

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

Revasum, Inc.

ARBN

629 268 533

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,444	17,863
1.2 Payments for		
(a) research and development	(127)	(420)
(b) product manufacturing and operating costs ⁽¹⁾	(6,168)	(19,873)
(c) advertising and marketing	(808)	(1,894)
(d) leased assets	(1)	(27)
(e) staff costs	(674)	(2,590)
(f) administration and corporate costs	(1,082)	(3,205)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	32	180
1.5 Interest and other costs of finance paid	(12)	(21)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,396)	(9,987)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,187)	(2,287)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets (capitalized development costs & ERP project) ⁽²⁾	(2,110)	(6,389)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(3,297)	(8,676)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	22	22
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	2,500	2,500
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(60)	(60)
3.8	Dividends paid	-	-
3.9	Other (lease principal repayments) ⁽¹⁾	(189)	(565)
3.10	Net cash from / (used in) financing activities	2,273	1,897

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	12,123	24,469
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,396)	(9,987)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,297)	(8,676)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,273	1,897
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	7,703	7,703

(1) Section 1.2 & 3.9 have been amended to reclassify \$376K of cash outflows in 1H19 recognised in line with AASB 16 – Leases – this has resulted in a decrease to product manufacturing and operating costs of \$376K and an increase to lease principal repayments of a corresponding amount.

(2) Of the total spend on other non-current assets during Q319 of US\$2.11 million, US\$1.86 million of this related to expenditure on product development, with the remaining US\$0.25 million relating to the ERP Project.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	667	1,203
5.2	Call deposits	7,036	10,920
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,703	12,123

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$US'000

141

-

Payment of executive director (CEO and CFO) salaries and independent director fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$US'000

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities	10,000	2,500
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 30 July 2019, the Company closed a US\$10.0 million business financing agreement with Bridge Bank, a division of Western Alliance Bank (NYSE: WAL). The new \$10.0 million facility is comprised of:

- US\$8.0 million working capital revolving credit line ("**Revolving Credit Line**")
- US\$2.0 million term loan line of credit ("**Term Loan**")

The amount of liquidity available under the US\$8.0 million Revolving Credit Line is based upon the Company's balances and composition of eligible customer receivables and inventory, as well as other factors. Amounts borrowed under the Revolving Credit Line mature and become due and payable in 24 months, unless extended by the parties. The Revolving Credit Line bears interest at a rate equal to 0.5% above the Prime Rate.

The US\$2.0 million Term Loan provides funds for the funding of capital expenditures and other corporate purposes through April 2020, at which time amounts funded under the Term Loan then become payable in 27 equal monthly installments commencing on 1 May 2020. The term loan bears interest at a rate equal to 0.75% above the Prime Rate.

The facility is secured by all the assets of the Company.

9. Estimated cash outflows for next quarter	\$US'000
9.1 Research and development	100
9.2 Product manufacturing and operating costs	5,750
9.3 Advertising and marketing	500
9.4 Leased assets	15
9.5 Staff costs	800
9.6 Administration and corporate costs	900
9.7 Other (incl. capitalized development costs)	1,750
9.8 Total estimated cash outflows	9,815

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets/(liabilities)	-	-
10.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)



Date: 29th October 2019

Print name: Ryan Benton

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.