Q2 2021 Quarterly Activities Report

San Luis Obispo, California – 26 July 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 4 July 2021 ('Q221'). The Appendix 4C is prepared in US dollars and is unaudited.

Q221 QUARTER HIGHLIGHTS

- 1H21 preliminary unaudited revenue of US$4.6M (1H20: US$6.5M)
- 1H21 preliminary unaudited gross margin of 48.4% (1H20: 13.1%)
- Total backlog of US$9.7M as at 26 July 2021.
- Equipment backlog of US$6.8M as at 26 July 2021, with an additional US$0.6M of equipment shipped since half-year end
- Spares, service and other revenue backlog of US$2.9M as at 26 July 2021
- First purchase order received for two flagship 6EZ Silicon Carbide (SiC) Wafer Polishers
- 1H21 end unaudited cash balance of US$6.1M, with no debt drawn (excluding PPP loan)
- US$2.2M Paycheck Protection Program (PPP) loan fully forgiven
- Further purchase orders anticipated in second half as Silicon Carbide (SiC) and Silicon (Si) wafer processing equipment demand continues to rise
- President Biden declares semiconductors a critical US supply chain essential for economic and national security
- Revasum plays a crucial part in the semiconductor supply chain and is well positioned to take advantage of increased demand for semiconductors globally

Revasum Chief Financial and Operating Officer, Rebecca Shooter-Dodd, said:

> "We're pleased to report a strong first half - maintaining the high gross margins seen in the second half of 2020 and securing an exceptional backlog for both equipment and spares - setting us up for growth in the second half of 2021. Central to this momentum has been the achievement of the major milestone of the first purchase order for two of our 6EZ Silicon Carbide Wafer Polishers to a global semiconductor wafer manufacturer. The first sales of our flagship product reflect both demand for this tool and the customer's confidence in its capability and performance."
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> Ms. Shooter-Dodd continued, "We are seeing increased demand across all of our product lines. Demand for semiconductor products is currently outweighing supply thanks to an increase in technologies requiring them such as 5G infrastructure and electric vehicles. Revasum remains at the cutting edge of wafer polishing and grinding technology in the world and we have ample capacity for anticipated future production requirements."

COMMERCIAL AND OPERATIONAL UPDATE

6EZ SiC Polishers Sales Update

During the quarter, Revasum secured the first purchase order for two of its flagship 6EZ Silicon Carbide (SiC) Wafer Polishers from a major global semiconductor wafer manufacturer. The first of the two tools is scheduled to be shipped to the customer's European facility in August 2021. The second tool will be delivered during the first half of 2022. This was a major milestone for the Company.

Revasum's leadership team is in advanced discussions with current and prospective customers on further sales of the 6EZ.

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The significant milestones achieved, further forecasted demand, and Revasum's capacity and capabilities put the Company in a solid position to benefit from increasing demand for SiC wafers and capture significant market share.

Alongside the 7AF-HMG Silicon Carbide Grinder, Revasum's 6EZ Silicon Carbide Polisher provides customers with an optimized, fully automated single-wafer grind and polish toolset.

6EZ Customer Evaluation Update

Our 6EZ evaluation at a leading global silicon carbide wafer manufacturer in the United States has been extended four weeks until the end of July 2021 at the customer's request to allow for additional wafers to be processed. We are currently in the process of completing a final 200 prime SiC wafer test to confirm all process metrics are being met. We have high confidence in the successful completion in the trial and subsequent purchase of the tool for commercial production.

Growing Equipment Backlog

The Company has an equipment backlog (confirmed purchase orders not yet shipped) of US$6.8M as of 26 July 2021. This backlog comprises of orders for the 6EZ Silicon Carbide Polisher, the 7AF-HMG Silicon Carbide Grinder and the 6DZ Silicon Polisher.

In addition to this, the Company has a spares, service, and other revenue backlog of US$2.9M as of 26 July 2021. The Company is focused on increasing these high-margin recurring revenue streams, and the growing backlog reflects this.

The global chip supply shortage continues to drive demand for wafer processing equipment as manufacturers seek additional production capacity and Revasum anticipates further orders across its product suite in 2H21.

The chip shortage continues to cause delays in the supply chain and manufacturing of products across industries and regions. Companies in industries developing electronics, 5G infrastructure, power devices, autonomous and electric vehicles and solar inverters – all of which saw increased demand as a result of the COVID-19 pandemic and an increasing focus on the energy transition – are struggling to meet demand.

Revasum is uniquely positioned to take advantage of the increases in silicon and silicon carbide wafer demand, providing equipment that enables customers to increase their capacity.

Further development of 7AF-HMG capability

During the quarter, Revasum's engineering team successfully completed a paid NRE project to upgrade the 7AF-HMG to be Standard Mechanical Interface (SMIF) compatible, allowing for full factory automation in wafer handling. Responding to a customer request, the tailored system can run 200mm wafers through SMIF pods to isolate the wafers from contamination, providing the cleanest wafer handling system.

This demonstrates the flexibility of Revasum's key products and the commitment of engineering and design teams to provide customers with bespoke products.

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Semiconductor Capital Equipment Market Update

The global chip shortage remains a critical issue, with semiconductor supply chain constraints influencing geopolitical activity. While foreign suppliers dominate the semiconductor supply chain at present, U.S. officials are building out the capabilities to ensure local supply chain resilience.

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.

In June 2021, the White House released a Report of President Biden's 100-day comprehensive review under Executive Order 14017. The review addressed US supply chains of four key products, one of which was Semiconductors and Advanced Packaging. The report explored ways to build out capabilities for domestic supply of materials and manufacturing, rebuilding America's production and innovation capabilities.

Semiconductors are seen by the White House as essential to national security and economic competitiveness – influencing energy, healthcare, agriculture, consumer electronics, manufacturing, defense, and transportation. After decades of outsourcing the manufacturing of semiconductors, the US is committing to building resilient and competitive domestic supply chain.

Market conditions have forced the US officials to consider the advantages of a developing an ecosystem that enhances domestic supply chains, promotes global resilience and economic outcomes for local workers.

Federal Government support for domestic manufacture is positive for Revasum. The Company sees increased product orders from global customers and development of the domestic market ensures long term sustainability for Revasum, while creating local demand, jobs, and IP.

Q221 FINANCIAL UPDATE

Q221 Cash Flow Statement

Revasum reported operating cash outflows for Q221 of US$0.96M (Q121: inflows of US$0.15M). Receipts from customers for the quarter were US$3.1M (Q121: US$3.9M), reflecting the growing backlog and deposits collected upon PO placement. The net operating cash outflows seen for the quarter were due to building inventories to appropriately manage the supply chain shortages being seen across the industry.

Payments for operating activities were steady quarter-on-quarter, at US$3.8M (Q121: US$3.7M). Included in payments for operating activities are payments to Revasum's related parties and their associates totalling US$90,233, comprising of CFOO salary, along with payments to Non-Executive Directors for their services as Directors.

Net investing cash outflows for the period were US$25K (Q121: US$86K), these funds were spent on minor leasehold improvements.

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

At the end of Q221, Revasum's unaudited cash balance was US$6.1M (Q121: US$7.3M), with no debt drawn, excluding a PPP loan which is expected to be fully forgiven.

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US$2.2M PPP Loan Debt forgiven

In June 2021, the Small Business Administration ("SBA") granted full forgiveness of Revasum's Paycheck Protection Program ("PPP") loan of US$2,213,000, granted in the 2020 fiscal year. Payment of the loan was remitted by the SBA to Revasum's lender, Bridge Bank, on 17 June 2021.

The PPP provides a mechanism for forgiveness of up to the full amount borrowed after 8-24 weeks, providing the borrower uses the loan proceeds during the period for eligible purposes.

The PPP Loan is evidenced by a promissory note ("Note") given by the Company as borrower to Western Alliance Bank, an Arizona Corporation, as the lender. The PPP Loan is unsecured and is guaranteed by the U.S. Small Business Administration. The interest rate on the Note is 1.0% per annum. Any unforgiven portion of the PPP Loan is repayable in accordance with PPP rules. The Company is permitted to prepay the Note at any time without payment of any premium.

Revasum received further loan proceeds of US$1,165,370 under the second round of the PPP and continues to expect full forgiveness on this loan.

THIS ANNOUNCEMENT WAS AUTHORIZED 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.

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