

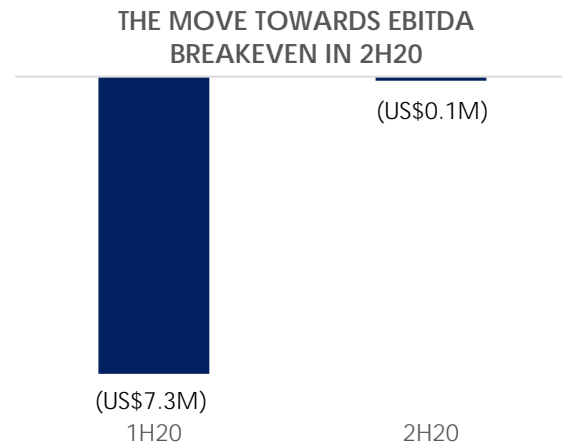
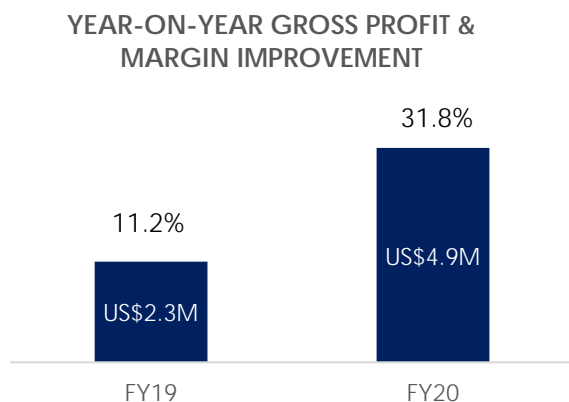
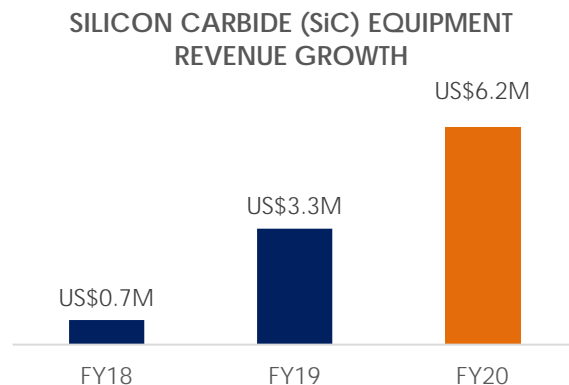
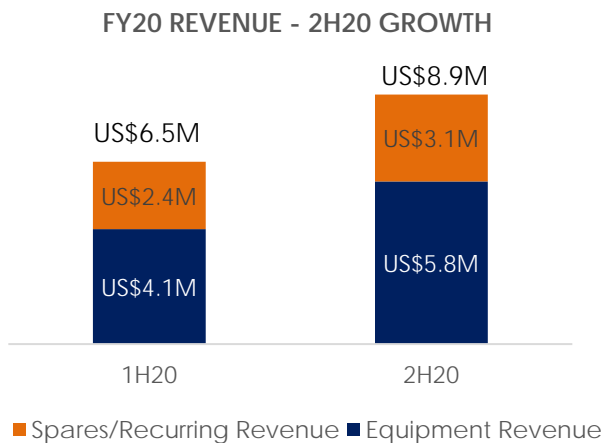


Revasum FY2020 Headline Preliminary Results and Business Update

San Luis Obispo, California – 19 January 2021: Global semiconductor technology and equipment firm **Revasum, Inc. (ASX: RVS, 'Revasum' or the 'Company')** is pleased to announce the Company's headline preliminary results for the fiscal year ending 3 January 2021 ('FY20'). All results are unaudited.

KEY METRICS & HIGHLIGHTS OF 2020

- Total revenue US\$15.4M (2019: US\$20.5M)
- Gross margin improvement to 31.8% (2019: 11.2%)
- EBITDA loss of US\$7.4M (2019: US\$13.7M loss) following aggressive reduction in discretionary spend
- First 6EZ Silicon Carbide (SiC) Wafer Polisher ("6EZ") shipped to major global semiconductor wafer manufacturer for a 6-month evaluation program
- COVID-19 caused delays in customer capital deployment in FY20
- Company saw strong improvement in performance in 2H20
- Company buoyed by renewed customer interest and demand for SiC Equipment
- SiC market poised for exponential growth in 2021 with significant capital investments





Ongoing Innovation in Cutting-Edge Technology

During FY20 the Company's strategic focus was on bringing its new flagship 6EZ Silicon Carbide (SiC) Wafer Polisher ("6EZ") to market. The first 6EZ was shipped to a major global semiconductor wafer manufacturer in the United States in Q420 for a 6-month evaluation program. The customer evaluation represents the next major step in commercialization of the 6EZ. The first shipment of the cutting-edge technology has led to further customer interest as the industry transitions from 150mm to 200m wafers, necessitating the industry's move away from batch polishing.

Revasum is one of only two companies in the world with this technology and Management believes the timing of the release of this ground-breaking technology will be transformative for the Company. Silicon Carbide demand is growing exponentially around the globe, and Revasum has the perfect opportunity to capitalize on this trend. Per YOLE estimates, SiC Device Market Revenue is estimated to grow from US\$420M in 2018 to US\$1.93B in 2024.

Alongside the development on the 6EZ, the Company has also continued to invest in enhanced features for its 7AF-HMG Grinder ("7AF"). The 7AF provides superior performance for the most challenging materials, including Sapphire and Silicon Carbide. One key enhancement developed during FY20 is the Recipe Controlled Head Angle ("RCHA"), which combined with advanced software features, enables repeatable machine control of the critical alignment between grind wheel and wafer. The first two 7AF-HMGs with this patented technology shipped to customer sites during 2020.

Impact of COVID-19 Global Pandemic

The year was impacted by events beyond Revasum's control. COVID-19 impacted the overall global supply chain, with delays in delivery of critical components. The team at Revasum worked diligently to compensate for these delays and still achieved on-time deliveries for all equipment in 2H20. The global pandemic also delayed commitment to capital spend by customers, which had a negative influence on Revasum's revenue. The Company has seen a shift in this as we have entered the new year, with an increase in customer activity.

During the year, Revasum received loan proceeds of US\$2.2M under the Paycheck Protection Program ("PPP"). The PPP was established as part of the US Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The Company has applied for full forgiveness of the loan and is awaiting a response from the SBA on this matter.

Financial Update based on Unaudited Preliminary Results

Revasum's preliminary results for FY20 show total revenue of US\$15.4M, a decrease of 25% compared to US\$20.5M in FY19. This was primarily as a result of weaker customer demand during the early months of COVID-19. The Company saw a 37% increase in 2H20 revenues to US\$8.9M, from US\$6.5M in 1H20. This was due to an increase in both equipment revenue and spares/other recurring revenue. During the second half of the year, the Company shipped 9 tools, up from 7 tools during the first half. Spares and other recurring revenue increased by 23% during the second half of the year as customers look to build their spare parts inventory in anticipation of a ramp-up in activity during 2021.

The Company preliminary results show a 31.8% gross margin for FY20, increased from 11.2% in FY19. One key factor increasing the margin in the year was the movement of the Company's supply chain to more domestic vendors, resulting in a significant decrease in export duties incurred. The improvements are also due to a drive to utilize slow-moving inventory purchased in the prior financial year, where the value had been written down, and the product mix for the year.



Revasum's preliminary results show an FY20 EBITDA loss of US\$7.4M (2019: US\$13.7M loss). This is a US\$6.3M or 46% improvement year-on-year. The Company delivered an EBITDA loss of only US\$0.1M in the second half of 2020, driven by the improvement in gross margins and an aggressive reduction in discretionary spend.

The Company closed the financial year with a cash balance of US\$1.4M (2019: US\$6.8M), with debt drawn on the Bridge Bank working capital line of US\$1.0M (2019: US\$2.0M drawn on the Bridge Bank Term Loan). Total cash outflows for the year were reduced to US\$5.4M, from US\$17.6M in the previous financial year.

Revasum CFO, Rebecca Shooter-Dodd, said: "We have been proud of the resilience displayed by our team and the Company's ability to make significant improvements to its financial and operational position in the second half of the year. Despite challenges posed by COVID-19, we have weathered the fast moving and unpredictable disruptions. We were buoyed by the improvements seen in revenue and margins in the second half of the year. The whole team is excited about the increase in customer activity surrounding the 6EZ Polisher, making us optimistic for 2021."

Update on CEO Resignation

Following Jerry Cutini's resignation as President and Chief Executive Officer, Mr. Cutini submitted a demand for arbitration dated January 12, 2021, in which, notwithstanding that he signed a release of claims against the Company, he asserts various claims against the Company with respect to his employment and is seeking certain severance benefits together with unspecified amounts of damages and associated costs. The Company has disputed and continues to dispute the basis for all of Mr. Cutini's claims and intends to defend these in full.

THIS ANNOUNCEMENT IS AUTHORIZED FOR RELEASE BY THE BOARD OF DIRECTORS

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Safe Harbor Statement

This announcement contains 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, Inc. (ARBN: 629 268 533) specializes in the design and manufacturing of equipment used for the global semiconductor industry. Revasum's technology and equipment assists in the advancement of technology for a wide range of markets and applications including automotive, IoT, 5G, telecommunications, electrification and power devices. Revasum's product portfolio includes equipment for grinding, polishing, and chemical mechanical planarization processes used to manufacture devices for key end markets. Its flagship 6EZ Silicon Carbide (SiC) Wafer Polisher is the world's first fully automated single SiC wafer polisher. Revasum's tools, including the 6EZ SiC polisher, are uniquely positioned to meet the growing global demand, maximizing quality and efficiency. Revasum's equipment is designed and developed in close collaboration with its customers. www.revasum.com