

REVASUM

Q3 2021 Quarterly Activities Report

San Luis Obispo, California – 13 October 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 October 2021 ('Q321'). The Appendix 4C is prepared in US dollars and is unaudited.

Q321 QUARTER HIGHLIGHTS

- Q321 preliminary unaudited revenue of US\$6.1M (Q221: US\$2.8M), a 117% increase quarter-over-quarter
- FY21 YTD preliminary unaudited gross margin of 35.4% (FY20: 31.8%)
- Total backlog of US\$8.4M as of 13 October 2021 (US\$9.7M as of 26 July 2021)
- Equipment backlog of US\$6.3M as of 13 October 2021 (US\$6.8M as of 26 July 2021)
- Spares, service and other revenue backlog of US\$2.1M as of 13 October 2021 (US\$2.9M as of 26 July 2021)
- First of two 6EZ SiC Polishers shipped to European customer during the quarter
- First shipment of SiCure Flow Slurry Delivery System to customer
- Q321 unaudited cash balance of US\$4.8M, with no debt drawn (excluding PPP loan)
- Board and executive leadership team appointments secure Revasum's position as a market leader in Silicon Carbide technology and innovation
- Increased demand seen across both Silicon (Si) and Silicon Carbide (SiC) product lines as investment in semiconductor fabs accelerates globally
- Continued to work with leading SiC substrate and device makers to improve yield achieved on SiC wafers and thus improve chip performance and power efficiency
- Electrification & automation of vehicles the primary driver for the SiC market, with governments across the world incentivizing the use of EVs
- Worldwide installed capacity for power and compound semiconductor fabs is projected to top 10 million wafers per month (WPM) for the first time in 2023
- Revasum joins semiconductor industry organization, PowerAmerica Institute to collaborate with other industry participants to accelerate the adoption of SiC and GaN technologies

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

"We delivered strong revenue growth during the quarter, as our customers ramp up production. We continue to grow and convert opportunities in our pipeline - maintaining a high sales order backlog as we head into the last quarter of the fiscal year. Evaluation activity for the 6EZ SiC Polisher has continued during the quarter, and I believe we are well positioned to capitalize on what is set to be a high growth SiC market over the coming years."

COMMERCIAL AND OPERATIONAL UPDATE

Revenue Growth & Growing Sales Order Backlog

Achieved Q321 preliminary unaudited revenue of US\$6.1M (Q221: US\$2.8M), a 117% increase quarter-over-quarter. This also represents a 33% increase compared to the entire 1H21 revenue of US\$4.6M. Notably, the first of two 6EZ SiC Polishers shipped to our customer in Europe during the quarter and is currently being installed at their facility, with the second tool scheduled to ship during Q122.

Improved gross margins were maintained with a year-to-date preliminary unaudited gross margin of 35.4%.

REVASUM

The confirmed sales order backlog reflects the increased demand being seen, with a total sales order backlog of US\$8.4M as of 13 October 2021. We continued to take orders for our 6DZ Si Polisher and 7AF-HMG Grinder during the quarter and saw strong evaluation activity on the 6EZ SiC Polisher.

Executive Leadership & Board Appointments

Revasum continued to invest in developing its executive leadership team to ensure it has the right expertise to execute on its business objectives and growth strategy.

Ms. Rebecca Shooter-Dodd was appointed President and CEO & Executive Director. Rebecca previously held the roles of Chief Financial and Operating Officer (CFOO) and Company Secretary. With extensive leadership experience across the corporate, financial and operational divisions of the Company, Ms. Shooter-Dodd will navigate Revasum through its next stage of growth. The company has commenced an executive search for a Chief Financial Officer.

Mr. Kevin Landis was appointed Non-Executive Chairman, after serving as a Non-Executive Director of the Company since 2016. This announcement followed the resignation of Mr. Vivek Rao, who served as Chairman since August 2020 and was an Independent Non-Executive Director since 2018.

During the quarter, Revasum also announced the appointment of Dr. Karey Holland to the role of Chief Technology Officer (CTO). In this role, Dr. Holland will oversee the drive to increase Revasum's wafer grinding and polishing equipment offering and enhance existing product capabilities.

Revasum also announced it had reached settlement and release agreement with former Chief Executive Officer, Mr. Jerry Cutini, on agreeable terms for both parties.

Process Development and Product Offering Update

A key challenge to increasing market adoption of SiC is centered around overcoming quality and device reliability issues stemming from wafer and epitaxial defects. SiC is a challenging substrate to grow & process, and yield improvement is a key focus for the industry.

During the quarter the Company continued its process development on the 7AF-HMG Grinder and 6EZ SiC Polisher toolset to improve the quality of the SiC wafers post-polish. Revasum has now achieved post-polish roughness of $<1\text{\AA}$ ($<0.1\text{nm}$) on the Si-Face and $<2\text{\AA}$ on the C-Face, and total thickness variation (TTV) of $<1\mu\text{m}$. These are exceptional process results, and we continue to work with industry leading substrate and device makers to take our process results to the next level.

Revasum continued to invest in expanding its product offering during the quarter, shipping the first SiCure Flow Slurry Delivery Systems to a customer. The SiCure Flow Slurry Delivery System is a simple and cost-effective method to keep slurry agitated and circulating while seamlessly transporting it to where it is needed. It has a day tank capacity of 20 liters, filter venting, exhaust failure monitoring, and PTFE quick connects for fast and safe changeouts. The systems can be used alongside our polishers, including the 6EZ and the 6EC-II.

Revasum Chief Technology Officer, Dr. Karey Holland said:

"I am thrilled to have joined Revasum at this particular moment, working alongside our industry leading customers to achieve higher wafer yields, especially as the industry transitions to 200mm diameter wafers. Our process development team has worked hard to achieve excellent post-polish defectivity and overall wafer thickness uniformity, while also meeting the needs of high wafer per hour throughput at excellent cost per wafer. This will allow higher volumes of larger SiC wafers to be produced for the Industry and support the SiC device growth our world requires."

REVASUM

Semiconductor Capital Equipment & SiC Market Update

Fueled by backlogged demand for automotive electronics caused by pandemic-driven semiconductor supply chain disruptions, worldwide installed capacity for power and compound semiconductor fabs is projected to top 10 million wafers per month (WPM) for the first time in 2023, growing to 10.24 million WPM (in 200mm equivalents) and climbing to 10.6 million WPM in 2024 as SEMI recently announced in its Power & Compound Fab Report to 2024.¹

This growth in demand for wafers is expected to directly impact the demand for semiconductor wafer fab equipment. The wafer fab semiconductor manufacturing equipment market is projected to increase by 33.5% in 2021, resulting in a new record spend of US\$81.7 billion. Growth momentum will continue as data-driven digital transformation propels the industry investment. 14 new fabs globally commenced construction in 2020, with a further 19 planned in 2021 and 10 in 2022. These fabs must be filled with new equipment.²

The global chip shortage remains a critical issue, with semiconductor supply chain constraints influencing geopolitical activity thereby increasing demand for equipment.

In early 2021, President Biden announced plans to invest US\$52 billion in semiconductor manufacturing and research as part of his drive to rebuild US manufacturing under a US\$2 trillion infrastructure plan.

1 <https://www.semi.org/en/news-media-press/semi-press-releases/power-and-compound-fab-capacity-projected-to-top-record-10-million-wafers-per-month-in-2023-semi-reports>
2 SEMI 2021 Mid-Year Equipment Forecast & SEMI World Fab Forecast Q221 Update

Industry Engagement

During the quarter, Revasum joined highly esteemed peers in the SiC and Gallium Nitride (GaN) industries as a member of PowerAmerica Institute (PowerAmerica). Dedicated to accelerating the adoption of high performing, next generation SiC and GaN, PowerAmerica brings together organizations across the semiconductor supply chain to educate the American workforce and provide innovative product designs.

For Revasum, PowerAmerica is ideally placed as an information hub and a vehicle through which to accelerate the development of next generation SiC and GaN innovations. Revasum's grinding and polishing tools are essential components of the SiC semiconductors supply chain, and connecting with the Institute and its members, with the backing of the U.S. Department of Energy and top researchers, will ensure Revasum remains at the forefront of innovation.

Revasum looks forward to a collaborative engagement with PowerAmerica, and its member companies and associates, to accelerate the development of domestic research, innovation and advanced manufacturing capabilities across the US semiconductor supply chain.

Q321 FINANCIAL UPDATE

Q321 Cash Flow Statement

Revasum reported operating cash outflows for Q321 of US\$1.1M (Q221: outflows of US\$1.0M). Receipts from customers for the quarter were US\$4.5M, an increase of 45% from US\$3.1M in Q221. This reflects the growing backlog and deposits collected upon PO placement.

Payments to suppliers and employees were up quarter-on-quarter, totaling US\$5.6M (Q221: US\$4.1M). The increase in payments to suppliers and employees was primarily driven by building inventories to appropriately manage the supply chain shortages across the industry and to fulfil the growing order backlog.

REVASUM

Included in payments for operating activities are payments to Revasum's related parties and their associates totalling US\$66,606, comprising of CEO salary, along with payments to Non-Executive Directors for their services as Directors.

Net investing cash outflows for the period were US\$19K (Q221: US\$25K), these funds were spent on upgrading the 6EZ lab tools.

Net financing cash outflows for period were US\$0.2M (Q221: US\$0.2M), primarily related to lease payments for the Company's HQ in San Luis Obispo, California.

At the end of Q321, Revasum's unaudited cash balance was US\$4.8M (Q221: US\$6.1M), with no debt drawn, excluding a PPP loan which is expected to be fully forgiven.

THIS ANNOUNCEMENT WAS AUTHORIZED FOR RELEASE BY THE PRESIDENT AND CEO

--ENDS--

Company Contact

Rebecca Shooter-Dodd
President and Chief Executive Officer
rebecca.shooter-dodd@revasum.com
+1 (805) 541-6424

Media Contact

Jane Munday
FTI Consulting
jane.munday@fticonsulting.com
+61 488 400 248

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.