



Q4 2020 Quarterly Activities Report and Appendix 4C

San Luis Obispo, California – 29 January 2021: Global semiconductor technology and equipment firm, **Revasum, Inc. (ASX: RVS, ‘Revasum’ or the ‘Company’)** is pleased to release a quarterly update for the period ending 3 January 2021 (‘Q420’). The Appendix 4C is prepared in US dollars and is unaudited.

Q420 Quarter Highlights

- Company currently undertaking an equity capital raising, details of which are expected to be released on 1 February 2021
- Company secured US\$1.2M second draw PPP loan during January 2021
- Unaudited fiscal year end cash balance of US\$1.4M, with US\$1.0M debt drawn (debt excludes US\$2.21M PPP loan)
- Company has applied for full forgiveness of its first draw PPP Loan
- Operating and investing cash outflows of US\$6.0M for the fiscal year, a significant reduction from US\$18.8M for FY19
- 2H FY20 preliminary unaudited revenue of US\$8.9M, of which US\$5.8M is equipment revenue
- Preliminary unaudited revenue for FY20 of US\$15.4M, of which US\$9.9M is equipment revenue
- Strong performance in 2H20 as a result of margin improvement and aggressive reduction in discretionary spend
- First 6EZ shipment made to global semiconductor wafer manufacturer for 6-month evaluation period during Q420
- Shipment of 6EZ for customer evaluation represents the next major step in its commercialization
- Revasum ideally placed to meet increased demand for SiC wafers driven by high-growth end markets like EVs, 5G and solar

Commercial and Operational Update

Equity Capital Raising

The Company is currently in the process of undertaking an equity capital raising, the details of which are expected to be released to the market on 1 February 2021.

Shipment of 6EZ for Customer Evaluation

In November 2020, Revasum shipped the first 6EZ to a major global semiconductor wafer manufacturer in the US for a 6-month evaluation program. The shipment represented a major milestone for the Company and a significant step towards the tool’s commercialization.

The 6-month customer evaluation period aligns with industry standards for a new tool and the Company is confident that the tool will meet the required technical specifications during the evaluation period.

Preliminary Financial Results – Fiscal Year Ending 3 January 2021

Preliminary unaudited revenue is US\$8.9M, of which US\$5.8M is equipment revenue. This brings the total preliminary unaudited revenue for FY20 to US\$15.4M, of which US\$9.9M is equipment revenue. The Company saw a 37% increase in revenue for the second half of the year. Importantly, fiscal year 2020 saw a significant increase in SiC equipment revenue. SiC equipment revenue for FY20 was US\$6.2M, an 88% year-on-year increase.

The Company also recognised a dramatic improvement in EBITDA in 2H20, with an EBITDA loss of only US\$0.1M in the second half of the year. This was driven by an improvement in gross margins during 2020 to 31.8% (FY19: 11.2%) and an aggressive reduction in discretionary spend.



Second Draw PPP Loan

Subsequent to quarter end, the Company received loan proceeds of US\$1,165,370 (“PPP Loan”) under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business, calculated as provided under the PPP.

The PPP provides a mechanism for forgiveness of up to the full amount borrowed after eight to twenty-four weeks, as long as the borrower uses the loan proceeds during the period for eligible purposes, including payroll costs, certain benefits costs, rent and utilities costs or other permitted purposes, and maintains its payroll levels, subject to certain other requirements and limitations. The amount of loan forgiveness is subject to reduction for numerous reasons, including if the borrower has recently, or during the period after loan origination, terminates employees or reduces salaries.

The PPP Loan is evidenced by a promissory note (“Note”) given by the Company as borrower to Western Alliance Bank, an Arizona Corporation, as the lender. The PPP Loan is unsecured and is guaranteed by the U.S. Small Business Administration. The interest rate on the Note is 1.0% per annum. Any unforgiven portion of the PPP Loan is repayable in accordance with PPP rules. The Company is permitted to prepay the Note at any time without payment of any premium.

During FY20, Revasum received loan proceeds of US\$2.2M under the Paycheck Protection Program. The Company has applied for full forgiveness of the loan and is awaiting a response from the SBA on this matter.

Q420 Cash Flow (Unaudited)

Revasum’s receipts from customers for the 3 January 2021 quarter totaled US\$3.0 million. Revasum’s net operating cash outflows for the quarter were US\$0.9 million, a decrease of US\$0.4 million from US\$1.3 million in Q320. This is a reflection of the ongoing efforts to reduce discretionary spend.

Included in operating cash outflows are payments to Revasum’s related parties and their associates totalling US\$86,638 comprising of payments of CEO & CFO salaries, along with payments to Non-Executive Directors for their services as Directors.

Net investing cash outflows for the 3 January 2021 quarter were US\$29K, this amount related to the build of the 6EZ SiC tools that will remain in the lab at Revasum for internal use.

Net financing cash inflows for the 3 January 2021 quarter were US\$0.8 million. This included a US\$1.0 million draw on the working capital revolving credit line with Bridge Bank.

As a result of the cash flows listed above, Revasum finished the 3 January 2021 quarter with a cash balance (unaudited) of US\$1.4 million (compares to US\$1.4 million statutory cash balance as at 4 October 2020), with US\$1.0 million debt drawn, excluding the PPP loan which is expected to be forgiven.

THIS ANNOUNCEMENT IS AUTHORIZED FOR RELEASE BY THE BOARD OF DIRECTORS

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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, 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