

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Revasum, Inc.

**ARBN**

629 268 533

**Quarter ended ("current quarter")**

31 December 2023

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$US'000</b> | <b>Year to date<br/>(12 months)<br/>\$US'000</b> |
|---|-------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                     |  |
| 1.1 Receipts from customers                               | 3,684                               | 14,873   |
| 1.2 Payments for  |                                     |  |
| (a) research and development                              | (634)                               | (2,627)  |
| (b) product manufacturing and operating costs             | (3,231)                             | (11,427)   |
| (c) advertising and marketing                             | (198)                               | (772)  |
| (d) leased assets   | (46)                                | (107)  |
| (e) staff costs   | (29)                                | (85)   |
| (f) administration and corporate costs                    | (550)                               | (2,540)  |
| 1.3 Dividends received (see note 3)                       | -                                   | -  |
| 1.4 Interest received                                     | -                                   | -  |
| 1.5 Interest and other costs of finance paid              | (182)                               | (679)  |
| 1.6 Income taxes paid                                     | -                                   | -  |
| 1.7 Government grants and tax incentives                  | -                                   | -  |
| 1.8 Other (provide details if material)                   | -                                   | -  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(1,186)</b>                      | <b>(3,364)</b>                                   |
| <b>2. Cash flows from investing activities</b>            |                                     |  |
| 2.1 Payments to acquire:                                  |                                     |  |
| (a) entities  | -                                   | -  |
| (b) businesses  | -                                   | -  |
| (c) property, plant and equipment                         | -                                   | -  |

| Consolidated statement of cash flows                      | Current quarter<br>\$US'000 | Year to date<br>(12 months)<br>\$US'000 |
|---|-----------------------------|---|
| (d) investments   | -                           | -                                       |
| (e) intellectual property                                 | -                           | -                                       |
| (f) other non-current assets                              | -                           | -                                       |
| 2.2 Proceeds from disposal of:                            |                             |   |
| (a) entities  | -                           | -                                       |
| (b) businesses  | -                           | -                                       |
| (c) property, plant and equipment                         | -                           | -                                       |
| (d) investments   | -                           | -                                       |
| (e) intellectual property                                 | -                           | -                                       |
| (f) other non-current assets                              | -                           | -                                       |
| 2.3 Cash flows from loans to other entities               | -                           | -                                       |
| 2.4 Dividends received (see note 3)                       | -                           | -                                       |
| 2.5 Other (provide details if material)                   | -                           | -                                       |
| <b>2.6 Net cash from / (used in) investing activities</b> | <b>-</b>                    | <b>-</b>                                |

|   |              |              |
|---|--------------|--------------|
| <b>3. Cash flows from financing activities</b>  |              |              |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities)       | 1,784        | 1,784        |
| 3.2 Proceeds from issue of convertible debt securities                                      | -            | -            |
| 3.3 Proceeds from exercise of options   | -            | -            |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | (273)        | (273)        |
| 3.5 Proceeds from borrowings  | -            | 2,300        |
| 3.6 Repayment of borrowings   | -            | -            |
| 3.7 Transaction costs related to loans and borrowings                                       | -            | -            |
| 3.8 Dividends paid  | -            | -            |
| 3.9 Other (provide details if material)   | (257)        | (961)        |
| <b>3.10 Net cash from / (used in) financing activities</b>                                  | <b>1,254</b> | <b>2,850</b> |

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$US'000</b> | <b>Year to date<br/>(12 months)<br/>\$US'000</b> |
|---|--|-------------------------------------|--|
| <b>4.</b>                                   | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |                                     |  |
| 4.1   | Cash and cash equivalents at beginning of period                             | 335                                 | 917  |
| 4.2   | Net cash from / (used in) operating activities (item 1.9 above)              | (1,186)                             | (3,364)  |
| 4.3   | Net cash from / (used in) investing activities (item 2.6 above)              | -                                   | -  |
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above)             | 1,254                               | 2,850  |
| 4.5   | Effect of movement in exchange rates on cash held                            | -                                   | -  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>                            | <b>403</b>                          | <b>403</b>                                       |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$US'000</b> | <b>Previous quarter<br/>\$US'000</b> |
|------------|---|-------------------------------------|--------------------------------------|
| 5.1        | Bank balances   | 403                                 | 335                                  |
| 5.2        | Call deposits   | -                                   | -                                    |
| 5.3        | Bank overdrafts   | -                                   | -                                    |
| 5.4        | Other (provide details)   | -                                   | -                                    |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>403</b>                          | <b>335</b>                           |

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| <b>Current quarter<br/>\$US'000</b> |
|-------------------------------------|
| -                                   |
| -                                   |

Payments to Non-Executive Directors for their services as Directors.

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

|                                       | Total facility amount at quarter end<br>\$US'000 | Amount drawn at quarter end<br>\$US'000 |
|---------------------------------------|--|---|
| 7.1 Loan facilities                   | 8,050  | 8,050                                   |
| 7.2 Credit standby arrangements       | -  | -                                       |
| 7.3 Other (please specify)            | -  | -                                       |
| <b>7.4 Total financing facilities</b> | <b>8,050</b>                                     | <b>8,050</b>                            |

**7.5 Unused financing facilities available at quarter end**

|   |
|---|
| - |
|---|

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company entered into a loan with SQN Venture Income Fund II, LP ("SQN") on 18 February 2022 for the principal amount \$US5.0 million. The loan has a term of 3.5 years with a 9.75% interest rate. As at quarter end, the Company was in default on the loan, and as such was incurring a penalty interest rate of 14.75%. Subsequent to quarter end, SQN agreed to forbear from exercising its rights and remedies under the LSA. Further details of the renegotiated terms of the loan are in the Company's ASX announcement dated 13 April 2023. The Company further renegotiated the terms of the loan which can be found in the Company's ASX announcement dated 28 November 2023.

On the 14 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 of 8.75% per annum. During Q1 2023, the Company issued an additional US\$500,000 in Promissory Notes to Firsthand to provide additional working capital for the Company. These were issued under the same terms as the initial note described above.

On 13 April 2023, the Company secured additional financing of US\$1,500,000 from Firsthand Technologies, being an additional facility to other prior advances of Promissory Notes already made, as agreed in a Note Purchase Agreement. The loan attracts an interest rate of 10.75% per annum. Further details of the terms of the notes are in the Company's ASX announcement dated 13 April 2023.

On 11 September 2023, the Company secured additional financing of US\$300,000 from Firsthand Technologies, being an additional facility to other prior advances of Promissory Notes already made, as agreed in a Note Purchase Agreement. The loan attracts an interest rate of 10.75% per annum. Further details of the terms of the notes are in the Company's ASX announcement dated 11 September 2023.

The interest rate on the Firsthand Technologies Promissory Notes was increased to 14.75% per annum with effect from 1 November 2023. The Company also agreed to grant a security over its intellectual property assets to Firsthand Opportunities which is subordinated to SQN's security.

| <b>8.</b> | <b>Estimated cash available for future operating activities</b>               | <b>\$US'000</b> |
|-----------|---|-----------------|
| 8.1       | Net cash from / (used in) operating activities (Item 1.9)                     | (1,186)         |
| 8.2       | Cash and cash equivalents at quarter end (Item 4.6)                           | 403             |
| 8.3       | Unused finance facilities available at quarter end (Item 7.5)                 | -               |
| 8.4       | Total available funding (Item 8.2 + Item 8.3)                                 | 403             |
| 8.5       | <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b> | 0.34            |

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No, the company is forecasting improvement in the net operating cash flows in the coming quarters due to backlog shipments, expected upcoming tool orders, and additional expense control activities.

With respect to tool orders, the company expects the 6EZ order that was delayed from Q4 to come early in Q1 and to ship within Q1'24. In addition to regular sales and business development efforts that yield orders on a less consistent basis, the company received a forecast from a major customer for a 7AF tool order for each of the next 6 quarters. Finally, another customer has a tool order planned in Q1'24 upon completing a funding round which is in process.

Along with growing revenue, management continues to focus heavily on cost control to drive the company to cash flow improvement. Additional expense savings initiated late in Q4'23 and early Q1'24 will reduce operating expenses even more in Q1'24. The company is ready to cut costs even more in the near future in order to improve net operating cash flows.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, the entity conducted a rights offering in Q4'23 in order to raise cash. The offering raised approximately US\$1.8M. The company can raise a further US\$2.2M within 90 days of the original offering. The company expects additional funds will not be required, but maintains the option to do so should the need arise.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, as explained in 8.6.1 and 8.6.2 the company expects to be able to continue its operations and meet its business objectives.

## 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.

Date: 31 January 2024

Authorised by: Kevin Landis, Chairman & Non-Executive Director  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.