Revasum, Inc. (ASX: RVS) FY2018 Results

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Non-IFRS financial measures

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. The principal non-IFRS financial measures that are referred to in this document is Adjusted EBITDA. Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation and significant items. Management uses Adjusted EBITDA to evaluate the operating performance of the business prior to the impact of significant items, the non-cash impact of depreciation and amortisation and interest and tax charges.

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 Australian 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.

AGENDA

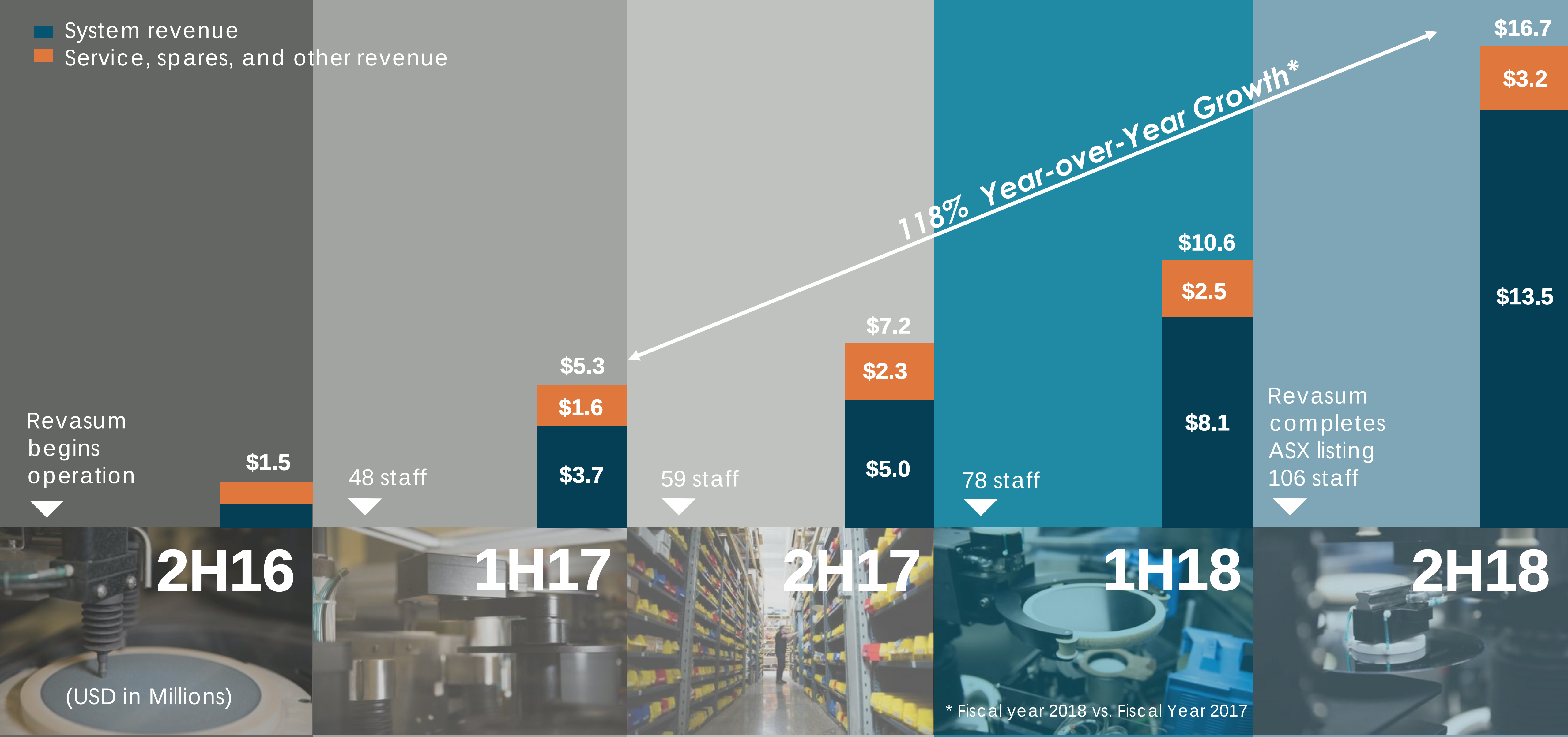
Executing our Strategy

2018 Full Year Financial Performance

Market Opportunities and Highlights

Appendix: Company Overview

GROWTH OF REVASUM



FY18 HEADLINES

- Record Revenue of US$27.3 million in 2018
  - increased 118% from prior year
  - compares to US$27.5 million IPO prospectus forecast

- Global Resources added to Support Growth and New Product Development
  - Total Headcount increased from 59 to 106 employees during 2018
  - Opened Branch Office in Taiwan – increasing sales and service support for our Asia customers
  - David J. Roeloffs was appointed to the role of Vice President of Operations

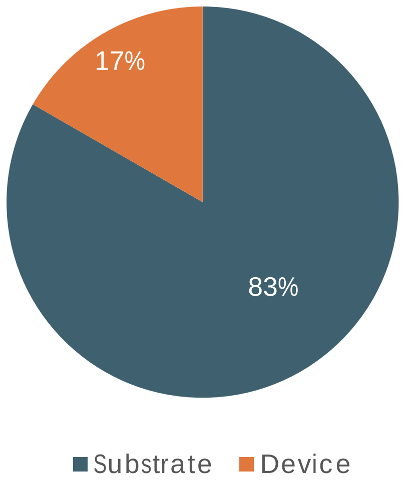
- Began New Product Development of Silicon Carbide (SiC)-focused Polisher

- Single-wafer substrate manufacturing development projects with three leading SiC substrate manufacturers

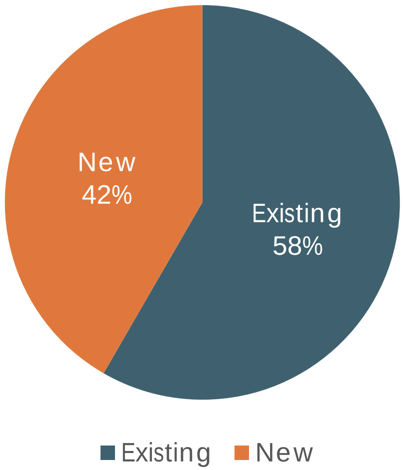
- Successful completion of the Company’s IPO and listing on the Australian Securities Exchange

- Cash Balance of US24.5 million and no debt

INDUSTRY SEGMENT



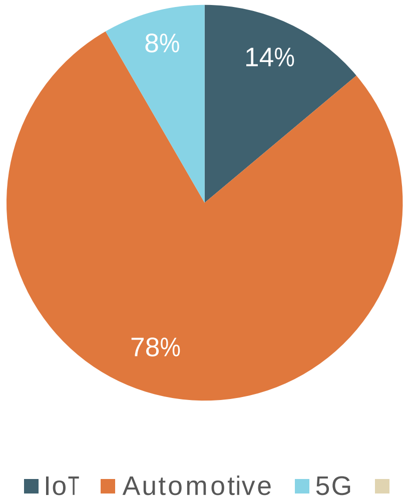
CUSTOMER TYPE



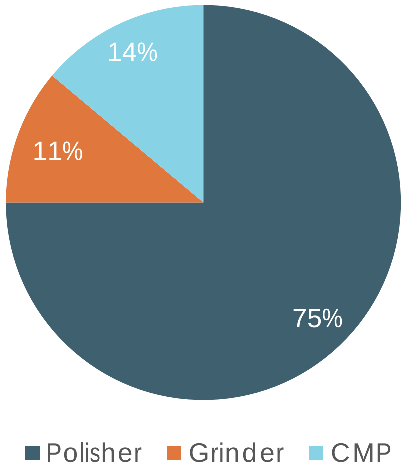
2018 PERFORMANCE AND BREAKDOWN

Company estimates based on revenue and customer data

END MARKET

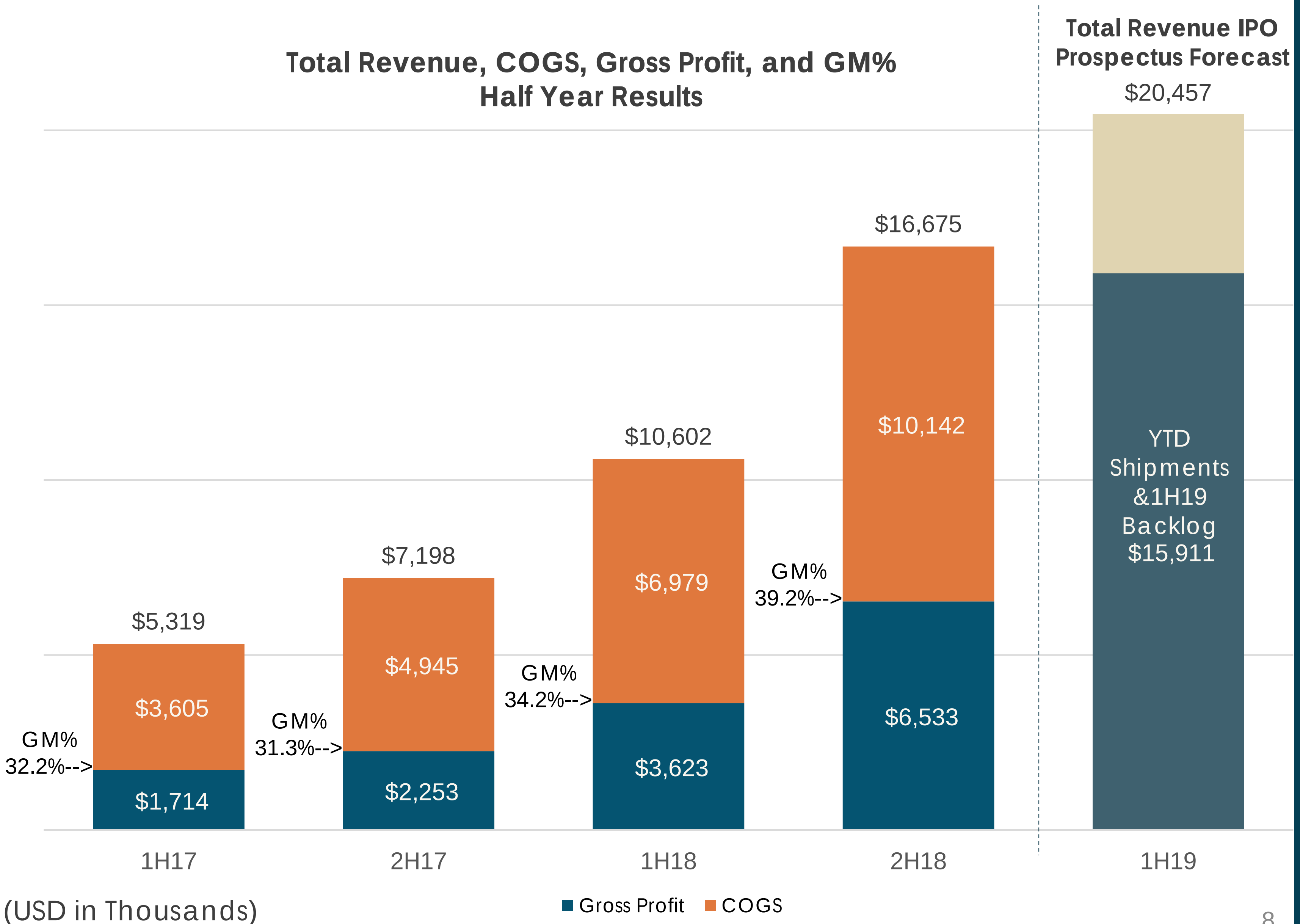


PRODUCT CATEGORY



2018 FULL YEAR FINANCIAL PERFORMANCE

Delivering Profitable Growth



(USD in Thousands)

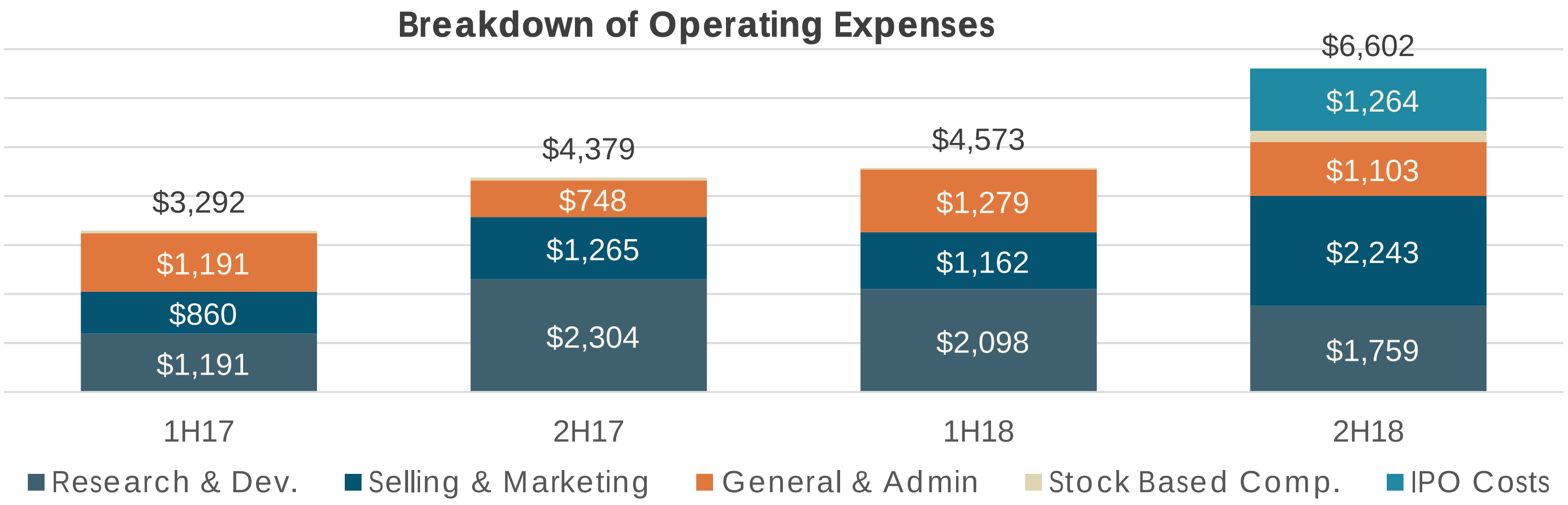
3X **REVENUE INCREASE** in 24 month period

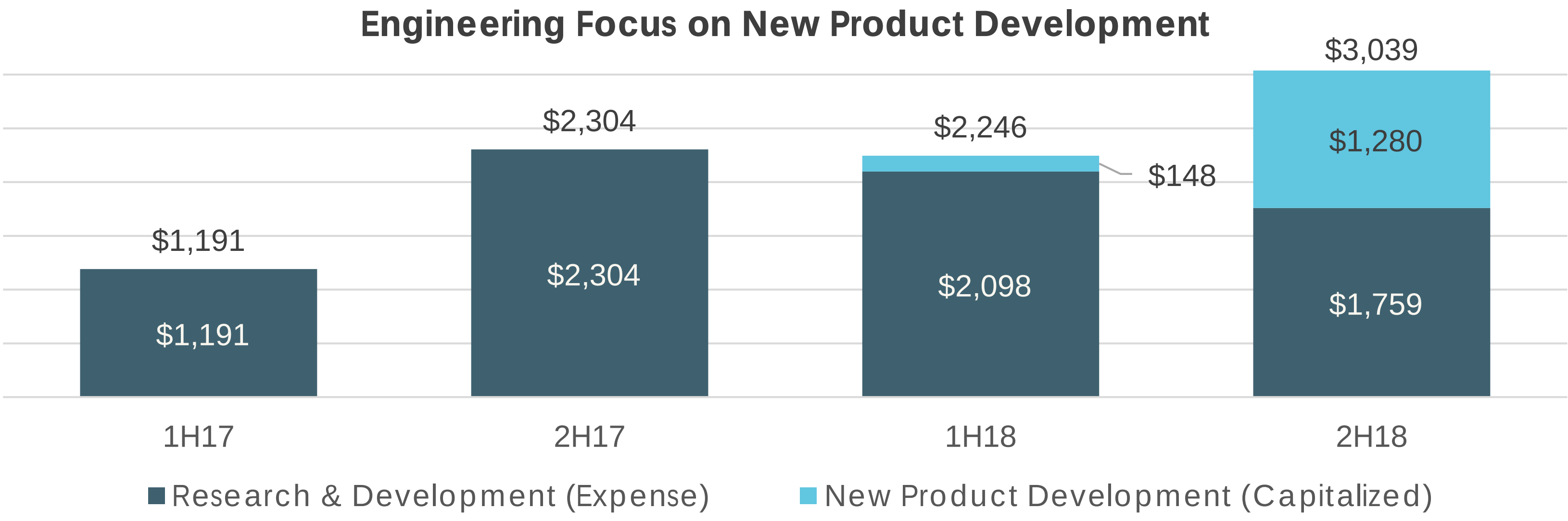
Gross **MARGIN** of 39% **INCREASED** from 32% GM

$15.9M SHIPMENTS & BACKLOG for **1H19**, which includes:

- $13.9 million Systems (84% of IPO prospectus forecast of $16.5 million)
- $2.0 million Spares/Service/Other

Investing In Growth and New Products





(USD in Thousands)

2H18 **OpEx** at 32% of sales (excluding IPO Costs)

- **Selling & Marketing** team expanding and increased variable commissions
- **G&A** increasing going forward with addition of public company costs

Total **Engineering spend** increasing as SiC-focused Polisher new product development underway

2018 Financial Highlights

(USD in millions)	1H18	2H18	Change	FY18	IPO FY18*	Variance
Revenue	$10.6M	$16.7M	58%	$27.3M	$27.5M	($0.2M)
Gross Profit	$3.6M	$6.6M	$3.0M	$10.2M	$10.0M	$0.2M
GM%	34.2%	39.2%	500 bps	37.2%	36.3%	90 bps
Operating Expenses	$4.6M	$6.6M	($2.0M)	$11.2M	$11.1M	($0.1M)
Operating Loss	($1.0M)	($0.1M)	$0.9M	($1.0M)	($1.2M)	$0.2M

Reconciliation of Adjusted EBITDA to Operating Loss

(USD in millions)	1H18	2H18	Change	FY18	IPO FY18*	Variance
Adjusted EBITDA	($0.8M)	$1.6M	$2.4M	$0.8M	$0.3M	$0.5M
IPO Costs	$0.0M	($1.3M)	($1.3M)	($1.3M)	($1.0M)	($0.3M)
Share Based Comp.	($0.0M)	($0.3M)	($0.3M)	($0.3M)	($0.3M)	($0.0M)
Depr. and Amort.	($0.1M)	($0.1M)	$0.0M	($0.2M)	($0.2M)	($0.0M)
Operating Loss	($1.0M)	($0.1M)	$0.9M	($1.0M)	($1.2M)	$0.2M

* IPO Prospectus Forecast for Fiscal Year 2018

Revenue increase driven by increase of machine shipments from 14 in 1H18 to 21 in 2H18

Gross Margin improved due to favorable product mix & start of realization of COGS reductions, as well as increase in operating leverage from system shipments

Adjusted EBITDA better than expected driven primarily by gross margin beat

Strong Balance Sheet Post IPO to Support Continued Growth

(USD in thousands)	31 Dec 2018	30 Jun 2018 IPO Prospectus Proforma	31 Dec 2017
Cash and cash equivalents	$ 24,469	$ 32,340	$ 2,406
Trade and other receivables	8,189	4,564	2,488
Inventories - net	8,378	7,472	4,039
Prop., plant and equip. - net	1,034	419	382
Intangible assets - net	1,536	274	237
Other assets	600	523	658
Total assets	**$ 44,206**	$ **45,592**	**$ 10,210**
Trade and other payables	$ 5,911	$ 4,350	$ 2,414
Customer deposits	2,742	7,986	3,313
Borrowings	-	-	1,000
Other liabilities	560	378	537
Total liabilities	**$ 9,213**	$ **12,714**	**$ 7,264**
Total equity	**$ 34,993**	$ **32,878**	**$ 2,946**

Cash at 31 Dec 18 **$24.5m** and no debt.

Receivables at 31 Dec 18 of $8.2m increased due to higher sales. **$6.2m** customer receipts received since year-end.

Customer Deposits at 31 Dec 18 of $2.7m decreased due to concentration of timing of shipments in December.

Increase in **Intangible Assets** due to capitalized development costs for **SiC-focused polisher** development program.

Cashflow

(USD in thousands)		2018		2018 IPO Prospectus Statutory Forecast		2017
Receipts from Customers	$	20,936	$	21,998	$	11,309
Payments to Suppliers and Employees		(28,850)		(27,310)		(15,804)
Interest Paid - net		(11)		(2)		(48)
Operating Cashflow	**$**	**(7,925)**	$	**(5,338)**	**$**	**(4,543)**
Purchase of PP&E	$	(384)	$	(1,212)	$	(167)
Payment of Cap. Dev. Costs		(1,362)		(2,265)		-
Investing Cashflow	**$**	**(1,746)**	$	**(3,477)**	**$**	**(167)**
Financing Cashflow	**$**	**31,734**	$	**30,903**	**$**	**5,740**
Net Increase in Cash	**$**	**22,063**	$	**22,088**	**$**	**1,030**
Cash, Beginning Balance	**$**	**2,406**	$	**2,406**	**$**	**1,376**
Cash, Ending Balance	**$**	**24,469**	$	**24,494**	**$**	**2,406**

Cash at 31 Dec 18 **$24.5m** vs. prospectus forecast of $24.5m for same period.

$6.2m customer receipts received since year-end.

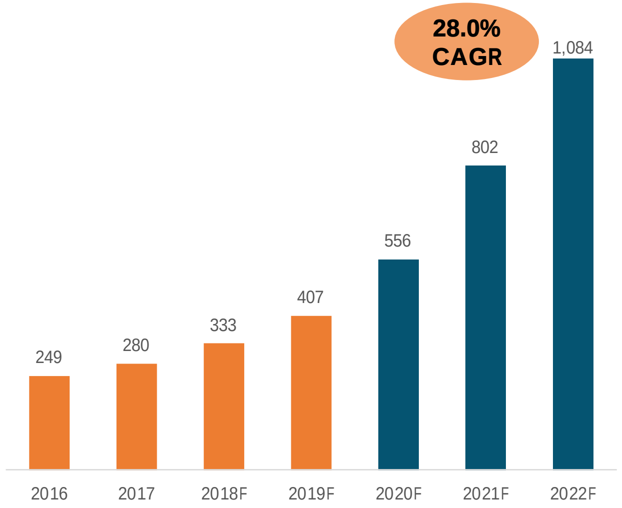
Investing Cashflow spend ramped slower than forecasted in **2018**, but has been accelerating in **2019**.

MARKET OPPORTUNITIES AND HIGHLIGHTS

MARKETS

Headlines in 2019

Global SiC Market (US$m) [1]



Source: Yole

INVESTMENT HIGHLIGHTS / OUTLOOK

- Capitalizing on strong growth in demand for end-use products driven by the Automotive, IoT, & 5G markets.
- On track to meet 1H19 prospectus revenue forecast of US$20.5 million. Strong order book - $15.9 million shipments & backlog scheduled to ship in 1H19. Significant Effort underway to ramp increased production capacity.
- New Product development of SiC-focused Polisher tracking to be delivered on-time and on-budget in 2H19.
- Strategically focused on the wafer substrate and device markets sized 200mm and below where there is a known shortage of equipment supply.
- Experienced Management Team
- Strong Intellectual Property Portfolio

Questions

Dial * 1 if you have a question

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