May 9, 2025

Zacks Small-Cap Research

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Revelation Bios (REVB-NASDAQ)

REVB: New Market Potential and Quarterly Results

Revelation Biosciences is a life sciences company whose focus is the development of immunologic-based therapies. We value REVB at $21.45 using the comparable method involving companies with similar characteristics.

Current Price (05/08/25)	$3.10
Valuation	**$21.45**

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 its 1Q2025 financial results after recently revealing that it is targeting a new target indication with its Gemini treatment, the prevention of infection in burn patients.

SUMMARY DATA

52-Week High	**$38.40**
52-Week Low	**$2.60**
One-Year Return (%)	**-91.21**
Beta	**0.19**
Average Daily Volume (sh)	**49,370**
Shares Outstanding (mil)	**1**
Market Capitalization ($mil)	**$3**
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 A	0 A	0 A	0 A	0 A
2025	0 A	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	-10.80 E
2024	-2.46A	-5.13A	-0.84A	-10.06A	-87.68E
2025	-2.11A	-2.05E	-1.99E	-1.94E	-8.09E

*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.

The company just released quarterly results that showed continued good expense control and a solid cash balance of $3.7 million.

Company management also recently announced that it is targeting a new indication for Gemini for the prevention of infection in severe burn patients requiring hospitalization. According to data provided by the company, every year, approximately half a million Americans sustain burn injuries requiring medical intervention. While most burn injuries do not require admission to a hospital, about 40,000 patients are admitted, with approximately 30,000 of them needing specialized treatment at a certified burn center.

The total annual number of burn-related deaths is approximately 3,400, with invasive infection being the primary reason for death after the first 24 hours. The overall mortality rate for severe burn patients is about 3.3%, but this increases to 20.6% in burn patients with cutaneous burn and inhalation injury, versus 10.5% for inhalation injury alone. Invasive infection including sepsis is the primary cause of death after burn injury, accounting for an estimated 51% of deaths. Currently there are no treatments approved for preventing systemic infection in burn patients and we believe testing results outlined below illustrate why Gemini could provide much-needed hope for these patients.

Company management recently announced that studies have shown that Gemini priming reduces the inflammatory response in human peripheral blood mononuclear cells (PBMCs) that were exposed to clinically relevant molecules on inflammation. According to company management, in this study, human PBMCs were primed with either Gemini or placebo followed by challenge with clinically relevant promoter molecules of inflammation including high mobility box protein-1 (HMGB-1) and lipopolysaccharide (LPS) *in vitro*. HMGB-1 is an endogenous damage associated molecular pattern (DAMP) that is generated during tissue injury (e.g. during surgery) which drives the inflammatory

response. LPS is an exogenous pathogen associated molecular pattern (PAMP) that is generated from a bacterial infection and drives the inflammatory response associated with infection (e.g. fever).

After exposure of Gemini-primed PMBCs to either HMGB-1 or LPS, levels of multiple proinflammatory and anti-inflammatory cytokines including IL-1 beta, TNF-alpha, IL-6, IL-1 Receptor Antagonist, and IL-10 were measured. Priming with Gemini significantly decreased proinflammatory cytokines and significantly increased anti-inflammatory cytokines, relative to placebo. According to management, this fundamental change in responsiveness at the cellular level demonstrates how Gemini will protect against inflammation-mediated damage.

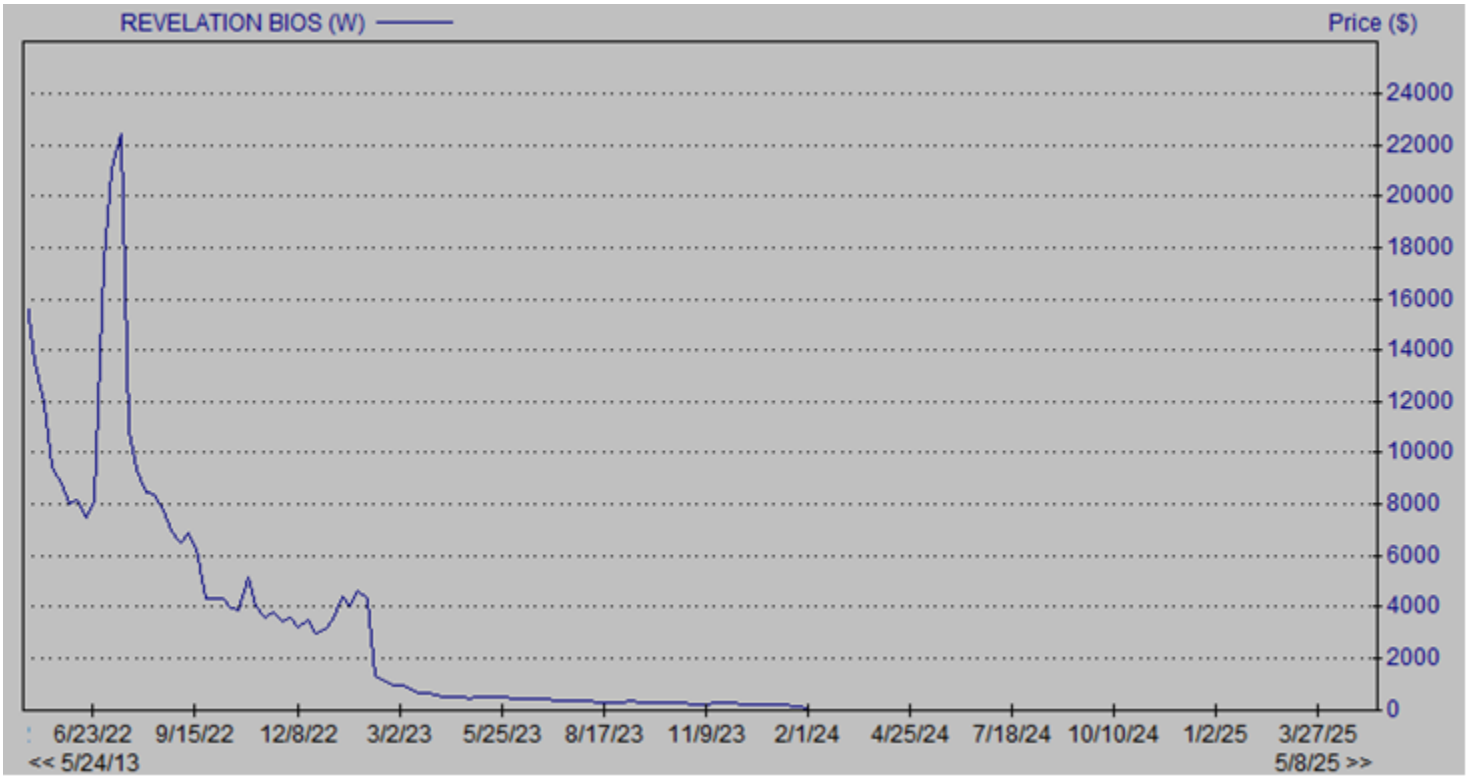
These results raise our optimism over the potential outcome from the ongoing, US-based Phase 1b clinical study to evaluate the potential of Gemini as a preconditioning treatment in patients with chronic kidney disease (CKD) as well as the approval of Gemini as a treatment for other conditions, such as the one described above.

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								
	1Q2024A	2Q2024A	3Q2024A	4Q2024A	1Q2025A	2Q2025E	3Q2025E	4Q2025E
Revenues	0	0	0	0	0	0	0	0
Operating Expenses								
Research and Development	717,582	1,394,929	830,981	605,504	858,830	876,007	893,527	911,397
General and Administrative	1,184,556	1,127,468	965,705	1,148,384	1,236,157	1,260,880	1,286,098	1,311,820
Total Operating Expenses	1,902,138	2,522,397	1,796,686	1,753,888	2,094,987	2,136,887	2,179,624	2,223,217
Gain/(Loss) from Operations	(1,902,138)	(2,522,397)	(1,796,686)	(1,753,888)	(2,094,987)	(2,136,887)	(2,179,624)	(2,223,217)
Other Income/(Expense)								
Change in fv of warrant liab.	68,427	4,416	6,041	2,557	1,417	1,445.34	1,474.25	1,503.73
Other income/(expense)	(847,722)	(5,871,838)	(450,920)	25,612	42,285	43,130.70	43,993.31	44,873.18
Total other income/(expense)	(779,295)	(5,867,422)	(444,879)	28,169	43,702	44,576	45,468	46,377
Net Income/(Loss)	(2,681,433)	(8,389,819)	(2,241,565)	(1,725,719)	(2,051,285)	(2,092,311)	(2,134,157)	(2,176,840)
Net Income/(Loss) per share	($2.46)	($5.13)	($0.84)	($10.06)	($2.11)	($2.05)	($1.99)	($1.94)
Shares Outstanding-diluted	1,089,833	1,635,234	2,679,941	171,510	971,313	1,019,879	1,070,873	1,124,416
Assets								
Current Assets:								
Cash and equivalents	14,551,740	12,073,058	6,541,052	6,499,018	3,704,611	3,519,380	3,343,411	3,176,241
Other current assets	71,876	125,743	117,846	66,699	223,270	229,968	236,867	243,973
Total current assets	14,623,616	12,198,801	6,658,898	6,565,717	3,927,881	3,749,349	3,580,279	3,420,214
Property and Equipment	77,994	70,774	81,242	56,332	42,390	42,391	42,392	42,393
Total Assets	14,701,610	12,269,575	6,740,140	6,622,049	3,970,271	3,791,740	3,622,671	3,462,607
Liabilities and SH Equity								
Current Liabilities:								
Accounts payable	1,681,665	1,281,323	3,127,348	783,621	625,058	637,559	650,310	663,317
Accrued expenses	620,280	8,454,139	934,372	1,127,800	463,632	472,905	482,363	492,010
Def. underwriting coms.	2,911,260	1,382,848	0	0	0	-	-	-
Warrant liabilities	15,260	10,844	4,803	2,246	829	846	862	880
Total current liabilities	5,228,465	11,129,154	4,066,523	1,913,667	1,089,519	1,111,309	1,133,536	1,156,206
Total Liabilities	5,228,465	11,129,154	4,066,523	1,913,667	1,089,519	1,111,309	1,133,536	1,156,206
Shareholder Equity								
Common Stock	1,633	1,643	4,292	522	964	964	964	964
Additional Paid-in Capital	37,620,047	37,677,132	41,449,244	45,213,498	45,436,511	45,436,511	45,436,511	45,436,511
Accumulated Deficit	(28,148,535)	(36,538,354)	(38,779,919)	(40,505,638)	(42,556,723)	(42,757,044)	(42,948,340)	(43,131,074)
Total Shareholder Equity	9,473,145	1,140,421	2,673,617	4,708,382	2,880,752	2,680,431	2,489,135	2,306,401
Total Liabilities and SE	14,701,610	12,269,575	6,740,140	6,622,049	3,970,271	3,791,740	3,622,671	3,462,607

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