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Zacks Small-Cap Research

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Revelation Bios (REVB-NASDAQ)

REVB: 1Q Results Reveal Solid Cash Balance

Revelation Biosciences is a life sciences company whose focus is the development of immunologic-based therapies. We value REVB at $12.40 using the comparable method involving companies with similar characteristics.

Current Price (05/10/24)	$2.06
Valuation	**$12.40**

OUTLOOK

Revelation Biosciences is a life sciences company whose development of immunologic-based therapies is based on the well-established biology of phosphorylated hexaacyl disaccharide (PHAD) and its effect on the innate immune system.

The company announced 1Q2024 results and we remind investors that the company has begun Phase I trials on its Gemini project and has funding needs met through 2024, which is extremely positive for a clinical stage company.

SUMMARY DATA

52-Week High	**$38.44**
52-Week Low	**$1.83**
One-Year Return (%)	**-93.81**
Beta	**0.17**
Average Daily Volume (sh)	**44,632**
Shares Outstanding (mil)	**2**
Market Capitalization ($mil)	**$4**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**13**
Insider Ownership (%)	**0**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**

Risk Level	**High**
Type of Stock	**Small-Value**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	NR	NR	NR	NR	0 A
2023	0 A	0 A	0 A	0 A	0 A
2024	0 E	0 E	0 E	0 E	0 E
2025	0 E	0 E	0 E	0 E	0 E

Earnings Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	NR	NR	NR	NR	-20.09 A
2023	$1.96 A	-$0.25 A	-$0.26 A	-$8.33 A	$10.8 E
2024	-$2.46 A	-$2.27 E	-$2.73 E	-$2.17 E	-$9.63 E
2025	-$2.00 E	-$1.75 E	-$1.75 E	-$1.50 E	-$7.00 E

*numbers don't add due to reverse stock split

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Update

Revelation Biosciences (REVB) is a life sciences company focused on the development of immunologic-based therapies for the prevention and treatment of disease. Revelation has multiple product candidates in development that we believe have promising potential and are based on the biology of phosphorylated hexaacyl disaccharide (PHAD) and its effect on the innate immune system. The impact of PHAD on the immune system has been studied over multiple years and has been shown to have a positive effect on the human immune system. The company's current therapeutic candidates are all based on the active ingredient PHAD, which is a synthetic version of MPLA, that is known to stimulate TLR-4. PHAD stimulation of TLR-4 leads to the production of multiple types of cytokines and chemokines which modulate the activity of the innate and adaptive immune response. Modulated activities may include stimulation and recruitment of infection fighting immune cells, down-regulation of inflammation, and/or upregulation of inflammation depending on the degree and nature of the stimulation which enables the multiple potential product candidates in development.

The current therapies being developed under the so-called Gemini project are:

- REVTx-300, which is being developed as a potential therapy for the treatment of acute and chronic organ disease including CKD, AKI and myocarditis.
- REVTx-100 is being developed as a prevention and treatment of infection.

In previous reports, we have detailed the success Gemini has had in preclinical trials, which included evidence of improved kidney function, reduced necrosis and reduced inflammatory biomarkers. After those successes, the company recently announced that Phase I testing is underway on Gemini—a crucial milestone for the company and one that we are anxious to see the results of in the coming months.

Revelation also released its 1Q2024 results. Those results confirmed that Revelation is a clinical-stage company that is focused on providing relief for numerous issues plaguing the public. Most importantly to us, the report revealed that the company had $14.6 million in cash on its balance sheet as of March 31, 2024, up from the $12.0 million seen at end of the previous year. Importantly, company management reiterated that the cash on hand is projected to be sufficient to fund operations through 2024. As a result of the share and warrant activity, we are adjusting our price target on REVB to $12.40 per share, which represents a premium to recent trading prices and, in our view, is still a conservative view given the possibilities. Our overall positive outlook on REVB has not changed, the price target change was simply a result of share action.

Additionally, we continue to believe the toughest fund raise of the process for Revelation has been completed, leaving the company's balance sheet in good shape and providing an opportunity, in our view, for investors to get into REVB at a good time-after a fund raise and as testing on potentially exciting treatments is underway.

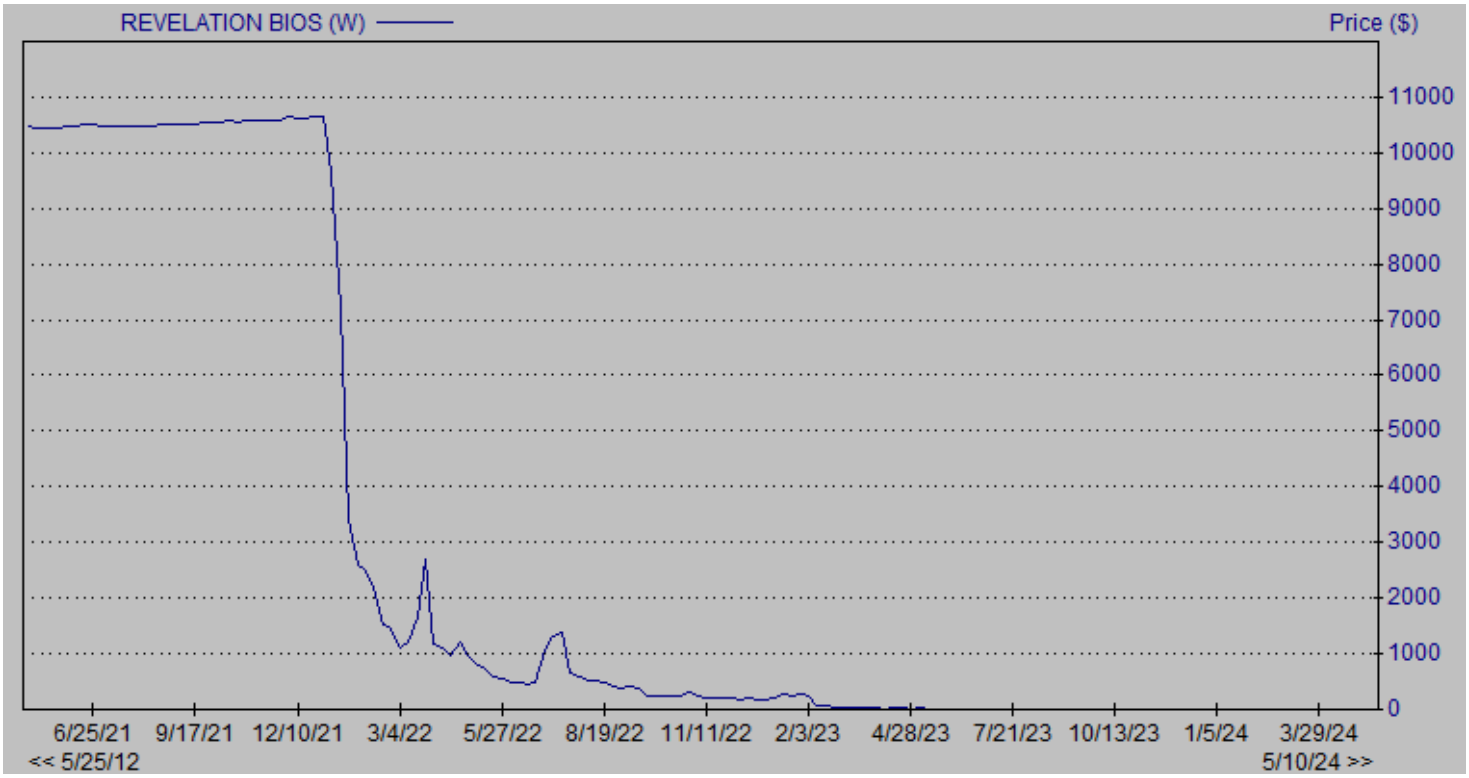
We are under no illusions that it's easy to bring new therapies all the way to commercialization and Revelation will undoubtedly face challenges, but we believe that REVB is worth a look by investors due to the potential of the treatments being investigated, the science that has already been established behind those treatments, and the experienced management team the company has,

headlined by the CEO who has overseen six INDs and two marketing approvals—experience we believe is needed to shepherd these treatments through the gauntlet of the FDA.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Revelation Income Statement and Balance Sheet						
	4Q2023A	1Q2024A	2Q2024E	3Q2024E	4Q2024E	2025E
Revenues	0	0	0	0	0	0
Operating Expenses						
Research and Development	1,059,984	717,582	909,278	1,651,367	1,059,984	4,451,933
General and Administrative	1,265,906	1,184,556	1,023,752	1,126,530	1,265,906	5,316,805
Total Operating Expenses	2,325,890	1,902,138	1,933,030	2,777,897	2,325,890	9,768,738
Gain/(Loss) from Operations	(2,325,890)	(1,902,138)	(1,933,030)	(2,777,897)	(2,325,890)	(9,768,738)
Other Income/(Expense)						
Change in fv of warrant liab.	68,202	68,427	70,480	72,594	74,772	77,015
Other income/(expense)	54,785	(847,722)	(805,336)	(765,069)	(726,816)	(690,475)
Total other income/(expense)	122,987	(779,295)	(734,856)	(692,475)	(652,044)	(613,460)
Net Income/(Loss)	(2,202,903)	(2,681,433)	(2,667,886)	(3,470,372)	(2,977,934)	(10,382,198)
Net Income/(Loss) per share	($8.33)	($2.46)	($2.27)	($2.73)	($2.17)	($7.00)
Shares Outstanding-diluted	264,537	1,089,833	1,177,020	1,271,181	1,372,876	1,482,706
Assets						
Current Assets:						
Cash and equivalents	11,991,701	14,551,740	15,711,218	13,994,537	11,991,701	11,392,116
Other current assets	155,824	71,876	250,012	152,637	155,824	162,057
Total current assets	12,147,525	14,623,616	15,961,230	14,147,174	12,147,525	11,554,173
Property and Equipment	65,084	77,994	77,608	71,346	65,084	63,782
Total Assets	12,212,609	14,701,610	16,038,838	14,218,520	12,212,609	11,617,955
Liabilities and SH Equity						
Current Liabilities:						
Accounts payable	1,359,898	1,681,665	913,866	1,257,224	1,359,898	1,373,497
Accrued expenses	1,152,460	620,280	496,870	1,022,035	1,152,460	1,163,985
Def. underwriting coms.	2,911,260	2,911,260	2,911,260	2,911,260	2,911,260	2,911,260
Warrant liabilities	141,276	15,260	302,039	209,478	141,276	144,102
Total current liabilities	5,564,894	5,228,465	4,624,035	5,399,997	5,564,894	5,592,843
Total Liabilities	5,564,894	5,228,465	4,624,035	5,399,997	5,564,894	5,592,843
Shareholder Equity						
Common Stock	265	1,633	6,297	6,297	265	265
Additional Paid-in Capital	32,114,552	37,620,047	32,044,329	32,076,425	32,114,552	33,720,280
Accumulated Deficit	(25,467,102)	(28,148,535)	(20,635,823)	(23,264,199)	(25,467,102)	(27,695,433)
Total Shareholder Equity	6,647,715	9,473,145	11,414,803	8,818,523	6,647,715	6,025,112
Total Liabilities and SE	12,212,609	14,701,610	16,038,838	14,218,520	12,212,609	11,617,955

HISTORICAL STOCK PRICE



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