

REVASUM

ASX Announcement

Revasum well-positioned to capture industry growth momentum

San Luis Obispo, California – 24 February 2022: Global semiconductor technology and equipment firm, **Revasum, Inc. (ASX: RVS, 'Revasum' or the 'Company')**, is pleased to announce its results for the fiscal year ended 2 January 2022 (FY21).

Key FY21 highlights

- Total revenue of US\$13.7 million, in line with previous guidance (FY20: US\$15.4 million)
- Other recurring revenue up 13% year on year (YOY) to US\$6.2 million (FY20: US\$5.5 million)
- Gross margin increased for the second consecutive year to 35.3%, (FY20: 31.8%, FY19: 11.2%)
- EBITDA loss of US\$3.2 million (FY20: US\$7.4 million loss), a 57% improvement YOY
- Improved cash flow profile through operating efficiencies
- Achieved process acceptance on the first 6EZ Silicon Carbide ('SiC') Polisher, confirming RVS technology works to its advanced specifications
- Strengthened executive team with three key appointments
- PPP loans of US\$3.4 million fully forgiven
- Strong balance sheet position with US\$4.3 million cash and no debt as at year end.

Commenting on the Company's FY21 achievements, Revasum President & CEO Rebecca Shooter-Dodd said:

"While supply chain constraints created headwinds for the whole semiconductor industry last year, 2021 was a pivotal year for Revasum. Not only did we commercialise the 6EZ SiC Polisher, but we also achieved process acceptance from an industry leading customer. This is a tremendous achievement by our entire team and a testament to the exceptional precision technology that the Company continues to develop. As one of the only companies globally with both grinding and polishing equipment designed specifically for SiC, our products have never been in a better place. We are perfectly oriented to capitalise on the most exciting growth segment of the semiconductor market, power electronics."

Positive outlook for FY22

- Global fab equipment spending for front-end facilities is expected to increase 10% YOY to an all-time high of over US\$98 billion in 2022¹
- Strong industry fundamentals are accelerating demand for SiC products, with electrification of vehicles representing a significant growth driver for the power electronics market
- Engaging with contract manufacturers to support capacity expansion and meet customer demand
- Further strengthened capital structure with an US\$8.0 million growth capital facility established to accelerate new product development and provide working capital to support rapid growth
- Robust order backlog of US\$8.6 million as at 24 February 2022, all scheduled to ship during FY22
- Reaffirmed FY22 revenue guidance of US\$25 million to US\$35 million, and expect to be free cash flow positive.

¹ Source: <https://www.semi.org/en/news-media-press-releases/global-fab-equipment-spending-projected-to-log-record-high-in-2022-to-mark-third-consecutive-year-of-growth-semi-reports>

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Commenting on the Company's positive outlook for FY22, Ms. Shooter-Dodd said:

"Revasum's technology is a critical part of the supply chain for electric vehicles [EV], 5G and solar products. The EV industry has been particularly influential and represents a significant growth driver for us. In FY22 we will continue to invest in technology enhancements for our core products that will extend our position as one of the leading providers of advanced SiC wafer processing technology. Revasum will continue to play a key role in our customers' efforts to scale SiC production globally.

"Although the global supply chain remains challenging, with strong industry fundamentals and a strengthened capital structure, Revasum is well-positioned to achieve revenue in our previous guidance range of between US\$25 million to US\$35 million, while also becoming cashflow positive this year."

Revenue, gross margin expansion and robust sales order backlog

FY21 total revenue was US\$13.7 million (FY20: US\$15.4 million), reflecting the impact on equipment revenue from pandemic-related supply chain disruptions across the semiconductor industry. Offsetting the decline in equipment revenue was an increase in recurring revenues, with spare parts, consumables, and service revenue up 13% to US\$6.2 million (FY20: US\$5.5 million).

Revenue momentum increased in H2 FY21, with revenue of US\$9.1 million representing 66% of FY21 total revenue, underpinned by an increasing sales order backlog of US\$8.6 million (as at 24 February 2022). The growing sales order backlog is a key lead indicator for continued revenue momentum.

Gross margin improved for the second consecutive year in FY21 to 35.3% (FY20: 31.8%, FY19: 11.2%). This improvement was achieved through a series of initiatives including a review of list prices across all product lines, a focus on increasing operating efficiencies and a higher margin product mix. Gross margin growth contributed to improved EBITDA, with FY21 EBITDA loss of US\$3.2 million (FY20: US\$7.4 million loss), a 57% improvement YOY.

Balance sheet and capital structure well-positioned to support growth initiatives

The RVS balance sheet and capital structure is well-positioned to support future growth initiatives. In Q1 FY21 RVS completed a successful entitlement offer raising A\$7.9 million (US\$6.1 million), of which RVS' two major shareholders, Firsthand Venture Investors and Perennial, subscribed for their full entitlements.

As at the end of FY21, the Company had a cash balance of US\$4.3 million and no debt. Post end of FY21, RVS secured a growth capital facility of up to US\$8.0 million with SQN Venture Partners to support future product development and working capital requirements to meet increased customer demand.

Improved operating cash flows

FY21 operating cash outflows improved to US\$2.2 million (FY20: US\$5.5 million outflow). In Q4 FY21, operating cash outflows reduced to US\$0.3 million (decrease of 72% on Q3 FY21). With increased cash receipts from customers supported by a growing sales backlog and deposits collected on equipment purchase order placements, RVS expects a more consistent and improved operating cashflow profile in FY22.

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Strengthened executive team

Revasum strengthened its senior leadership team in FY21 with three key appointments:

- Rebecca Shooter-Dodd was appointed President and CEO & Executive Director (13 September 2021). Previously CFO & COO, she was instrumental in bringing the 6EZ to market, overseeing the first sales and initial steps in the tool's commercialisation
- Dr. Karey Holland was appointed CTO (13 September 2021). For more than 30 years, Dr. Holland has led advances in chemical mechanical planarisation (CMP) and photolithography and specialised in advanced semiconductor transistor fabrication, including metrology, etch, deposition and interconnect technologies
- Alejandro Garcia was appointed COO (3 January 2022). With over 30 years of experience, Alejandro will be focused on driving operational processes and manufacturing systems and guiding the infrastructure scale-up of the Company's silicon and SiC wafer grinding and polishing equipment technology.

A briefing session for investors and analysts will be held at 9:00am AEDT on Tuesday, 1 March 2022.

Participants can register for the briefing session via: <https://s1.c-conf.com/diamondpass/10020155-wys6dv.html>. Please note that registered participants will receive their dial in number upon registration.

THIS ANNOUNCEMENT WAS AUTHORISED FOR RELEASE BY THE BOARD OF DIRECTORS

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About Revasum

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.

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.