

REVASUM

ASX release (ASX: RVS)

Revasum Obtains New and Revised Facility Terms to Secure US\$7.8m Funding Package

San Luis Obispo, California – 13 April 2023: Global semiconductor technology and equipment firm, **Revasum, Inc. (ASX: RVS, 'Revasum' or the 'Company')** announces that it has entered into a new note purchase agreement with an affiliate of its major shareholder, Firsthand Technology Opportunities Fund ('**Firsthand Technologies**') ('**Note Purchase Agreement**'), and in conjunction with this has re-negotiated the terms of its Loan and Security Agreement (**LSA**) with SQN Venture Income Fund II, LP (**SQN**) (together the funding package).

New Note Purchase Agreement with Firsthand Technologies

Revasum has secured an additional financing for the Company of up to 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.

Under the Note Purchase Agreement, the Company will issue:

- an aggregate of up to US\$1,500,000 worth of promissory notes to Firsthand Technologies or another nominee investor ('**Promissory Notes**') for the purpose of securing additional working capital for the Company, with US\$500,000 worth of Promissory Notes issued to Firsthand Technologies on initial closing; and
- up to a further US\$1,000,000 worth of Promissory Notes to the extent the Company elects to draw down further funds up to US\$1,000,000; and
- a further US\$1,282,144 worth of Promissory Notes to Firsthand Technologies on initial closing in exchange for Firsthand Technologies' existing promissory notes dated November 2022, February 2023 and March 2023, together with accrued interest; and
- Firsthand Technologies (or its nominated investor) warrants to subscribe for 4,000,000 shares of common stock, subject to any required shareholder approvals and otherwise subject to the terms and conditions set out in the Schedule ('**Investor Warrants**').

The Promissory Notes are currently unsecured but will become secured upon satisfaction of certain conditions described in the schedule to this announcement (**Schedule**). The Promissory Notes are subordinated to amounts owed by the Company under the Loan and Security Agreement (**LSA**) with SQN Venture Income Fund II, LP (**SQN**).

A summary of the material terms of the Promissory Notes are set out in the Schedule.

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Renegotiated Terms of SQN Loan and Security Agreement

In connection with the entry into the Note Purchase Agreement with Firsthand Technologies, the Company has successfully re-negotiated the terms of its LSA, which are favorable to Revasum, as follows:

- The interest rate has been reduced by 4.75% relative to the current penalty rate of 14.75% and interest payable under the LSA will adjust to a floating rate of the WSJ prime +2% with a floor of 10%;
- Principal repayments are deferred until January 2024 (whereas the original loan terms provided for principal payments to amortize from 1 March 2023); and
- The amortization schedule has been revised to keep payments similar to the original February 2022 schedule (but with a higher bullet payment at the end of the term); and
- The Minimum Liquidity Covenant has been amended to 3 months starting from Q4'23 vs the previous Minimum Liquidity Covenant of 6 months;
- SQN has agreed to forbear from exercising its rights and remedies under the LSA as a result of certain defaults by the Company under the LSA.

In conjunction with the revised terms, the Company has also issued warrants to SQN to subscribe for 2,250,000 shares of Revasum common stock or CDIs with a strike price of AUD \$0.01. The Put Warrants have a 7-year term and have a put provision that allows SQN to require Revasum to redeem the Put Warrants for a total of US\$750,000.

This redemption feature commences on the sooner to occur of (i) ten days prior to a change of control of Revasum or initial public offering of Revasum's common stock in the United States and (ii) one year following the date upon which all obligations under the LSA are paid in full to SQN.

Revasum President and Chief Executive Officer, Scott Jewler said:

"We are extremely pleased that Firsthand Technologies has expressed their commitment to Revasum and confidence in our future business through this new injection of capital.

Demand for Revasum's Silicon Carbide semiconductor wafer surface conditioning products is robust, and this funding will help improve our responsiveness to the market and our ability to gain customer preference for new orders.

We are also very appreciative of SQN's flexibility and patience as they collaborated with the company to substantially modify our secured loan in a way that that supports future growth of the company through a reduction in interest payments and delay in principle amortization."

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SQN Venture Income Fund II, LP Managing Partner, Ryan McCalley said:

"SQN is pleased to conclude negotiations with Revasum. The favorable adjustments to the loan structure will help enable Scott and his team to capitalize on the robust market opportunity for Silicon Carbide manufacturing equipment and come following continued market traction and adoption.

Since SQN has invested, the management team has undergone a significant upgrade, and Silicon Carbide manufacturing demonstrated resilience to broader macroeconomic challenges. We view this as a key turning point for the Company and look forward to continuing our financial support and partnership."

THIS ANNOUNCEMENT WAS AUTHORISED FOR RELEASE BY THE BOARD OF DIRECTORS

--ENDS--

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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.

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 the Promissory Note and Note Purchase Agreement	
Holder	Firsthand Technology Opportunities Fund, a series of Firsthand Funds or another nominated investor ('Investor')
Total Amount and Tranches	<p>An aggregate of up to US\$2,782,144, worth of promissory notes to be issued as follows:</p> <ul style="list-style-type: none">a) US\$1,782,144 to be issued at execution of the Note Purchase Agreement subject to certain conditions ('Initial Closing'), which comprises:<ul style="list-style-type: none">i. a principal amount of US\$500,000 of new funds; andii. a principal amount of US\$1,250,000 worth of previously issued promissory notes ('Junior Promissory Notes') together with accrued interest of US\$32,144 on the Junior Promissory Notes, with such Junior Promissory Notes being exchanged for Promissory Notes (together, 'Initial Promissory Notes'); andb) further promissory notes up to a value of \$1,000,000 which can be issued in one or more tranches at the request of the Company ('Additional Promissory Notes')
Common stock election	Subject to any required shareholder approvals, the Investor can elect to subscribe for shares of common stock rather than Additional Promissory Notes for an equivalent amount at a price equal to the 20 day volume weighted average price of the Company's CDIs on ASX prior to the date of issue.
Security	<p>The obligations under the Promissory Notes are currently unsecured, however, in the event that (a) the Company is no longer listed on the ASX or, (b) shareholder approval is not required to grant a security interest with respect to the Promissory</p> <p>Notes, the Company will grant the Investor a security interest in certain of its assets as security for the repayment of its obligations under the Promissory Notes which will be subordinated to the Company's obligations under the LSA to be formalised into a security agreement.</p>
Interest Rate	<p>The Promissory Notes accrue interest at a per annum rate equal to the greater of:</p> <ul style="list-style-type: none">a) 2% plus the prime rate of interest in the U.S.; orb) 9.75%
Maturity Date	One day after the payment and full satisfaction of all the Company's obligations under the SQN Loan Agreement or upon an acquisition, sale of the business or change of control of Revasum.

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Subordination	The Promissory Notes are subject to the terms and conditions of the Amended and Restated Subordination Agreement between SQN and the Investor and dated on or around the date of the Note Purchase Agreement, under which the Promissory Notes are fully subordinated to amounts owed to SQN under the SQN Loan Agreement.
Conversion	At such time as the Investor and the Company are legally required and/or permitted to convert the Promissory Note, the Investor may elect to convert the outstanding principal amount of the Promissory Note together with the accrued and unpaid interest, into shares of Common Stock at the Conversion Price. The Conversion Price shall initially be US\$2.00 and shall be subject to standard adjustments in accordance with the Note Purchase Agreement and Promissory Note terms.
Warranties, covenants and events of default	<p>The Note Purchase Agreement contains customary warranties regarding the Company and certain customary covenants provided by the Company.</p> <p>The Note Purchase Agreement also contains customary events of default triggering repayment of the outstanding principal of the Promissory Notes.</p>
Investor Warrants	<p>Subject to shareholder approval, the Company has agreed to issue the Investor warrants to acquire 4,000,000 shares of common stock with a strike price of US\$0.01 and a 7-year term ('Investor Warrants').</p> <p>Subject to any required shareholder approvals, the Investor Warrants will be issued on the earlier of (a) two years from the date of the Note Purchase Agreement or, (b) immediately prior to a transaction involving the Company's shares that would enable the Investor to exercise the Investor Warrants and immediately sell or exchange the resulting shares for cash or liquid shares of an acquiring entity.</p>