APPENDIX 4D – HALF YEAR REPORT FOR THE HALF-YEAR ENDED 2 JULY 2023

1. Company Details

Name of entity: Revasum, Inc.
ARBN: 629 268 533
Reporting Period: Half-year ended 2 July 2023
Previous Corresponding Period: Half-year ended 3 July 2022

2. Results for Announcement to the Market

	2 Jul 2023 US$'000	3 Jul 2022 US$'000	Movement Up/(Down) US$'000	%
Revenue from ordinary activities	9,538	7,412	2,126	29%
Gross profit	2,439	2,228	211	9%
Operating loss	(3,254)	(4,874)	1,620	33%
Loss from ordinary activities after tax attributable to members of the parent entity	(3,635)	(5,317)	1,682	32%

3. Review of Operations and Financial Results

Refer to the accompanying half-year Financial Report for the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and accompanying notes. Also refer to the Directors' Report in the accompanying half-year Financial Report and for further details and commentary on the results.

4. Dividends

No dividends have been paid or are proposed to be paid by Revasum, Inc. during the half-year 2023 (2022: $Nil).

5. Net Tangible Assets per share:

	2 Jul 2023	3 Jul 2022
Net tangible assets per share (US$ per share)	0.03	0.09

6. Control Gained or Lost over Entities

During the period, no control was gained or lost over entities.

7. Details of Associates and Joint Venture Entities

The Group has no investments in associates or joint ventures during the reporting period.

8. Accounting Standards

The half-year financial report has been compiled using Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB").

9. Audit Status

The Revasum, Inc. half-year financial report for the half-year ended 2 July 2023 has been subject to review by our external auditors, BDO Audit Pty Ltd. A copy of the independent review report to the members of Revasum, Inc. is included in the accompanying half-year report.

Kevin Landis ***(Director)***
1 September 2023
San Jose, California, USA

REVASUM, INC.

A DELAWARE CORPORATION
ARBN 629 268 533

HALF YEAR REPORT

2 JULY 2023

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CORPORATE DIRECTORY

Company

Revasum, Inc.
825 Buckley Road
San Luis Obispo, 93401 USA
Phone: +1 (805) 541 6424
Website: www.revasum.com

Directors

Kevin Landis	Chairman, Non-Executive Director
Ryan Benton	Independent Non-Executive Director
Paul Mirabelle	Independent Non-Executive Director

Company Secretary

Bruce Ray

Australian Securities Exchange Representative

Jarrod White

United States Registered Office

c/o Incorporating Services Ltd
3500 South Dupont Highway
Dover, Delaware 19901 USA

Australian Registered Office

c/o Traverse Accountants
24-26 Kent Street
Millers Point, NSW 2000 Australia

United States Legal Adviser

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5 Park Plaza
Suite 1400
Irvine, CA, 92614 USA

Australian Legal Adviser

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Angel Place Level 27
123 Pitt Street
Sydney, NSW 2000 Australia

Share Registries

Link Market Services	American Stock Transfer and Trust Company, LLC
Level 12, 680 George Street	6201, 15th Avenue
Sydney, NSW 2000 Australia	Brooklyn, NY 11219 USA
Telephone: +61 1300 554 474	Telephone: +1 (718) 921 8386

Securities Exchange Listing

Revasum, Inc. (ASX Code: RVS)
Chess Depository Interests ("CDIs") over shares of the Company's common stock are quoted on the Australian Securities Exchange. One CDI represents one fully paid share in the Company.

DIRECTORS' REPORT

The directors present their report for Revasum, Inc. ("Revasum" or "Company") together with the interim financial statements on the Consolidated Entity (referred to hereafter as the "Consolidated Entity" or "Group") consisting of the Company and its subsidiaries for the half-year ended 2 July 2023 and the independent auditor's review report thereon.

DIRECTORS

The following persons were directors of the Company during the period and up to the date of this report, unless otherwise stated:

Kevin Landis	Chairman, Non-Executive Director
Ryan Benton	Independent Non-Executive Director
Paul Mirabelle	Independent Non-Executive Director

PRINCIPAL ACTIVITIES

Revasum designs, manufactures, and markets a portfolio of semiconductor processing equipment. The Group's product portfolio includes grinding, polishing and chemical mechanical planarization (CMP) equipment (also referred to as ''systems") used to manufacture substrates and devices for the global semiconductor industry.

The systems that Revasum manufactures are a key part of the production chain in manufacturing and processing wafers sized 200mm and below that are used to make microchips, sensors, LEDs, RF devices and power devices which are commonly used in automotive, connected IoT devices, cellphones, wearables, 5G and industrial applications.

No significant change in the nature of these activities occurred during the period.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Revenue of $9.5 million for 1H FY23 which represents a 29% increase from the same period a year ago (1H FY22). This amount includes $5.4 million of system sales (an increase of 33% from 1H FY22). System revenue increased principally as a result of an increased number of shipments – 6 units shipped in 1H FY23 compared to 4 units shipped in 1H FY22, the shipments were also at a higher average sales price. The Company closed 1H FY23 with an equipment backlog (defined as confirmed purchase orders that have not yet shipped) of $2.2 million and a spares, service, and other revenue backlog of $3.4 million.

For the half-year ended 2 July 2023, the net operating loss was $3.25 million (2022: $4.87 million), an improvement of 33% year-over-year. OPEX decreased to $5.7 million (2022: $7.1 million).

GOING CONCERN

The financial report of the Group has been prepared on a Going Concern basis, which indicates the continuity of business activities and realization of assets and settlement of liabilities in the normal course of business. The financial information contained within, has been prepared based to the best of our knowledge regarding the Group's financial position at the time of writing. It reflects the collective understanding and beliefs of the Directors, and while all due diligence has been performed to ensure its accuracy, it is subject to the inherent unpredictability and risks of business operations and external factors.

As disclosed in the financial report, the Group's loss after income tax for the period ended 2 July 2023 was $3.6 million (3 July 2022: $5.3 million) and the Group's net cash outflows from operating activities for the period ended 3 July 2023 were $1.8 million (3 July 2022: $6.3 million). As at the period end date, the Group held cash and cash equivalents of $0.7 million (January 2023: $0.9 million). Additionally, beginning in Q4 2023, a minimum liquidity covenant will be in effect with respect to the Group's loan with SQN. As at the date of authorization of the financial report, there is uncertainty as to whether the covenant will be met.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities and commitments in the normal course of business and at the amount stated in the financial report.

Notwithstanding the above, during the fiscal period, the Group's net operating cash flows improved substantially versus prior period. This improvement was due primarily to revenue growth and expense control partly offset by gross margin decline. As at the date of authorization of the financial report, there are currently $5.6 million in confirmed backlog orders being processed (of which $0.9 million has been collected as customer deposits prior to 2 July 2023). Upon shipment of the equipment the Group anticipates a significant increase in cash receipts from customers. In addition, inventory levels have improved to $8.7 million at period end from $9.3 million as of 1 January 2023. Inventory levels are expected to continue to improve as backlog ships and future orders are fulfilled from existing stock thereby reducing future cash outflow for inventory purchases.

Additionally, during the fiscal period the Group renegotiated the terms of its SQN loan. As part of the renegotiation SQN agreed to forbear from exercising remedies with respect to the covenant breach in effect since September 2022. Via the renegotiation the

GOING CONCERN *(CONTINUED)*

Group also received deferral of principal payments until January 2024 and a favorable reamortization of the loan. Both actions defer increased cash requirements associated with the SQN loan until maturity.

At the date of this report, based on the current data and projections available, the Directors are of the opinion that there are reasonable grounds to expect that the Group's operational and financial performance will improve and will be able to continue as a going concern. As such, the financial report has been prepared on a going concern basis. In arriving at this conclusion, the Directors have also considered a number of other factors which are described below.

With regards to the 6EZ Silicon Carbide Polisher, 2 tools have now been shipped to a key market participant in Europe. A further tool was shipped to one of the largest players in the Silicon Carbide market in 2H 2022 as part of an equipment exchange agreement and has since been qualified for production of 200mm SiC substrates. And subsequent to the period end, a letter of intent for a fourth tool to a third customer for delivery in Q4 2023 was obtained. In addition to this, the Group has been able to demonstrate impressive process results to many of the world's leading wafer and device manufacturers. The Directors note that process results achieved clearly evidence the value of the system. The quality of the wafers being produced will result in a lower cost per wafer for customers, along with the prospect of device yield improvements. The Group is in advanced discussions with a number of further customers and has provided detailed proposals as at the date of authorization of the financial report.

The Group also secured $2 million of working capital via note purchase agreements with its majority shareholder during the period. These notes provide for additional working capital as the Group looks at longer-term financing actions.

During the fiscal period, management continued re-organization efforts started in 2022 resulting in operating expenses declining to $5.7 million for the period ended 2 July 2023 (3 July 2022: $7.1 million). Efforts to streamline the organization and improve operating leverage will continue and as revenue grows which is expected to result in improved cash flow. Notwithstanding this, as a result of the minimum liquidity covenant with respect to the Group's loan with SQN, the Group may need to raise additional capital.

If the Group is unsuccessful in achieving the above plan the group would curtail materially, if necessary, the Group's ongoing operating costs, in addition to the re-organization already initiated subsequent to the fiscal period end.

Based on the available information and current circumstances, the Directors are of the opinion that the Group will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis. As such, at this time, the Directors are of the opinion that no material asset is likely to be realized for an amount less than the amount at which it is recorded in the consolidated financial report as of 2 July 2023. However, as these matters are outside the Group's control, the Directors cannot guarantee that this will be the case.

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the half-year.

DIVIDENDS

No dividends were paid or proposed during the half-year ended 2 July 2023 and the Company does not intend to pay any dividends for the half-year 2023 (2022: $Nil).

PRESENTATION CURRENCY

The functional and presentation currency of the Group is United States Dollars. The financial report is presented in United States Dollars with all references to dollars, cents or $'s in these financial statements presented in US currency, unless otherwise stated.

ROUNDING OF AMOUNTS

Unless otherwise stated, amounts have been rounded to the nearest thousand United States Dollars.

JURISDICTION OF INCORPORATION

The Company is incorporated in the State of Delaware, United States of America and is a registered foreign entity in Australia. As a foreign company registered in Australia, the Company is subject to different reporting and regulatory regimes than Australian companies.

DIRECTORS' REPORT

MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR

No matter or circumstance has arisen since 2 July 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future fiscal years.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings on behalf of the Company occurred during the half-year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group's core growth strategy involves continuing its strong market-driven product development focus in order to continue to capitalize on strong growth in demand for 200mm substrate and device fabrication capacity. The Group's growth strategy also includes:

1. Increasing sales, marketing, and product demonstration capabilities to secure new customers and help expedite the conversion of existing pipeline customers;
2. Establishing relationships with technology and manufacturing partners in order to improve our product offerings and manufacturing capabilities; and
3. Expanding the product portfolio which in turn increases the addressable market size.

On behalf of the directors

Kevin Landis
Chairman and Non-Executive Director
1 September 2023
San Jose, California, USA

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 2 JULY 2023

(in thousands, except share and per share amounts)

	Note	2 Jul 2023	3 Jul 2022
Revenue	2	$ 9,538	$ 7,412
Cost of goods sold		(7,099)	(5,184)
Gross profit		**2,439**	**2,228**
Gross margin		**25.57%**	**30.06%**
Expenses			
Research & development		(3,070)	(2,960)
Selling & marketing		(1,026)	(2,238)
General & administrative		(1,571)	(1,710)
Stock based compensation	10	(26)	(194)
Total expenses		**(5,693)**	**(7,102)**
Operating loss		**(3,254)**	**(4,874)**
Finance income		-	3
Finance expenses		(623)	(446)
Fair value movement in derivative	8	242	-
Net loss before income tax expense		**(3,635)**	**(5,317)**
Income tax expense		-	-
Net loss for the period		**$ (3,635)**	**$ (5,317)**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the members of Revasum, Inc.		**$ (3,635)**	**$ (5,317)**
Loss per share attributable to the members of Revasum, Inc.:			
Basic and diluted loss per share	3	$ (0.03)	$ (0.05)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 2 JULY 2023

(in thousands, except share and per share amounts)

	Note	2 Jul 2023	1 Jan 2023
Assets			
Current assets			
Cash and cash equivalents	4	$ 693	$ 917
Trade and other receivables		3,286	2,036
Inventories - net	5	8,676	9,319
Other current assets		666	1,449
Total current assets		**13,321**	**13,721**
Non-current assets			
Property, plant, and equipment – net		1,722	1,802
Right-of-use asset		2,223	621
Intangible assets - net	6	1,685	1,982
Total non-current assets		**5,630**	**4,405**
Total assets		**$ 18,951**	**$ 18,126**
Liabilities			
Current liabilities			
Trade and other payables		$ 3,307	$ 2,108
Customer deposits		946	1,759
Deferred revenue		243	170
Employee benefits		401	282
Warranty provision		205	219
Borrowings, current	7	1,399	4,845
Lease liabilities, current	13	890	751
Warrant liability	8	377	-
Total current liabilities		**$ 7,768**	**$ 10,134**
Non-current liabilities			
Borrowings, non-current	7	4,756	-
Lease liabilities, non-current	13	1,696	-
Total non-current liabilities		**6,452**	**-**
Total liabilities		**$ 14,220**	**$ 10,134**
Net assets		**$ 4,731**	**$ 7,992**
Contributed equity	9	$ 49,996	$ 49,996
Share-based payment reserve	10	418	392
Warrants reserve	11	1,492	1,144
Accumulated losses		(47,175)	(43,540)
Total equity		**$ 4,731**	**$ 7,992**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 2 JULY 2023

(in thousands, except share and per share amounts)

	Contributed equity	Share-based payment reserve	Warrants Reserve	Accumulated losses	Total equity
Balance at 3 January 2022	**$ 49,996**	**$ 434**	**$ -**	**$ (34,607)**	**$ 15,823**
Loss after income tax expense for the period	-	-	-	(5,317)	(5,317)
Other comprehensive loss for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period	**$ -**	**$ -**	**$ -**	**$ (5,317)**	**$ (5,317)**
Transactions with owners in their capacity as owners:					
Warrants issued	-	-	1,144	-	1,144
Share-based payments – Note 9	-	194	-	-	194
Balance at 3 July 2022	**$ 49,996**	**$ 628**	**$ 1,144**	**$ (39,924)**	**$ 11,844**
Balance at 1 January 2023	**$ 49,996**	**$ 392**	**$ 1,144**	**$ (43,540)**	**$ 7,992**
Loss after income tax expense for the period	-	-	-	(3,635)	(3,635)
Other comprehensive loss for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period	**$ -**	**$ -**	**$ -**	**$ (3,635)**	**$ (3,635)**
Transactions with owners in their capacity as owners:					
Warrants issued	-	-	348	-	348
Share-based payments – Note 9	-	26	-	-	26
Balance at 2 July 2023	**$ 49,996**	**$ 418**	**$ 1,492**	**$ (47,175)**	**$ 4,731**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 2 JULY 2023

(in thousands, except share and per share amounts)

	Note	2 Jul 2023	3 Jul 2022
Cash flows used in operating activities			
Receipts from customers		$ 7,550	$ 6,143
Payments to suppliers and employees		(8,954)	(12,201)
Interest received		-	3
Interest paid on borrowings and leases		(370)	(236)
Net cash used in operating activities		**$ (1,774)**	**$ (6,291)**
Cash flows used in investing activities			
Payments for property, plant and equipment		-	(30)
Net cash used in investing activities		**$ -**	**$ (30)**
Cash flows from financing activities			
Proceeds from borrowings	7	2,000	5,000
Transaction costs related to borrowings		-	(225)
Lease principal repayments		(450)	(422)
Net cash from financing activities		**$ 1,550**	**$ 4,353**
Net decrease in cash and cash equivalents		**(224)**	**(1,968)**
Cash and cash equivalents at the beginning of the period		917	4,311
Cash and cash equivalents at the end of the period	**4**	**$ 693**	**$ 2,343**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

This interim financial report has been prepared in accordance with Australian Accounting Standard AASB 134 “Interim Financial Reporting”. The interim financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by Revasum, Inc. during the interim period.

Comparative figures have been adjusted to conform to changes in classification and presentation for the current period.

Historical cost convention

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates

In the process of applying the Group’s accounting policies, management has made a number of judgements, applied estimates and assumptions of future events.

The judgements, estimates and assumptions applied in the interim financial statement, including the key sources of estimation, were the same as those applied in the Group’s last annual financial statements for the fiscal year ended 1 January 2023.

GOING CONCERN

The financial report of the Group has been prepared on a Going Concern basis, which indicates the continuity of business activities and realization of assets and settlement of liabilities in the normal course of business. The financial information contained within, has been prepared based to the best of our knowledge regarding the Group's financial position at the time of writing. It reflects the collective understanding and beliefs of the Directors, and while all due diligence has been performed to ensure its accuracy, it is subject to the inherent unpredictability and risks of business operations and external factors.

As disclosed in the financial report, the Group’s loss after income tax for the period ended 2 July 2023 was $3.6 million (3 July 2022: $5.3 million) and the Group’s net cash outflows from operating activities for the period ended 3 July 2023 were $1.8 million (3 July 2022: $6.3 million). As at the period end date, the Group held cash and cash equivalents of $0.7 million (January 2023: $0.9 million). Additionally, beginning in Q4 2023, a minimum liquidity covenant will be in effect with respect to the Group’s loan with SQN. As at the date of authorization of the financial report, there is uncertainty as to whether the covenant will be met.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities and commitments in the normal course of business and at the amount stated in the financial report.

Notwithstanding the above, during the fiscal period, the Group’s net operating cash flows improved substantially versus prior period. This improvement was due primarily to revenue growth and expense control partly offset by gross margin decline. As at the date of authorization of the financial report, there are currently $5.6 million in confirmed backlog orders being processed (of which $0.9 million has been collected as customer deposits prior to 2 July 2023). Upon shipment of the equipment the Group anticipates a significant increase in cash receipts from customers. In addition, inventory levels have improved to $8.7 million at period end from $9.3 million as of 1 January 2023. Inventory levels are expected to continue to improve as backlog ships and future orders are fulfilled from existing stock thereby reducing future cash outflow for inventory purchases.

Additionally, during the fiscal period the Group renegotiated the terms of its SQN loan. As part of the renegotiation SQN agreed to forbear from exercising remedies with respect to the covenant breach in effect since September 2022. Via the renegotiation the

Group also received deferral of principal payments until January 2024 and a favorable reamortization of the loan. Both actions defer increased cash requirements associated with the SQN loan until maturity.

At the date of this report, based on the current data and projections available, the Directors are of the opinion that there are reasonable grounds to expect that the Group’s operational and financial performance will improve and will be able to continue as a going concern. As such, the financial report has been prepared on a going concern basis. In arriving at this conclusion, the Directors have also considered a number of other factors which are described below.

With regards to the 6EZ Silicon Carbide Polisher, 2 tools have now been shipped to a key market participant in Europe. A further tool was shipped to one of the largest players in the Silicon Carbide market in 2H 2022 as part of an equipment exchange agreement and has since been qualified for production of 200mm SiC substrates. And subsequent to the period end, a letter of intent for a fourth tool to a third customer for delivery in Q4 2023 was obtained. In addition to this, the Group has been able to demonstrate impressive process results to many of the world’s leading wafer and device manufacturers. The Directors note that process results achieved clearly evidence the value of the system. The quality of the wafers being produced will result in a lower cost per wafer for customers,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GOING CONCERN *(CONTINUED)*

along with the prospect of device yield improvements. The Group is in advanced discussions with a number of further customers and has provided detailed proposals as at the date of authorization of the financial report.

The Group also secured $2 million of working capital via note purchase agreements with its majority shareholder during the period. These notes provide for additional working capital as the Group looks at longer-term financing actions.

During the fiscal period, management continued re-organization efforts started in 2022 resulting in operating expenses declining to $5.7 million for the period ended 2 July 2023 (3 July 2022: $7.1 million). Efforts to streamline the organization and improve operating leverage will continue and as revenue grows which is expected to result in improved cash flow. Notwithstanding this, as a result of the minimum liquidity covenant with respect to the Group's loan with SQN, the Group may need to raise additional capital.

If the Group is unsuccessful in achieving the above plan the group would curtail materially, if necessary, the Group's ongoing operating costs, in addition to the re-organization already initiated subsequent to the fiscal period end.

Based on the available information and current circumstances, the Directors are of the opinion that the Group will be successful in managing the above matters and accordingly, they have prepared the financial report on a going concern basis. As such, at this time, the Directors are of the opinion that no material asset is likely to be realized for an amount less than the amount at which it is recorded in the consolidated financial report as of 2 July 2023. However, as these matters are outside the Group's control, the Directors cannot guarantee that this will be the case.

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

ROUNDING OF AMOUNTS

Amounts in this report have been rounded off to the nearest thousand United States dollars, except share and per share amounts.

FUNCTIONAL CURRENCY

The financial statements are presented in US dollars, which is the functional and presentational currency of the Group. There has been no change in the functional and presentational currency of the Group.

NEW, REVISED OR AMENDED ACCOUNTING STANDARDS ADOPTED

The Group has retrospectively adopted, as at the date of incorporation, all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to its operations and effective for the comparative period commencing 3 January 2022. There was no material impact on the group's financial statements on the adoption of these Standards and Interpretations.

Revised or amending Accounting Standards or Interpretations that are not yet mandatory for the year commencing 2 January 2023 have not been early adopted.

NOTE 2. REVENUE

Revenue consists of the following (*in thousands*):

	2 Jul 2023	3 Jul 2022
Systems and installation revenue	$ 5,350	$ 3,934
Service, spares and other revenue	4,188	3,478
	$ 9,538	**$ 7,412**

Disaggregation of revenue

The Group derives its revenue from the transfer of goods and services at a point in time. The table above provides a breakdown of revenue by major business line. The categories above depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data. As disclosed in note 15, the Group has one operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following information *(in thousands, except share and per share amounts):*

	2 Jul 2023	3 Jul 2022
Reconciliation of earnings used in calculating earnings per share		
Loss attributable to ordinary equity holders of Revasum, Inc.	$ (3,635)	$ (5,317)

	No. of shares	No. of shares
Weighted average number of ordinary shares	**106,267,204**	**106,267,204**
Basic and diluted loss per share	**$ (0.03)**	**$ (0.05)**

Options over ordinary shares that would be dilutive if the Group was generating a profit have been excluded from the weighted average number of issued ordinary shares as the Group is generating a loss.

NOTE 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following (*in thousands*):

	2 Jul 2023	1 Jan 2023
Cash at bank	$ 676	$ 907
Call deposits	17	10
	$ 693	**$ 917**

NOTE 5. INVENTORIES - NET

Inventories consisted of the following (*in thousands*):

	2 Jul 2023	1 Jan 2023
Raw materials	$ 6,602	$ 6,283
Work in progress	3,711	4,643
Inventories - gross	**$ 10,313**	**$ 10,926**
Less: Provision for impairment of inventories	(1,637)	(1,607)
Inventories - net	**$ 8,676**	**$ 9,319**

NOTE 6. INTANGIBLE ASSETS - NET

Intangible assets consisted of the following (*in thousands*):

	2 Jul 2023	1 Jan 2023
Capitalized development costs – at cost	$ 9,123	$ 9,123
Less: Accumulated amortization	(2,575)	(2,278)
Less: Accumulated impairment	(4,863)	(4,863)
Capitalized development costs – net	**$ 1,685**	**$ 1,982**

Capitalized development costs (*in thousands*)

	Capitalized development costs
Balance at 1 January 2023	**$ 1,982**
Amortization	(297)
Balance at 2 July 2023	**$ 1,685**

NOTE 6. INTANGIBLE ASSETS - NET *(CONTINUED)*

Impairment of intangible assets

The Group assesses the impairment of intangible assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate several key estimates and assumptions. At the end of the half-year, the Group has considered indicators of impairment of the intangible assets and determined there were none.

NOTE 7. BORROWINGS

Financial liabilities include the following liabilities carried at amortized cost *(in thousands)*:

	2 Jul 2023	1 Jan 2023
Current		
SQN Venture Income Fund II, LP Loan (a)	$ 1,399	$ 4,086
Firsthand Technology Opportunities Fund Promissory Note (b)	-	759
	1,399	**4,845**
Non-Current		
SQN Venture Income Fund II, LP Loan (a)	2,486	-
Firsthand Technology Opportunities Fund Promissory Note (b)	2,270	-
	4,756	**-**
	$ 6,155	**$ 4,845**

On the 18th of February 2022 the Company entered into a secured loan with SQN Venture Income Fund II, LP ("**SQN Loan**") for the principal amount of US$5 million. The loan has a term of 3.5 years with a 9.75% interest rate. It features 12 months of interest only repayments and has granted the lender warrants to purchase shares of the Company's common stock equal to 10% of the total loan amount with an exercise price of US$0.01 per share. The warrants are exercisable for 10 years from the date of issuance.

The SQN Loan is subject to financial covenants imposed by the lender. For the period ended 1 January 2023, the Group did not meet certain covenants, including a minimum liquidity covenant. As a result of this, the Company was incurring a penalty interest rate of 14.75%.

On 12th April 2023, the Company renegotiated the terms for the SQN Loan as follows:

- An additional 2,250,000 warrants were issued to SQN, see note 11 for further detail on this;
- The interest rate has been reduced by 4.75% relative to the penalty rate of 14.75%, and interest payable under the agreement will adjust to a floating rate of the WSJ prime + 2% with a floor of 10%;
- Principal repayments are deferred to January 2024;
- The Minimum Liquidity Covenant has been amended to 3 months, with testing commencing from Q4 2023; and
- SQN has agreed to forbear from exercising its rights and remedies under the agreement.

As at 2 July 2023, the Company was not in breach of any covenants. As such, the loan has been classified as split between current and non-current in accordance with the revised payment terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. BORROWINGS *(CONTINUED)*

(a) SQN Venture Income Fund II, LP Loan

Movements in loan *(in thousands):*

		2 Jul 2023
Opening Balance	**$**	**4,086**
Warrants issued – Note 11		(348)
Effective interest accrued on facility		415
Interest paid on facility		(268)
Closing Balance	**$**	**3,885**

Transaction costs and warrants are amortized over the life of the loan in accordance with AASB 9.B5.4.2.

(b) Firsthand Technology Opportunities Fund Promissory Note

Movements in loan *(in thousands):*

		2 Jul 2023
Opening Balance	**$**	**759**
Drawdown on facility		2,000
Warrants issued – Note 10		(620)
Effective interest accrued on facility		131
Closing Balance	**$**	**2,270**

On the 14th of November 2022 the Company entered into a Note Purchase Agreement with its major shareholder, Firsthand Technology Opportunities Fund. Under the agreement, Revasum issued a US$750,000 Promissory Note to Firsthand to provide additional working capital for the Company while it looks at longer term financing options. The promissory note is unsecured and subordinated to the Company's existing lender, SQN. The loan attracts an interest rate equal to that of the SQN Loan.

During the half-year ended 2 July 2023, the Company secured additional financing of US$2,000,000 from Firsthand Technology Opportunities Fund, being an additional facility to other prior advances of Promissory Notes already made, as agreed in the Note purchase Agreement. This financing is under the same terms as the notes described above. The lender was also granted warrants to subscribe for 4,000,000 shares of common stock with a strike price of US$0.01 and a 7-year term. See Note 8 for further details on warrants issued.

As per the Note Purchase Agreement, the Maturity Date of the debt is the date that is one day after the payment and satisfaction in full of all obligations under the SQN Loan and Security Agreement. As the SQN loan is split between a current liability and a non-current liability, the Firsthand Promissory Note is classified as non-current.

NOTE 8. WARRANTS LIABILITY

Warrants liability include the following liabilities carried at fair value through profit and loss (FVTPL) *(in thousands)*:

	2 Jul 2023	1 Jan 2023
Firsthand Technology Opportunities Fund Warrants	377	-
	377	**-**

On 12 April 2023, warrants were issued to Firsthand Technology Opportunities Fund ("Firsthand") as part of the promissory notes agreement. 4,000,000 warrants were issued to Firsthand. Details of the valuation method for warrants issued are disclosed below.

The warrants are classified as financial liabilities under AASB 132 as the number of shares issuable on settlement is contingent on a number of factors. The warrants classified as financial liabilities will be revalued at each balance date, with the movement in value taken to the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. WARRANTS LIABILITY *(CONTINUED)*

Movements in warrants *(in thousands):*

		2 Jul 2023
Opening Balance	**$**	-
Warrants issued		619
Revaluation of warrants liability		(242)
Closing Balance	**$**	**377**

The warrants were valued at the date of issuance using the Binomial Method, utilizing the following inputs:

	Grant Date
	12-Apr-23
Number of warrants issued	4,000,000
Share price at Grant date US$	0.2350
Exercise price US$	0.01
Expected volatility %	137
Risk free interest rate %	3.21
Expected life of warrants in years	7

NOTE 9. CONTRIBUTED EQUITY

Contributed equity consisted of the following*:*

	2 Jul 2023			1 Jan 2023		
	Shares		**US$'000**	**Shares**		**US$'000**
Shares of Common Stock	106,267,204	$	49,996	106,267,204	$	49,996
	106,267,204	**$**	**49,996**	**106,267,204**	**$**	**49,996**

NOTE 10. SHARE BASED PAYMENTS

2017 Omnibus Incentive Plan (2017 Plan)

The Company's Amended and Restated 2017 Omnibus Incentive Plan (2017 Plan) provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, incentive awards, other stock-based awards, dividend equivalents and cash awards to directors, employees, consultants and contractors. Only employees of the Company are eligible to receive incentive stock options.

The 2017 Plan is administered by the Remuneration and Nomination Committee. Subject to the provisions of the 2017 Plan and the ASX Listing Rules, the administrator of the 2017 Plan generally has the authority to, among other things, construe and interpret all provisions of the 2017 Plan; approve persons to receive awards; approve the form and terms of awards and terms of vesting, exercisability and payment of awards; determine the number of Shares subject to awards; adopt, amend and rescind rules and regulations pertaining to the administration of the 2017 Plan; and accelerate the time at which any award may be exercised, become transferable or non-forfeitable or be earned and settled including, without limitation, in the event of a participant's death, disability, retirement or involuntary termination of employment or service or in connection with a change in control of the Company.

In the event of certain corporate events or changes in the Company's capitalization, the administrator will make adjustments to the number of Shares reserved for issuance under the 2017 Plan, the exercise prices of and the number of Shares subject to outstanding options and stock appreciation rights, and the purchase prices of and/or number of Shares subject to other outstanding awards, subject to compliance with contractual commitments and applicable rules and regulations, including the ASX Listing Rules.

NOTE 10. SHARE BASED PAYMENTS *(CONTINUED)*

In the event of an acquisition or other combination, any or all outstanding awards may be assumed, converted or replaced by the successor or acquiring entity or may be substituted for equivalent awards granted by the successor or acquiring entity. Any awards not assumed, replaced, or otherwise contractually committed in relation to the acquisition or combination will terminate, without accelerating vesting on the date of such acquisition or combination.

Subject to certain contractual commitments and compliance with applicable law, including the ASX Listing Rules, the Board has the authority to amend or terminate the 2017 Plan at any time and the ability to amend any outstanding awards under the 2017 Plan, provided that no such amendment or termination may materially adversely impair the rights of the participant with respect to such outstanding awards without the participant's consent. Certain amendments require the approval of the Shareholders.

Unless earlier terminated, the 2017 Plan will terminate in 2027.

Share based payment reserve (in thousands):

	3 Jul 2022	1 Jan 2023
Options issued to directors, employee and consultants (a)	$ 343	$ 317
Restricted stock units ('RSUs') issued to employees and consultants	75	75
Total share-based payment reserve:	**$ 418**	**$ 392**

Share based payment expense (in thousands):

	3 Jul 2022	3 Jul 2022
Options issued to directors, employee and consultants (a)	$ 26	$ 184
Restricted stock units ('RSUs') issued to employees and consultants	-	10
Total share-based payment expense:	**$ 26**	**$ 194**

(a) Options issued as share based payments

The Company grants stock options to its employees, directors, and consultants for a fixed number of shares with an exercise price equal to or greater than the fair value of the common stock at the date of grant and expire no later than 10 years from the date of grant.

(in thousands, except share and per share amounts)

	WAEP $	Share options Number	Share-Based Payment Reserve
Opening balance as at 1 January 2023	**0.23**	**5,257,112**	**$ 317**
Expense in the period		-	26
Granted		-	-
Exercised		-	-
Forfeited		-	-
Expired		-	-
Closing balance as at 2 July 2023	**0.23**	**5,257,112**	**$ 343**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. WARRANTS RESERVE

On 12 April 2023, warrants were issued to SQN Venture Income Fund II, LP (“SQN”) as part of the secured loan agreement (refer to note 7). 2,250,000 warrants were issued to SQN. Details of the valuation method for warrants issued are disclosed below.

The warrants are classified as equity instruments under AASB 132 as they will be settled for a fixed number of securities in the Company as the facility agreement provides for a fixed cash exercise of US$0.01 per warrant.

Movements in warrants *(in thousands):*

		2 Jul 2023
Opening Balance	**$**	**1,144**
Warrants issued		348
Closing Balance	**$**	**1,492**

The warrants were valued using the Binomial Method, utilizing the following inputs:

	Grant Date
	12-Apr-23
Number of warrants issued	2,250,000
Share price at Grant date US$	0.2350
Exercise price US$	0.01
Expected volatility %	137
Risk free interest rate %	3.21
Expected life of warrants in years	7

NOTE 12. COMMITMENTS AND CONTINGENCIES

The Group has no material commitments or contingencies as at the period end.

NOTE 13. LEASE LIABILITIES

Lease liabilities consisted of the following *(in thousands)*:

		2 Jul 2023		1 Jan 2023
Current	$	890	$	751
Non-current		1,696		-
	$	**2,586**	**$**	**751**

Net present value of lease liabilities (*in thousands*):

		Less than 6 months		6 to 12 months		Between 1 and 5 years		Total
Lease payments	$	512	$	520	$	1,841	**$**	**2,873**
Finance charges		(24)		(118)		(145)		**(287)**
	$	**488**	**$**	**402**	**$**	**1,696**	**$**	**2,586**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14. RELATED PARTY TRANSACTIONS

Subsidiaries

The consolidated financial statements include the financial statements of Revasum, Inc. and the following subsidiary:

Name	Country of incorporation	Beneficial interest	
		2023	2022
Revasum Australia, Inc.	United States of America	100%	100%

Key management personnel

The following persons were identified as key management personnel of Revasum during the half-year ended 2 July 2023:

Kevin Landis	Chairman, Non-Executive Director
Ryan Benton	Independent Non-Executive Director
Paul Mirabelle	Independent Non-Executive Director
Scott Jewler	President and CEO

Compensation

The compensation paid to directors and key management personnel for the half-year ended 2 July 2023 is as follows:

	Base Salary (Gross) $	401 (K) $	Directors' Fees $	Total $
Scott Jewler	161,520	-	-	**161,520**
Ryan Benton	-	-	30,000	**30,000**
Paul Mirabelle	-	-	30,000	**30,000**
	161,520	**-**	**60,000**	**221,520**

Transactions with related parties

Loans to and from related parties

There were no loans to or from related parties at the current and previous reporting dates.

NOTE 15. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 2 July 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future fiscal years.

NOTE 16. OPERATING SEGMENTS

For operating purposes, the Group is organized into one main operating segment, focused on the technological design, development, manufacture and sale of semiconductor processing equipment.

All the activities of the Group are interrelated, and each activity is dependent on the others. Accordingly, all significant operating disclosures are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Geographically, the Group has the following revenue information based on the location of its customers *(in thousands):*

	2 Jul 2023	3 Jul 2022
North America	$ 7,053	$ 4,353
Europe	1,478	2,748
Asia	1,007	311
	$ 9,538	**$ 7,412**

DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 2 JULY 2023

In accordance with a resolution of the directors of Revasum, Inc., the directors of the Company declare that:

1. The interim financial statements and notes thereto, are in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting';

2. The interim financial statements and notes thereto, give a true and fair view of the Group's financial position as at 2 July 2023 and of the performance for the half-year ended on that date; and

3. In the directors' opinion there are reasonable grounds to believe that Revasum, Inc. will be able to pay its debts as and when they become due and payable.

On behalf of the directors

Kevin Landis
Chairman and Non-Executive Director
1 September 2023
San Jose, California

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Revasum, Inc.

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Revasum, Inc. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 2 July 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of the Group does not present fairly, in all material respects, the financial position of the Group as at 2 July 2023, and its financial performance and its cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects, the financial positon of the Group as at 2 July 2023 and of its financial performance and its cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

Martin Coyle
Director

Sydney, 1 September 2023