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Q2 2022 Quarterly Activity Report

San Luis Obispo, California – 3 August 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 July 2022 ('Q2 FY22'). The Appendix 4C is prepared in US dollars and is unaudited.

Q2 FY22 HIGHLIGHTS

- Strong revenue momentum maintained with total unaudited 1H FY22 revenue of US$7.4 million (1H FY21: US$4.6 million), up ~60%+ year on year ("YoY");
- Unaudited 1H FY22 equipment revenue of US$3.9 million (1H FY21: US$1.8 million), an increase of ~170% YoY;
- Unaudited 1H FY22 other revenues of US$3.5 million (1H FY21: US$2.9 million), an increase of ~20% YoY;
- Total backlog of US$7.7 million as of 27 July 2022, inclusive of US$5.0 million of equipment orders;
- Solid gross margin of 30.1% (FY21: 35.3%), despite ongoing global supply chain challenges;
- Appointment of Mr. Scott Jewler to the position of President, CEO and Executive Director;
- Validated enhanced post polish wafer cleaner for 6EZ and preparing for customer site upgrades;
- Second 6EZ SiC Polisher shipped to European customer during the half;
- Cash balance of US$2.3 million as of 3 July 2022.

Strong revenue momentum

Total unaudited revenue for 1H FY22 increased ~60% YoY to US$7.4 million (1H FY21: US$4.6 million), driven by increased demand for both Silicon and Silicon Carbide wafer processing equipment. Equipment revenue increased to US$3.9 million (1H FY21: US$1.8 million), which includes the shipment of a second 6EZ SiC Polisher to Europe.

Other revenues streams (comprising spare parts, consumables and service revenue) continue to grow increasing ~20% YoY to US$3.5 million for 1H FY22 (1H FY21: US$2.9 million). These streams account for 47% of total revenue (FY21: 45%), providing consistent cash flows.

Revasum has a healthy order backlog as of 27 July 2022 of US$7.7 million, inclusive of US$5.0 million in equipment orders, reflecting increased demand for its silicon carbide wafer processing technology. Global supply chain constraints continue to impact the Company's ability to procure components with semiconductor chips, which are crucial to the manufacturing of its grinding, polishing and CMP equipment. These supply constraints have delayed the shipping of several pieces of equipment during the quarter, which are now expected to ship in 2H FY22. Revasum is working closely with its suppliers and contract manufacturers to mitigate supply delays, including increasing inventory for these components where possible and appropriate based upon company and customer forecasts.

Revenue outlook

As a result of ongoing downstream supply chain issues driving order deferrals, Revasum is in the process of reviewing its outlook for the 2022 financial year end and expects to be in a position to provide more clarity on the full year outlook over the coming months.

Product development

Revasum continues to commercialise its industry-leading 6EZ polisher, the world's first fully automated, single wafer polisher designed specifically for silicon carbide (SiC). The 6EZ is already in use in a high-volume production environment at a key customer, where they are delivering industry-leading process results at scale. Preparations are underway to place a 6EZ at a strategically important customer site. In addition to the 6EZ, the Company's 7AF-HMG grinder is already the Tool

of Record at this customer site, as well as with other key market players, performing critical grinding and polishing steps required for the fabrication of SiC wafers.

During the quarter, Revasum has accumulated customer feedback which will be used to further refine the 6EZ's cleaning capabilities, throughput, and polish process results. These improvements are expected to deliver improved wafer consistency, higher yield, and lower manufacturing costs for customers. Product improvement is a continuous process and is conducted in close collaboration with Revasum's strategic customers.

Cost of ownership is a critical metric to SiC wafer processing capacity with customers looking to increase 150mm wafer volume and progress to 200mm SiC wafer processing. Revasum has active development programs with several leading consumable suppliers and customers for both SiC polishing and grinding and is collaborating in the development of next generation processes as these SiC substrate and device manufacturers move towards 200mm SiC wafer production. Reflecting this industry-wide shift, Revasum has recently received a purchase order to convert a 6EZ system from 150mm to 200mm processing, as well as multiple orders for 7AF-HMG grinders specifically for fully automated 200mm SiC processing.

System improvements and supplier collaborations further increase the contribution, relevance, and competitiveness of Revasum's SiC toolset within a rapidly growing global market. New product development efforts are ongoing for the 6EZ and 7AF-HMG and Revasum is leveraging its extensive discussions with SiC substrate and device manufacturing leaders to redefine the next generation of CMP and grinding platforms for silicon carbide. Its next generation SiC polisher, TOLOSA, is expected to provide best-in-class CMP performance for high-volume SiC processing at 200mm.

Leadership and Officer Changes

During the quarter, Rebecca Shooter-Dodd resigned from her roles as President, CEO and Executive Director for personal reasons. Bill Kalenian, Revasum's Vice President of Engineering, was appointed Interim CEO.

Effective 2 August 2022, Revasum appointed highly credentialled Scott Jewler as the Company's President, Chief Executive Officer and Executive Director. Mr. Jewler brings over 25 years' successful semiconductor industry and executive management experience to Revasum with former roles at GlobalFoundries, Mitsubishi Chemical Group, Amkor Technology and Ultratech (now Veeco). Mr. Jewler succeeds Interim CEO Bill Kalenian who was appointed following the resignation of Rebecca Shooter-Dodd from her roles as President, CEO and Executive Director. Upon Mr. Jewler's appointment, Mr. Kalenian will return to his duties as the Company's Vice President of Engineering reporting to Mr. Jewler.

Following the roles and transitions that have been previously announced and noted above, with immediate effect Mr Jarrod White has been appointed as the Company's appointed ASX Representative for compliance purposes. Mr White is a Chartered Accountant, Chartered Tax Advisor, who through his corporate advisory practice that operates through Traverse Accountants Pty Ltd has a career spanning 12 years of listed company advisory, governance and compliance experience.

Financial commentary

Operating cash outflows were reduced compared to the prior quarter at US$2.1 million (Q1 FY22: outflows of US$4.2 million), a reduction of ~50% compared to the prior quarter reflecting the building of inventory in Q1 FY22 to mitigate the impact of the supply chain disruption being seen across the industry. Quarterly customer receipts for the quarter were US$4.0 million, an increase of ~80% over Q1 FY22. This is a result of increased equipment shipments during Q2 FY22, along with customer deposits taken for equipment orders due to ship in 2H FY22 and 1H FY23.

Payments to related parties and associates in Q2 FY22 totalled US$144K, comprising of ex-CEO salary and directors' fees.

Revasum's unaudited cash balance as of 4 July 2022 was US$2.3 million (Q1 FY22: US$4.6 million).

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Industry Update and Outlook

Power silicon carbide devices are the fastest growing semiconductor sector, fuelled by high-growth, global end-use applications such as electric vehicles, solar and 5G. Electric vehicles now account for 9% of car sales globally with SiC accelerating adoption by addressing a key challenge – battery range. SiC power modules increase battery range by 20% compared to silicon and are already used in luxury electric vehicles (Tesla and Lucid) to deliver a driving range of 840km in one charge. Automotive applications provide significant long-term demand for SiC devices and is expected to represent almost 80% of the global SiC device market by 2027. Automotive applications include electric vehicle inverters, on-board charging and fast-charging stations.

Within the broader semiconductor market, wafer fabrication equipment sales are forecast to grow 22.8% in 2022 to reach a record high of US$108 billion. Significant CAPEX investment from key players in the SiC market is expected to further support demand for Revasum's SiC grinding and polishing technology.

Revasum Chairman, Kevin Landis, said: "On behalf of the Board of Directors, we would like to thank Interim CEO Bill Kalenian and the entire Revasum team for their performance managing through numerous challenging situations this past quarter. We are pleased that Revasum will soon be joined by Scott Jewler as CEO. Scott has extensive experience across all aspects of semiconductor technology management, in multiple countries, and in both large and small organizations. This depth of experience will be critical in guiding Revasum to make the most of the substantial opportunities in front of us."

Revasum Chairman, Scott Jewler added, "I am thrilled to be joining the dedicated and talented team at Revasum. Revasum has already demonstrated world class capabilities in grinding and polishing some of the world's hardest materials. The task ahead is clear: support our customers as they ramp their business. I look forward to leading this team as we help our customers meet their own ambitious goals."

THIS ANNOUNCEMENT WAS AUTHORISED 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.