

Revasum, Inc.

(ASX: RVS)

September 2019 Quarterly Update & Appendix 4C

October 2019

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Revasum uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are collectively referred to in this document as 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business.

Although Revasum believes that these measures provide useful information about the financial performance of Revasum, they should be considered as supplements to the income statement measures that have been presented in accordance with the Australia Accounting Standards and IFRS and not as a replacement for them.

Financial data

All dollar values are in US dollars (US\$) unless as otherwise presented.

EXECUTIVE SUMMARY

- Signed US\$10.0M debt financing facility on 30th July 2019 with Bridge Bank, comprised of a US\$8.0M working capital revolving credit line & US\$2.0M term loan line of credit
- Closed the quarter with US\$7.7M of cash, with US\$2.5M drawn on the US\$10.0M Bridge Bank debt financing facility
- Q319 Cash receipts from customers for the quarter of US\$5.4M. Q419 Cash receipts from customers expected to exceed Q319.
- 6EZ SiC Polisher Tool Launched at ICSCRM Conference in Kyoto, Japan
- Impressive process results from the 6EZ. Numerous 6EZ Customer Demos scheduled for the next three months.
- Signed Multi-Year Framework Supply Agreement with Cree, Inc. The agreement provides a pricing and ordering framework for the purchase of wafer grinding equipment by Cree. Revasum is designated the preferred supplier for this equipment under the agreement. It is expected that Revasum will supply a significant number of machines under the agreement with the first purchase orders expected to be received, and first shipments made in 2019.



September 2019 Appendix 4C Highlights

(USD in thousands)	Q319	YTD (9 months)
Receipts from Customers	\$ 5,444	\$ 17,863
Payments to Suppliers and Employees	(8,860)	(28,009)
Interest Received-net	20	159
Operating Cashflow	\$ (3,396)	\$ (9,987)
Purchase of PP&E	\$ (1,187)	\$ (2,287)
Payment of Cap. Dev. Costs	(2,110)	(6,389)
Investing Cashflow	\$ (3,297)	\$ (8,676)
Proceeds from Borrowings-net	\$ 2,440	\$ 2,440
Other	(167)	(543)
Financing Cashflow	\$ 2,273	\$ 1,897
Net Decrease in cash	\$ (4,420)	\$ (16,766)
Cash, Beginning Balance	\$ 12,123	\$ 24,469
Cash, Ending Balance	\$ 7,703	\$ 7,703

The Company is managing its operational and development costs to reduce the cash burn in Q419

Cash at 30 September 19 US\$7.7M, down US\$4.4M from Q219

US\$5.4M customer receipts for Q319

US\$6.2M product manufacturing and operating costs as inventory builds for Q419 and Q120 shipments

US\$1.2M investment in P,P&E, largely related to the 1st & 2nd articles of the 6EZ which will remain in our labs

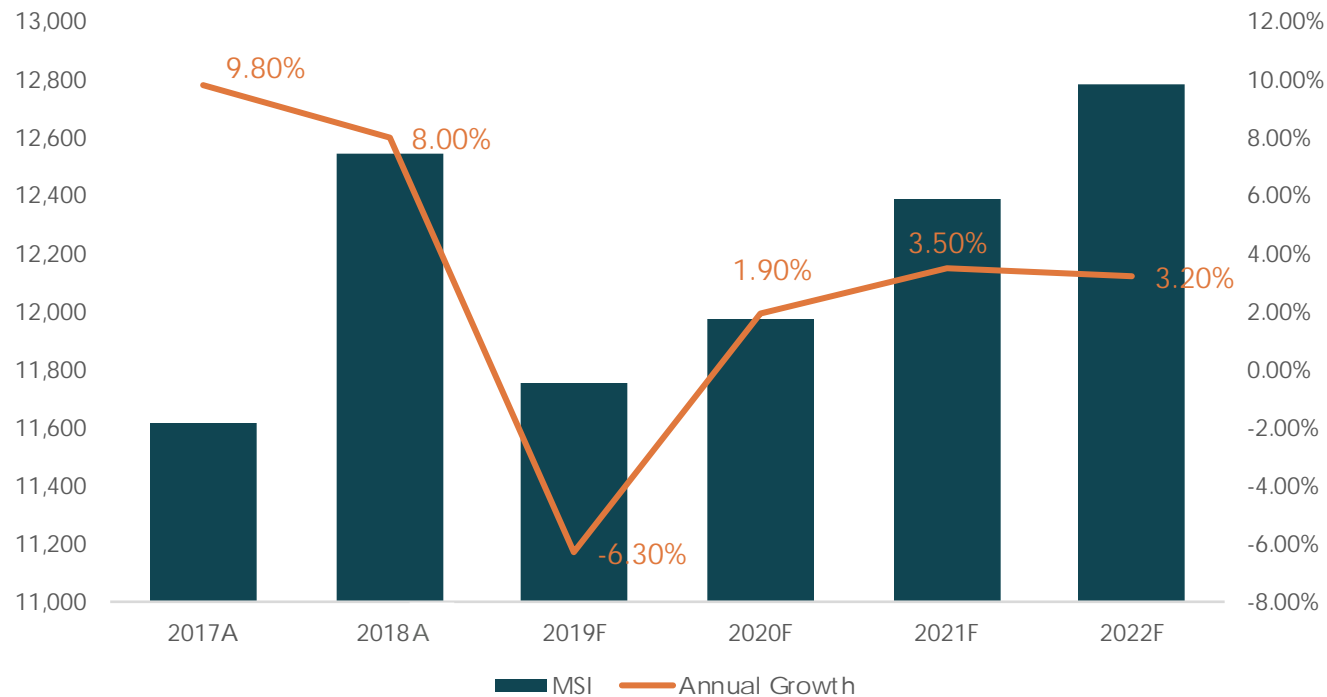
US\$2.1M invested in capitalized development, with US\$1.86M related to the new product development & US\$0.25M relating to the new ERP system

US\$2.5M debt drawn on US\$10.0M Bridge Bank financing facility.



2019 Silicon Shipment Forecast¹

(MSI = Millions of Square Inches)



¹Source: SEMI's Annual Semiconductor Industry Silicon Shipment Forecast, September 2019

Downtrend of Silicon market impacting legacy business

Silicon wafer shipments forecasted down 6.3% year on year with expected growth of 1.9% for 2020

Downturn during 2019 a result of accumulated inventory and weaker demand

China/US Trade War continues to negatively impact demand



Revised 2H19 Revenue Guidance



(USD in Thousands)

2H19 Total Revenue forecasted to be between **US\$7.5M** and **US\$10.0M**

2H19 Systems Revenue anticipated to be between **US\$4.5M** and **US\$7.0M**

2H19 SiC Systems Revenue expected to grow substantially from US\$1.5M in 1H19 to between **US\$3.5M** and **US\$5.0M**





REVASUM ENTERS INTO A MULTI-YEAR SUPPLY AGREEMENT WITH CREE, Inc.

Cree, Inc., a world leader in manufacturing silicon carbide (SiC) wafer substrates, has selected Revasum as its preferred supplier of certain wafer grinding equipment. Earlier this year, Cree announced a multi-year, \$1B investment to increase its silicon carbide (SiC) wafer production by 30x. The parties have entered into a **multi-year agreement** pursuant to which Revasum will support Cree's expansion by **supplying a significant quantity of grinding machines** to Cree that will be used for high-volume manufacturing of 150mm and 200mm SiC substrates.





HONDA

HONDA to electrify
European line-up by
2022, not 2025



VOLVO will launch
a new EV every
year through 2025



Mercedes-Benz

MERCEDES-BENZ partners
with Venturi Racing for EV
technology



GM 20 EV vehicles
by 2023



FORD to introduce
4 new EV trucks



BMW Committed to
25 new EVs by 2025



AUDI one third of all
Audi models will be
electric by 2025

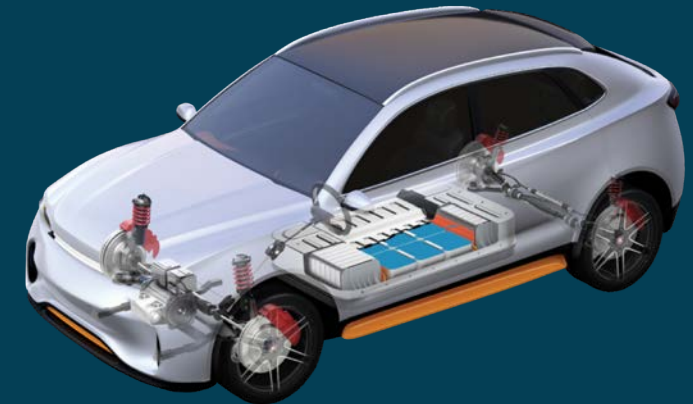


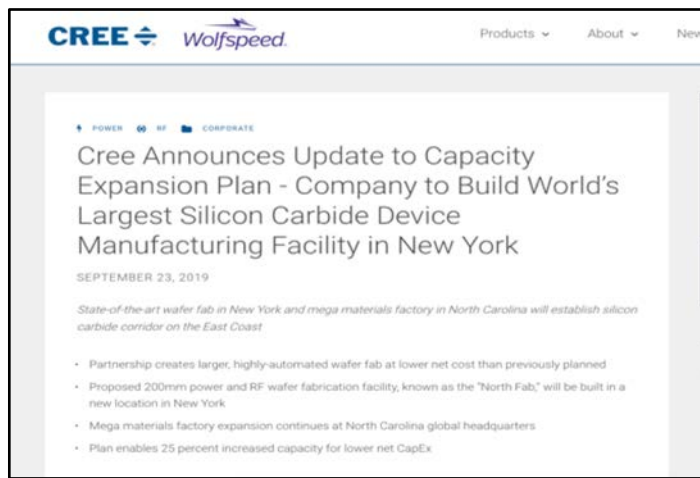
TOYOTA's luxury LEXUS
brand plans battery
EV launch in 2020



VW EV versions of all
300 vehicles by 2030

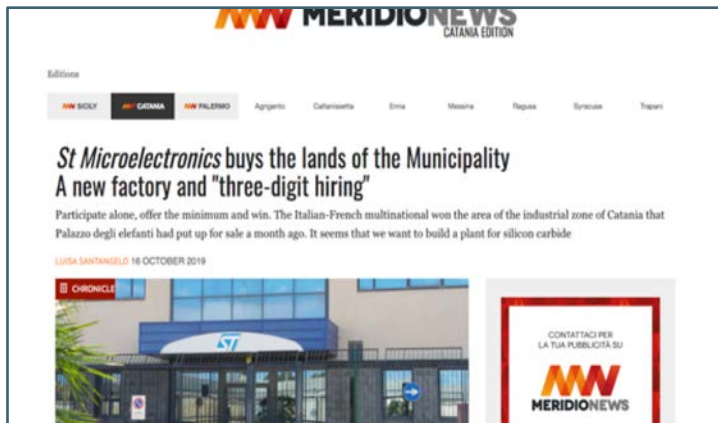
Leading Automotive Companies Continue to Announce New EV Product Lines





Cree to Build World's Largest Silicon Carbide Manufacturing Facility in New York

Silicon Carbide Market Poised for Explosive Growth



ST Microelectronics Buys Land for New SiC Manufacturing Fab

SiC capital equipment market taking off as new SiC fabs are built to meet increasing demand for SiC production.

Demand for Revasum's equipment expected to ramp as new SiC fabs are built.



Introducing the 6EZ

SiC **POLISHER**

6EZ

The World's First Fully Automated, Single Wafer SiC Polisher

Successful Launch October 2019

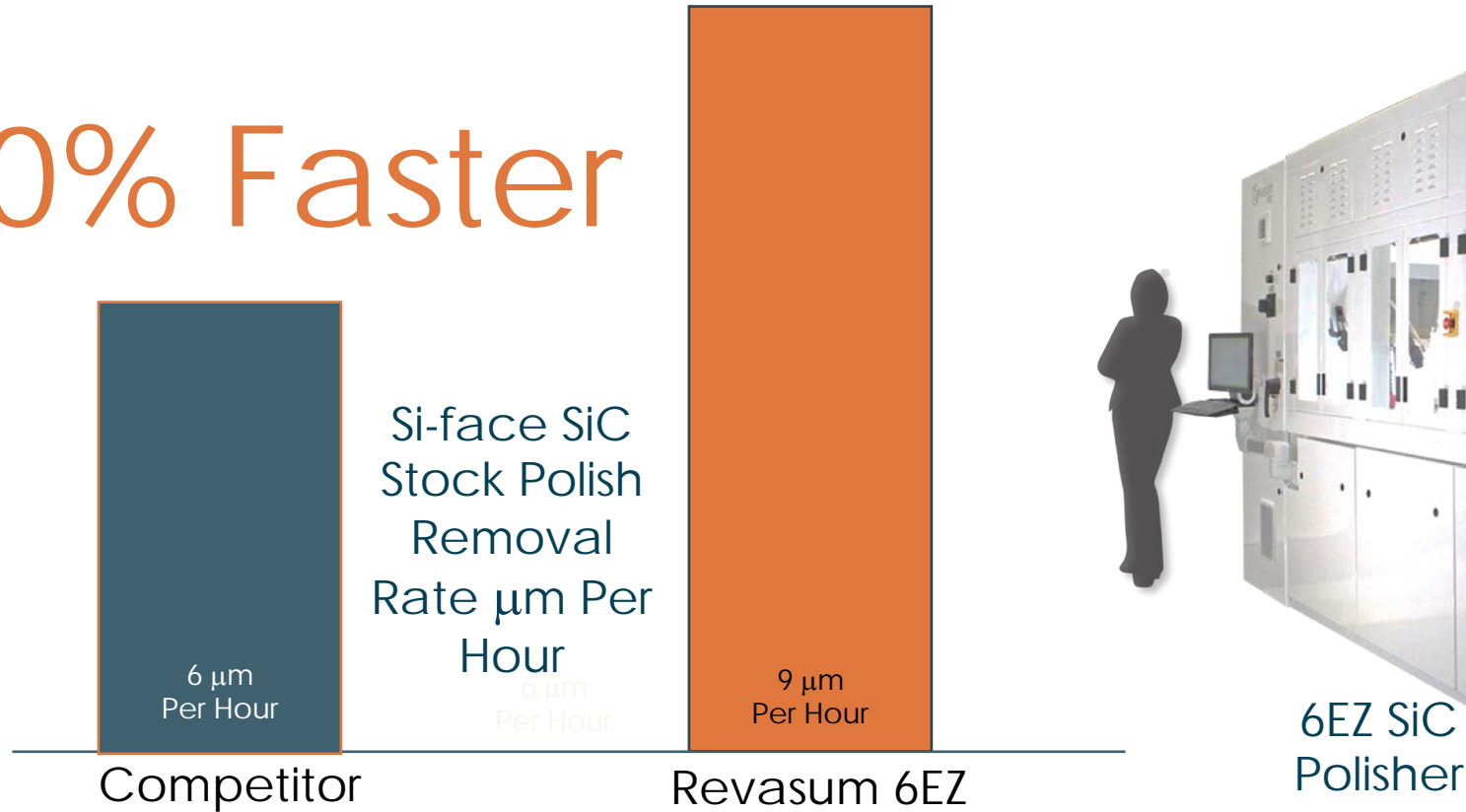


International Conference on Silicon Carbide Related Materials

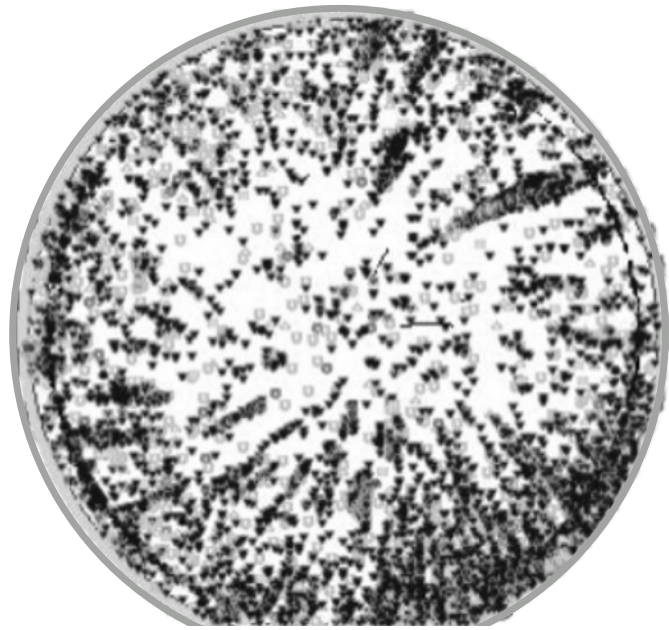


Revasum's Tool Polishes Faster than the Competition

~50% Faster

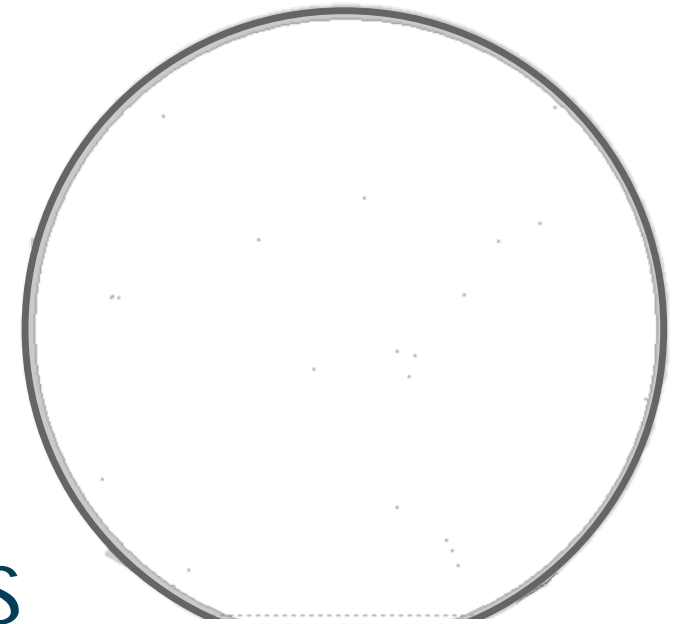


Better removal rate means faster wafer processing and increased productivity per hour



Competitor
>3000 Particles

6EZ SiC Polisher Produces ~95% Cleaner Wafers



6EZ
<100 particles

The 6EZ excels at keeping the wafers clean by integrating wet transfer stations, sprays, rinses and a separate post-polish wafer cleaning module.

Cleaner wafers = **reduce defects**

Cleaner wafers = **increase yield**



7AF-HMG
SiC Grinder

REVASUM'S SiC PRODUCTS
FACILITATE
High quality SiC Wafers
Improved productivity
Low cost to manufacture



6EZ
SiC Polisher



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