

REVASUM

ASX Announcement

29 April 2022

Q1 2022 – First Quarter Activities Report

San Luis Obispo, California – 29 April 2022: Global semiconductor technology and equipment firm, **Revasum, Inc. (ASX: RVS, 'Revasum' or the 'Company')** is pleased to release the following update for the three-month period ending 3 April 2022 ('Q1 FY22'). The Appendix 4C is prepared in US dollars and is unaudited.

Q1 FY22 HIGHLIGHTS

- Strong revenue momentum with total revenue of US\$4.28 million (Q1 FY21: US\$1.77 million), an increase of 140%+ year on year ("YoY"), coming in at the high end of our FY22 revenue guidance of 80%-155% increase;
- Equipment revenue of US\$2.45 million (Q1 FY21: US\$0.34 million), an increase of ~620% YoY;
- Other revenue of US\$1.83 million (Q1 FY21: US\$1.43 million), an increase of 28% YoY;
- Total backlog of US\$8.15 million as of 29 April 2022, inclusive of US\$5.73 million in equipment orders;
- Maintained strong gross margin of 34.5% (FY21: 35.3%), despite global supply chain issues and delays;
- Supply chain delays plaguing the industry leading to delays in delivery of equipment;
- Established new US\$8.00 million growth capital facility from SQN Venture Partners LLC to provide growth capital;
- Cash balance of US\$4.65 million as of 3 April 2022;
- 6EZ platform in a production environment at a key customer and delivering industry-leading process results;
- Launched development program for next-generation of the 6EZ SiC polisher upgraded for high-volume production, the TOLOSA™;
- Global Wafer Fab Equipment sales forecasted to increase 22.8% YoY in 2022 to a record high of US\$108 billion¹;
- Silicon Carbide (SiC) power device market set to grow to US\$6.3 billion by 2027, a CAGR of +34% from 2021².

¹ VSLI Research, Inc.

² Yole Developpement 2022 Power SiC

Revenue growth and diversification

Total revenue for Q1 FY22 increased 140%+ YoY to US\$4.28 million (Q1 FY21: US\$1.77 million). Equipment revenue increased to US\$2.45 million (Q1 FY21: US\$0.34 million), which included the shipment of the second 6EZ SiC Polisher to Europe. Equipment revenue attracted a significantly increased gross margin of ~34% (FY21: ~24%), an increase of 10%. This reflects the shift in revenue mix, with flagship equipment designed for the SiC industry attracting a higher margin than legacy Si equipment.

Recurring other revenues increased 28% YoY to US\$1.83 million (Q1 FY21: US\$1.43 million), representing 42% of total revenue (FY21: 45%). Recurring revenues provide consistent cash flow on an ongoing basis, and support higher gross margins. Management are strategically focused on continuing to grow these revenue streams which comprise of spare parts, consumables and service revenue.

The Company continues to work with its suppliers and contract manufacturers to mitigate the significant supply chain challenges that are impacting the semiconductor industry. Components containing chips, such as motors, are becoming harder to procure as the chip shortage intensifies globally – the Company is managing supply chain challenges by building inventory strategically based on customer forecasts and working closely with key suppliers.

Product development

The current 6EZ platform is in a production environment at a key customer and is delivering industry-leading process results. As the industry ramps to higher wafer volumes at 6 and 8 inches, customers are looking for additional features to increase

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throughput and reduce cost of ownership. This is critical for SiC devices to move from niche to mainstream.

During the quarter, Revasum launched a development program for its next-generation of the 6EZ SiC polisher, the TOLOSA™. Designed for high-volume production, the TOLOSA™ will incorporate a number of new features, including a fully-integrated multi-chamber brush cleaning module to significantly increase throughput and improve clean. The TOLOSA™ will be released to the market in 1H 2023. Revasum continues to partner with strategic customers and leading consumable providers on the development of new products and Continuous Improvement Programs, further strengthening its market leading position for SiC grinding and CMP equipment.

Financial commentary

Operating cash outflows for the quarter increased to US\$4.17 million (Q1 FY21: inflows of US\$0.15 million). This was primarily due to an increase in cash outflows relating to inventories as the Company works to mitigate the impacts of significant supply chain delays. While the near-term pace of supply chain recovery is difficult to assess, we are confident that our actions will result in progressive improvement in our performance on a go-forward basis.

The delays in receipt of inventories pushed equipment shipments into Q2 2022, also leading to a reduction in customer receipts for the quarter. The confirmed order backlog remains robust however, with shipments merely delayed to the next quarter. As at quarter end, aged receivables totaled US\$3.29 million.

Included within operating cash outflows are payments to related parties and associates totaling US\$61K, comprising of CEO salary and directors' fees.

On 18 February 2022 the Company secured a growth capital facility from SQN Venture Partners, LLC. The facility will provide up to US\$8.0 million in debt financing to accelerate new product development and provide working capital to support rapid growth. The funds are available in two tranches. US\$5.0 million was funded upon closing of the facility on 18 February 2022. An additional US\$3.0 million will be made available to the Company upon achieving YTD Purchase Orders for the 7AF-HMG and 6EZ of at least US\$12.0 million by 30 September 2022.

Revasum's unaudited cash balance at the end of Q1 FY22 was US\$4.65 million (Q4 FY21: US\$4.30 million).

Industry Update and Outlook

Investment in wafer fabrication equipment (WFE) remains strong, with total global WFE sales forecasted to exceed US\$100 billion for the 2022 fiscal year.

While continued supply-related delays will likely result in delays in shipments of equipment, the Company remains on track to achieve its FY22 revenue target of US\$25 million to US\$35 million. Equipment revenue is expected to account for US\$18 million to US\$25 million, while other recurring revenues are anticipated to increase to US\$7 million to US\$10 million.

Revasum President and Chief Executive Officer, Rebecca Shooter-Dodd said:

"The 2022 fiscal year is off to a strong start, with a total revenue increase of 140%+ year on year ("YoY"), despite the impact of pervasive supply chain delays being seen globally. We also continued to convert opportunities into orders, maintaining a healthy confirmed order backlog.

This is reflective of the increasing equipment demand across the semiconductor industry – with wafer fab equipment sales forecasted to increase ~23% YoY in 2022 to a record high of US\$108 billion.

"We invested in innovation, maintaining our strategic focus on the rapidly growing SiC industry. During the quarter we launched a development program for our next-generation CMP tool – the TOLOSA™.

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The TOLOSA will have a number of additional proprietary features designed to increase throughput – reducing the total cost of ownership for our customers –and will also deliver superior uniformity and efficiency.

"We are executing on our growth strategy – increasing market share across a broad range of fast-growing market segments which continue to benefit from structural increases in both volume and demand. This growth is enabling larger investment in new products to accelerate time to market with innovative products that address customer technological and productivity demands."

THIS ANNOUNCEMENT WAS 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

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.