

REVASUM

Q4 2022 Quarterly Activities Report

San Luis Obispo, California – 31 January 2023: Global semiconductor technology and equipment firm, **Revasum, Inc. (ASX: RVS, 'Revasum' or the 'Company')** is pleased to release its quarterly update for the period ending 1 January 2023 ('Q422'). The Appendix 4C is prepared in US dollars and is unaudited.

Q422 QUARTER HIGHLIGHTS

- FY22 preliminary unaudited revenue of US\$14.7M (FY21: US\$13.7M), a 7.6% increase year on year (YOY)
- FY22 preliminary unaudited other revenue of US\$7.1M (FY21: US\$6.2M), a 14% increase year on year (YOY)
- FY22 preliminary unaudited gross margin of 29.9% (FY21: 35.3%)
- FY22 preliminary unaudited equipment gross margin of 26.1% (FY21: 23.8%)
- Total backlog of US\$8.0M as of 26 January 2022 (US\$8.0M as of 24 October 2022)
- Equipment backlog of US\$5.3M as of 26 January 2022 (US\$6.0M as of 24 October 2022)
- Spares, service and other revenue backlog of US\$2.7M as of 26 January 2022 (US\$2.0M as of 24 October 2022)
- Q422 unaudited cash balance of US\$0.9M
- Q422 unaudited cash outflows reduced to US\$853k, a decrease of 5.6% on Q322 (US\$904k)

Revasum President and Chief Executive Officer, Scott Jewler said:

"We completed 2022 on a strong note with multiple tool shipments in the quarter and a healthy backlog going into 2023. While the supply chain for some critical components has improved, other parts remain at extended lead times. In the second half of the year, we significantly increased our customer facing activity and based on this interaction we have fine-tuned our design and process engineering priorities for the coming year. Growth in the compound semiconductor industry remains robust particularly for SiC where our 7AF-HMG grinders and 6EZ polishers are operating at full capacity at multiple market leaders."

COMMERCIAL AND OPERATIONAL UPDATE

Revenue Growth & Strong Sales Order Backlog

Achieved FY22 preliminary unaudited revenue of US\$14.7M (FY21: US\$13.7M), a 7.6% increase YOY. Both equipment and other revenue grew YOY 2.3% and 14% respectively. Tool revenue grew despite significant supply chain challenges.

Tool gross margin improved YOY to 26.1% in 2022 versus 23.8% in 2021 as management aggressively looked for cost saving opportunities.

The confirmed sales order backlog of \$8.0M held steady versus Q322 despite healthy Q4 shipments and Q4 unaudited revenue of US\$4.1M.

Process Development and Product Offering Update

As 150mm silicon carbide wafer manufacturing volumes increased significantly over the past year, process yield and tool availability have become the top priorities for our customers. The company initiated a yield engineering task force in 2022 and has begun the release of hardware and software upgrades to maintain best in class performance. Mr. Bruce Ray, CFO, was assigned additional responsibility for field service engineering and will focus on building out the company's capabilities to better track and manage performance of tools in the field and deliver improved service levels to our customers.

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200mm silicon carbide wafer manufacturing volume is also accelerating and Revasum 7AF-HMG grinders are running high volume production on these larger wafers. Multiple 200mm SiC wafer grinding demonstrations were accomplished in 2022 demonstrating the ability of this tool to meet and exceed customer requirements.

Multiple orders for 200mm conversion kits for the 6EZ polisher have been received and will ship in 2023. Revasum's proprietary VIPRR polishing head design enables the highest process down force in the industry. This higher downforce combined with the most advanced slurries enables faster removal rates and higher productivity.

In 2022, the company also completed a reassessment and redesign of the Tolosa product that is planned for release in 2024. Leveraging the proven 6EZ polish engine, Tolosa is expected to deliver best in class productivity, reduced cost of consumables, and superior total cost of ownership to our customers.

Semiconductor Capital Equipment & SiC Market Update

In 2022, multiple leading silicon carbide wafer manufacturers announced investments in large new facilities. These new facilities will begin to come online in 2024 and are expected to drive a significant increase in demand for wafer manufacturing equipment including Revasum's grinders and polishers.

The industry is in the early stages of the EV replacement cycle of the internal combustion engine and growth rates for SiC devices of 35%-40% per year are projected for the next 5 years by most analysts. Silicon carbide wafers, which contribute as much as 35% of the cost of goods sold for a SiC device is expected to remain an area of intense technology focus and investment.

1 <https://www.semi.org/en/news-media-press/semi-press-releases/power-and-compound-fab-capacity-projected-to-top-record-10-million-wafers-per-month-in-2023-semi-reports>
2 SEMI 2021 Mid-Year Equipment Forecast & SEMI World Fab Forecast Q221 Update

Industry Engagement

The US department of commerce plans to begin accepting applications for Chips for America Act funding in February of 2023. The Act allocates \$10B for legacy and specialty semiconductor technology including Silicon Carbide. Revasum has identified multiple projects that closely align to the parameters outlined in the act and will submit applications in 2023.

PowerAmerica, a consortium of power semiconductor device related companies, also announced that the US Department of Energy had requested a proposal for a targeted \$35M in funding to promote the domestic power semiconductor industry. Revasum has submitted recommendations to PowerAmerica for this project and anticipates further progress in 2023.

THIS ANNOUNCEMENT WAS AUTHORIZED FOR RELEASE BY THE PRESIDENT AND CEO

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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.