44,000). The significant improvements of EBITDA and EBIT is mainly the result of a higher gross margin.

The total operating expenses were € 4.8 million against € 4.3 million in first half of 2017. Personnel expenses increased by € 0.3 million, outsourcing firms were used to find qualified staff in a timely manner (€ 0.2 million) and less internal hours were capitalised (€ 0.1 million). The other operating expenses were € 1.5 million and increased by € 0.2 million compared to the same period last year, first half 2018 included one-off expenses related to the legal case of € 130,000 and bank charges of € 50,000 for the share issuance in January.

Net financing costs were down by 5.4% at € 122,000. This was largely due to (early) redemption of loans.

Cash flow

In the first half of 2018, net cash flow position improved to € 602,000 (HY1 2017: € 231,000). Cash generated from operating activities was € -245,000 (HY1 2017: € 520,000). This was largely due to the pay out in full the termination benefit costs of € 400,000 to a former CEO. The net cash flow from investing activities due to the sale of land was positive by € 98,000. The cash flows generated from the sale of land (€ 326,000) was used to reduce the debt and repay a part of the loan. Cash flow from financing activities was € 749,000 consisting of proceeds from issuance of share capital of € 1,218,000 and repayment of borrowing of € 469,000. In the first half of 2018 € 203,000 is invested in machines and in intangible assets, mainly development expenditure, € 25,000.

Events after balance sheet date

On 9 July 2018 the articles of association were amended consisting of an increase of the authorised share capital of the company to € 11.0 million, divided into 100 million shares with a nominal value of € 0.11 each.

On 10 July 2018, 191,333 warrants Series III (exercise price: € 0.21) were exercised that resulted in an increase of the number of outstanding shares by 191,333 shares to a total of 72,778,732 shares.

Outlook for 2018

The company's financial outlook for 2018 remains in line with the company's projections in the 2017 Annual Report.

Financial agenda

02 August 2018 – 09:30 a.m.	Conference call for press and analysts – half year report 2018
10 January 2019	Publication (preliminary) annual sales figures 2018
14 March 2019	Publication (preliminary) annual figures 2018
14 March 2019	Conference call for press and analysts
04 April 2019	Publication annual report 2018
23 May 2019	Annual general meeting of shareholders
24 May 2019	Annual bondholders meeting
04 July 2019	Publication sales figures first half 2019
01 August 2019	Publication interim report 2019
01 August 2019	Conference call for press and analysts

Forward-looking statements

This interim report 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 interim report.

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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Financial statements interim report 2018

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1. Consolidated income statement

(x EUR 1,000)	Unaudited HY1 2018	Unaudited HY1 2017	Audited 2017
NET SALES	6,843	5,832	12,127
Cost of sales	-1,157	-1,015	-1,970
GROSS MARGIN	5,686	4,817	10,157
Personnel expenses	-3,316	-3,004	-6,105
Other operating expenses	-1,457	-1,279	-2,703
Termination benefit costs	–	–	-400
TOTAL OPERATING EXPENSES	-4,773	-4,283	-9,208
EBITDA	913	534	949
Depreciation and amortisation	-515	-490	-1,018
EBIT	398	44	-69
Financial expenses	-122	-129	-258
RESULT BEFORE TAX	276	-85	-327
Taxation	–	–	283
NET RESULT	276	-85	-44
EARNINGS PER SHARE			
Basic	0.00	-0.00	-0.00
Diluted	0.00	-0.00	-0.00

2. Consolidated statement of comprehensive income

Net profit (loss)	276	-85	-44
Remeasurement of defined benefit obligations	–	–	-286
Remeasurement of defined benefit obligations – DTL	–	–	-16
Revaluation of land and buildings	–	–	586
Revaluation of land and buildings – DTL	–	–	-133
Sale of revalued land - DTL	69	–	–
Comprehensive income	345	-85	107

3. Consolidated balance sheet

(x EUR 1,000)	Unaudited HY1 2018	Unaudited HY1 2017	Audited 2017
ASSETS			
Property, plant and equipment	5,471	5,433	6,023
Intangible assets	2,367	2,482	2,428
Deferred tax assets	1,353	1,151	1,284
Financial assets	503	3,001	503
Non-current assets	9,694	12,067	10,238
Inventories	488	354	581
Trade and other receivables	2,374	1,729	1,980
Cash and cash equivalents	1,219	920	617
Current assets	4,081	3,003	3,178
TOTAL ASSETS	13,775	15,070	13,416
EQUITY AND LIABILITIES			
Issued capital	7,985	7,296	7,339
Share premium	20,478	19,882	19,906
Revaluation reserve	2,033	1,763	2,216
Retained earnings	-26,660	-26,927	-27,188
Equity attributable to equity holders	3,836	2,014	2,273
Non-controlling interests	2,494	2,494	2,494
Total equity	6,330	4,508	4,767
Loans and borrowings	2,403	2,867	2,880
Retirement benefit obligation	2,849	5,215	2,899
Provisions	105	76	144
Non-current liabilities	5,357	8,158	5,923
Loans and borrowings	231	188	188
Trade and other payables	1,799	2,158	2,480
Current tax liabilities	58	58	58
Current liabilities	2,088	2,404	2,726
TOTAL EQUITY AND LIABILITIES	13,775	15,070	13,416

4. Statement of changes in equity

(x EUR 1,000)	<i>Number of shares (x 1,000)</i>	Share capital	Share premium	Re- valuation reserve	Retained earnings	Non- controlling interests	Total Equity
Balance at 1 January 2017	63,441	6,979	19,659	1,763	-26,842	2,494	4,053
Issuance of ordinary shares	2,884	317	210	–	–	–	527
Value of employee options granted	–	–	13	–	–	–	13
Earnings for the period *	–	–	–	–	-85	–	-85
Balance at 30 June 2017	66,325	7,296	19,882	1,763	-26,927	2,494	4,508
Balance at 1 July 2017							
Issuance of ordinary shares	391	43	38	–	–	–	81
Earnings for the period	–	–	–	–	41	–	41
Re-measurement of defined benefit obligation	–	–	–	–	-302	–	-302
Revaluation of land and buildings	–	–	–	453	–	–	453
Value of employee options granted	–	–	-14	–	–	–	-14
Balance at 31 December 2017	66,716	7,339	19,906	2,216	-27,188	2,494	4,767
Balance at 1 January 2018	66,716	7,339	19,906	2,216	-27,188	2,494	4,767
Issuance of ordinary shares	5,871	646	572	–	–	–	1,218
Value of employee options granted	–	–	–	–	–	–	–
Earnings for the period *	–	–	–	–	276	–	276
Sale of revalued land	–	–	–	-183	252	–	69
Balance at 30 June 2018	72,587	7,985	20,478	2,033	-26,660	2,494	6,330

At 30 June 2018 the authorised share capital comprised 80,000,000 ordinary shares (30 June 2017: 80,000,000). The shares have a nominal value of € 0.11 each. At 30 June 2018, 72,587,399 ordinary shares were in issue (30 June 2017: 66,325,343).

* In the half year figures, profits/losses have been accounted as if added to or deducted from the retained earnings. However, in accordance with a resolution of the AGM, the actual addition to or deduction from the retained earnings is made at year-end.

5. Consolidated cash flow statement

(x EUR 1,000)	Unaudited HY1 2018	Unaudited HY1 2017	Audited 2017
EBITDA	913	534	949
Adjustments for:			
- Share-based payments	0	13	-1
- Movements in retirement benefit obligation and assets	-50	-27	-141
- Accrued interest	-3	-8	-25
Changes in working capital:			
- Inventories	93	120	-107
- Trade and other receivables	-394	-17	-268
- Trade and other payables	-720	26	409
Cash flow from operating activities	-161	641	816
Interest paid	-84	-121	-188
Income tax paid	-	-	-
Net cash flow from operating activities	-245	520	628
Cash flow from investing activities			
Investments in property, plant and equipment	-203	-631	-1,127
Disposals of property, plant and equipment	326	-	-
Investments in intangible assets	-25	-90	-72
Net investments in financial assets	-	-	4
Net cash flow from investing activities	98	-721	-1.195
Cash flow from financing activities			
Proceeds from issuance of share capital	1,218	527	608
Proceeds from borrowings	-	-	-
Repayment of borrowings	-469	-95	-113
Net cash flow from financing activities	749	432	495
Net cash flow	602	231	-72
Cash +/- bank overdrafts at beginning of period	617	689	689
Cash +/- bank overdrafts at end of period	1,219	920	617
Net cash flow	602	231	-72

6. Notes to the consolidated interim financial statements

General information

RoodMicrotec N.V. is a public limited liability company with its registered office in Zwolle, the Netherlands and publicly listed on the Euronext Amsterdam Stock Exchange since 1986. The consolidated interim financial statements of the company for the period ended 30 June 2018 comprise the company and its subsidiaries (jointly referred to as the 'Group'). The Group includes the wholly-owned subsidiaries RoodMicrotec GmbH (Nördlingen, Germany), RoodMicrotec Dresden GmbH (Dresden, Germany) and RoodMicrotec International B.V. (Zwolle, The Netherlands).

Summary of significant accounting policies

These consolidated interim financial statements have been prepared in accordance with IAS 34 (interim financial reporting). They do not include all the information required for full annual financial statements, and should therefore be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2017.

The accounting policies applied in these consolidated interim financial statements are the same as those applied in its consolidated financial statements as at and for the year ended 31 December 2017.

Per 1 January 2018 IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from contracts with customers* are implemented. The impact of the recognition and measurement principles of these IFRS standards is immaterial.

The consolidated interim financial statements and the reconciliations included in this report and its enclosures have not been audited nor been reviewed by the external auditors.

Segment reporting

The Group is active in one operating segment, due to the limited size of the company and the internal reporting structure. Sales are reported in various product/service groups. Every month a consolidated profit & loss statement is prepared, based on which an analysis and management report is communicated.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate credit facility. Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents. Furthermore, liquidity planning is one of the major elements in the Group's budget cycle. Due to company's working capital ratio and market conditions, management has tight monitoring procedures in place regarding direct cash flows. Both the cash position and sales forecasts are frequently reviewed.

Statement of trade and other receivables

Within the Group's customer portfolio, the Group is exposed to credit risk and currency risk. The management has set up credit control policies to reduce the credit risk and foreign exchange risk as much as possible. The foreign exchange risk is mitigated by exchange rate clauses in most of the Group's contracts. The average credit rating of the Group's customers is comparable to the industry.

Net sales of HY1 2018 compared to HY1 2017

(x EUR 1,000)	Unaudited HY1 2018	Unaudited HY1 2017	Audited 2017
Test Operations	3,316	2,202	4,964
Supply Chain Management	1,460	1,162	2,448
Qualification & Failure Analysis	2,067	2,468	4,715
Total	6,843	5,832	12,127

7. Statement from the Board of Management

This statement is based on Article 5:25c, paragraph 2C of the Financial Supervision Act. The statements following this law are obliged as a ruling for the interim financial statements.

Our opinion of the interim financial statements is that it gives a true and fair view of the assets, liabilities, financial position and the result of RoodMicrotec N.V. and the companies included in the consolidation.

The interim financial statements gives a true and fair view of the situation on balance sheet date and the developments during the first half year of 2018 of RoodMicrotec N.V. and the group companies for which the financial information is recognised in its financial statements. Otherwise the risks are not expected to change materially in the second half of 2018.

The members of the board of management have signed the annual report and financial statements in fulfilment of their legal obligations on the grounds of Article 5:25c, paragraph 2C of the Financial Supervision Act.

Zwolle, 02 August 2018

Board of Management

Martin Sallenhag, Chief Executive Officer

Reinhard Pusch, Chief Operating Officer

Arvid Ladega, Chief Financial Officer

This report is published in English only.