



## Revasum, Inc. June 2019 Quarterly Update

- Half year ended 30 June 2019 (1H FY19) preliminary unaudited revenue of US\$15.2 million, of which US\$11.8 million is systems revenue.
- Significant progress on the development of the Company's new single-wafer silicon carbide polisher which is due to be released in the fourth quarter of 2019.
- Cash Receipts (unaudited) from customers for the 30 June 2019 quarter of US\$3.7 million – with additional US\$3.4 million received during July.
- 30 June 2019 cash balance (unaudited) of US\$12.1 million (compares to US\$19.8 million 31 March 2019) and no debt.
- Signing of US\$10.0 Million Debt Financing with Bridge Bank.

**San Luis Obispo, California – 30 July, 2019:** Leading semiconductor equipment company, Revasum, Inc. (ASX: RVS, 'Revasum' or the 'Company') is pleased to release a quarterly update for the period ending 30 June 2019.

### Commercial and Operational Update

The Company is pleased to report preliminary unaudited revenue of US\$15.2 million for 1H FY19 which represents a 43% increase from the same period a year ago (1H FY18) and was within the previously announced range of US\$15.0 to US\$16.5 million. This amount includes US\$11.8 million of systems revenue (an increase of 46% from 1H FY18).

During the first half of 2019 the Company has also made substantial progress towards the objective of modernizing the Company's product offering. Revasum is still on track to release the world's first fully automated single-wafer silicon carbide polisher to market in the fourth quarter of 2019.

"We are very pleased with the results from the team," noted Jerry Cutini, President and Chief Executive Officer. "As we close out the first half of 2019, we find ourselves extremely close to bringing to market the world's first single-wafer silicon carbide polisher. The first few tools are nearing completion at our California manufacturing facility and we have indications of strong demand from several of the world's leading silicon carbide wafer and device manufacturers. We remain on track to produce and deliver our first major new product in 2H19 as we begin to transition from our legacy products to market leading process technology developed specifically to take advantage of the rapidly growing Silicon Carbide market."

### June 2019 Cash Flow (Unaudited)

Revasum's receipts from customers for the 30 June 2019 quarter totaled US\$3.7 million. Revasum's net operating cash outflow for the 30 June 2019 quarter was US\$4.6 million. Outflows for product manufacturing and operating costs for the quarter decreased US\$2.5



million from US\$8.3 million in Q119 to US\$5.8 million in Q219. In Q119 we bought in a substantial amount of inventory to prepare for the large number of shipments in Q219. In Q119 we also made prepayments towards material related to the first several silicon-carbide polisher tools.

Net investing cash outflows for the 30 June 2019 quarter were US\$3.1 million. This amount includes:

- (a) capitalized product development costs of US\$2.0 million, principally relating to our new 6EZ SiC polishing tool;
- (b) capitalized costs associated with the implementation of a new ERP system of US\$0.4 million; and
- (c) the purchase of property, plant, and equipment of US\$0.7 million, a portion of which was costs associated to build one of the first Silicon Carbide tools which will not be sold to a customer, but instead will stay here in our labs for our internal use.

Net financing cashflows for the 30 June 2019 quarter were nil.

As a result of the cash flows listed above, Revasum finished the 30 June 2019 quarter with a cash balance (unaudited) of US\$12.1 million (compares to US\$19.8 million statutory cash balance as at 31 March 2019) and no debt.

### **US\$10.0 million debt financing with Bridge Bank**

The Company today signed a US\$10.0 million business financing agreement with Bridge Bank, a division of Western Alliance Bank (NYSE: WAL). The new US\$10.0 million facility is comprised of:

- US\$8.0 million working capital revolving credit line (“**Revolving Credit Line**”)
- US\$2.0 million term loan line of credit (“**Term Loan**”)

The amount available for drawdown at any time under the US\$8.0 million Revolving Credit Line is based upon the Company’s balances and composition of eligible customer receivables and inventory, as well as other factors. Amounts borrowed under the Revolving Credit Line mature and become due and payable in 24 months, unless extended by the parties.

The US\$2.0 million Term Loan provides funds for capital expenditures and other corporate purposes. Amounts drawn down under the Term Loan are repayable in 27 equal monthly installments commencing on 1 May 2020.

“We welcome this new relationship with Bridge Bank,” said Ryan Benton, Revasum’s Chief Financial Officer. “This non-dilutive financing further strengthens our balance sheet at an attractive cost of capital. Having this facility in place with a premier partner like



Bridge Bank provides additional flexibility to continue to execute on our strategic plans and increase shareholder value.”

### **Timing of June Quarter 4C Cash Flow Conference Call Details**

The Company will host an investor conference call at 9.00am AEST today (4.00pm PDT) with Mr. Jerry Cutini, Chairman and CEO and Mr. Ryan Benton, CFO.

To join live, participants can use the details as set out below. A replay of the conference call will be available on the Company’s website following the conference call.

At the time of the conference, participants can dial one of the numbers below to join the call. They will need to provide the operator the conference ID 10001329. To ask a question, participants will need to dial “\*1” (star, 1) on their telephone keypad.

Participant toll: +61 02 9007 3187 | Participant toll-free: 1 800 558 698

If you are dialling from outside of Australia, please use one of the below international numbers. For countries not listed below, the Australian Participant Toll number listed above can be dialed.

Canada	1 855 336 4664 (toll free)
China	4001 200 641 (toll free)
Hong Kong	800 906 986 (toll free)
New Zealand	800 480 392 (toll free)
Singapore	800 852 3140 (toll free)
United Kingdom	0808 168 3761 (toll free)

### **Safe Harbor Statement**

This announcement and the accompanying Appendix 4C contain forward-looking statements, which address a variety of subjects including, for example, financial projections, our statements regarding expected events, including expected revenue and earnings, system shipments, expected product offerings, product development, market adoption and technical advances. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, many of which are outside the control of the Company, which could cause actual results to differ materially from those described in the forward-looking statements. The Company’s management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such



statements speak only as of the date they are made. Revasum does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections.

**About Revasum, Inc. (ASX: RVS)**

Revasum (ARBN: 629 268 533) specializes in the design and manufacturing of equipment used for the global semiconductor industry. Revasum’s equipment helps drive advanced manufacturing technology for critical growth markets, including automotive, IoT, and 5G. Our product portfolio includes state of the art equipment for the grinding, polishing, and chemical mechanical planarization processes used to manufacture devices for those key end markets. All of Revasum’s equipment is designed and developed in close collaboration with our customers. Learn how we create the equipment that generates the technology of today and tomorrow, visit [www.revasum.com](http://www.revasum.com).

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

**Name of entity**

Revasum, Inc.

**ARBN**

629 268 533

**Quarter ended ("current quarter")**

30 June 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (6 months) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,747	12,419
1.2 Payments for		
(a) research and development	(102)	(292)
(b) product manufacturing and operating costs	(5,819)	(14,083)
(c) advertising and marketing	(585)	(1,086)
(d) leased assets	(8)	(26)
(e) staff costs	(905)	(1,916)
(f) administration and corporate costs	(970)	(2,123)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	57	148
1.5 Interest and other costs of finance paid	(5)	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(4,590)</b>	<b>(6,966)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(725)	(1,099)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets (capitalized development costs & ERP project) <sup>(1)</sup>	(2,360)	(4,281)

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (6 months) \$US'000</b>
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(3,085)</b>	<b>(5,380)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	19,798	24,469
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(4,590)	(6,966)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3,085)	(5,380)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>12,123</b>	<b>12,123</b>

(1) Of the total spend on other non-current assets during Q219 of US\$2.36 million, US\$2.02 million of this related to expenditure on product development, with the remaining US\$0.34 million relating to the ERP Project.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1 Bank balances	1,203	511
5.2 Call deposits	10,920	19,287
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,123</b>	<b>19,798</b>

6. Payments to directors of the entity and their associates	Current quarter \$US'000
6.1 Aggregate amount of payments to these parties included in item 1.2	170
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of executive director (CEO and CFO) salaries and independent director fees.

7. Payments to related entities of the entity and their associates	Current quarter \$US'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Research and development	100
9.2 Product manufacturing and operating costs	5,750
9.3 Advertising and marketing	500
9.4 Leased assets	15
9.5 Staff costs	800
9.6 Administration and corporate costs	900
9.7 Other (incl. capitalized development costs)	1,750
<b>9.8 Total estimated cash outflows</b>	<b>9,815</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets/(liabilities)	-	-
10.5 Nature of business	-	-



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....  
(Director/Company secretary)

Date: 30 July 2019

Print name: RYAN BENTON

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.