

# REVASUM

ASX release (ASX: RVS)

## Revasum secures US\$8 million growth capital facility from SQN

**San Luis Obispo, California – 21 February 2022:** Global semiconductor technology and equipment firm, **Revasum, Inc. (ASX: RVS, 'Revasum' or the 'Company')** is pleased to announce that it has secured a growth capital facility from SQN Venture Partners, LLC ('**SQN**'). The facility will provide up to US\$8 million in debt financing to accelerate new product development and provide working capital to support rapid growth. The funds are available in two tranches:

- US\$5 million funded upon closing of the facility on 18 February 2022 US PST ('**Tranche 1**')
- US\$3 million available to the Company upon achieving YTD Purchase Orders for the 7AF-HMG and 6EZ of at least US\$12 million by 30 September 2022 ('**Tranche 2**').

A portion of Tranche 1 funds will be allocated to support new product development. The Company is currently developing the next generation of its already market leading silicon carbide ('**SiC**') polisher, scheduled for release in Q1 of CY2023. The next generation SiC polisher has been designed in line with feedback from strategic 6EZ partners on their needs over the coming years as they exponentially grow their production facilities for SiC wafer processing, and will include a multi-chamber brush cleaning module alongside other features to support our customers as they move to high-volume production. The remainder of the funds will be used for general working capital needs as the Company builds inventory and expands its manufacturing capacity to support increased customer demand.

**Revasum President & CEO Rebecca Shooter-Dodd said:** "Revasum is one of the leading specialist providers of SiC wafer processing technology and is well positioned to benefit from the exponential growth occurring in the semiconductor industry globally and the secular trend of electrification of vehicles. We are experiencing growing demand for our current products and are working with several strategic partners to further advance the capabilities of our silicon carbide tools.

"To deliver on the opportunities we see for the business and support our goal of increasing shareholder value, it's important that we have the right capital structure in place to support the growth strategy we're executing on. The secured loan put in place with SQN Venture Partners completes our current capital structure and ensures we're well funded as the business grows. SQN Venture Partners has a strong track record investing in technology companies transforming the way we live, and we look forward to building a close relationship with them."

A summary of the material terms of the growth capital facility with SQN are set out in the schedule to this announcement.

*THIS ANNOUNCEMENT WAS AUTHORISED FOR RELEASE BY THE PRESIDENT & CEO*

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# REVASUM

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## **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](http://www.revasum.com).

## **About SQN**

SQN Venture Partners is a venture debt firm based in Charleston, SC. SQNVP works with technology companies to creatively structure alternative forms of financing for achieving growth as a supplement to venture capital. The firm provides capital to its clients to purchase business-essential equipment, invest in key hires, extend runway, and finance working capital needs. SQN is vertical agnostic within technology and provides financing ranging between \$1 - \$20 million from seed stage to expansion stages. Please visit [www.sqnv.com](http://www.sqnv.com) to learn more about our approach and view a sample of companies we've financed.

## **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.

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Material terms of SQN growth capital facility	
Lender	SQN Venture Income Fund II, LP & its Affiliates
Total Loan Amount	Up to US\$8 million
Tranche I	US\$5 million funded at close of documentation
Tranche II	US\$3 million available upon Borrower achieving YTD purchase orders of US\$12 million for 7AF-HMG SiC Grinder and 6EZ SiC Polishers by 30 September 2022.
Collateral	Lender has senior priority security interest in all assets of the Borrower, except for intellectual property.
Interest Rate	9.75% per annum
Interest Only period	Tranche I: Initially 12 months, but can extend an additional 6 months on achievement of Tranche II Tranche II: 12 months
Maturity	42 months
Fees and Warrants	<p>Borrower paid the Lender a fee of \$80,000 and granted the Lender warrants to purchase shares of Borrower's Common Stock equal to 10.00% of the Total Loan Amount with an exercise price of \$0.01/share. The Warrant Coverage shall equal 10.00% of the Total Loan Amount (\$8,000,000 USD X 10.00% = \$800,000) and exercisable into an aggregate number of shares calculated by dividing the coverage amount by the average of the lowest 10 closing prices of CDIs on ASX in the 45 days prior to the date of issue.</p> <p>The warrant is exercisable for common stock, and, when exercised, the common stock will include rights equivalent to those rights granted to common stockholders. The warrant was issued on completion of the funding under Tranche 1, is transferable to affiliates of the Lender, subject to compliance with applicable securities laws, and is exercisable for ten (10) years from the date of issuance by cash exercise or net issuance.</p>
Minimum Total Return	Year 1: 1.20x, Year 2: 1.30x, Year 3: 1.35x. Year 4: 1.40x. This only applies to drawn funds.
Financial Covenant	Borrower must maintain at least 6 months of liquidity (Minimum Runway), tested monthly. Minimum Runway is calculated as Borrower's Unrestricted Cash divided by its average T3M Cash Burn. Cash Burn is calculated as the average of Borrower's T3M Net Income, plus depreciation, amortization and non-cash stock compensation.
Warranties, covenants and events of default	<p>The facility contains customary warranties regarding the Company and its business and customary covenants as to the operation of its business while amounts remain outstanding under the facility.</p> <p>The facility also contains customary events of default triggering repayment of the facility.</p>