

**Revium Recovery, Inc.**

10 HaMenofim Street

Herzliya, Israel

972-544711171

inna.martin@reviumrecovery.com

## Annual Report

For the period ending December 31, 2023 (the "Reporting Period")

**Outstanding Shares**

The number of shares outstanding of our Common Stock was:

34,757,458 as of March 28, 2024 *(Current Reporting Period Date or More Recent Date)*

34,757,458 as of December 31, 2023 (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 Control<sup>4</sup> of the company has occurred during this reporting period:

Yes: ☐ No: ☒

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<sup>4</sup> "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.

Revium Recovery, Inc., herein the "Company" or "RVRC" was incorporated on March 26, 2008 under the name OC Beverages, Inc. OC Beverage was a manufacturer of beverages and the company ceased operations in 2010. On June 22, 2020 the Company formed a wholly owned Israeli subsidiary named Revium Recovery Ltd. (the "Subsidiary"). On December 9, 2020, the Company implemented a name change to "Revium Recovery Inc.

Current State and Date of Incorporation or Registration: Delaware

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

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

Delaware

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:

None

Address of the issuer's principal executive office:

10 HaMenofim St., Herzliya, Israel

Address of the issuer's principal place of business:

☒ *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](mailto: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:	RVRC
Exact title and class of securities outstanding:	Common Stock
CUSIP:	<u>76151C100</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>250,000,000</u> as of December 31, 2023
Total shares outstanding:	<u>34,757,458</u> as of December 31, 2023
Total number of shareholders of record:	<u>82</u> as of March 28, 2024

*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 a 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 December 31, 2023, 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.

None.

### 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>1/1/2022</u> Common: <u>28,050,165</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.
5/3/22*	New issuance	650,000	Common Stock	\$0.001	no	Abraham Pines	<u>Conversion of Series B preferred stock</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
5/3/22*	New issuance	1,760,000	Common Stock	\$0.001	no	Shlomie Bierman	<u>Conversion of Series B preferred stock</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act

5/3/22*	New issuance	800,000	Common Stock	\$0.001	no	Custodian Ventures LLC (David Lazar)	<u>Conversion of Series B preferred stock</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
5/3/22*	New issuance	2,780,000	Common Stock	\$0.001	<u>no</u>	Yaakov Safren	<u>Conversion of Series B preferred stock</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
5/3/22*	New issuance	5,840,000	Common Stock	\$0.001	<u>no</u>	SBDHEI LP (David Safren)	<u>Conversion of Series B preferred stock</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
5/3/22*	New issuance	650,000	Common Stock	\$0.001	<u>no</u>	Yaakov Wallach	<u>Conversion of Series B preferred stock</u>	<u>no</u>	Exemption Section 4(a)(2) of the Securities Act
5/3/22*	New issuance	3,520,000	Common Stock	\$0.001	<u>no</u>	Yoram Drucker	<u>Conversion of Series B preferred stock</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/22	New issuance	937,500	Common Stock	\$0.001	<u>no</u>	Jose Zajac	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/17/22	New issuance	62,500	Common Stock	\$0.001	<u>no</u>	Israel Klugman	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/23**	New issuance	2,343,750	Common Stock	\$1.60	<u>no</u>	Third Eye Investors LLC (Yitzchak Rokonsky)	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/23**	New issuance	70,313	Common Stock	\$1.60	<u>no</u>	Abraham Klar	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/23**	New issuance	93,750	Common Stock	\$1.60	<u>no</u>	Daniel Fuchs	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/23**	New issuance	316,406	Common Stock	\$1.60	<u>no</u>	Pledger GMP LLC (Hershy Schweitzer)	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/23**	New issuance	250,000	Common Stock	\$0.40	<u>no</u>	Shlomo Lewenstein	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/23***	New issuance	625,000	Common Stock	\$0.40	<u>no</u>	Jose Zadac	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act

11/14/23***	New issuance	625,000	Common Stock	\$0.40	<u>no</u>	Leah Fligman	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/23***	New issuance	500,000	Common Stock	\$0.40	<u>no</u>	Cohen Family Trust (Yoel Cohen)	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/23***	New issuance	750,000	Common Stock	\$0.40	<u>no</u>	Rafael Deutsch	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
11/14/23***	New issuance	125,000	Common Stock	\$0.40	<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	\$1.60	<u>no</u>	KSSU Ventures LLC (Shimon Ungar)	<u>cash</u>	<u>R</u>	Exemption Section 4(a)(2) of the Securities Act
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>12/31/2023</u> Common 34,757,458 Preferred: 0									

**Example:** A company with a fiscal year end of December 31<sup>st</sup> 2023, 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, 2022 through December 31, 2023 pursuant to the tabular format above.

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

\*This number reflects an aggregate of 16,000,000 shares of the Company's Common Stock (the "Conversion Shares") resulted upon conversion of 2,000,000 shares of Series B Preferred Stock that was previously disclosed in the Company's reports on an aggregate basis. The conversion was authorized on November 30, 2021, but the transfer agent issued the Conversion Shares on May 3, 2022. The issuance of the Conversion Shares on May 3, 2022 to each of the named seven (7) shareholders is reflected in this Table. It also includes 262 shares issued by the transfer agent as a result of the rounding related to the reverse stock split effected in December 2020.

\*\*The Company is conducting a private placement offering of units of securities to qualified investors, where each unit is comprised of two (2) shares of the Company's common stock and one common stock purchase warrant to purchase an additional share of the Company's Common Stock exercisable for a 3-year period, at a per share exercise price of \$2.40. The price per Unit is \$3.20. See footnotes to financial statements attached to this report for details.

\*\*\*On November 14, 2023, the Company and the above-referenced investors entered into subscription agreements whereby in consideration of the \$1,150,000 of funds previously received from these investors, in accordance with instructions and consents from these investors, they received units of the Company's securities where each unit is comprised of two (2) shares of the Company's Common Stock and one common stock purchase warrant to purchase an additional share of the Company's Common Stock exercisable for a three year period, at a per share exercise price of \$0.80. Accordingly, an aggregate of 2,875,000 shares of Common Stock were issued to these investors and warrants to purchase 1,437,500 shares of Common Stock.

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder.  *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

#### 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](http://www.OTCMarkets.com).

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

The Company is a holding Delaware corporation, which operates through its Israeli operating Subsidiary. On December 9, 2020, the Subsidiary entered into two agreements: (i) the first agreement was entered with Retorno, one of Israel's largest rehabilitation centers, pursuant to which, the Company, through its subsidiary, acquired worldwide exclusive rights to develop and market Retorno's comprehensive addiction rehabilitation program; and (ii) the second agreement was entered with Bar Ilan University and the University of Haifa of Israel to support the Company's development and testing of a clinical decision making support system (DMSS) and testing its efficacy in addition treatment. Since then, the Company is developing a unique proprietary Clinical Decision Support software (CDS) to allow for measurement-based integrative-care for the treatment of addiction and patient/clinic management. In addition, it is actively exploring opportunities for acquisitions of rights to other novel technologies or solutions in the pharma or medical-related fields with significant unmet need.

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

Revium Recovery, Ltd.

C. Describe the issuers' principal products or services.

The Company's product is still in the development stage.

The Company, through its Subsidiary, is currently focused on the development of a disruptive, methodical and novel proprietary Clinical Decision Support software (CDS) which will allow for measurement-based integrative-care for the treatment of addiction and other mental disorders including depression and PTSD. Revium Recovery's CDS combines comprehensive psychological and neurocognitive diagnostics, which allow for:

- more informed treatment decisions.
- individualized treatment programs.
- prediction of treatment success for each patient individually.

On November 14, 2023, the Company entered into a Stock Exchange Agreement with LipoVation Ltd. ("LipoVation"), a privately held company formed under the laws of the State of Israel, and the shareholders of LipoVation (the "Stock Exchange Agreement"), pursuant to which the shareholders of LipoVation have agreed to contribute all of their shareholdings in LipoVation for as of yet an undetermined amount of the Company's common stock which will not exceed 40% of the issued and outstanding shares of the Company's common stock immediately following the closing of the Stock Exchange Agreement (the "Share Exchange"). As a consequence of this transaction, when closed, LipoVation shall become a wholly owned subsidiary of the Company. LipoVation has entered into license and research agreements with Yissum Research Development Company of the Hebrew University of Jerusalem, Ltd. ("Yissum") pursuant to which LipoVation acquired exclusive license rights to develop and market a novel technology related to Liposomal Protein-Loaded Technology (LPLT) and Nano-Liposomal Particles (NLP) based technologies. The closing of the transaction contemplated by the Stock Exchange Agreement is subject to certain closing conditions, which the Company anticipates will be satisfied in the second quarter of 2024.

The Company is conducting a private placement offering of units of its securities (each, a "Unit" and collectively, the "Units") where each Unit is comprised of two (2) shares of the Company's common stock and one common stock purchase warrant to purchase an additional share of the Company's Common Stock exercisable for a 3 year period, at a per share exercise price of \$2.40. Upon execution of the Stock Exchange Agreement, the Company issued, at the initial closing of the "Offering, an aggregate of 1,412,109 units of the Company's securities, to qualified investors that subscribed for the Units and from whom the Company received funds in the aggregate amount of \$4,518,750, based on the purchase price of \$3.20 per Unit. On December 22, 2023, the Company issued additional 35,156 Units to a qualified investor.

On November 14, 2023, following the execution of the Stock Exchange Agreement, the Company also entered into subscription agreements with another group of investors that consented to the remittance by the Company of the subscription funds previously sent by these investors in the total amount of \$1,050,000, in accordance with the terms of the previously executed agreements between the Company and these investors, which provided that the subscription funds may be utilized by the Company only following the entry into by the Company or subsidiary thereof into an agreement whereby the Company would acquire research services and/ or exclusive license or other rights with respect to technologies with multiple applications or into a business combination with an entity that possesses research services and/ or exclusive license or other rights with respect to technologies with medical and pharma applications. In consideration of \$1,050,000, the Company issued to these investors an aggregate of 1,412,109 units of its securities, with each unit comprising of two (2) shares of the Company's Common Stock and one common stock purchase warrant to purchase an additional share of the Company's Common Stock exercisable for a three year period, at a per share exercise price of \$0.80. These investment terms reflect the original investment terms under which these investors remitted amounts to the escrow account.

In addition, the Company is exploring acquiring rights to other novel technologies or solutions in the pharma or medical-related fields that are designed to address currently unmet medical 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 6,120 NIS through August 2023 (approximately \$1,750) and 7,200 NIS (approximately \$2,057) thereafter through March 2024.

## **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.*

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Yoram Drucker	Owner of more than 5%	Reut, Israel	3,520,000	<u>Common Stock</u>	<u>10.1%</u>	_____
Third Eye Investors LLC	Owner of more than 5%	New York, NY	<u>2,343,750</u>	<u>Common Stock</u>	<u>6.7%</u>	Yitzchak Rokovsky
Shlomie Bierman	Owner of more than 5%	Monsey, NY	2,820,000	<u>Common Stock</u>	<u>8.1%</u>	_____
Yaakov Safren	Owner of more than 5%	Beit Shemesh, Israel	2,780,000	<u>Common Stock</u>	<u>8.0%</u>	_____
SBDHEI LP	Owner of more than 5%	Beit Shemesh, Israel	5,840,000	<u>Common Stock</u>	<u>16.8%</u>	David Safren
Sheldon and Ruth Perl	Owner of more than 5%	Lawrence, NY	2,375,000	<u>Common Stock</u>	<u>6.8%</u>	
Inna Martin	CEO; Director	Tel Aviv, Israel	0			
Arie Gordashnikov	CFO	Ramat Gan Israel	0			
Daniel Bartal	Chairman, director	Tel Aviv, Israel	0			
Eyal Flom	director	Kfar Saba, Israel	<u>0</u>			
Mordechai Jacobson	director	Raanana, Israel	<u>0</u>			
Matti Munk	<u>director</u>	Jerusalem, Israel	<u>0</u>	_____	_____	_____

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://www.OTCIQ.com) to update your company profile.

## 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.

None

## 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](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: David Aboudi—The Crone Law Group P.C.  
Address 1: 420 Lexington Avenue Suite 2446  
Address 2: New York, NY 10170  
Phone: +972-523-983-707  
Email: david@cronelawgroup.com;

Accountant or Auditor

Name: Arie Gordashnikov  
Firm: Yosef Shimony  
Address 1: 5 Badner Street PO Box 8241  
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:<sup>5</sup> \_\_\_\_\_

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:*

<sup>5</sup> 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.

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, Inna Martin, 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.

March 29, 2024

/s/ Inna Martin [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.

March 29, 2024

/s/ Arie Gordashnikov [CFO's Signature]

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



**REVIUM RECOVERY, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2023**

**U.S. DOLLARS IN THOUSANDS**

**INDEX**

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**REVIUM RECOVERY, INC.**  
**CONSOLIDATED BALANCE SHEETS**

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

	Note	December 31, 2023	December 31, 2022
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents		\$ 530	\$ 426
Short-term Deposit		4,950	-
Other Current assets	3	148	31
<b>Total current assets</b>		<u>5,628</u>	<u>457</u>
Property and equipment, net		<u>2</u>	<u>3</u>
		<u>2</u>	<u>3</u>
<b>TOTAL ASSETS</b>		<u>\$ 5,630</u>	<u>\$ 460</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable		64	50
Other account payables		79	19
Convertible Notes		<u>1</u>	<u>1</u>
<b>Total current liabilities</b>		<u>144</u>	<u>70</u>
<b>Commitments and Contingencies</b>			
<b>STOCKHOLDERS' EQUITY</b>			
Preferred stock, par value \$0.001 per share; 10,000,000 shares authorized, None issued and outstanding as of December 31, 2023 and December 31, 2022	6	-	-
Common stock, par value \$0.001 per share; 250,000,000 shares authorized; 34,757,458 and 28,987,927 shares issued and outstanding as of December 31, 2023, and December 31, 2022, respectively		34	28
Additional paid in capital		10,775	5,002
Accumulated deficit		<u>(5,323)</u>	<u>(4,640)</u>
<b>Total stockholders' equity</b>		<u>5,486</u>	<u>390</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<u>\$ 5,630</u>	<u>\$ 460</u>

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

**REVIUM RECOVERY INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

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

	Note	For the year ended December 31,	
		2023	2022
Operating expenses			
Research and development expenses	7a	\$ 7	67
General and administrative expenses	7b	673	1,124
Operating loss		680	1,191
Financial expenses		3	22
Net loss and comprehensive loss		\$ 683	1,213
Net loss per common share – basic and diluted		\$ 0.02	0.04
Weighted average common shares outstanding – basic and diluted		29,358,453	28,110,869

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



**REVIUM RECOVERY, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

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

	Common Stock: Shares (*)	Common Stock: Amount	Preferred Stock: Shares	Preferred Stock: Amount	Additional Paid in Capital	Accumulated Deficit	Totals
<b>Balance at December 31, 2021</b>	<u>28,050,165</u>	<u>\$ 28</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 4,335</u>	<u>\$ (3,427)</u>	<u>\$ 936</u>
Issuance of shares and warrants, net (*)	937,762	*)	-	-	375	-	375
Stock based compensation	-	-	-	-	292	-	292
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,213)</u>	<u>(1,213)</u>
<b>Balance at December 31, 2022</b>	<u>28,987,927</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>5,002</u>	<u>(4,640)</u>	<u>390</u>
Issuance of shares and warrants, net	5,769,531	6	-	-	5,728	-	5,734
Stock based compensation	-	-	-	-	45	-	45
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(683)</u>	<u>(683)</u>
<b>Balance at December 31, 2023</b>	<u>34,757,458</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>10,775</u>	<u>(5,323)</u>	<u>5,486</u>

(\*) including 262 share of common stock issued following Company's reserves split in 2020.

\*) Less than 1 thousand.

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

**REVIUM RECOVERY, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	For the Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (683)	(1,213)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2	2
Stock based compensation	45	292
Loss from investment	-	62
Interest expenses on convertible loan		-
Changes in assets and liabilities		
Other current assets	(17)	30
Other account payables	10	10
Accounts payable	14	(4)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(629)</u>	<u>(821)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(1)</u>	<u>(2)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	(1)	(2)
CASH FLOW FROM FINANCING ACTIVITIES:		
Issuance of Common stock and warrants	5,634	375
Receipt on account of shares	50	-
Investment in short term deposit	<u>(4,950)</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>734</u>	<u>375</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	104	(448)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	426	874
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 530</u>	<u>426</u>
NON-CASH ACTIVITY		
Issuance of Common stock and warrants	100,000	-

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

**REVIUM RECOVERY, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

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

**NOTE 1 – GENERAL**

- a. Revium Recovery, Inc. (the “**Company**” or “**Revium**”, previously known as OC Beverage Inc.) was incorporated in the State of Delaware.

OC Beverages (private) was incorporated on March 26, 2008 and started operations on April 1, 2008. OC Beverages was a manufacturer of beverages. The company ceased operations in 2010.

On June 22, 2020, the Company formed an Israeli subsidiary named Revium Recovery Ltd. (the “**Subsidiary**”). On December 9, 2020, the Company changed name to “Revium Recovery Inc.”

The Company, through its Subsidiary, is currently focused on the development of a disruptive, methodical and novel proprietary Clinical Decision Support software (CDS) which will allow for measurement-based integrative-care for the treatment of addiction and other mental disorders including depression and PTSD. Revium Recovery's CDS combines comprehensive psychological and neurocognitive diagnostics, which allow for:

- more informed treatment decisions.
- individualized treatment programs.
- prediction of treatment success for each patient individually.

The Company’s product is still in the development stage.

- b. In November 2023, the Company entered into the stock exchange agreement with a private Israeli company engaged in the development of novel pharmaceutical solutions. Subject to the closing of such agreement, which the Company anticipates will occur in the second quarter of 2024, the business of such company will be the primary focus of the Company’s business. See Note 5d. In addition, as of the date of this report, the Company is exploring acquiring rights to other novel technologies or solutions in the pharma or medical related fields which are designed to address currently unmet medical needs.
- c. Going concern uncertainty and management plans:

To date, the Company has not generated any revenues from its current operations, and therefore is dependent upon external sources for financing its operations. As of December 31, 2023, the Company had an accumulated deficit of \$5,323.

Furthermore, the Company intends to continue to finance its operating activities by raising capital. As disclosed in Note 6, as of the date of this report the Company has raised approximately \$5,618 in order to realize its business plans, as well as an additional \$100 in the escrow account of the Company’s counsel which is available to the Company. Management believes that it will need to raise additional capital to realize its business plan. Currently the Company has no commitments for further capital and there are no assurances that the Company will be successful in obtaining an adequate level of financing needed for its long-term research and development activities on commercially reasonable terms.

**REVIUM RECOVERY, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

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

**NOTE 1 – GENERAL (Cons.)**

If the Company will not have sufficient liquidity resources, the Company may not be able to continue the development of its product or may be required to implement a cost reduction and may be required to delay part of its development programs. The Company's management and board of directors are of the opinion that its current financial resources will be sufficient to continue the development of the Company's products for at least the next twelve months.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

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, determining the fair value of embedded and freestanding financial instruments related to convertible loans and rights to future investment as part of modification or the settlement of the convertible loans and the determination of whether modification of terms of financial instruments is considered substantial.

b. 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.

c. 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.

d. 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.

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

e. 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

f. 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. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. During the years ended December 31, 2023, and 2022, no impairment losses have been identified.

g. 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".

h. Severance pay:

The subsidiary had no employees as of December 31, 2023. 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, 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 consolidated balance sheets as the severance pay risks have been irrevocably transferred to the severance funds.

Severance expenses for the years ended December 31, 2023, and 2022 amounted to \$1 and 1\$, respectively.

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

i. 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, 2023, and 2022, 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, 2023, and 2022, no liability for unrecognized tax benefits was recorded as a result of the implementation of ASC 740.

j. 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.

k. 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.

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

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.

**l. 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, 2023, and 2022, 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.

**m. 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.

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**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, 2023, and 2022, is as follows:

	Year ended December 31,	
	2023	2022
Numerator:		
Net loss applicable to stockholders of Common Stock	\$ (683)	\$ (1,213)
Denominator:		
Shares of Common Stock used in computing basic and diluted net loss per share	29,358,453	28,110,869
Net loss per share of Common Stock, basic and diluted	\$ (0.02)	\$ (0.04)

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.

o. Disclosure of new accounting standards

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASAU) 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. 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 consolidated financial statements and related disclosures.



**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 3 – OTHER CURRENT ASSETS**

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Receivables on account of shares (refer to Note 5)	\$ 100	\$ -
Tax authorities	11	11
Prepaid expenses	<u>37</u>	<u>20</u>
	<u><u>\$ 148</u></u>	<u><u>\$ 31</u></u>

**NOTE 4 – TAXES ON INCOME**

- a. Tax rates applicable to the Company:

At December 31, 2023, the Company had U.S. federal net operating loss carryforwards of approximately \$3,108 available to reduce future taxable income.

On December 22, 2017, the Tax Reform Act was signed into law. The legislation significantly changes U.S. tax law by, among other things, lowering the U.S. corporate income tax rate from a maximum of 35% to a flat 21% rate, effective January 1, 2018. As a result of the decrease in the corporate income tax rate, the Company revalued the ending net deferred tax assets at December 31, 2017, but did not recognize any incremental income tax expense in 2017 due to the revaluation of the valuation allowance.

- b. Tax rates applicable to the Subsidiary:

Taxable income of the Subsidiary is subject to the Israeli Corporate tax rate, which was 23% in 2023 and 2022.

The Company's Israeli subsidiaries have estimated total available carryforward operating tax losses for Israeli income tax purposes of approximately \$1,502 as of December 31, 2023.

- c. The Subsidiary has not received final tax assessment since its inception.

- d. Deferred income taxes:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. As of December 31, 2023, and 2022, the Company's deferred taxes were in respect of the following:

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Deferred tax assets:		
Operating loss carry forward	\$ 998	\$ 837
	<u>998</u>	<u>837</u>
Deferred tax assets before valuation allowance		
Valuation allowance	<u>(998)</u>	<u>(837)</u>
Net deferred tax asset	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 4 – TAXES ON INCOME (Cont.)**

- 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.

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Net loss, as reported in the consolidated statements of comprehensive loss	\$ 683	\$ 1,213
Statutory tax rate	21%	21%
Computed “expected” tax income	143	255
Valuation allowance	(143)	(255)
Taxes on income	\$ -	\$ -

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

- a. Between June and December 2021, the Company received in escrow an aggregate of \$850 as subscription proceeds of a contemplated investment in the Company by certain qualified investors. The subscription agreement that these prospective investors executed provides that the escrowed funds are to be released to the Company from escrow at such time as the Company shall have entered into binding agreements for the expansion of its business in its then primary business focus and, failing entering into such agreements by a specified date, which date has passed, the funds are to be returned to the investor. Subsequent to the receipt of these funds into the escrow account, the Company determined to pursue principally its discussed below under . Under the terms of the subscription agreements for which the funds were deposited into escrow, the investors are to receive units of the Company ‘securities where each unit is comprised of (i) two (2) share of the Company’s Common Stock and (ii) one common stock purchase warrant to purchase an additional share of the Company’s Common Stock exercisable through the third anniversary of the release date at a per share exercise price of \$0.80.

Following the placement of Signature Bank into receivership with the FDIC on or about March 12, 2023 and the subsequent transfer of the Signature Bank deposits to Flagstar Bank, N.A., the Escrow Agent determined, as a precautionary measure given Signature Bank’s then precarious financial status, to temporarily transfer the Revium Escrow Amount to the bank account of Company’s Subsidiary pending the investors’ consent to remit the funds to the Company or to request the refund of such funds.

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 5 – COMMITMENTS AND CONTINGENCIES (Cont.)**

In addition to the Escrow Amount, the Escrow Agent also transferred to Subsidiary's bank account an additional \$250 which were subscribed to an unrelated Israeli entity engaged in the treatment of addiction and related mental disorders with whom the Company was then considering a business combination. In addition, there is one additional investor who previously remitted to an escrow account of the Company's counsel \$100 for an investment in the above referenced unrelated Israeli entity engaged in the treatment of addiction and related mental disorders.

As of November 14, 2023, the Company received consent from the above referenced investors for \$1,050 whose funds are in the Company's bank account to the utilization by the Company of such funds. No such consent was received from an investor for \$50 whose funds were remitted to the Company's account. Such consent was received from the investor for \$100 whose funds are currently in the escrow account of the Company's counsel and classified as other current assets, see also Note 3.

On November 14, 2023, the Company and the above referenced investors entered into subscription agreements whereby in consideration of the \$1,150 these investors will be entitled to units of the Company's securities where each unit is comprised of (i) two (2) share of the Company's Common Stock and (ii) one common stock purchase warrant to purchase an additional share of the Company's Common Stock exercisable for a three-year period, at a per share exercise price of \$0.80.

The agreement with the investors provides that the subscription funds may be utilized by the Company only following the entry into by the Company or subsidiary thereof into an agreement whereby the Company would acquire research services and/ or exclusive license or other rights with respect to technologies with multiple applications or into a business combination with an entity that possesses research services and/ or exclusive license or other rights with respect to technologies with medical and pharma applications and as such, the funds in the amount of \$1,100 received by the subsidiary were, as of November 14, 2023, classified as a liability and recorded under other account payables. See note 5d

- b. Between April and September 2023, the Company received funds in the aggregate amount of \$4,518.75 from qualified investors subscribing into private placement units of the Company's securities, where each unit (a "Unit" and collectively the "Units") is comprised of (i) two (2) shares of the Company's common stock and (ii) one common stock purchase warrant to purchase an additional share of the Company's Common Stock exercisable for a 3 year period, at a per share exercise price of \$2.40. The price per Unit is \$3.20. In consideration thereof, the private placement investors were issued as of November 14, 2023 an aggregate of 2,824,219 of the Company's Common Stock and warrants to purchase an additional 1,412,110 shares of Common stock. See Note 5d.

The agreement with the investors provides that the subscription funds may be utilized by the Company only following the entry into by the Company or subsidiary thereof into an agreement whereby the Company would acquire research services and/ or exclusive license or other rights with respect to technologies with multiple applications or into a business combination with an entity that possesses research services and/ or exclusive license or other rights with respect to technologies with medical and pharma applications. As such, the funds in the amount of \$4,518.75 received by the subsidiary prior to November 14, 2023, were classified as a liability and recorded under other account payables.

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 5 – COMMITMENTS AND CONTINGENCIES (Cont.)**

- c. On November 6, 2023, the Company's board of directors determined to increase the number of shares available for issuance under the Company's employee stock option plan from 5 million shares to 15 million shares. The increase is subject to the approval of the Company's shareholders, which as of the date of this report has not yet been obtained.
- d. On November 14, 2023, the Company entered into the Stock Exchange Agreement (the "Stock Exchange Agreement") with LipoVation Ltd. (formerly known as LipoVac Ltd), an Israeli company ("LipoVation") and the shareholders of LipoVation pursuant to which the former shareholders of LipoVation have agreed to contribute all of their shareholdings in LipoVation for as of yet an undetermined amount of the Company's common stock which will not exceed 40% of the issued and outstanding shares of the Company's common stock immediately following the share exchange. As a consequence of this transaction, when closed, LipoVation shall become a wholly owned subsidiary of the Company. The closing of the transaction contemplated by the Stock Exchange Agreement is subject to certain closing conditions, which the Company anticipates will be satisfied in the second quarter of 2024.

As a result of the execution of the Stock Exchange Agreement, the Company issued 5,699,218 Common stock and 2,849,609 warrants to purchase common stock of the Company in respect of the equity investment referred to above in Note 5 a. and Note 5b. In addition, an amount of \$5,568 was classified from account payables to equity. An amount of \$50 from certain investor from which the Company didn't receive consent to remit the funds to the Company remained classified under other accounts payables as of December 31, 2023.

**NOTE 6 – STOCKHOLDERS' EQUITY**

Common stock:

The Common Stock confers 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.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of \$0.001 par value preferred shares. As of December 31, 2023, no shares of Preferred Stock are outstanding.

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 6 – STOCKHOLDERS’ EQUITY (Cont.)**

Shares History

- a. In December 2020, the Company initially closed on a private placement (the “2020 Private Placement”) of units of the Company ‘securities where each unit (a “Unit” and collectively the “Units”) is comprised of (i) two (2) shares of the Company’s Common Stock and (ii) one common stock purchase warrant to purchase an additional share of the Company’s Common Stock through December 9, 2023 at a per share exercise price of \$0.80 (the “2020 Private Placement Warrant”). The price per unit was \$0.80. The Company raised aggregate gross proceeds of \$1,840 from the initial closing of the 2020 Private Placement and issued 4,600,000 Common stock and 2,300,000 warrants. On January 22, 2021 the Company received additional \$500 in respect of the 2020 Private Placement and issued 1,250,000 Common stock and 625,000 Warrants with the same terms of 2020 Private Placement.
- b. On March 15, 2021 the Company received additional \$50 in respect of the 2020 Private Placement and issued 125,000 Common stock and 62,500 Warrants with the same terms of 2020 Private Placement.
- c. On April 19, 2021 the Company received additional \$25 in respect of the 2020 Private Placement and issued 62,500 Common stock and 31,250 Warrants with the same terms of 2020 Private Placement.
- d. In August 2021, the Company’s board of directors and the holders of a majority of the Company’s outstanding voting stock approved an amendment to the Company’s certificate of incorporation to amend the Certificate of Designation of Rights relating to the Series B Preferred Stock, par value \$0.001 per share, to adjust the conversion rate thereunder from 500 shares of Common Stock to each share of Series B Preferred Stock to eight (8) shares of Common Stock to each share of Series B Preferred Stock and (ii) to delete the authorized Preferred Stock of the Company.

In connection with the above, in August 2021 the holders of the 2 million outstanding preferred stock agreed to convert all of the outstanding preferred shares into 16 million shares of Common Stock immediately following the filing with the State of Delaware of the amendment to the certificate of incorporation.

On November 1, 2021, the Company amended its certificate of incorporation to amend the Certificate of Designation of Rights relating to the Series B Preferred Stock, par value \$0.001 per share, to adjust the conversion rate thereunder from 500 shares of Common Stock to each share of Series B Preferred Stock to eight (8) shares of Common Stock to each share of Series B Preferred Stock (the “Amendment to Series B Designations”).

On November 30, 2021, the then outstanding 2,000,000 million shares of Series B Preferred Stock, par value \$0.001 per share converted into 16 million shares of the Company’s Common Stock.

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 6 – STOCKHOLDERS’ EQUITY (Cont.)**

- e. On August 16, 2022, the Company received \$375 from the private placement of units of the Company ‘securities where each unit (a “Unit” and collectively the “Units”) is comprised of (i) two (2) share of the Company’s Common Stock and (ii) one common stock purchase warrant to purchase an additional share of the Company’s Common Stock through December 9, 2023 at a per share exercise price of \$0.80 through August 16, 2025. The price per Unit was \$0.80. In consideration thereof, in November 2022 the investor was issued 937,500 shares of Common stock and warrants for an additional 468,750 shares of Common Stock.
- f. On November 14, 2023, following the execution of an agreement with LipoVation Ltd, the Company issued to investors referred to in Note 5a. and Note 5b. 5,699,218 Common stock and 2,849,609 warrants to purchase Common stock of the Company. The warrants’ exercise price is \$0.8 or \$2.40 which is consistent to each investor’s agreement and exercisable until December 31, 2026
- g. On December 21, 2023, the Company received \$112,500 from the private placement of units of the Company’s securities where each unit (a “Unit” and collectively the “Units”) is comprised of (i) two (2) share of the Company’s Common Stock par value \$0.001 per share and (ii) a warrant to purchase an additional share of the company's Common Stock, exercisable for a three-year period at a per share exercise price of \$2.40, all at a per Unit purchase price of \$3.20. As a result, the investor was issued 70,313 shares of Common stock and warrants for an additional 35,156 shares of Common Stock.

Share-based payment

- h. On September 30, 2021, the Company granted options under the Revium Recovery, Inc. Global Share Incentive Plan (2021) to directors, employees and service providers to purchase an aggregate of 4,800,000 shares of Common Stock exercisable through the eighth anniversary (8th) of date of the issuance at a per share exercise price of \$0.40. Of the options granted, 3,300,000 were to senior officers and directors;

During the year ended December 31, 2023 and 2022, 240,000 and 250,000 options, respectively, were forfeited, and 3,060,000 options are outstanding and exercisable as of December 31, 2023.

The aggregate grant date fair value of such options was approximately \$1,200. The fair value of the Company’s share options granted was estimated using the black Scholes model.

**NOTE 7 – SELECTED STATEMENTS OF OPERATIONS DATA**

- a. Research and development expenses:

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Subcontractors and consultants	\$ 7	\$ 51
Payroll and related expenses	-	16
	<u>\$ 7</u>	<u>\$ 67</u>

**REVIUM RECOVERY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

**NOTE 7 – SELECTED STATEMENTS OF OPERATIONS DATA (Cont.)**

b. General and administrative expenses:

	<b>Year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Professional services	\$ 282	\$ 422
Payroll and related expenses	234	202
Rent and office maintenance	22	22
Share-based compensation expense	45	291
Others	90	187
	<u>\$ 673</u>	<u>\$ 1,124</u>

**NOTE 8 – SUBSEQUENT EVENTS**

The Company evaluated subsequent events through March 31, 2024, the date these financial statements were available to be issued. The Company concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements, except:

On February 9, 2024, the Company's Board of directors approved the following:

1. Increase the number of shares available for issuance under Company's Global Share Incentive Plan (2021) to 20,000,000.
2. A grant to Company's Chief Executive officer 3,800,000 stock options at an exercise price of \$0.001 per share. Of the options granted, options for 50% of the options was fully vested upon grant and the remaining 50% will vest on a quarterly basis over the following years in equal quarterly instalments of 237,500 shares. The options exercisable within 8 years from grant date.
3. A grant to one of Company's directors 160,000 stock options at an exercise price of \$0.40 per share. Of the options granted, options for , 50% of the options was fully vested upon grant and the remaining 50% will vest on a quarterly basis over 2 years in equal quarterly instalments of 10,000 shares. The options exercisable within 8 years from grant date.