

REVIUM RECOVERY INC.

10 HaMenofim Street
Herzliya, Israel
1 800 519-1687

Annual Report

For the period ending December 31, 2024 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

60,729,100 as of March 31, 2025 (Current Reporting Period Date or More Recent Date)

60,729,100 as of December 31, 2024 (Most Recent Completed Fiscal Year End)

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁴ of the company has occurred during this reporting period:

Yes: No:

⁴ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

The current name of the issuer is Revium Rx. The issuer changed the name from “Revium Recovery Inc.” to its current name, “Revium Rx.” on December 17, 2024, as a result of the reincorporation from Delaware to Nevada by conversion (the “Reincorporation”).

Current State and Date of Incorporation or Registration: See the response above.

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

The issuer was incorporated in the State of Delaware on January 24, 1997, under the name “Fun Cosmetic, Inc.” On August 29, 2005, it changed its name to Grand Canal Entertainment, Inc. On October 14, 2008, the issuer merged with OC Beverage, Inc. a Nevada corporation, a manufacturer of beverages, and on October 31, 2008 it subsequently changed its name to OC Beverages, Inc. On June 22, 2020, the issuer formed a wholly owned Israeli subsidiary called Revium Recovery Ltd. On December 9, 2020, the issuer changed its name to Revium Recovery Inc. On December 17, 2024, the Company completed the Reincorporation by conversion, as a result of which, the issuer ceased its business existence as a Delaware corporation and continued its business existence as a Nevada corporation under the name “Revium Rx.”

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On July 23, 2024, the issuer consummated the Share Exchange (see the description with the details below).

On December 17 2024, the Company completed the redomicile from the State of Delaware to the State of Nevada by conversion (the “Reincorporation”), pursuant to the Plan of Conversion dated December 16, 2024. As a result of the Reincorporation, the Company ceased its business existence as a Delaware corporation and continued its business existence as a Nevada corporation under the name “Revium Rx.” succeeding all our rights, assets, liabilities and obligations, except that our affairs ceased to be governed by the Delaware General Corporation Law, the Certificate of Incorporation, as amended, and became subject to the Nevada Revised Statutes, Articles of Incorporation and our new bylaws. The Reincorporation did not change the number of the authorized shares of the Company, its par value, or its issued and outstanding shares.

Address of the issuer’s principal executive office:

10 HaMenofim Street
Herzliya, Israel

Address of the issuer’s principal place of business:

X Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Transfer Online, Inc.
Phone: +1 (503) 227-2950
Email: info@transferonline.com
Address: 512 SE Salmon Street
Portland, OR 97214

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

| | |
|--|--|
| Trading symbol: | <u>RVRC</u> |
| Exact title and class of securities outstanding: | <u>Common Stock</u> |
| CUSIP: | <u>76151C100</u> |
| Par or stated value: | <u>\$0.001</u> |
| Total shares authorized: | <u>250,000,000</u> as of <u>March 31, 2025</u> |
| Total shares outstanding: | <u>60,729,100</u> as of <u>March 31, 2025</u> |
| Total number of shareholders of record: | <u>119</u> as of <u>March 31, 2025</u> |

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

| | |
|---|-------------------------|
| Exact title and class of the security: | _____ |
| Par or stated value: | _____ |
| Total shares authorized: | _____ as of date: _____ |
| Total shares outstanding: | _____ as of date: _____ |
| Total number of shareholders of record: | _____ as of date: _____ |

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The Common Stock confers upon their holders the right to participate and vote in general shareholder meetings of the Company on one vote per share and to share in the distribution of dividends, if any, declared by the Company from legally available funds for the payment thereof, and rights to receive a distribution of assets upon liquidation. Holders of Common Stock do not have preemptive rights.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The Company is authorized to issue 10,000,000 shares of preferred stock, par value \$0.001 per share. As of date of this report and as of December 31, 2024, the Company did not have any issued and outstanding shares of preferred stock.

3. Describe any other material rights of common or preferred stockholders.

None.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

Prior to the Reincorporation on December 17, 2024, the rights of holders of the Company were governed by Delaware law, our Certificate of Incorporation, as amended, and our Bylaws. Upon the Reincorporation, the right of holders of the Company are governed by the Nevada Revised Statutes, Articles of Incorporation, as amended, and the Nevada Bylaws.

3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.***

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

| Shares Outstanding <u>Opening Balance:</u> Date <u>1/1/2023</u> Common: <u>28,987,927</u> Preferred: <u>0</u> | | | *Right-click the rows below and select "Insert" to add rows as needed. | | | | | | |
|---|--|--|--|---|--|--|--|---|---|
| Date of Transaction | Transaction type (e.g., new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed. | Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided | Restricted or Unrestricted as of this filing. | Exemption or Registration Type. |
| 11/14/23* | New Issuance | 2,343,750 | Common Stock | \$1.60 | No | Third Eye Investors LLC (Yitzhak Rokovsky) | cash | R | Exemption Section 4(a)(2) of the Securities Act |
| 11/14/23* | New Issuance | 70,313 | Common Stock | \$1.60 | No | Abraham Klar | cash | R | Exemption Section 4(a)(2) of the Securities Act |
| 11/14/23* | New Issuance | 93,750 | Common Stock | \$1.60 | No | Daniel Fuchs | cash | R | Exemption Section 4(a)(2) of the Securities Act |
| 11/14/23* | New Issuance | 316,406 | Common Stock | \$1.60 | No | Pledger GMP LLC (Hershy Schweitzer) | cash | R | Exemption Section 4(a)(2) of the Securities Act |
| 11/14/23* | New Issuance | 250,000 | Common Stock | \$0.40 | No | Shlomo Lewenstein | cash | R | Exemption Section 4(a)(2) of the Securities Act |
| 11/14/23* | New Issuance | 625,000 | Common Stock | \$0.40 | No | Jose Zadac | cash | R | Exemption Section 4(a)(2) of the Securities Act |

| | | | | | | | | | |
|--|--------------|------------|---------------------|---------------|-----------|---|----------------------------|----------|---|
| 11/14/23* | New Issuance | 625,000 | Common Stock | \$0.40 | No | Leah Fligman | cash | R | Exemption Section 4(a)(2) of the Securities Act |
| 11/14/23* | New Issuance | 500,000 | Common Stock | \$0.40 | No | Cohen Family Trust (Yoel Cohen) | cash | R | Exemption Section 4(a)(2) of the Securities Act |
| 11/14/23* | New Issuance | 750,000 | Common Stock | \$0.40 | No | Rafael Deutsch | cash | R | Exemption Section 4(a)(2) of the Securities Act |
| 11/14/23* | New Issuance | 125,000 | Common Stock | <u>\$0.40</u> | <u>No</u> | Miriam Deutsch | <u>cash</u> | <u>R</u> | Exemption Section 4(a)(2) of the Securities Act |
| 12/22/23* | New Issuance | 70,312 | Common Stock | <u>\$1.60</u> | <u>No</u> | KSSU Ventures LLC (Shimon Ungar) | <u>cash</u> | <u>R</u> | Exemption Section 4(a)(2) of the Securities Act |
| <u>7/23/24**</u> | New Issuance | 23,171,638 | <u>Common Stock</u> | See below | <u>No</u> | See below | cash | <u>R</u> | Exemption Section 4(a)(2) of the Securities Act |
| <u>12/31/24</u> | New Issuance | 2,800,000 | <u>Common Stock</u> | See below | <u>No</u> | Inna Martin, COO and President of the Company | <u>Exercise of options</u> | <u>R</u> | <u>Exemption Reg. S of the Securities Act</u> |
| Shares Outstanding on Date of This Report: | | | | | | | | | |
| Ending Balance: | | | | | | | | | |
| Date <u>3/31/2025</u> Common: 60,729,100 | | | | | | | | | |
| Preferred: <u>0</u> | | | | | | | | | |

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

*Between April and December 2023, the Company conducted a private placement of units of its securities at \$3.20 price per unit where each unit comprised of (i) two (2) shares of the Common Stock and (ii) one common stock purchase warrant to purchase an additional share of the Company's Common Stock exercisable until December 31, 2026, at a per share exercise price of \$2.40. Accordingly, an aggregate of 2,894,532 of the Company's Common Stock and warrants to purchase an additional 1,447,266 shares of Common Stock were issued to the above-referenced investors.

** On July 23, 2024, the Company consummated the share exchange transaction (the "Share Exchange") pursuant to the Stock Exchange Agreement dated November 14, 2023 by and among the Company, LipoVation Ltd. and all shareholders of LipoVation Ltd. In consideration for the contribution of all of their shareholdings in LipoVation Ltd. to the Company, the Company issued to the former shareholders of LipoVation Ltd. an aggregate of 23,171,642 restricted shares (the "Exchange Shares") of the Company's common stock, representing 40% of the outstanding shares of the Company immediately following this closing. The Exchange Shares, were issued pursuant to exemptions from registration requirements under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), Rule 506(b) of Regulation D and/or Regulation S promulgated thereunder, as not involving any public offering.

Below is a breakdown of the Exchange Shares:

| Name | Number of Shares |
|---|-------------------------|
| Yissum Research Development Company of the Hebrew University of Jerusalem, Ltd. | 1,348,816 |
| Yechezkel Barenholz | 1,356,892 |
| Alexander Rouvinski | 686,523 |
| Reuven Wiener | 686,523 |
| Herve Bercovier | 686,523 |
| Ahuva Cern | 444,221 |
| Karen Turjman | 444,221 |
| Yaakov Safrin | 726,907 |
| Yosef Safrin | 650,178 |
| Yoram Drucker | 167,189 |
| Uri Buchnik | 403,837 |
| Samuel David Edelstein | 290,763 |
| Yakov Sekula | 161,535 |
| Naftali Weisz | 35,538 |
| Yehoshua Landau | 35,538 |
| Amram Dery | 250,379 |
| Yaron Eliram | 161,535 |
| Gabriel Eldor | 1,049,976 |
| Shlomie Bierman | 419,990 |
| Moshe Blum | 646,139 |
| Moshe Paskesz | 605,755 |
| Jose Zajac | 2,407,390 |
| Yosef Goldman | 323,070 |
| Yechiel Yehoshua Grinfeld | 3,230,696 |
| Haim Blau | 726,907 |
| Shmuel Samet | 258,456 |
| David Aboudi | 282,686 |
| David Shbtai | 72,691 |
| Third Eye Investors LLC (Yitzchak Rokovsky) | 3,441,660 |
| Howard Lebowitz | 161,535 |
| Israel Klugman | 48,460 |
| Joseph Schwartz | 484,604 |
| Daniel Fuchs | 80,767 |
| Abraham Klar | 60,576 |
| Pledger GMF LLC (Hershy Schweitzer) | 272,590 |
| KSSU Ventures LLC (Shimon Ungar) | 60,576 |
| | Total: 23,171,642 |

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

| Date of Note Issuance | Principal Amount at Issuance (\$) | Outstanding Balance (\$) (include accrued interest) | Maturity Date | Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares) | # Shares Converted to Date | # of Potential Shares to be Issued Upon Conversion ⁵ | Name of Noteholder (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g., Loan, Services, etc.) |
|-----------------------|-----------------------------------|--|---------------|---|----------------------------|---|--|--|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

Total Outstanding Balance:

Total Shares:

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company operates through two Israeli operating subsidiaries, Revium Recovery Ltd. and LipoVation Ltd. LipoVation Ltd. became the Company's wholly-owned subsidiary on July 23, 2024, upon the closing of the share exchange transaction (the "Share Exchange") contemplated by the Stock Exchange Agreement, dated November 14, 2023 (the "Share Exchange Agreement"), by and among the Company, LipoVation Ltd., ("LipoVation"), and all shareholders of LipoVation.

As a result of the Share Exchange, the Company acquired the business of LipoVation. Through LipoVation, the Company is dedicated to developing cutting-edge nano-medicines to deliver advanced treatment solutions for diseases with limited or no effective medical options. LipoVation has exclusive license rights to develop and market a novel technology related to Nano-Liposomal Particles (NLP)-based medicines including: (i) novel formulation of a potent antibiotic which shows promise in combating several life-threatening antibiotic-resistant bacteria which currently have no available treatment, (ii) Novel adjuvant to cancer therapies and (iii) novel immunization approach based on Liposomal Protein-Loaded Technology (LPLT). These exclusive license rights were acquired by LipoVation pursuant to the license and research agreements with Yissum Research Development Company of the Hebrew University of Jerusalem, Ltd., dated November 24, 2022, as amended on October 25, 2023, from Prof. Yehezkel Barenholz, a world renown expert in the field of nanoparticles-based delivery systems.

In addition, the Company is exploring opportunities for acquisitions of rights to other novel technologies or solutions in the pharma or medical-related fields with significant unmet need.

⁵ The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

Following the closing of the Share Exchange, the Company discontinued all its prior activities and efforts with respect to the development and activation of the clinical decision-making support system (DMSS).

B. List any subsidiaries, parent company, or affiliated companies.

- 1) Revim Recovery, Ltd.
- 2) LipoVation Ltd.

C. List any subsidiaries, parent company, or affiliated companies.

See information in B above.

D. Describe the issuers' principal products or services.

The Company, through LipoVation, is focusing on developing and marketing a range of novel Nano-Liposomal Particles (NLP)-based medicines including novel formulation of a potent antibiotic that shows promise in combating several life-threatening antibiotic-resistant bacteria that have no treatment today and novel adjuvant to cancer therapies. The Company also explores the opportunity of developing a novel platform for immunization based on Liposomal Protein-Loaded Technology (LPLT). In addition, the Company is exploring opportunities for acquisitions of rights to other novel technologies or solutions in the pharma or medical-related fields with significant unmet needs.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company leases offices in the Mindspace building in Herzliya, Israel on a monthly basis. The monthly rent is \$4,140.

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

| Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity) | Position/Company Affiliation (ex: CEO, 5% Control person) | City and State (Include Country if outside U.S.) | Number of Shares Owned (List common, preferred, warrants and | Class of Shares Owned | Percentage of Class of Shares Owned (undiluted) |
|---|---|--|--|------------------------------|---|
|---|---|--|--|------------------------------|---|

| | | | options separately) | | |
|----------------------------|-----------------------------------|----------------------|------------------------|---|-------|
| Inna Martin | COO, President, 5% control person | Tel Aviv, Israel | 2,800,000 1,490,000 | Common stock Stock options | 6.9% |
| David Akunis | CEO | Tel Aviv, Israel | _____ | | 0 |
| Arie Gordashnikov | CFO | Ramat Gan, Israel | _____ | | 0 |
| Daniel Bartal | director | Tel Aviv, Israel | 120,000 | Stock options | * |
| Mordechai Jacobson | director | Raanana, Israel | 240,000 | Stock options | * |
| Yoram Drucker | Director, 5% control person | Reut, Israel | 3,687,189 690,000 | Common stock Stock options | 7.1% |
| Matti Munk | director | Jerusalem, Israel | _____ | | 0 |
| SBDHEI LP(1) | 5% control person | Beit Shemesh, Israel | 5,840,000 | Common stock | 9.6% |
| Third Eye Investors LLC(2) | 5% control person | New York, NY | 5,785,410 1,171,875 | Common stock Warrants to exercise common stock | 11.2% |
| Shlomie Bierman | 5% control person | Monsey, NY | 3,239,990 | Common Stock | 5.3% |
| Yaakov Safren | 5% control person | Beit Shemesh, Israel | 3,506,907 | Common stock | 5.8% |
| Yechiel Yehoshua Grinfeld | 5% control person | Jerusalem, Israel | 3,230,696 | Common stock | 5.3% |
| Jose Zajac | 5% control person | San Paulo, Brazil | 3,969,890 781,250 | Common stock Warrants to exercise common stock | 7.7% |
| Sheldon Perl | 5% control person | Lawrence, NY | 2,375,000 1,187,500 | Common stock Warrants to exercise common stock | 5.8% |

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

* Less than 1%

(1) David Safren has the sole voting and investment power over the shares held by SBDHEI LP.

(2) Yitzchak Rokovsky has the sole voting and investment power over the shares held by Third Eye Investors LLC.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

N/A

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

N/A

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

N/A

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

N/A

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

N/A

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

N/A

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

| | |
|------------|--|
| Name: | <u>David Aboudi—The Crone Law Group P.C.</u> |
| Address 1: | <u>420 Lexington Avenue Suite 2446</u> |
| Address 2: | New York, NY 10170 |
| Phone: | <u>+972-523-983-707</u> |

Email: david@cronelawgroup.com;

Accountant or Auditor

Name: Arie Gordashnikov
Firm: Yosef Shimony
Address 1: Ben Gurion 26 PO Box 2058
Address 2: Ramat Gan Israel
Phone: +972-3-611-6629
Email: arie@shimony.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn: _____
Facebook: _____
[Other] _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: David Aboudi
Title: Attorney
Relationship to Issuer: Outside counsel

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Arie Gordashnikov
Title: Chief Financial Officer
Relationship to Issuer: _____

Describe the qualifications of the person or persons who prepared the financial statements:⁶ _____

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, David Akunis, certify that:

1. I have reviewed this Disclosure Statement for Revium Recovery Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under

⁶ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

4/15/25

 [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Arie Gordashnikov, certify that:

1. I have reviewed this Disclosure Statement for Revium Recovery Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

4/15/25

 [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

REVIUM RX. (FORMELY REVIUM RECOVERY, INC.)

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024 (Successor)**

and

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF JULY 23, 2024, AND DECEMBER 31, 2023 (Predecessor)**

U.S. DOLLARS IN THOUSANDS

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REVIUM RX.
CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except share data)

| | <u>Successor</u> | <u>Predecessor</u> | |
|---|----------------------------------|--------------------------|----------------------------------|
| | <u>December 31, 2024</u> | <u>July 23, 2024</u> | <u>December 31, 2023</u> |
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 3,268 | 729 | 1,186 |
| Short-term deposit | 2,011 | 7 | 7 |
| Other current assets | 238 | 212 | 364 |
| Total current assets | 5,517 | 948 | 1,557 |
| Property and equipment, net | 9 | 2 | 2 |
| Intangible asset | 3,342 | - | - |
| Goodwill | 10,284 | - | - |
| | <u>13,635</u> | <u>2</u> | <u>2</u> |
| TOTAL ASSETS | 19,152 | 950 | 1,559 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable | 142 | 182 | 54 |
| Other account payables | 216 | 87 | 113 |
| Convertible Notes | 1 | - | - |
| Total current liabilities | 360 | 269 | 167 |
| STOCKHOLDERS' EQUITY | | | |
| Successor Preferred stock, par value \$0.001 per share; 10,000,000 shares authorized; Predecessor none issued and authorized. | - | - | - |
| Successor Common stock, par value \$0.001 per share; 250,000,000 shares authorized; 60,729,100 shares issued and outstanding as of December 31, 2024. Predecessor Ordinary shares, par value NIS 0.01 per share; 5,000,000 shares authorized; 143,447, 143,447 and 127,203 shares issued and outstanding as of July 23, 2024, and December 31, 2023. | 58 | 4 | 4 |
| Additional paid in capital | 30,220 | 4,020 | 3,310 |
| Accumulated deficit | (11,486) | (3,343) | (1,922) |
| Total stockholders' equity | 18,792 | 681 | 1,392 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | 19,152 | 950 | 1,559 |

The accompanying notes are an integral part of these financial statements.

REVIUM RX.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

U.S. dollars in thousands (except share data)

| | Successor | Predecessor | |
|--|--|--|---|
| | For the period commencing July 24 through December 31, 2024 Unaudited | For the period commencing January 1 through July 23, 2024 Audited | For the year ended December 31, 2023 Audited |
| Operating expenses | | | |
| Research and development expenses | 970 | 1,162 | 846 |
| General and administrative expenses | 1,153 | 257 | 156 |
| Operating loss | 2,123 | 1,419 | 1,002 |
| Financial expense (income), net | (66) | 2 | (15) |
| Net loss and comprehensive loss | 2,057 | 1,421 | 987 |
| Basic and diluted net loss per share | 0.04 | 9.90 | 7.17 |
| Weighted average number of ordinary shares used in computing basic and diluted net loss per share | 57,929,100 | 143,447 | 137,603 |

*) less than 1 thousand

The accompanying notes are an integral part of these financial statements.

REVIUM RX.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

U.S. dollars in thousands (except share data)

| | Predecessor | | | | Totals |
|-------------------------------------|-----------------------------|--|---|--------------------------------|---------------|
| | Ordinary: Shares | Ordinary shares: Amount | Additional Paid in Capital | Accumulated Deficit | |
| Balance at December 31, 2022 | 127,203 | 3 | 1,512 | (935) | 580 |
| Issuance of shares | 16,244 | 1 | 1,593 | - | 1,594 |
| Share based payment | - | - | 205 | - | 205 |
| Net loss for the period | - | - | - | (987) | (987) |
| Balance at December 31, 2023 | <u>143,447</u> | <u>4</u> | <u>3,310</u> | <u>(1,922)</u> | <u>1,392</u> |
| Share based payment | - | - | 710 | - | 710 |
| Net loss for the period | - | - | - | (1,421) | (1,421) |
| Balance at July 23, 2024 | <u>143,447</u> | <u>4</u> | <u>4,020</u> | <u>(3,343)</u> | <u>681</u> |

*) less than 1 thousand

REVIUM RX.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

U.S. dollars in thousands (except share data)

| | Successor | | | | | | Totals |
|---|-------------------------------------|-------------------------------------|--|--|---|--------------------------------|----------------------|
| | Common Stock: Shares | Common Stock: Amount | Preferred Stock: Shares | Preferred Stock: Amount Unaudited | Additional Paid in Capital | Accumulated Deficit | |
| Balance at July 24, 2024 | 34,757,458 | 34 | - | - | 14,671 | (9,429) | 5,276 |
| Stock based compensation | - | - | - | - | 1,262 | - | 1,262 |
| Exercise of options | 2,800,000 | (*) | - | - | 3 | - | 3 |
| Net loss and comprehensive loss for the period | - | - | - | - | - | (2,057) | (2,057) |
| Issuance of business combination shares | <u>23,171,642</u> | <u>24</u> | <u>-</u> | <u>-</u> | <u>14,284</u> | <u>-</u> | <u>14,308</u> |
| Balance at December 31, 2024 | <u><u>60,729,100</u></u> | <u><u>58</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>30,220</u></u> | <u><u>(11,486)</u></u> | <u><u>18,792</u></u> |

The accompanying notes are an integral part of these financial statements.

REVIUM RX.
CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars in thousands

| | <u>Successor</u> | <u>Predecessor</u> | |
|---|--|--|---|
| | <u>For the period commencing July 24 through December 31, 2024</u> | <u>For the period commencing January 1 through July 23, 2024</u> | <u>For the year ended December 31, 2023</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net loss | (2,057) | (1,421) | (987) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Finance income | (4) | - | - |
| Depreciation | 4 | - | 1 |
| Stock based compensation | 1,262 | 710 | 205 |
| Changes in assets and liabilities | | | |
| Other current assets | 41 | 152 | (84) |
| Other account payables | 101 | (26) | 113 |
| Accounts payable | (101) | 128 | (262) |
| NET CASH USED IN OPERATING ACTIVITIES | (754) | (457) | (1,014) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Investment in short term deposit | (2,000) | - | (7) |
| Cash received in conjunction with acquisition of subsidiary (Note 3) | 729 | - | - |
| Purchase of property, plant and equipment | (3) | - | (3) |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | (1,274) | - | (10) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Issuance of ordinary shares from option exercise | 3 | - | - |
| Issuance of ordinary shares | - | - | 1,594 |
| Receipt (repayment) of an advance on account of shares | - | - | (200) |
| NET CASH PROVIDED BY FINANCE ACTIVITIES | 3 | - | 1,394 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (2,025) | (457) | 370 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 5,293 | 1,186 | 816 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 3,268 | 729 | 1,186 |

The accompanying notes are an integral part of these financial statements.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 1:- GENERAL

- a. Reviu Rx (the “Successor” or “**Reviu**” or "Company"), previously known as Reviu Recovery Inc., was incorporated in the State of Delaware on January 24, 1997, under the name “Fun Cosmetic, Inc.” On August 29, 2005, it changed its name to Grand Canal Entertainment, Inc. On October 14, 2008, the Company merged with OC Beverage, Inc. a Nevada corporation, a manufacturer of beverages, and on October 31, 2008 it subsequently changed its name to OC Beverages, Inc. On June 22, 2020, the Company formed a wholly owned Israeli subsidiary called Reviu Recovery Ltd. (the “Subsidiary”). On December 4, 2020, the Company changed its name to Reviu Recovery Inc.

On December 17, 2024, the Company completed the redomicile from the State of Delaware to the State of Nevada (the “Reincorporation. As a result of the Reincorporation, the Company ceased its business existence as a Delaware corporation and continued its business existence as a Nevada corporation under the name “Reviu Rx.”

In November 2023, the Successor entered into a stock exchange agreement ("Share Exchange") with Lipovation Ltd, a private Israeli company engaged in the development of novel pharmaceutical solutions ("Lipovation" or the "Predecessor"). Following the closing of such agreement on July 23, 2024, the Predecessor became a new wholly owned subsidiary of the Company, and as determined by the Company’s board of directors. Following the closing of the Share Exchange agreement, the Company’s Board of Directors determined to discontinue all of the Company’s prior activities and efforts in the development and activation of the clinical decision-making support system, which constituted the business of the Successor prior to the closing of the stock exchange agreement, and to focus on the development of the acquired LipoVation’s business, refer to Note 3.

- b. Going concern uncertainty and management plans:

Successor

The Company is in the research and development (R&D) stage and, as such, has not generated any revenues from its current operations. The Company’s activities are primarily funded through investment. As of December 31, 2024, the Company reported an accumulated deficit of \$11,486.

To support its operations and advance its development programs, the Company intends to continue securing investments. Management anticipates that additional capital will be necessary to fund its ongoing R&D activities and to explore opportunities for acquiring healthcare or healthcare-related technologies. However, there are currently no binding commitments for further investment, and there can be no assurance that the Company will secure the required capital on commercially reasonable terms, or at all.

If sufficient investment cannot be obtained, the Company may need to implement cost-cutting measures, scale back its R&D activities, or delay certain development programs. Despite these potential challenges, management and the board of directors believe that the Company’s existing financial resources will be sufficient to sustain its planned operations for at least the next twelve months.

The consolidated financial statements do not include any adjustments relating to recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 1 – GENERAL (Cont.)

Predecessor

To date, Predecessor has not generated any revenue from its current operations and therefore is dependent upon external sources for financing its operations. As of July 23, 2024, and December 31, 2023, the Predecessor had an accumulated deficit of \$3,343 and \$1,922, respectively. Furthermore, the Company intends to continue to finance the operating activities of the Predecessor by raising capital. As of December 31, 2023, the Predecessor has raised approximately \$3,109. The Successor has declared it will continue financing Predecessor's activity. If the Predecessor will not have sufficient liquidity resources, the Company may not be able to continue the development of its product candidates or may be required to implement a cost reduction and/or delay part of its development programs. Predecessor management and board of directors are of the opinion that its current financial resources and Successor finance will be sufficient to continue the development of the Company's products for at least the next twelve months.

c. Impact of the “Iron Swords” War on Israel:

In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel's security cabinet declared war against Hamas and commenced a military campaign against Hamas and other terrorist organizations in parallel to their continued rocket and terror attacks. In addition, Hezbollah have attacked military and civilian targets in Northern Israel, to which Israel has responded, including through increased air and ground operations in Lebanon. Since the war broke out, our subsidiary's operations have not been adversely affected by this situation, and we have not experienced disruptions to our development activities. However, the intensity and duration of Israel's current war against Hamas and Hezbollah is difficult to predict at this stage, as are such war's economic implications on the Company's business and operations and on Israel's economy in general.

The Company continues to monitor its ongoing activities and will make adjustments in its business if needed, including updating any estimates or judgments impacting its financial statements as appropriate.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Following the closing of the Share Exchange agreement with Lipovation, on July 23, 2024, in accordance with ASC 810, Lipovation's financial statement are presented as the “Predecessor” for periods prior to the closing of the acquisition. Revium Rx, which includes consolidation of Lipovation Ltd subsequent to the acquisition, is the “Successor” for periods after the closing of the Business Combination. As a result of the application of the acquisition method of accounting in the Successor period, the financial statements for the Successor period are presented on a full step-up basis as a result of the acquisition and are therefore not comparable to the financial statements of the Predecessor period that are not presented on the same full step-up basis.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Successor

Basis of preparation

The consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”).

a. Use of estimates in preparation of Financial Statements:

The preparation of consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated Financial Statements and accompanying notes. The Company evaluates on an ongoing basis its assumptions. The Company’s management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated Financial Statements, and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

As applicable to the consolidated Financial Statements, the most significant estimates and assumptions relate to the going concern assumptions, valuing fair value of shares received as part of Lipovation's acquisition, impairment of goodwill and impairment of indefinite intangibles are considered substantial.

b. Business combination

The Company allocates the fair value of consideration transferred in a business combination to the assets acquired, liabilities assumed, and non-controlling interests in the acquired business based on their fair values at the acquisition date. All assets and liabilities are recognized in fair value. The purchase price allocation process requires management to make significant estimates and assumptions, especially at the acquisition date with respect to intangible assets. Direct transaction costs associated with the business combination are expensed as incurred. The excess of the fair value of the consideration transferred plus the fair value of any non-controlling interest in the acquiree over the fair value of the assets acquired, liabilities assumed in the acquired business is recorded as goodwill. The allocation of the consideration transferred in certain cases may be subject to revision based on the final determination of fair values during the measurement period, which may be up to one year from the acquisition date. The cumulative impact of revisions during the measurement period is recognized in the reporting period in which the revisions are identified. The Company includes the results of operations of the business that it has acquired in its consolidated results prospectively from the date of acquisition. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

c. Segment information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance.

The Company operates in one operating segment, and this segment is the only reporting unit.

d. Principles of consolidation:

The consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries. Inter-company balances and transactions have been eliminated upon consolidation.

e. Functional currency:

The functional currency of the Company and its subsidiaries and the presentation currency of the financial statements is the U.S. dollar.

Transactions and balances denominated in U.S. dollars are presented at their original amounts. Monetary accounts denominated in currencies other than the dollar are re-measured into dollars in accordance with ASC No. 830, “Foreign Currency Matters”. All transaction gains and losses from the re-measurement of monetary balance sheet items are reflected in the consolidated statement of comprehensive loss as financial income or expenses, as appropriate.

f. Cash and cash equivalents:

Cash equivalents are short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at acquisition.

g. Property and equipment, net:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets at the following rates:

| | <u>%</u> |
|------------------------------------|----------|
| Computers and electronic equipment | 33 |

h. Impairment of long-lived assets:

The Company’s long-lived assets are reviewed for impairment in accordance with Accounting Standards Codification (“ASC”) 360, “Property, Plant and Equipment”. Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the assets. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. During the year ended December 31, 2024 no impairment losses have been identified.

i. Research and development expenses:

Research and development expenses are charged to the statement of comprehensive loss as incurred.

In-Process Research and Development assets, acquired in an asset acquisition (i.e., assets acquired outside a business combination transactions) that are to be used in a research and development project which are determined not to have an alternative future use are charged to expense at the acquisition date in accordance with ASC 730, “Research and Development”.

j. Severance pay:

The subsidiary’s liability for severance pay is subject to Section 14 of Israel’s the Severance Compensation Act, 1963 (“Section 14”), pursuant to which all Subsidiary’s employees are included under Section 14, and are entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in the employee’s name with insurance companies. Under Israeli employment law, payments in accordance with Section 14 release the subsidiary from any future severance payments in respect of those employees. The Company has made all of the required payments as of December 31, 2024.

The fund is made available to the employee at the time the employer-employee relationship is terminated, regardless of cause of termination.

The severance pay liabilities and deposits under Section 14 are not reflected in the consolidated balance sheets as the severance pay risks have been irrevocably transferred to the severance funds.

Severance expenses for the year ended December 31, 2024 amounted to \$16.

k. Income taxes:

The Company accounts for income taxes in accordance with ASC No. 740, “Income Taxes”, (“ASC 740”) which prescribes the use of the liability method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value. As of December 31, 2024 a full valuation allowance was provided by the Company.

ASC 740 contains a two-step approach to recognizing and measuring a liability for uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. As of December 31, 2024 no liability for unrecognized tax benefits was recorded as a result of the implementation of ASC 740

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

l. Concentrations of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents are invested in major banks in Israel.

Management believes that the financial institutions that hold the Company's investments are financially sound and, accordingly, minimal credit risk exists with respect to these investments.

m. Fair value of financial instruments:

ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"), defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company.

Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets that the Company has the ability to access.
- Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary from investment to investment and is affected by a wide variety of factors, including, for example, the type of investment, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment and the investments are categorized as Level 3.

The carrying amounts of cash and cash equivalents, other current assets, accounts payables, other account payables and convertible notes approximate their fair value due to the short-term maturities of such instruments.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

n. Legal and other contingencies:

The Company accounts for its contingent liabilities in accordance with ASC 450 “Contingencies”. A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. With respect to legal matters, provisions are reviewed and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. As of December 31, 2024, the Company is not a party to any litigation that could have a material adverse effect on the Company’s business, financial position, results of operations or cash flows.

o. Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss for the period applicable to Ordinary Shareholders by the weighted average number of shares of common stock. Par value \$0.001 per share (the “Common Stock”) outstanding during the period.

In computing diluted loss per share, basic loss per share is adjusted to reflect the potential dilution that could occur upon the exercise of warrants using the “treasury stock method”, if the effect of each of such financial instruments is dilutive.

All outstanding share options and warrants for the years ended December 31, 2024 have been excluded from the calculation of the diluted net loss per share, because all such securities are anti-dilutive for all periods presented. The potential shares of ordinary shares that were excluded from the computation of diluted net loss per share attributable to ordinary shareholders for the periods presented because including them would have been anti-dilutive are as follows:

| | <u>December 31</u> |
|----------|---------------------------|
| | <u>2024</u> |
| Options | 4,960,000 |
| Warrants | 6,372,265 |
| | <hr/> |
| Total | <u><u>11,332,265</u></u> |

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The loss and the weighted average number of shares used in computing basic and diluted net loss per share for the years ended December 31, 2024 are as follows:

| | Year ended December |
|---|----------------------------|
| | 31 |
| | 2024 |
| Numerator: | |
| Net loss applicable to stockholders of Common Stock | (2,057) |
| Denominator: | |
| Shares of Common Stock used in computing basic and diluted net loss per share | 57,929,100 |
| Net loss per share of Common Stock, basic and diluted | (0.04) |

p. Share-based payment transactions:

The Company accounts for share-based compensation in accordance with ASC 718, “Compensation – Stock Compensation” (“ASC 718”), which requires companies to estimate the fair value of equity-based payment awards on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the statements of comprehensive loss.

The Company recognizes compensation expenses for the value of its awards granted based on the vesting attribution approach over the requisite service period of each of the awards. The Company estimates the fair value of share options granted using the Black-Scholes option pricing model. The option-pricing model requires a number of assumptions, including the expected share price volatility, free risk interest rate, dividends and the expected option term. Expected volatility was calculated based on the average of the standard deviation of a sample of similar companies. The expected option term represents the period that the Company’s share options are expected to be outstanding and is determined based on the simplified method until sufficient historical exercise data will support using expected life assumptions.

q. Goodwill:

Goodwill is recorded as a result of business combination. Goodwill represents the excess of the purchase price in a business combination over the fair value of identifiable net tangible and intangible assets acquired. Goodwill is not amortized, but rather is subject to an impairment test.

ASC No. 350, “Intangibles - Goodwill and other” (“ASC No. 350”) requires goodwill to be tested for impairment at the reporting unit level at least annually or between annual tests in certain circumstances, and written down when impaired.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

ASC No. 350 allows an entity to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If the qualitative assessment does not result in a more likely than not indication of impairment, no further impairment testing is required. If it does result in a more likely than not indication of impairment, the quantitative goodwill impairment test is performed. Alternatively, ASC No. 350 permits an entity to bypass the qualitative assessment for any reporting unit and proceed directly to performing the quantitative goodwill impairment test. If the carrying value of a reporting unit exceeds its fair value, the Company recognizes an impairment of goodwill for the amount of this excess.

The Company will perform the quantitative goodwill impairment test during the fourth quarter of each fiscal year, or more frequently if impairment indicators are present and compares the fair value of the reporting unit with its carrying value.

During the period commencing July 23, 2024 through December 31, 2024, no goodwill impairment losses have been identified.

r. Accounting pronouncement recently adopted

In November 2023, the FASB issued ASU 2023-07, “Improvements to Reportable Segment Disclosures (Topic 280)” which requires enhanced disclosure of (1) significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, (2) the amount and description of the composition of other segment items which reconcile to segment profit or loss, and (3) the title and position of the entity’s CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and allocating resources. The amendments also expand the interim segment disclosure requirements. This new guidance is effective for annual periods beginning October 1, 2024, and interim periods beginning October 1, 2025. Early adoption is permitted. The Company has adopted this standard for the fiscal year 2024 annual financial statements and interim financial statements thereafter and has applied this standard retrospectively for all prior periods presented in the financial statements. See Note 12 – Segment Reporting for further information.

s. Recently issued accounting pronouncements not yet adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740), Improvements to Income Tax Disclosures, which requires disaggregated information about the effective tax rate reconciliation as well as information on income taxes paid. The guidance will be effective for the Company for annual periods beginning January 1, 2025, with early adoption permitted. The Company is currently evaluating the impact on its financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03 “Income Statement (Topic 220): Reporting Comprehensive Income - Expense Disaggregation Disclosures” (“ASU 2024-03”), which requires more detailed information about specified categories of expenses presented on the face of the income statement, in addition to disclosures about selling expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The amendment may be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating ASU 2024-03 to determine the impact it may have on its consolidated financial statements and related disclosures.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Predecessor:

Basis of preparation

The Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”).

a. Use of estimates in preparation of Financial Statements:

The preparation of Financial Statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated Financial Statements and accompanying notes. The Company evaluates on an ongoing basis its assumptions. The Company’s management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated Financial Statements, and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

As applicable to the Financial Statements, the most significant estimates and assumptions relate to the going concern assumptions and determining the fair value of options to granted to the Company's employee is considered substantial.

b. Functional currency:

The functional currency of the Company and the presentation currency of the financial statements is the U.S. dollar.

Transactions and balances denominated in U.S. dollars are presented at their original amounts. Monetary accounts denominated in currencies other than the dollar are re-measured into dollars in accordance with ASC No. 830, “Foreign Currency Matters”. All transaction gains and losses from the re-measurement of monetary balance sheet items are reflected in the consolidated statement of comprehensive loss as financial income or expenses, as appropriate.

c. Cash and cash equivalents:

Cash equivalents are short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at acquisition.

d. Property and equipment, net:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets at the following rates:

 %

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

e. Impairment of long-lived assets:

The Company's long-lived assets are reviewed for impairment in accordance with Accounting Standards Codification ("ASC") 360, "Property, Plant and Equipment". Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the assets. If such asset is impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. During the period ended July 23, 2024, and years ended December 31, 2023, and 2022, no impairment losses have been identified.

f. Research and development expenses:

Research and development expenses are charged to the statement of comprehensive loss as incurred.

g. Severance pay:

The Company's liability for severance pay is subject to Section 14 of Israel's the Severance Compensation Act, 1963 ("Section 14"), pursuant to which all Subsidiary's employees are included under Section 14, and are entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in the employee's name with insurance companies. Under Israeli employment law, payments in accordance with Section 14 release the subsidiary from any future severance payments in respect of those employees. The Company has made all of the required payments as of December 31, 2023.

The fund is made available to the employee at the time the employer-employee relationship is terminated, regardless of cause of termination.

The severance pay liabilities and deposits under Section 14 are not reflected in the balance sheets as the severance pay risks have been irrevocably transferred to the severance funds.

h. Income taxes:

The Company accounts for income taxes in accordance with ASC No. 740, "Income Taxes", ("ASC 740") which prescribes the use of the liability method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value. As of July 23, 2024 and December 31, 2023, a full valuation allowance was provided by the Company.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

ASC 740 contains a two-step approach to recognizing and measuring a liability for uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. As of July 23, 2024, December 31, 2023, and 2022, no liability for unrecognized tax benefits was recorded as a result of the implementation of ASC 740.

i. Concentrations of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents are invested in major banks in Israel.

Management believes that the financial institutions that hold the Company's investments are financially sound and, accordingly, minimal credit risk exists with respect to these investments.

j. Segment Information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding

resource allocation and assessing performance. The Company and its chief operating decision-maker view the Company's operations and manage its business in one operating segment, which is the research and development of the Company's drug candidates.

k. Legal and other contingencies:

The Company accounts for its contingent liabilities in accordance with ASC 450 "Contingencies". A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. With respect to legal matters, provisions are reviewed and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. As of July 23, 2024 and December 31, 2023, the Company is not a party to any litigation that could have a material adverse effect on the Company's business, financial position, results of operations or cash flows.

l. Basic and diluted loss per share:

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average number of shares outstanding is increased to include additional shares from the assumed exercise of stock options and warrants, if dilutive. The average number of shares is calculated by assuming that outstanding conversions were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period potentially dilutive common shares issuable upon the exercise of warrants and options were not included in the computation of loss per share because their effect was anti-dilutive

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

m. Share-based payment transactions:

The Company accounts for share-based compensation in accordance with ASC 718, “Compensation – Stock Compensation” (“ASC 718”), which requires companies to estimate the fair value of equity-based payment awards on the date of grant. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the statements of comprehensive loss.

The Company recognizes compensation expenses for the value of its awards granted based on the vesting attribution approach over the requisite service period of each of the awards, net of estimated forfeitures. Forfeitures are accounted for as they occur. The Company estimates the fair value of share options granted using the Black-Scholes option pricing model. The option-pricing model requires a number of assumptions, including the expected share price volatility, free risk interest rate, dividends and the expected option term. Expected volatility was calculated based on the average of the standard deviation of a sample of similar companies. The expected option term represents the period that the Company’s share options are expected to be outstanding and is determined based on the simplified method until sufficient historical exercise data will support using expected life assumptions.

The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends. As a result, the dividend rate was zero.

n. Accounting pronouncement recently adopted

In February 2016, the FASB issued ASU 2016-02 “Leases” to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. For operating leases, the ASU requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on its balance sheet. The ASU retains the current accounting for lessors and does not make significant changes to the recognition, measurement, and presentation of expenses and cash flows by a lessee.

Effective January 1, 2022, the Company adopted the new lease accounting standard. The Company elected to apply the practical expedients permitted under the transition guidance within the new standard. As such, there was no impact on the Company’s financial statements as a result of adopting ASU 2016-02.

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The guidance was effective for the Company beginning January 1, 2023, and interim periods therein. The implementation of ASU 2016-13 didn’t have material effect on its consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which simplifies the accounting for income taxes by removing a variety of exceptions within the framework of ASC 740. These exceptions include the exception to the incremental approach for intraperiod tax allocation in the event of a loss from continuing operations and income or a gain from other items (such as other comprehensive income), and the exception to using general methodology for the interim period tax accounting for year-to-date losses that exceed anticipated losses.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The guidance was effective for the Company beginning January 1, 2022, and interim periods in fiscal years beginning January 1, 2023. The implementation of ASU 2019-12 didn't have material effect on its financial statements and related disclosures.

NOTE 3 – ACQUISITION

The Company accounted for the following transaction as a business combination and allocated the purchase consideration to assets acquired and liabilities assumed based on their estimated fair values.

On November 14, 2023, the Company entered into the Stock Exchange Agreement (the "Share Exchange Agreement") with Predecessor (formerly known as LipoVac Ltd), an Israeli company ("LipoVation") and the shareholders of Predecessor pursuant to which the former shareholders of LipoVation have agreed to contribute all of their shareholdings in Predecessor in exchange for the right to receive shares of the Company's common stock. On July 23, 2024, the transactions contemplated under the Stock Exchange Agreement were closed and as a result Predecessor became a wholly owned subsidiary of the Company.

In consideration for the contribution of all of their shareholdings in Predecessor to the Company, the Company issued to the former Predecessor shareholders an aggregate of 23,171,642 restricted shares of the Company's common stock, representing 40% of the outstanding shares of the Company immediately following the closing.

The company has calculated Fair value of the Consideration shares based on the acquired fair value using the price of transactions close to the acquisition date. The Company didn't use quoted market prices of Revium RX due to the negligible volume of trading in its shares with no records of trading close to the transaction date.

Revium RX is a public company whose common stock is listed on the over the counter market in the U.S. (OTC Market LLC) and due to the negligible volume of trading in its shares management does not believe the share price on the OTC Market is an appropriate basis to determine the value of the consideration shares. The Predecessor is a private company with no quoted price available for its shares. The transaction occurred between a willing buyer and a willing seller and the merger ratio reflects the relative fair values of both of the companies (the buyer) and the acquired company. Management has determined to evaluate the fair value of the consideration based on the fair value of Predecessor from a private placement transaction.

The Company allocated the purchase price to tangible and identified intangible assets acquired and liabilities assumed based on their fair values, which were determined using generally accepted valuation techniques based on estimates and assumptions made by management. The fair values are subject to adjustment for up to one year after the close of the transaction as additional information is obtained. Any adjustments to the preliminary purchase price allocation identified during the measurement period are recognized in the period in which the adjustments are determined.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands, except share and per share data

NOTE 3 – ACQUISITION (Cont.)

The allocation of the purchase price and the fair values of the assets acquired, and liabilities assumed in the Acquisition are as follows:

| | |
|---|----------------------|
| Consideration | |
| Total Consideration | 14,307 |
| Less: Cash acquired | (729) |
| Total consideration, net of cash acquired | <u>13,578</u> |
| | - |
| | <u><u>13,578</u></u> |

| | |
|--|----------------------|
| | <u>Amount</u> |
| Identifiable assets acquired and liabilities assumed | |
| Short term deposit | 7 |
| Other receivables | 212 |
| Fixed assets, net | 2 |
| Account payable | (182) |
| Other account payables | (87) |
| IPR&D | 3,342 |
| Deferred tax asset | 769 |
| Deferred tax liability | (769) |
| Total Identifiable assets acquired and liabilities assumed | <u>3,294</u> |
| Goodwill | <u>10,284</u> |
| Total identifiable assets acquired, and liabilities assumed | <u><u>13,578</u></u> |

Below proforma information for profit and loss as if the acquisition took place as of January 1, 2024:

| | <u>Successor</u> | <u>Predecessor</u> | <u>Adjustments</u> | <u>Consolidated</u> |
|----------|------------------|--------------------|--------------------|---------------------|
| | <u>Unaudited</u> | | <u>Unaudited</u> | |
| Net loss | <u>5,086</u> | <u>2,498</u> | <u>-</u> | <u>7,584</u> |

NOTE 4 – BASIC AND DILUTED LOSS PER SHARE :

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similarly to basic loss per share except that the weighted average number of shares outstanding is increased to include additional shares from the assumed exercise of stock options and warrants, if dilutive. The average number of shares is calculated by assuming that outstanding conversions were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period, potentially dilutive common shares issuable upon the exercise of warrants and options were not included in the computation of loss per share because their effect was anti-dilutive

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 4 – BASIC AND DILUTED LOSS PER SHARE (Cont.):

The loss and the weighted average number of shares used in computing basic and diluted net loss per share for the period commencing January 1 through July 24, 2024 through December 31, 2024 and for the period commencing January 1, 2024, to July 23, 2024 and for the year ended December 31, 2023, are as follows:

| | Successor | Predecessor | |
|---|---|---|-------------------------------------|
| | For the period commencing July 24 through December 31 2024 | For the period commencing January 1 through July 23 2024 | Year ended December 31, 2023 |
| Numerator: | | | |
| Net loss applicable to shareholders of Ordinary Share | 2,057 | 1,421 | 987 |
| Denominator: | | | |
| Shares of Ordinary Share used in computing basic and diluted net loss per share | 57,929,100 | 143,447 | 137,603 |
| Net loss per share of Ordinary Share, basic and diluted | 0.04 | 9.38 | 7.72 |

NOTE 5 – CASH AND CASH EQUIVALENTS

| | Successor | Predecessor | |
|------------------|--------------------------|----------------------|--------------------------|
| | December 31, 2024 | July 23, 2024 | December 31, 2023 |
| Dominated in USD | 3,120 | 601 | 1,042 |
| Dominated in NIS | 148 | 128 | 144 |
| Total | 3,268 | 729 | 1,186 |

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands, except share and per share data

NOTE 6 – OTHER CURRENT ASSETS

| | Successor | Predecessor | |
|----------------------------------|------------------------------|--------------------------|------------------------------|
| | December 31, 2024 | July 23, 2024 | December 31, 2023 |
| Tax authorities | 44 | 59 | 153 |
| Prepaid expenses | 38 | - | 75 |
| Receivables on account of shares | 133 | | |
| Other receivables | - | 133 | 133 |
| Other | 23 | 20 | 3 |
| Total | 238 | 212 | 364 |

NOTE 7 – OTHER ACCOUNT PAYABLES

| | Successor | Predecessor | |
|---|------------------------------|--------------------------|----------------------------------|
| | December 31, 2024 | July 23, 2024 | December 31, 2023 |
| Advance on account of shares (*) | - | - | - |
| Accrued expenses | 153 | 72 | 90 |
| Employees and payroll related liabilities | 61 | 2 | 14 |
| Other | 2 | 13 | 9 |
| Total | 216 | 87 | 113 |

(*) On August 12, 2022, the Predecessor signed an investment agreement with certain investors for the issuance of 2,000 Ordinary Shares NIS 0.1 par value at \$100 per share, total consideration of \$200. In August 2023, the investor canceled the share purchase agreement and as such the Company returned the investment amount.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 8 – SHAREHOLDERS’ EQUITY

Ordinary shares:

Predecessor

The Ordinary Shares confer upon their holders the right to participate and vote in general shareholder meetings of the Company and to share in the distribution of dividends, if any, declared by the Company from legally available funds for the payment thereof, and rights to receive a distribution of assets upon liquidation.

Shares History

During April, May, August and December 2023, the Company signed an investment agreement with certain investors for gross proceeds of \$1,594, according to which the Company received net amount of \$1,594 and issued 16,244 Ordinary shares NIS 0.1 par value.

Successor:

On July 23, 2024, the Company issued to the former Predecessor shareholders an aggregate of 23,171,642 restricted shares of the Company’s common stock, representing 40% of the outstanding shares of the Company immediately following closing (see note 3).

Share-based payment

Predecessor

On August 10, 2023, the Predecessor adopted the 2023 Share Award Plan to directors, employees and service providers to purchase an aggregate of 23,000 shares of Ordinary shares exercisable through the tenth anniversary (10th) of date of the issuance.

On November 15, 2023, the Predecessor granted 5,657 options to purchase Company's 5,657 Ordinary Shares to Company's Chief Technology Officer. 1,415 options vested on date of grant, 1,414 options will vest on April 10, 2024, 1,414 options will vest on October 10, 2024, and 1,414 options on April 10, 2025. The exercise price is \$100 per share, and the options expire on November 15, 2033.

REVIUM RX.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands, except share and per share data****NOTE 8 – SHAREHOLDERS’ EQUITY (Cont.)**

The aggregate grant date fair value of such options was \$531. The fair value of the Company’s share options granted was estimated using the black Scholes model with the following assumptions:

| Description | 2023 grants |
|-----------------------------|--------------------|
| Risk-free interest rate | 4.25% |
| Expected volatility | 115.5% |
| Dividend yield | 0% |
| Contractual life (in years) | 10 |

On March 18, 2024, the Predecessor granted 3,000 options to purchase the Company's 3,000 Ordinary Shares to certain directors. 1,500 options vested on date of grant, 750 options will vest on September 18, 2024, and 750 options on March 18, 2025. The exercise price is \$100 per share, and the options expire on March 18, 2034.

On May 12, 2024, the Predecessor granted 2,800 options to purchase Company's 2,800 Ordinary Shares to certain director. 1,400 options vested on date of grant, 700 options will vest on November 15, 2024, and 700 options on February 15, 2025. The exercise price is \$100 per share, and the options expire on May 12, 2034.

On June 23, 2024, the Predecessor granted 2,800 options to purchase Company's 2,800 Ordinary Shares to certain director. 1,400 options vested on date of grant, 700 options will vest on November 15, 2024, and 700 options on February 15, 2025. The exercise price is \$100 per share, and the options expire on June 23, 2034.

The aggregate grant date fair value of options granted in 2024 was approximately \$808. The fair value of the Company’s share options granted was estimated using the black Scholes model with the following assumptions:

| Description | 2024 grants |
|-----------------------------|--------------------|
| Risk-free interest rate | 4.34% - 4.53% |
| Expected volatility | 111.8% - 113.2% |
| Dividend yield | 0% |
| Contractual life (in years) | 10 |

REVIUM RX.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

U.S. dollars in thousands, except share and per share data

NOTE 8 – SHAREHOLDERS’ EQUITY (Cont.)

Successor:

- a. On February 9, 2024, the Successor's Board of Directors approved the following:
 1. Amendment to the Company’s Global Share Incentive Plan (2021), increasing the number of shares available for issuance under Company’s Global Share Incentive Plan (2021) to 20,000,000 (the “Plan Amendment”). The Plan Amendment became effective on the date of the approval by the Board of Directors, but it is subject to approval by the holders of a majority of the voting power of the Company within 12 months, pursuant to section 422(b)(1) of the Internal Revenue Code.
 2. A grant to the Successor's former Chief Executive Officer 3,800,000 stock options at an exercise price of \$0.001 per share. 1,900,000 options were fully vested upon grant and the remaining 1,900,000 options are scheduled to vest on a quarterly basis over two years in equal quarterly instalments of 237,500 options, beginning with the quarter ended March 31, 2024. The options are exercisable within eight years from grant date. The aggregate grant date fair value of such options was approximately \$4,770.
 3. A grant to the Chairman of the Board 160,000 stock options at an exercise price of \$0.40 per share. 80,000 options were fully vested upon grant and the remaining 80,000 options are scheduled to vest on a quarterly basis over 2 years in equal quarterly instalments of 10,000 options, beginning with the quarter ended March 31, 2024. The options are exercisable within eight years from the grant date. The aggregate grant date fair value of such options was approximately \$190.
- b. On November 11, 2024, following discussions with the management of the Company, the Board has determined that it is advisable and in the best interests of the Company and its stockholders to further amend the Plan, as amended (“Amendment #2”), to reduce the maximum number of shares reserved for issuance under the Plan from 20,000,000 shares of Common Stock to 10,000,000 shares of Common Stock. Amendment No. 2 became effective on the date of the approval by the Board of Directors, but it is subject to approval by the Company’s shareholders within 12 months, pursuant to section 422(b)(1) of the Internal Revenue Code.
- c. On December 31, 2024, the Board approved a grant under the Company’s Global Share Incentive Plan (2021) to an employee of the Predecessor of 740,000 stock options at an exercise price of \$0.30 per share. Of the options granted, options for 560,000 shares were fully vested upon grant and the remaining 180,000 options are to be vest on April 10, 2025. The options exercisable within ten years from grant date.

REVIUM RX.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

U.S. dollars in thousands, except share and per share data

NOTE 8 – SHAREHOLDERS’ EQUITY (Cont.)

The fair value of the successor's share options granted during the period commencing July 24, 2024 through December 31, 2024 was estimated using the black Scholes model using the following range assumptions:

| Description | December 31, 2024 |
|-------------------------|----------------------|
| Risk-free interest rate | 4.51% |
| Expected volatility | 105.6% |
| Dividend yield | 0 |
| Expected term | 10 |
| Exercise price (USD) | 0.3 |

- d. On December 31, 2024, Company's president and Chief Operating Officer exercised 2,800,000 option into 2,800,000 common stock. Each option had an exercise price of \$0.001 per common stock.

Share-based expenses recognized in the financial statements:

| | Successor | Predecessor | |
|-------------------------------------|--|--|---|
| | For the period commencing July 24 through December 31 2024 | For the period commencing January 1 through July 23 2024 | For the year ended December 31, 2023 |
| Research and development expenses | 682 | 710 | 205 |
| General and administrative expenses | 580 | - | - |
| Net loss and comprehensive loss | 1,262 | 710 | 205 |

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 8 – SHAREHOLDERS’ EQUITY (Cont.)

| | Predecessor | | | |
|--|------------------------------|--|--|--|
| | Number of options | Weighted average exercise price | Weighted average remaining contractual terms (in years) | Aggregate intrinsic value |
| Outstanding at December 31, 2023 | 5,657 | 100 | 9.88 | - |
| Grants | 8,600 | 100 | 10 | - |
| Outstanding at July 23, 2024 | <u>14,257</u> | <u>100</u> | <u>9.61</u> | <u>-</u> |
| Vested and expected to vest at July 23, 2024 | <u>7,129</u> | <u>100</u> | <u>9.61</u> | <u>-</u> |
| Exercisable at July 23, 2024 | <u>7,129</u> | <u>100</u> | <u>9.61</u> | <u>-</u> |
| | Successor | | | |
| | Number of options | Weighted average exercise price | Weighted average remaining contractual terms (in years) | Aggregate intrinsic value |
| Outstanding at July 24, 2024 | 7,020,000 | 0.18 | 6.1 | - |
| Grants | 740,000 | 0.3 | 10 | - |
| Exercised | <u>(2,800,000)</u> | | | |
| Outstanding at December 31, 2024 | <u>4,960,000</u> | <u>0.3</u> | <u>6.1</u> | <u>-</u> |
| Vested and expected to vest at December 31, 2024 | <u>4,960,000</u> | <u>0.3</u> | <u>6.1</u> | <u>-</u> |
| Exercisable at December 31, 2024 | <u>3,790,000</u> | <u>0.38</u> | <u>5.1</u> | <u>-</u> |

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands, except share and per share data

NOTE 9 – TAXES ON INCOME

- a. Tax rates applicable to the Company:

Taxable income of the Company is subject to the Israeli Corporate tax rate, which was 21% in 2024 and 2023. At December 31, 2024, the Company had U.S. federal net operating loss carryforwards of approximately \$1,074 available to reduce future taxable income.

- b. Tax rates applicable to the Subsidiary:

Taxable income of the Subsidiary is subject to the Israeli Corporate tax rate, which was 23% in 2024 and 2023.

The Company's Israeli subsidiaries have estimated total available carryforward operating tax losses for Israeli income tax purposes of approximately \$4,460 as of December 31, 2024.

- c. The Subsidiaries have not received final tax assessment since its inception.

- d. Deferred income taxes:

As of December 31, 2024, July 23, 2024 and December 31, 2023, the Company's deferred taxes were in respect of the following:

| | <u>Successor</u> | <u>Predecessor</u> | |
|--|------------------------------------|--------------------------------|------------------------------------|
| | <u>December 31,</u> <u>2024</u> | <u>July 23,</u> <u>2024</u> | <u>December 31,</u> <u>2023</u> |
| Deferred tax assets: | | | |
| Operating loss carry forward | 5,540 | 1,795 | 1,058 |
| Deferred tax assets before valuation allowance | 1,252 | 413 | 244 |
| Valuation allowance | (1,252) | (413) | (244) |
| Net deferred tax asset | - | - | - |

- e. Reconciliation of the theoretical tax expense to the actual tax expense:

The main reconciling item between the statutory tax rate of the Company and the effective tax rate is the recognition of valuation allowance in respect of deferred taxes relating to accumulated net operating losses carried forward due to the uncertainty of the realization of such deferred taxes.

REVIUM RX.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands, except share and per share data

NOTE 9 – TAXES ON INCOME (Cont.)

| | Successor | Predecessor | |
|--|-----------------------------|--------------------------|----------------------------------|
| | December 31 2024 | 23 July, 2024 | December 31, 2023 |
| Net loss, as reported in the consolidated statements of comprehensive loss | 2,057 | 1,421 | 987 |
| Statutory tax rate | 21% | 23% | 23% |
| Computed “expected” tax income | 432 | 326 | 227 |
| Valuation allowance | (432) | (326) | (227) |
| Taxes on income | - | - | - |

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Predecessor:

The Predecessor's research is conducted at the Hebrew University (subject to license and research agreements) in Professor Bernholtz Yehezkel's laboratory, and the drug development activity is conducted through subcontractors.

The Predecessor has signed an option agreement for an exclusive license for the technology with "Yissum Research Development Company of the Hebrew University of Jerusalem Ltd." ("Yissum"), the commercialization Company of the Hebrew University of Jerusalem.

In November 2022, the Predecessor exercised its option and signed a license agreement with Yissum.

Under the agreement, the Predecessor undertook to finance research at Professor Bernholtz Yehezkel's laboratory, promote the development of the products that result from the research, and maintain the patents that result from the research.

The Predecessor currently has three projects under four different agreements with Yissum:

LV-100 – Liposomal Nano-Mupirocin: A new antibiotic treatment aimed at combating resistant bacteria which is in pre-clinical studies phase. The Predecessor is obligated to pay royalties at the rate of 3% of net sales. The Predecessor shall pay Yissum the following amounts in connection with the achievement of the following milestones per each Product (each, a “Milestone”): (1) \$150 upon first patient enrolled in a Phase I Clinical Trial; (2) \$300 upon first patient enrolled in a Phase II Clinical Trial; (3) \$450 upon First patient enrolled in a Phase III Clinical Trial and (4) \$600 upon first commercial sale in either Europe or the US, the earlier to occur of the two.

LV-200 – Liposomal Candesartan (also called ARB): A supportive treatment designed to improve existing cancer therapies by enhancing drug efficacy and reducing toxicity and side effects which is in pre-clinical studies. The Predecessor undertook to finance the research program. Upon completion of the research plan, the Company will be able to decide whether it wants to license the technology. If so, a licensing agreement will be signed.

REVIUM RX.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands, except share and per share data

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Cont.)

LV-400 – A Liposomal Platform for Vaccine Development: This platform is intended for the development of new vaccines, such as those for COVID-19, Zika, and West Nile virus.

The Predecessor is obligated to pay royalties at the rate of 3% of net sales. The Predecessor shall pay Yissum the following amounts in connection with the achievement of the following milestones per each Product (each, a “Milestone”): (1) \$150 upon first patient enrolled in a Phase I Clinical Trial; (2) \$300 upon first patient enrolled in a Phase II Clinical Trial; (3) \$450 upon First patient enrolled in a Phase III Clinical Trial and (4) \$600 upon first commercial sale in either Europe or the US, the earlier to occur of the two.

NOTE 11 – SELECTED STATEMENTS OF OPERATIONS DATA

a. Research and development expenses:

| | Successor | Predecessor | |
|--------------------------------|--|--|------------------------------|
| | For the period commencing July 24, through December 31, 2024 | For the period commencing January 1, through July 23, 2024 | Year ended December 31, 2023 |
| Subcontractors and consultants | 171 | 354 | 490 |
| Share based payment | 682 | 710 | 205 |
| Payroll and related expenses | 117 | 98 | 151 |
| | 970 | 1,162 | 846 |

b. General and administrative expenses:

| | Successor | Predecessor | |
|-----------------------------|--|--|------------------------------|
| | For the period commencing July 24, through December 31, 2024 | For the period commencing January 1, through July 23, 2024 | Year ended December 31, 2023 |
| Professional services | 283 | 131 | 148 |
| Rent and office maintenance | 15 | 64 | 1 |
| Payroll expenses | 205 | - | - |
| Share based payment | 582 | - | - |
| Others | 68 | 62 | 7 |
| | 1,153 | 257 | 156 |

REVIUM RX.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****U.S. dollars in thousands, except share and per share data****NOTE 12 – RELATED PARTIES**

As of December 31, 2024, July 23, 2024, December 31, 2023, and 2022, the balance of trade payables totaled \$26, \$105, \$99 and \$315, respectively, is a debt to the "Yissum" company. The "Yissum" company coordinates the economic activities for the Company's research services under an exclusive license agreement signed on November 24, 2022 (refer also to Note 11).

"Yissum" owns 2.2%, 6.6%, 6.6% and 5.82% of the Company's share capital as of December 31, 2024, July 23, 2024, December 31, 2022, and 2023, respectively.

NOTE 13: SEGMENT REPORTING

ASC 280, "Segment Reporting," establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's business is comprised of one operating segment.

The Company's CODM is its Chief Executive Officer ("CEO"), who reviews financial information presented on a consolidated basis.

The CODM uses consolidated net loss to assess financial performance and allocate resources. These financial metrics are used by the CODM to make key operating decisions, such as the allocation of budget between Research and development and General and Administrative expenses. Segment assets that are reviewed by the CODM is reported within the Consolidated Balance Sheet as consolidated total assets.

The table below summarizes the significant expense categories regularly reviewed by the CODM for the period commencing July 24 through December 31, 2024, for the period commencing January 1, 2024 through July 23, 2024 and for the year ended December 31, 2023:

| | Successor | Predecessor | |
|-----------------------------|---|---|---|
| | For the period commencing July 24, through December 31, 2024 | For the period commencing January 1, through July 23, 2024 | Year ended December 31, 2023 |
| Clinical developments | 171 | 354 | 490 |
| Payroll expenses | 322 | 98 | 151 |
| Professional services | 283 | 131 | 148 |
| Other segments expenses (*) | 1,281 | 838 | 198 |
| | 2,057 | 1,421 | 987 |

(*) Other segments expenses includes share based compensation and other expenses.