



Advanced Wet-Cleaning Tools for Leading Edge IC Fabs

August 2021



Market Data. Information presented below under “Who is ACM Research?,” “Innovation and Product Introductions Expanding Addressable Market” and “Investment Highlights” concerning ACM Research’s total addressable market presents a forecast based on information provided by Gartner, Inc. in its report “Forecast: Semiconductor Wafer Fab Equipment, Worldwide, 4Q20 Update” (December 2020). You are cautioned not to rely on or give undue weight to this information. The Gartner report represents research opinions or viewpoints that are published, as part of a syndicated subscription service, by Gartner and are not representations of fact. The Gartner report speaks as of its original publication date (and not as of the date of this presentation), and the opinions expressed in the Gartner report are subject to change without notice. While ACM Research is not aware of any misstatements regarding the information provided in the Gartner report, it has not independently verified the accuracy or completeness of that information, which involves numerous assumptions and is subject to risks and uncertainties, as well as change based on various factors, that could cause results to differ materially from the forecast presented. The industry in which ACM Research operates is subject to a high degree of uncertainty and risk due to variety of factors, including those described in ACM Research’s public filings with the Securities and Exchange Commission, as described above.

Note Regarding Presentation of Non-GAAP Financial Measures. Information presented below under “Q2 2021 Highlights,” “Q2 2021 Financial Results” and “GAAP to Non-GAAP Reconciliation” includes certain “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934, including non-GAAP adjusted gross margin, adjusted operating margin, fully diluted adjusted EPS, adjusted gross profit and adjusted operating income. These supplemental measures exclude the impact of stock-based compensation and change in fair value of financial liability, which ACM Research does not believe are indicative of its core operating results. A reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure is included under “GAAP to Non-GAAP Reconciliation.”

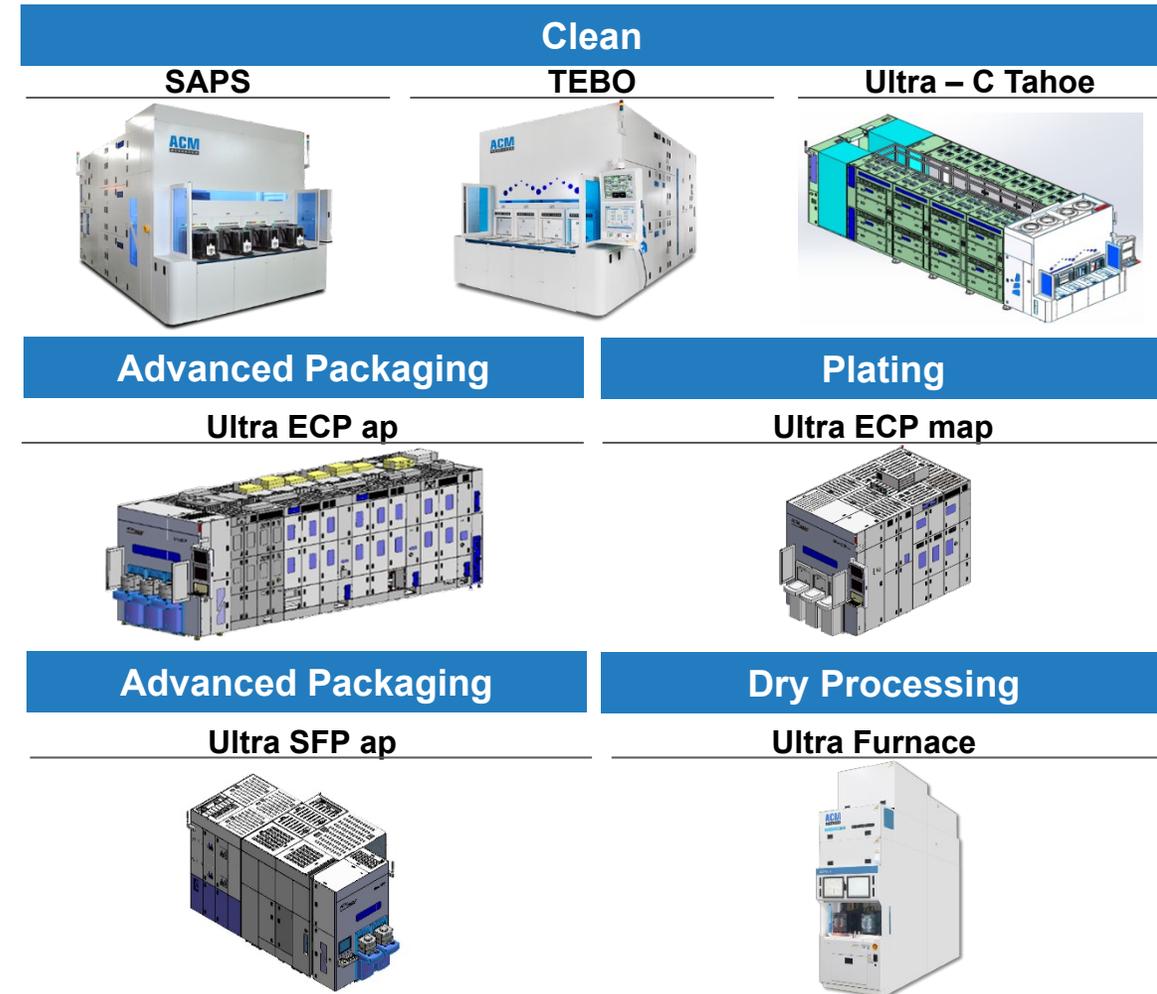
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Who is ACM Research?

Mission Statement: To Become a Leading Global Provider of Semiconductor Capital Equipment

- **Best-in-class semiconductor wafer cleaning tools** providing higher yields and better efficiency at advanced fabs than conventional wafer cleaning tools
- **Differentiated megasonic technology** delivers highly effective single-wafer wet cleaning for flat and patterned wafer surfaces (SAPS) and damage-free cleaning for 2D and advanced 3D patterned wafers (TEBO)
- **ACM estimates full product line addresses \$5 billion market opportunity**, including cleaning products, ECP, SFP, and Furnace ⁽¹⁾
- **More than 350 patents** issued in the U.S., China, Japan, South Korea, Singapore and Taiwan as of 12/31/20
- **Production facilities** in Chuansha & Zhangjiang areas of Shanghai with long-term plans for R&D and production center in Lingang area of Shanghai.
- **Headquartered in Fremont, CA** with more than 540 employees globally.

(1) Source: Gartner. See "Market Data" on page 2, Wall Street Analyst Reports, ACM Estimates.



Tier One Customer Base

Front-End Customers



- Major new entrant into NAND flash and DRAM industry
- Expanding capacity with construction of \$24B production facility in Wuhan⁽¹⁾
- Proprietary Xtacking architecture used to produce 3D NAND products⁽²⁾
- ACM 2020 Revenue %: 27% (primarily 3D NAND)



- Leading advanced foundry in China
- Manages first fully automated 300mm wafer production line in mainland China⁽³⁾
- Production capacity for 35,000 wafers per month⁽³⁾
- ACM 2020 Revenue %: 37% (primarily Foundry / Logic)



- Global market leader in memory (DRAM & NAND) semiconductor products
- ACM's first major customer
- Expected to spend \$107B in the coming years to build four new memory chip plants⁽⁴⁾
- ACM 2020 Revenue %: <10% (primarily DRAM)

Back-End Customers



- Largest bumping house in China and leading WLCSP production base
- Subsidiary of OSAT company JCET
- Owns one of the most advanced packaging technology R&D service platforms⁽⁶⁾
- Global customer base with exposure to the U.S., Western Europe and Asia



- Mainland China's largest foundry
- Tier-one customers include Qualcomm, Broadcom and Texas Instruments
- Six strategically located fabs in China and Western Europe
- Building \$10B fab to produce 14nm, 10nm and 7nm chips⁽⁵⁾
- ACM 2020 Revenue %: 12%



- New China-based entrant to DRAM industry
- Ordered 12-Chamber SAPS-V tool for evaluation
- ACM delivered first tool in Q4 2019

Four Tier 2 Analog/Power IC Manufacturing Customers

- Hangzhou Silan Microelectronics and 3 unnamed China-based customers
- Ordered a range of semi-critical tools including the scrubber, wet etch, and backside wafer etching tool, auto wet bench, SAPS-II cleaning tool and Cu interconnect ECP map tool.
- ACM delivered first tools in 2H' 2020.



- Leading OSAT provider – #7 globally⁽⁷⁾ and top 3 in China⁽⁸⁾
- Fastest growing OSAT provider globally with 32% year-over-year revenue growth⁽⁷⁾
- Six production facilities serving more than half of the top ten global semiconductor manufacturers⁽⁸⁾

(1) Source: Nikkei Asian Review. (2) Source: YMTC Press Release. (3) Source: HLMC Press Release. (4) Source: Reuters. (5) Source: AnandTech. (6) Source: JCAP Company Profile. (7) Source: Electronics Weekly. (8) Source: TFME website.

ACM Flagship Cleaning Products

Innovative, patent-protected tools address critical challenges in leading edge IC manufacturing

SAPS



Megasonic Cleaning for Flat and Patterned Wafer Surfaces

- ✓ High efficiency with enhanced process flexibility
- ✓ Uniform and consistent results
- ✓ Customizable specifications

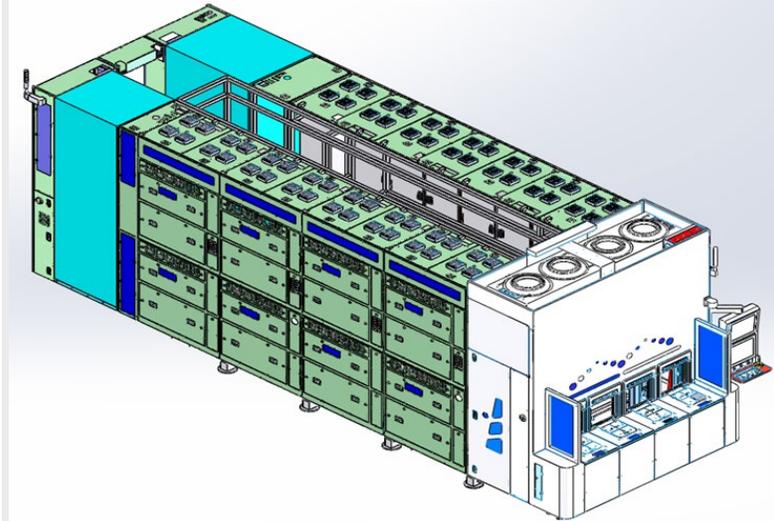
TEBO



Bubble Oscillation Cleaning for Patterned Wafers at Advanced Process Nodes

- ✓ Highly effective, damage-free solution for small and fragile features
- ✓ Multi-parameter bubble cavitation control

Ultra – C Tahoe

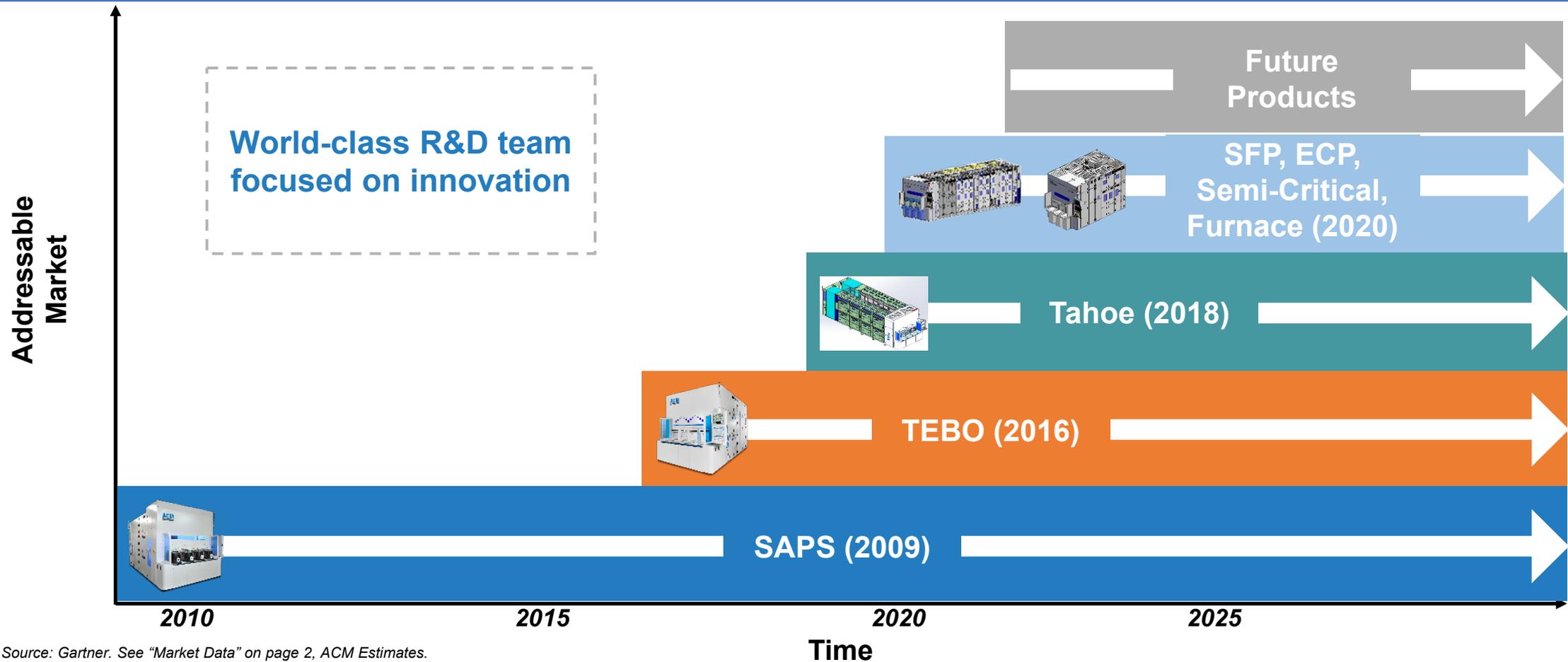


Hybrid Wafer Cleaning With Significant Cost & Environmental Benefits

- ✓ Environmentally friendly – uses 10% of the sulfuric acid used than conventional tools
- ✓ High cleaning performance at low cost

Innovation and Product Introductions Expanding Addressable Market

ACM estimates that its current product offerings address a \$5 billion market opportunity ⁽¹⁾



(1) Source: Gartner. See "Market Data" on page 2, ACM Estimates.

Shanghai Manufacturing Facilities – Existing and Planned

Facility #1 (Shanghai HQ)



- Original ACM factory
- 36,000 sq. ft. facility
- 8,000 sq. ft. of class 10,000 clean room space for product assembly and testing
- 800 sq. ft. of class 1 clean room space for product demonstration purposes
- Co-located with ACM Shanghai Headquarters and China R&D Center

Facility #2 (Chuansha Production)



- Located in Chuansha area of Pudong district, approximately 11 miles from ACM Shanghai's Zhangjiang area HQ
- Opened first building in September 2018 and added 2nd floor in 2020; fully operational with 100,000 sq. ft. of available floor space
- Leased second building in Q1 2021 to expand Chuansha facility to 200,000 sq. ft. of available floor space for production

Lingang Under Construction



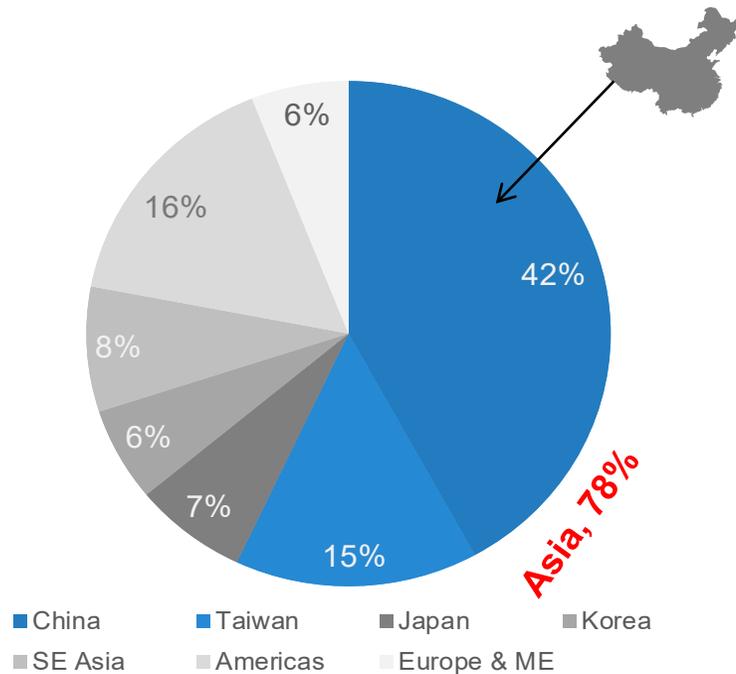
- Broke ground on the new R&D and production facilities in Lingang region of Shanghai in July 2020
- Approximately 30 miles from ACM Shanghai's HQ in Zhangjiang
- 1 million square feet
- Expect initial production activities to commence in 2023

Well-Positioned to Participate in Asia Fab Investments

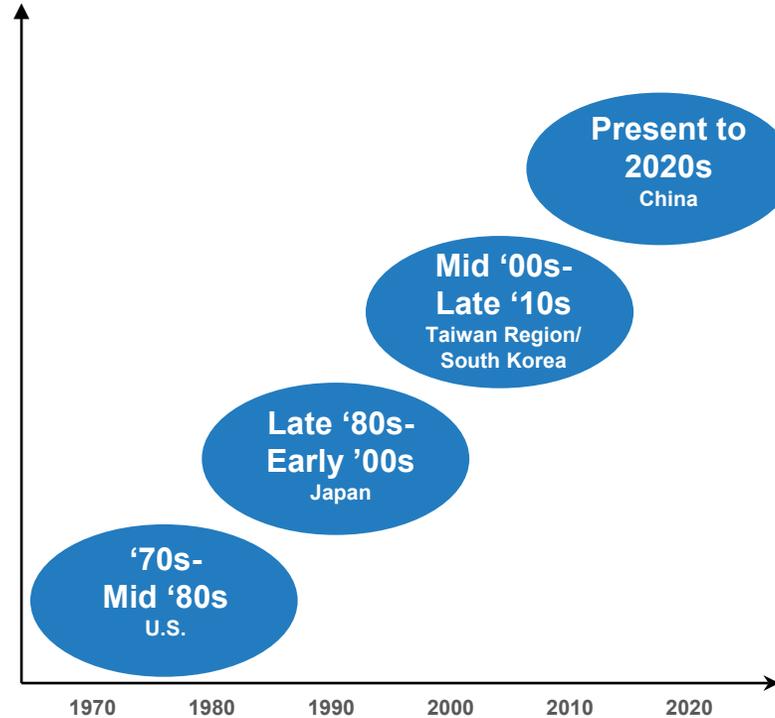
Semiconductor Industry Development

(\$ in billions)

New Facilities and Production Lines Starting Operation (2017-2020)⁽¹⁾



Industry Center Shifts Through the Decades⁽¹⁾



China is the Fastest Growing Geography⁽²⁾

Rank	Country or Region	2021 Size	16-'21 CAGR
1	Korea	\$18.9	19.5%
2	China	\$16.8	20.7%
3	Taiwan Region	\$15.6	5.2%
4	Japan	\$7.9	11.2%
5	North America	\$6.1	6.6%
	Rest of World	\$6.5	2.3%

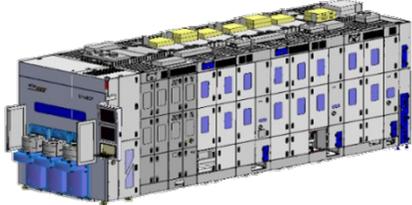


Strong presence in Asia and close proximity to Chinese customers add to key competitive advantages.

(1) Source: SEMI – World Fab Forecast Report. (2) Source: SEMI – 12/15/2020 Global Semiconductor Equipment Sales Forecast.

New Product Introductions Increasing TAM

- Next generation TEBO and Tahoe products expand SAM in wafer clean
- Front- and back-end plating and semi-critical tools offer growth opportunities in adjacent process steps



Continue to Build Scale in Asia

- Gain meaningful share by offering differentiated, leading-edge technology and localized service with fast-growing Asian-based customers



Add New Customers

- Megasonic approaches SAPS, TEBO, Tahoe and ECP a driving meaningful engagement with Global Tier 1 foundry, logic and memory companies

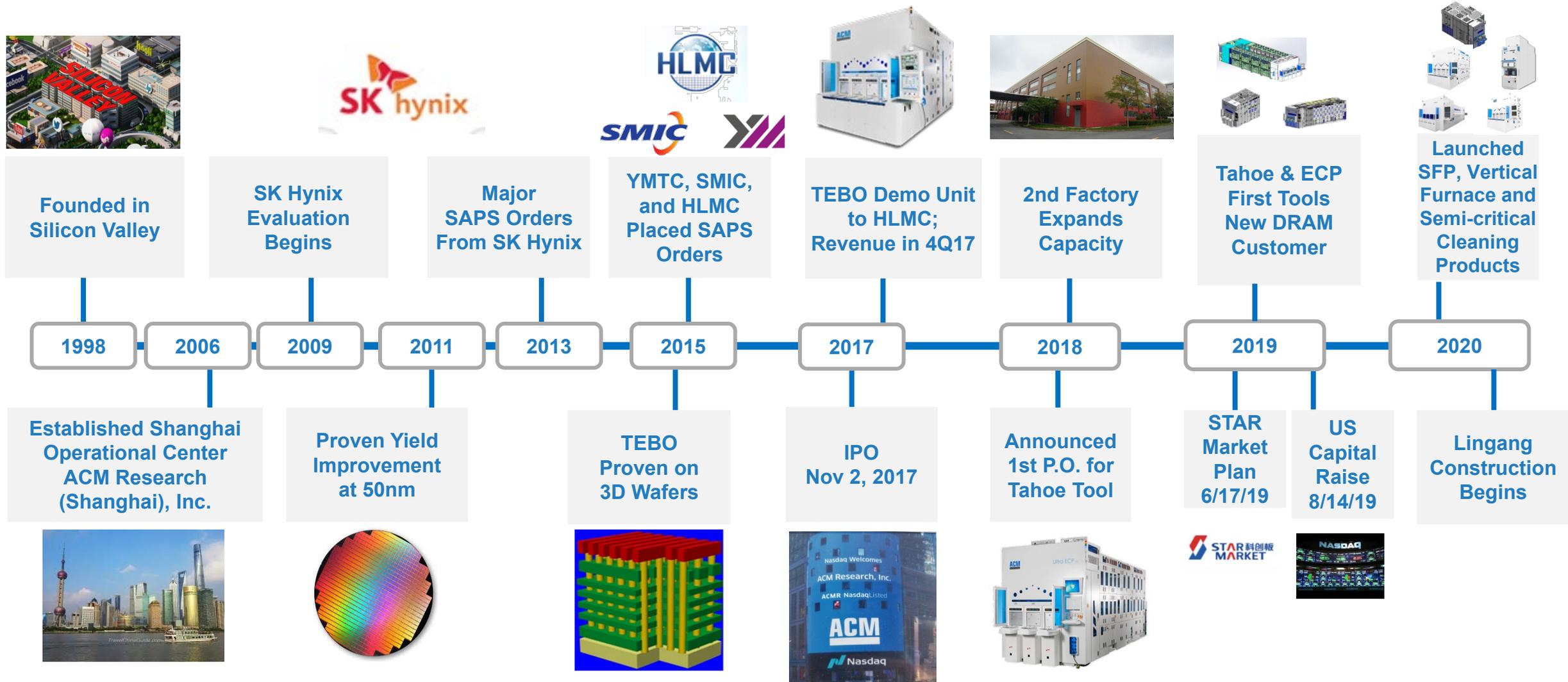


Selective Acquisitions

- Use M&A to broaden product portfolio, add complementary technologies and increase access to the global market



History of Innovation & Customer Adoption



Q2 2021 Highlights and Recent Announcements

- **Strong Q2 Results:**

- \$53.9 million revenue, up 37.9% from Q2 2020; total shipments of \$82 million
- 40.2% GAAP gross margin and 8.0% GAAP operating margin
- 40.5% non-GAAP gross margin and 10.5% non-GAAP operating margin
- Fully diluted GAAP EPS of \$0.30 vs. \$0.00 in Q2 2020
- Fully diluted non-GAAP EPS of \$0.19 vs. \$0.29 in Q2 2020
- Ended Q2 2021 with \$70.2 million of cash
- SMIC investment valued at \$31.3 million at the end of Q2 2021.

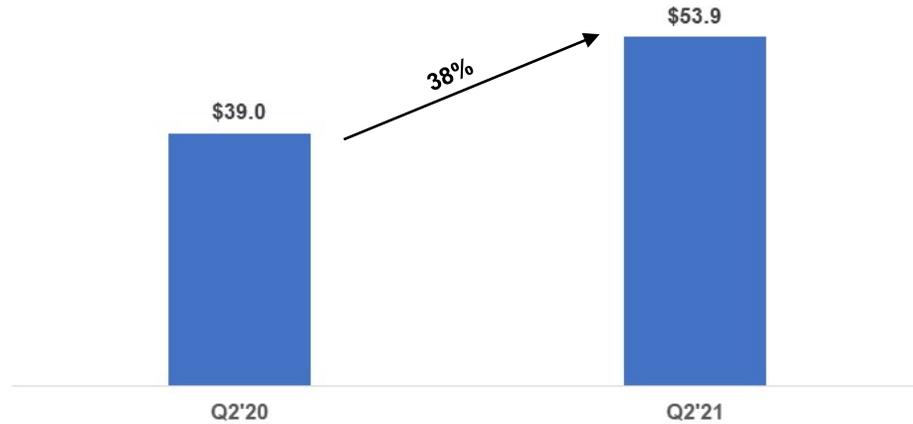
- **Key Operational and Strategic Progress:**

- Broad-based revenue growth from current and new products and current and new customers
- Second building of our Chuansha factory is expected to ramp production in Q3 to meet strong customer demand
- ECP ramp accelerating with three ECP tools delivered in Q2, and multiple scheduled for delivery in 2H'21
- New Bevel Etch product to be delivered to a China-based logic customer in Q3
- ACM Shanghai STAR Market application submitted to CSRC on June 10, 2021

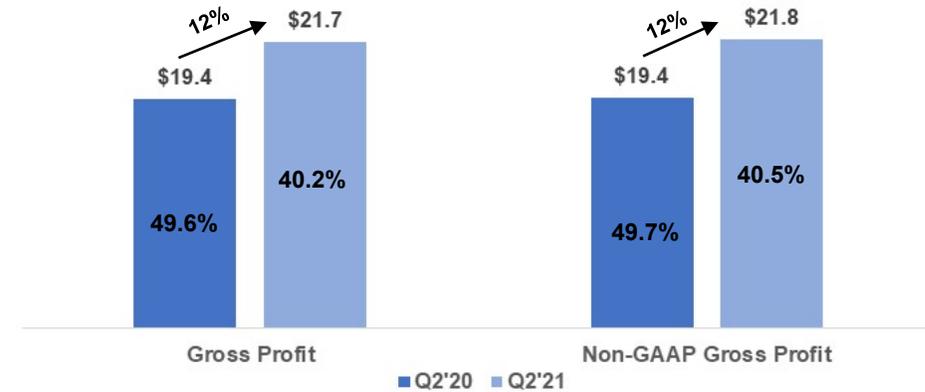
Q2 2021 Financial Results

\$ Millions

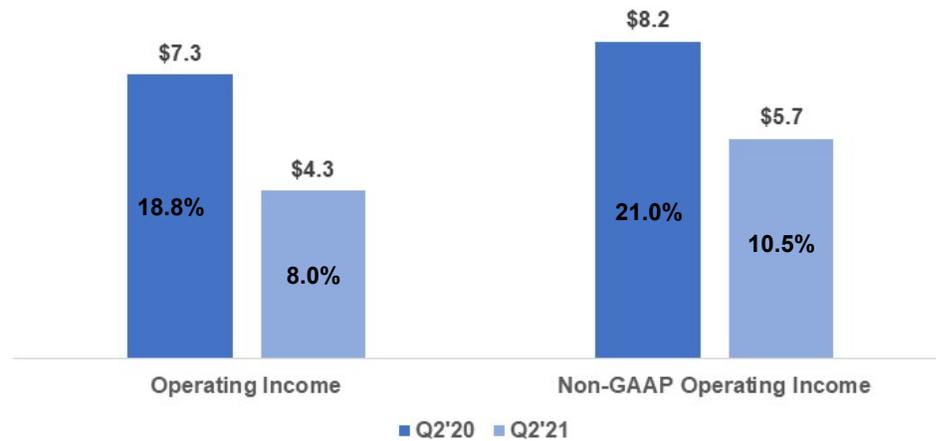
Revenue



Gross Profit



Operating Income

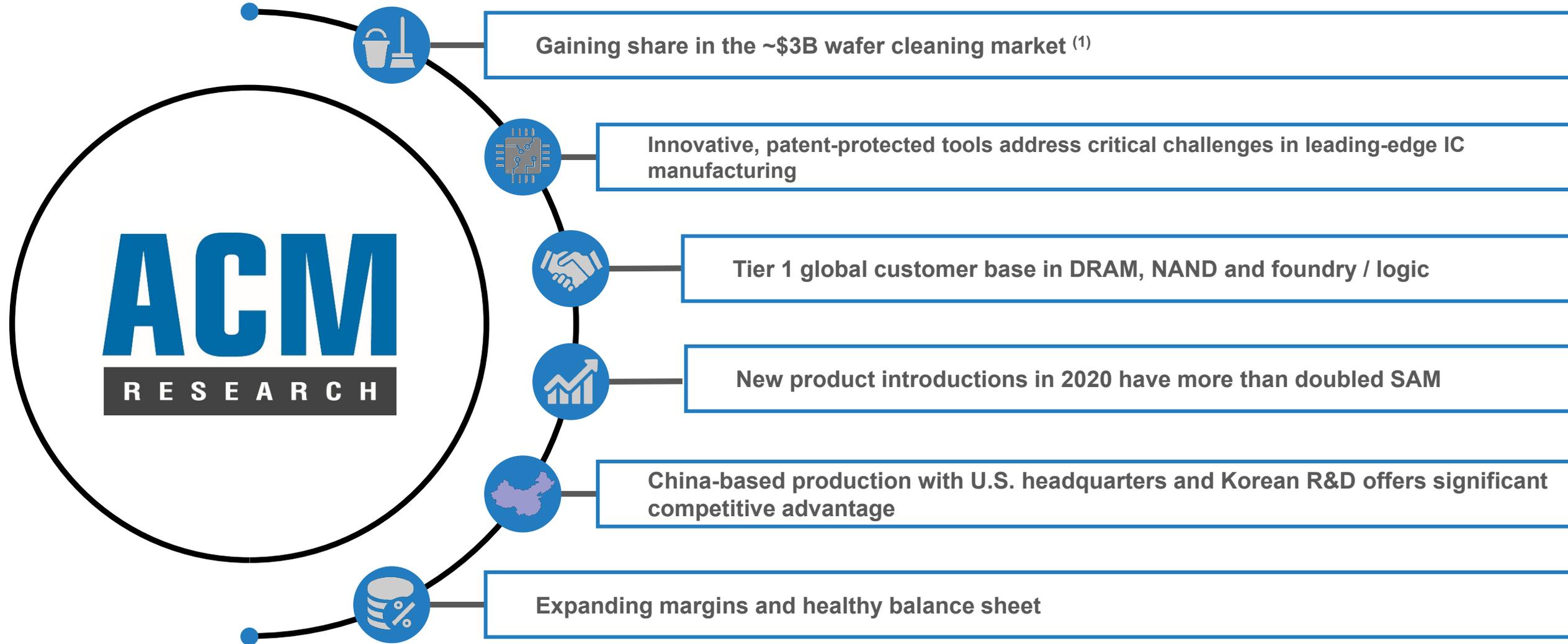


Balance Sheet Data*



* Finished goods inventory represents 'demo-to-sales' product which have been delivered to customers for evaluation. These products are carried at cost until ownership is transferred.

Investment Highlights



(1) Source: Gartner. See "Market Data" on page 2.

GAAP to Non-GAAP Reconciliation (1)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>3 months Ended 6/30/2021</u>	<u>3 months Ended 6/30/2020</u>
GAAP Income from Operations	\$6.5	\$17.8	\$21.5	\$4.3	\$7.3
Plus: Stock-based Compensation	\$3.4	\$3.6	\$5.6	\$1.3	\$0.9
Adjusted Income from Operations	\$9.8	\$21.4	\$27.1	\$5.7	\$8.2
GAAP Net Income	\$6.6	\$19.5	\$21.7	\$7.3	\$0.5
Plus: Interest Expense (Income), Net	\$0.5	\$0.4	\$0.1	\$0.2	(\$0.1)
Plus: Income Tax Expense (Benefit)	\$0.8	(\$0.5)	(\$2.4)	\$0.0	\$1.9
Plus: Depreciation and Amortization	\$0.4	\$0.8	\$1.1	\$0.5	\$0.2
Plus: Stock-based Compensation	\$3.4	\$3.6	\$5.6	\$1.3	\$0.9
Plus: Change in Fair Value of Financial Liability	-	-	\$12.0	-	\$5.4
Plus: Unrealized Gain on Trade Securities	-	-	(\$12.6)	(\$3.8)	-
Adjusted EBITDA	\$11.6	\$23.7	\$25.5	\$5.5	\$8.8
GAAP Net Income	\$6.6	\$19.5	\$21.7	\$7.3	\$0.5
Plus: Change in Fair Value of Financial Liability	-	-	\$12.0	-	\$5.4
Plus: Stock-based Compensation	\$3.4	\$3.6	\$5.6	\$1.3	\$0.9
Plus: Unrealized Gain on Trade Securities	-	-	(\$12.6)	(\$3.8)	-
Adjusted Net Income	\$9.9	\$23.0	\$26.7	\$4.9	\$6.8

GAAP to Non-GAAP Reconciliation (2)

	Three Months Ended June 30,							
	2021				2020			
	Actual (GAAP)	SBC	Other non- operating adjustments	Adjusted (Non-GAAP)	Actual (GAAP)	SBC	Other non- operating adjustments	Adjusted (Non-GAAP)
	<i>(\$ in thousands)</i>							
Revenue	\$ 53,864	\$ -	\$ -	\$ 53,864	\$ 39,049	\$ -	\$ -	\$ 39,049
Cost of revenue	(32,184)	(110)	-	(32,074)	(19,693)	(43)	-	(19,650)
Gross profit	21,680	(110)	-	21,790	19,356	(43)	-	19,399
Gross margin %	40.2%	0.2%	-	40.5%	49.6%	0.1%	-	49.7%
Operating expenses:								
Sales and marketing	(5,789)	(478)	-	(5,311)	(4,595)	(164)	-	(4,431)
Research and development	(7,933)	(279)	-	(7,654)	(5,221)	(188)	-	(5,033)
General and administrative	(3,627)	(468)	-	(3,159)	(2,204)	(460)	-	(1,744)
Income from operations	\$ 4,331	\$ (1,335)	\$ -	\$ 5,666	\$ 7,336	\$ (855)	\$ -	\$ 8,191
Operating margin %	8.0%	2.5%	-	10.5%	18.8%	2.2%	-	21.0%
Change in fair value of financial liability	-	-	-	-	(5,431)	-	(5,431)	-
Unrealized gain on trading securities	3,783	-	3,783	-	-	-	-	-
Net income (loss) attributable to ACM Research, Inc.	\$ 6,567	\$ (1,335)	\$ 3,783	\$ 4,119	\$ (81)	\$ (855)	\$ (5,431)	\$ 6,205
Basic EPS	\$ 0.34			\$ 0.22	\$ (0.00)			\$ 0.34
Diluted EPS	\$ 0.30			\$ 0.19	\$ (0.00)			\$ 0.29

GAAP to Non-GAAP Reconciliation (3)

	Six Months Ended June 30,							
	2021				2020			
	Actual (GAAP)	SBC	Other non- operating adjustments	Adjusted (Non-GAAP)	Actual (GAAP)	SBC	Other non- operating adjustments	Adjusted (Non-GAAP)
	<i>(\$ in thousands)</i>							
Revenue	\$ 97,596	\$ -	\$ -	\$ 97,596	\$ 63,397	\$ -	\$ -	\$ 63,397
Cost of revenue	(57,871)	(181)	-	(57,690)	(33,813)	(88)	-	(33,725)
Gross profit	39,725	(181)	-	39,906	29,584	(88)	-	29,672
Gross margin %	40.7%	0.2%		40.9%	46.7%	0.1%		46.8%
Operating expenses:								
Sales and marketing	(11,097)	(983)	-	(10,114)	(7,600)	(258)	-	(7,342)
Research and development	(13,437)	(508)	-	(12,929)	(8,898)	(375)	-	(8,523)
General and administrative	(7,410)	(873)	-	(6,537)	(4,532)	(823)	-	(3,709)
Income from operations	\$ 7,781	\$ (2,545)	\$ -	\$ 10,326	\$ 8,554	\$ (1,544)	\$ -	\$ 10,098
Operating margin %	8.0%	2.6%	-	10.6%	13.5%	2.4%	-	15.9%
Change in fair value of financial liability	-	-	-	-	(5,431)	-	(5,431)	-
Unrealized gain on trading securities	2,736	-	2,736	-	-	-	-	-
Net income attributable to ACM Research, Inc.	\$ 12,037	\$ (2,545)	\$ 2,736	\$ 11,846	\$ 1,624	\$ (1,544)	\$ (5,431)	\$ 8,599
Basic EPS	\$ 0.63			\$ 0.62	\$ 0.09			\$ 0.48
Diluted EPS	\$ 0.56			\$ 0.55	\$ 0.08			\$ 0.41