



Q1 2021 Quarterly Activities Report and Appendix 4C

San Luis Obispo, California – 26 April 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 4 April 2021 (‘Q121’). The Appendix 4C is prepared in US dollars and is unaudited.

Q121 QUARTER HIGHLIGHTS

- The Company generated operating cash inflows of US\$145K for the quarter
- A\$7.9 million (US\$6.1 million) raising completed via a pro-rata accelerated non-renounceable Entitlement Offer (“**Entitlement Offer**”) of new shares and CDIs with current significant shareholders Firsthand and Perennial taking up their full entitlements
- US\$1.2M second draw PPP loan secured in January 2021
- Quarter-end unaudited cash balance of US\$7.3M, with no debt drawn (excluding PPP loans)
- Equipment backlog (confirmed orders not yet shipped) of US\$4.4M due to ship during FY21
- Demand increasing for both Silicon Carbide (SiC) and Silicon (Si) wafer processing equipment
- 6EZ customer evaluation progressing well and meeting crucial process metrics
- Customer demos for the 6EZ completed during the quarter for key market participants in both Europe and the United States
- Executive sales team hires strengthen sales and marketing capabilities
- Semiconductor industry supply chain pressure leads to wave in demand for equipment
- President Biden signs executive order calling for semiconductor supply chain review – pressing for US\$50 billion to boost chip manufacturing amid a global chip shortage and support US semiconductor manufacturing
- SEMI projects global sales of semiconductor manufacturing equipment by OEMs to increase 15.5% in 2021, and 12% in 2022
- Explosive demand for electronics that are the backbone of communications, computing, healthcare and online services – all of which saw increased demand as a result of the COVID-19 pandemic

COMMERCIAL AND OPERATIONAL UPDATE

Entitlement Offer Completed

During the quarter, Revasum completed an A\$7.9 million (US\$6.1 million) capital raising to strengthen the Company’s balance sheet and fund further growth.

The equity raising was undertaken via an underwritten, pro-rata accelerated non-renounceable Entitlement Offer (“Entitlement Offer”) of ~15 million new shares and ~7 million new CDIs. The raising comprised institutional and retail components.

Firsthand Venture Investors subscribed to its full entitlement of A\$5.4 million via a sub-underwriter, Firsthand Technology Opportunities Fund. Perennial also took its full entitlement of A\$1.2 million. The remainder was taken up by both current and new investors.

The funds are being used to customize, qualify, and market our flagship 6EZ Silicon Carbide (SiC) Wafer Polisher (“6EZ”). Proceeds have also provided working capital and will contribute to investment in technology including development of the next generation 7AF-HMG grinder.

The Company would once again like to thank new and existing shareholders for their support.

Shaw and Partners Limited was lead manager to the Entitlement Offer.



Growing Equipment Backlog

As of 26 April 2021, the Company has an equipment backlog (confirmed orders not yet shipped) of US\$4.4M. This backlog comprises of orders for both the 7AF-HMG Silicon Carbide Grinder and also the 6DZ Silicon Polisher.

Revasum has an active install base of 274 6DZ Silicon Polishers across the globe. The Company is seeing demand for this equipment grow, as the Si chip shortage worsens across the world. The reasons for this shortage are broad, but have primarily arisen as a result of explosive demand for electronics that are the backbone of communications, computing, healthcare and online services – all of which saw increased demand as a result of the COVID-19 pandemic. All of these electronics contain Si chips. The Company expects revenue from this product line during FY21 and into FY22.

As key market participants continue to invest in their SiC programs, we are also seeing growing demand for both our 7AF-HMG SiC Grinder and 6EZ SiC Polisher.

Revasum CFO Rebecca Shooter-Dodd said: “The recent entitlement offer and strengthened balance sheet has placed the Company in good stead for a new phase of growth and to capitalise on the unprecedented demand we are now seeing in the global semiconductor market.”

6EZ Customer Evaluation & Demos

Our 6EZ evaluation at one of the top three global silicon carbide wafer manufacturers is nearing completion – wafers are being regularly processed, and all wafer shape metrics have been successfully surpassed. Our process development team is busy performing demos and continually finding new ways to increase wafer quality while balancing throughput and reliability.

Revasum CTO Dr. Rob Rhoades is confident that the 6EZ is increasingly becoming more & more relevant as the industry matures: “The 6EZ is currently the only automated single-wafer polisher on the market specifically designed for the challenges of polishing silicon carbide wafers. We are pleased to report that both internal data from our process lab and external data from customers confirm that the 6EZ process results are setting the pace for this critical process step. This is especially important as the industry looks toward the upcoming ramp of 200mm wafer capacity where we expect single-wafer polishing to be the defacto standard.”

Strengthened Executive Sales Team

During the quarter, Revasum was pleased to announce two new appointments to the Sales and Marketing team, Chris Sloan and Peter Vowell.

Chris Sloan was appointed to the key role of Vice President of Worldwide Sales and Marketing. Chris joins Revasum from semiconductor capital equipment manufacturer and supplier, OEM Group, Inc. where he was the US Sales Manager and Director of European Sales. Prior to that, he spent five years as the Regional Marketing and Business Development Manager at semiconductor process equipment manufacturer, Veeco Instruments, Inc.

In his new role, Chris will be responsible for business development and driving new product sales. This includes facilitating the commercialization of the Company’s flagship 6EZ Silicon Carbide (SiC) Wafer Polisher (6EZ), which was released to market in 2020, and is currently undergoing its first customer evaluation.



Peter Vowell has re-joined the Company and has been appointed Director of Technical Sales reporting to Chris Sloan. Peter most recently worked for HRL Laboratories as a process integration engineer. Prior to HRL Laboratories, Peter served as a process engineer at Revasum. While at Revasum, Peter was an integral part of the team that designed, developed and launched the 6EZ SiC polisher. He has detailed knowledge of the design and operation of Revasum's entire product suite.

As Director of Technical Sales, Peter is charged with understanding the specific technical needs of Revasum's customers and facilitating the design and engineering of bespoke grind and polish solutions.

Semiconductor Capital Equipment Market Update

As technology continually advances, the demand for semiconductor chips is growing exponentially. Semiconductor chips are the "brain" within every electronic device in the world. Consumers are driving a new level of demand for these devices, which is rapidly outpacing supply.

Recent semiconductor supply chain constraints have drawn the attention of Washington policymakers at every level. On 24 February 2021, President Biden signed an executive order launching a 100-day comprehensive review across federal agencies of U.S. supply chains of four key products – one of these sectors being Semiconductors and Advanced Packaging. Biden has announced plans to invest US\$50 billion in semiconductor manufacturing and research as part of his drive to rebuild U.S. manufacturing under a US\$2 trillion infrastructure plan.

Key market participants continue to announce fab expansions across the globe. SEMI World Fab Forecast report estimates that the global semiconductor industry is on track to register a rare three consecutive record highs of fab equipment, with a 16% increase in 2020 followed by forecast gains of 15.5% for FY21 and 12% in 2022.

The market conditions have led to a spike in product orders, as noted above, and we see further sales ahead.

Q121 FINANCIAL UPDATE

Q121 Cash Flow Statement

Revasum saw operating cash inflows for Q121 of US\$145K (Q420: outflows of US\$0.9M). Receipts from customers for the quarter were US\$3.9M, an improvement on Q420 (US\$3.0M). This is a reflection of the growing backlog and deposits collected upon PO placement.

Payments for operating activities were steady quarter-on-quarter, at US\$3.7M for Q121, versus US\$3.8M for Q420. Included in payments for operating activities are payments to Revasum's related parties and their associates totalling US\$87,077, comprising of CFO salary, along with payments to Non-Executive Directors for their services as Directors.

Net investing cash outflows for the period were US\$86K (Q420: US\$29K), these funds were spent on improvements to the 6EZ demonstration tools as ongoing development is carried out.

Net financing cash inflows for period were US\$5.9M. During the quarter, as described in detail above, the Company completed an Entitlement Offer, net proceeds from the offer were US\$5.7M. Following completion of the offer, the Company repaid the US\$1.0M that was drawn down on the Bridge Bank working capital line. The Company also secured a second-round PPP loan during January 2021 of US\$1.2M.

At the end of Q121, Revasum's unaudited cash balance was US\$7.3M, a significant increase from US\$1.3M at the end of FY20, with no debt drawn, excluding the PPP loans which are expected to be forgiven.



US\$1.17M Second Draw PPP Loan Secured

During January 2021, Revasum 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 8-24 weeks, providing the borrower uses the loan proceeds during the period for eligible purposes.

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. The Company expects full forgiveness on the loan.

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.

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