

REFINITIV

# DELTA REPORT

## 10-Q

REVELATION BIOSCIENCES, I

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS** 317

 **CHANGES** 172

 **DELETIONS** 64

 **ADDITIONS** 81

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 10-Q**

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(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June** **September** 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-39603

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**REVELATION BIOSCIENCES, INC.**

(Exact Name of Registrant as Specified in its Charter)

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**Delaware**

**84-3898466**

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification No.)

**4660 La Jolla Village Drive, Suite 100,**

**San Diego, CA**

**92122**

(Address of principal executive offices)

(Zip Code)

**Registrant's telephone number, including area code: (650) 800-3717**

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Securities registered pursuant to Section 12(b) of the Act:

**Trading**

Title of each class	Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001 per share	REVB	The Nasdaq Stock Market LLC
Redeemable warrants, each exercisable for a 1/35 <sup>th</sup> share of common stock at an exercise price of \$402.50 per share	REVBW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of August 7, 2023 November 6, 2023, the registrant had 6,297,303 shares of common stock, \$0.001 par value per share, outstanding.

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## PART I—FINANCIAL INFORMATION

### **Item 1. Condensed Consolidated Financial Statements (Unaudited)**

**REVELATION BIOSCIENCES, INC.**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

	Decemb		Septem	Decem
	June 30, 2023	er 31, 2022	ber 30, 2023	ber 31, 2022
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	15,7	5,25	13,9	5,25
	11,2	2,97	94,5	2,97
	\$ 18	\$ 9	\$ 37	\$ 9
Deferred offering costs		87,1		87,1
	—	71	—	71
Prepaid expenses and other current assets	250,	73,1	152,	73,1
	012	32	637	32
Total current assets	15,9	5,41	14,1	5,41
	61,2	3,28	47,1	3,28
	30	2	74	2
Property and equipment, net	77,6	90,1	71,3	90,1
	08	33	46	33
<b>Total assets</b>	<u>16,0</u>	<u>5,50</u>	<u>14,2</u>	<u>5,50</u>
	<u>38,8</u>	<u>3,41</u>	<u>18,5</u>	<u>3,41</u>
	<u>\$ 38</u>	<u>\$ 5</u>	<u>\$ 20</u>	<u>\$ 5</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities:				
Accounts payable			1,25	
	913,	554,	7,22	554,
	\$ 866	\$ 205	\$ 4	\$ 205
Accrued expenses			1,02	
	496,	985,	2,03	985,
	870	497	5	497
Deferred underwriting commissions	2,91	2,91	2,91	2,91
	1,26	1,26	1,26	1,26
	0	0	0	0
Warrant liability	302,		209,	
	039	—	478	—
Total current liabilities	4,62	4,45	5,39	4,45
	4,03	0,96	9,99	0,96
	<u>5</u>	<u>2</u>	<u>7</u>	<u>2</u>

<b>Total liabilities</b>	4,62	4,45	5,39	4,45
	4,03	0,96	9,99	0,96
	5	2	7	2
Commitments and Contingencies (Note 4)				
Stockholders' equity:				
Series A Preferred Stock, \$0.001 par value; zero and one shares authorized, issued and outstanding at June 30, 2023 and December 31, 2022, respectively; liquidation preference of \$0 and \$5,000 at June 30, 2023 and December 31, 2022, respectively	—	—	—	—
Common Stock, \$0.001 par value; 500,000,000 and 11,000,000 shares authorized and 6,297,303 and 682,882 issued and outstanding at June 30, 2023 and December 31, 2022, respectively	6,29	683	7	683
Series A Preferred Stock, \$0.001 par value; zero and one shares authorized, issued and outstanding at September 30, 2023 and December 31, 2022, respectively; liquidation preference of \$0 and \$5,000 at September 30, 2023 and December 31, 2022, respectively	—	—	—	—
Common Stock, \$0.001 par value; 500,000,000 shares authorized at September 30, 2023 and December 31, 2022 and 6,297,303 and 682,882 issued and outstanding at September 30, 2023 and December 31, 2022, respectively	6,29	683	7	683
Additional paid-in-capital	32,0	26,3	32,0	26,3
	44,3	98,6	76,4	98,6
	29	18	25	18
Accumulated deficit	(20,635,823)	(25,346,848)	(23,264,199)	(25,346,848)
Total stockholders' equity	11,4	1,05	8,81	1,05
	14,8	2,45	8,52	2,45
	03	3	3	3
<b>Total liabilities and stockholders' equity</b>	<b>16,0</b>	<b>5,50</b>	<b>14,2</b>	<b>5,50</b>
	38,8	3,41	18,5	3,41
	<b>\$ 38</b>	<b>\$ 5</b>	<b>\$ 20</b>	<b>\$ 5</b>

*See accompanying notes to the condensed consolidated financial statements.*

**REVELATION BIOSCIENCES, INC.**  
**Condensed Consolidated Statements of Operations**  
**(Unaudited)**

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,		June 30,		September 30,		September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Operating expenses:</b>								
Research and development			1,43	4,65	1,65		3,08	5,03
	909,	975,	4,55	5,86	1,36	381,	5,91	7,42
	\$ 278	\$ 583	\$ 1	\$ 3	\$ 7	\$ 566	\$ 8	\$ 9
General and administrative	1,02		2,11	3,79	1,12		3,24	4,60
	3,75	884,	8,32	0,85	6,53	817,	4,85	8,75
	2	837	6	7	0	898	6	5
Total operating expenses	1,93	1,86	3,55	8,44	2,77	1,19	6,33	9,64
	3,03	0,42	2,87	6,72	7,89	9,46	0,77	6,18
	0	0	7	0	7	4	4	4
<b>Loss from operations</b>	(1,9	(1,8	(3,5	(8,4	(2,7	(1,1	(6,3	(9,6
	33,0	60,4	52,8	46,7	77,8	99,4	30,7	46,1
	30)	20)	77)	20)	97)	64)	74)	84)
<b>Other income (expense):</b>								
Change in fair value of warrant liability			8,16				8,26	
	423,		8,17		92,5		0,73	
	239	—	4	—	61	—	5	—
Other income (expense)	61,6	25,7	95,7	(4,5	56,9	28,7	152,	24,2
	21	34	28	(07)	60	28	688	21
<b>Total other income (expense), net</b>			8,26				8,41	
	484,	25,7	3,90	(4,5	149,	28,7	3,42	24,2
	860	34	2	(07)	521	28	3	21
<b>Net (loss) income</b>	(1,4	(1,8	4,71	(8,4	(2,6	(1,1	2,08	(9,6
	48,1	34,6	1,02	51,2	28,3	70,7	2,64	21,9
	\$ 70)	\$ 86)	\$ 5	\$ 27)	\$ 76)	\$ 36)	\$ 9	\$ 63)
<b>Net (loss) earnings per share, basic</b>	(0.2	(4.1		(19.	(0.4	(1.9		(19.
	\$ 5)	\$ 6)	\$ 1.61	\$ 71)	\$ 2)	\$ 1)	\$ 0.43	\$ 61)

Weighted-average shares used to compute net (loss) earnings per share, basic	5,81 2,27 8	441, 351	2,19 5	428, 837	6,29 7,30 3	611, 998	7,62 8	4,85 490, 562
<b>Net (loss) earnings per share, diluted</b>	<b>(0.2 \$ 5)</b>	<b>(4.1 \$ 6)</b>	<b>1.53</b>	<b>(19. 71)</b>	<b>(0.4 2)</b>	<b>(1.9 1)</b>	<b>0.41</b>	<b>(19. 61)</b>
Weighted-average shares used to compute net (loss) earnings per share, diluted	5,81 2,27 8	441, 351	3,07 5	428, 837	6,29 7,30 3	611, 998	5,02 4,09 1	490, 490, 562

See accompanying notes to the condensed consolidated financial statements.

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**REVELATION BIOSCIENCES, INC.**  
**Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)**  
**(Unaudited)**

	Total												Total												
	Stock						Stock						Stock						Stock						
	Addit			holde			Addit			holde			Addit			holde			Addit			holde			
	ional			Accu			rs'			ional			Accu			rs'			ional			Accu			
	Paid-			mula			Equit			Paid-			Equit			Paid-			Equit			Paid-			
	Preferred Stock		Common Stock		in		ted		y		Preferred Stock		Common Stock		in		ted		y		Preferred Stock		Common Stock		
	Share	Amo	Shar	Amo	Capit	Defici	(Defic	Shar	Amo	Shar	Amo	Capit	Defici	(Defic	Share	Amo	Capit	Defici	(Defic	Share	Amo	Capit	Defici	(Defic	
	s	unt	es	unt	al	t	it)	es	unt	es	unt	al	t	it)	s	unt	es	unt	it)	s	unt	es	unt	it)	
Balance as of																									
December 31,																									
2021																									
	—	\$ —	39	\$ 2	\$ 47	\$ 99)	\$ 0)	—	\$ —	39	\$ 2	\$ 47	\$ 99)	\$ 0)	—	\$ —	39	\$ 2	\$ 47	\$ 99)	\$ 0)	—	\$ —	39	\$ 2

Issuance of common stock in connection with the Business Combination, net	—	—	9	98	9	—	7	—	—	9	98	9	—	7
Issuance of common stock for fees in connection with the Business Combination	—	—	72	9	1	—	0	—	—	72	9	1	—	0
Proceeds from the PIPE Investment, net	—	—	7	37	2	—	9	—	—	7	37	2	—	9
Rollover Warrant exercise	—	—	54	—	74	—	74	—	—	54	—	74	—	74
Repurchase for the Forward Share Purchase Agreement exercise	—	—	9)	(21)	04)	—	25)	—	—	9)	(21)	04)	—	25)
Class A Pre-Funded Warrants exercise	—	—	9	37	(24)	—	13	—	—	9	37	(24)	—	13
Stock-based compensation expense	—	—	—	—	—	92	—	92	—	—	—	92	—	92

Net loss		(6,	(6,									(6,	(6,
		61	61									61	61
		6,5	6,5									6,5	6,5
	—	—	—	—	—	—	41 )	—	—	—	—	—	41 )
Balance as of		21,	(21									21,	(21
March 31, 2022		44	03	,13	(98			44		03	,13	(98	
	1,3	44	4,8	3,8	,51			1,3	44	4,8	3,8	,51	
Stock-based	—	\$ —	51	\$ 2	\$ 87	\$ 40 )	\$ 1 )	—	\$ —	51	\$ 2	\$ 87	\$ 40 )
compensation			90,		90,					90,		90,	
expense	—	—	—	—	8	—	8	—	—	—	8	—	8
Net loss					(1,		(1,				(1,		(1,
			83		83						83		83
			4,6		4,6						4,6		4,6
	—	—	—	—	—	86 )	86 )	—	—	—	—	—	86 )
Balance as of			21,		(22	(1,					21,		(1,
June 30, 2022		44	12	,96	84			44		12	,96	84	
	1,3	44	5,0	8,5	3,0			1,3	44	5,0	8,5	3,0	
	—	\$ —	51	\$ 2	\$ 75	\$ 26 )	\$ 09 )	—	\$ —	51	\$ 2	\$ 75	\$ 26 )
			51		75	26 )	09 )			51		75	26 )
Proceeds from											4,4		4,4
the July 2022											23		50,
Public											8,0		04
Offering, net											96		81
RSU awards											3,4		
issued											35		0
Issuance of											(3)		—
common stock											—		8
for Accrued													
Expenses in													
connection													
with the													
Business													
Combination													
Stock-based													
compensation													
expense													
	—	—	—	—	—	—	—	—	—	—	5	—	5

Net loss										(1,	(1,
										17	17
										0,7	0,7
										—	—
										—	—
Balance as of										26,	(24
September 30,										68	,13
2022										2,8	27,
										68	
										6,2	
										9,2	
										67	
										—	—
										\$ 82	\$ 8
										\$ 3	
										\$ 57	
										\$ 62)	
										\$ 8	
Balance as of										26,	(25
December 31,										39	,10
2022										2,8	52,
										68	
										39	
										,34	
										8,6	
										6,8	
										45	
	1	\$ —	82	\$ 3	\$ 18	\$ 48)	\$ 3		1	\$ —	82
											\$ 3
Redemption											
of Series A											
Preferred											
Stock	(1)	—	—	—	—	—	—		(1)	—	—
Issuance of											
common stock											
from the											
February											
2023 Public											
Offering	—	—	0	89	5	—	4		—	0	89
										5	—
										4	
Class C Pre-											
Funded											
Warrants											
exercise	—	—	00	3	4)	—	19		—	00	3
										4)	—
										19	
Alternative											
cashless											
exercise of											
Class C											
Common											
Stock											
Warrants	—	—	57	5	5	—	0		—	57	5
										5	—
										0	
Stock-based											
compensation											
expense	—	—	—	—	—	5	—	5	—	—	5
										5	—
										5	

Net income			6,1	6,1								6,1	6,1			
			59,	59,								59,	59,			
			19	19								19	19			
	—	—	—	—	—	5	5		—	—	—	5	5			
<b>Balance as of</b>			<b>4,7</b>		<b>29,</b>	<b>(19</b>	<b>10,</b>					<b>29,</b>	<b>(19</b>	<b>10,</b>		
<b>March 31, 2023</b>			<b>29,</b>		<b>20</b>	<b>,18</b>	<b>01</b>					<b>29,</b>	<b>20</b>	<b>,18</b>	<b>01</b>	
			<b>83</b>	<b>4,7</b>	<b>0,5</b>	<b>7,6</b>	<b>7,6</b>					<b>83</b>	<b>4,7</b>	<b>0,5</b>	<b>7,6</b>	<b>7,6</b>
	—	\$ —	<u>9</u>	<u>\$ 30</u>	<u>\$ 69</u>	<u>\$ 53)</u>	<u>\$ 46</u>		—	\$ —	<u>9</u>	<u>\$ 30</u>	<u>\$ 69</u>	<u>\$ 53)</u>	<u>\$ 46</u>	
Class C Pre- Funded			14									14				
Warrants exercise			3,4	14	(12							3,4	14	(12		
Alternative cashless exercise of Class C			1,4		2,7		2,7					1,4		2,7	2,7	
Common Stock			19,		84,		85,					19,		84,	85,	
Warrants			78	1,4	45		87					78	1,4	45	87	
RSU awards issued			0	20	7	—	7		—	—	0	20	7	—	7	
Stock-based compensation expense			4,2									4,2				
Net loss			84	4	(4)	—	—		—	—	84	4	(4)	—	—	
<b>Balance as of</b>			<b>6,2</b>		<b>32,</b>	<b>(20</b>	<b>11,</b>					<b>6,2</b>	<b>32,</b>	<b>(20</b>	<b>11,</b>	
<b>June 30, 2023</b>			<b>97,</b>		<b>04</b>	<b>,63</b>	<b>41</b>					<b>97,</b>	<b>04</b>	<b>,63</b>	<b>41</b>	
			<b>30</b>	<b>6,2</b>	<b>4,3</b>	<b>5,8</b>	<b>4,8</b>					<b>30</b>	<b>6,2</b>	<b>4,3</b>	<b>5,8</b>	<b>4,8</b>
	—	\$ —	<u>3</u>	<u>\$ 97</u>	<u>\$ 29</u>	<u>\$ 23)</u>	<u>\$ 03</u>		—	\$ —	<u>3</u>	<u>\$ 97</u>	<u>\$ 29</u>	<u>\$ 23)</u>	<u>\$ 03</u>	
Stock-based compensation expense												32,		32,		
												09		09		
												6		6		

Net loss						(2,	(2,
						62	62
						8,3	8,3
	—	—	—	—	—	76)	76)
<b>Balance as of</b>			<b>6,2</b>		<b>32,</b>	<b>(23</b>	<b>8,8</b>
<b>September 30,</b>			<b>97,</b>		<b>07</b>	<b>,26</b>	<b>18,</b>
<b>2023</b>			<b>30</b>	<b>6,2</b>	<b>6,4</b>	<b>4,1</b>	<b>52</b>
	—	\$ —	3	\$ 97	\$ 25	\$ 99)	\$ 3

*See accompanying notes to the condensed consolidated financial statements.*

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**REVELATION BIOSCIENCES, INC.**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

	Six Months Ended		Nine Months Ended	
	June 30,		September 30,	
	2023	2022	2023	2022
<b>Cash flows from operating activities:</b>				
Net income (loss)	4,711,0	(8,451,2	2,082,6	(9,621,9
	\$ 25	\$ 27)	\$ 49	\$ 63)
Adjustments to reconcile net income (loss) to net cash used in operating activities:				
Stock-based compensation expense	91,530	228,080	123,626	268,755
Depreciation expense	12,525	12,524	18,787	18,786
Non-cash lease expense	—	14,960	—	14,960
Change in fair value of warrant liability	(8,168,1	—	(8,260,7	—
	74)	—	35)	—
Changes in operating assets and liabilities:				
Prepaid expenses and other current assets	(176,88	0)	66,695	(79,505)
				332,548
Deferred offering costs	61,154	—	61,154	—

Accounts payable		(285,85)		
	377,578	5)	720,936	(736,246)
Accrued expenses	(475,52)	(145,85)	49,638	(568,937)
	7)	6)		
Operating lease liability	—	(16,752)	—	(16,752)
Accrued interest on Promissory Notes Payable & Convertible Note	—	36,920	—	36,920
Net cash used in operating activities	(3,566,7	(8,540,5	(5,283,4	(10,271,
	69)	11)	50)	929)
<b>Cash flows from financing activities:</b>				
Proceeds from the Convertible Note		2,500,0		2,500,00
	—	00	—	0
Repayment of the Convertible Note		(2,500,0		(2,500,0
	—	00)	—	00)
Proceeds from the Business Combination, net		11,923,		11,923,4
	—	499	—	99
Proceeds from the PIPE Investment, net		7,262,2		7,262,21
	—	19	—	9
Proceeds from Rollover Warrant exercise		5,074		5,074
Repurchase for the Forward Share Purchase Agreement exercise		(7,652,3		(7,652,3
	—	25)	—	25)
Repayments of Promissory Notes Payable, including interest		(796,88		(796,882)
	—	2)	—	
Proceeds from the July 2022 Public Offering, net				4,451,04
			—	8
Redemption of Series A Preferred Stock	(5,000)	—	(5,000)	—
Proceeds from the February 2023 Public Offering, net	14,029,		14,029,	
	974	—	974	—
Proceeds from Pre-Funded Warrants exercise	34	13	34	13
Net cash provided by financing activities	14,025,	10,741,	14,025,	15,192,6
	008	598	008	46
<b>Net increase in cash and cash equivalents</b>	<b>10,458,</b>	<b>2,201,0</b>	<b>8,741,5</b>	<b>4,920,71</b>
	<b>239</b>	<b>87</b>	<b>58</b>	<b>7</b>
Cash and cash equivalents at beginning of period	5,252,9	1,274,7	5,252,9	1,274,72
	79	29	79	9

Cash and cash equivalents at end of period	15,711,	3,475,8	13,994,	6,195,44
	\$ 218	\$ 16	\$ 537	\$ 6
<b>Supplemental disclosure of non-cash investing and financing activities:</b>				
Deferred offering costs included in accounts payable and accrued expenses				
	\$ (26,017)	\$ —	\$ (26,017)	\$ —
Fair Value of Class C Common Stock Warrants in connection with the February 2023 Public Offering				
	13,996,		13,996,	
	\$ 500	\$ —	\$ 500	\$ —
Alternative cashless exercise of Class C Common Stock Warrants				
	5,526,2		5,526,2	
	\$ 87	\$ —	\$ 87	\$ —
Current liabilities assumed in the Business Combination				
		2,149,4		2,149,43
	\$ —	\$ 32	\$ —	\$ 2
Deferred underwriting commissions assumed in the Business Combination				
		2,911,2		2,911,26
	\$ —	\$ 60	\$ —	\$ 0
Equity Issuance for fees in connection with the Business Combination				
	\$ —	\$ 300	\$ —	\$ 300
Issuance of Class A Common Stock Warrants in connection with the PIPE Investment				
		3,634,2		3,634,26
	\$ —	\$ 62	\$ —	\$ 2
Issuance of Class A Placement Agent Common Stock Warrants in connection with the PIPE Investment				
	\$ —	\$ 508,797	\$ —	\$ 508,797
Conversion of Accrued Expenses to Equity in connection with the Business Combination				
			\$ —	\$ 749,700
Issuance of Class B Common Stock Warrants in connection with the July 2022 Public Offering				
			\$ —	\$ 4,490,45
Issuance of Class B Placement Agent Common Stock Warrants in connection with the July 2022 Public Offering				
			\$ —	\$ 7
			\$ —	\$ 310,137

*See accompanying notes to the condensed consolidated financial statements.*

## REVELATION BIOSCIENCES, INC.

### Notes to the Condensed Consolidated Financial Statements

## 1. Organization and Basis of Presentation

Revelation Biosciences, Inc. (collectively with its wholly-owned subsidiaries, the "Company" or "Revelation"), formerly known as Petra Acquisition, Inc. ("Petra"), was incorporated in Delaware on November 20, 2019. The Company was formed for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or similar business combination with one or more businesses or entities. On August 29, 2021 Petra and Old Revelation signed an agreement and plan of merger (the "Business Combination Agreement"). On January 10, 2022 (the "Closing Date") the Company consummated its business combination, with Revelation Biosciences Sub, Inc. ("Old Revelation" or "Revelation Sub"), the Company's wholly owned subsidiary (the "Business Combination"). Since the Business Combination, the Company is a clinical-stage biopharmaceutical company and has been focused on the development and commercialization of immunologic therapeutics and diagnostics.

### ***Business Combination***

The Business Combination was accounted for as a reverse recapitalization with Revelation Sub as the accounting acquirer and Petra as the acquired company for accounting purposes. Accordingly, all historical financial information presented in the consolidated financial statements represents the accounts of Revelation Sub as if Revelation Sub is the predecessor to the Company. The common stock and net loss per share, prior to the Merger, have been retroactively restated as common stock and net loss per share reflecting the exchange ratio established in the Business Combination (the "Common Stock Exchange Ratio").

Petra's Common Stock, Public Warrants and Units were historically listed on the Nasdaq Capital Market under the symbols "PAIC," "PAICW" and "PAICU," respectively. On January 10, 2022, the Company's units, common stock and warrants were listed on the Nasdaq Capital Market under the symbols "REVBU", "REVB" and "REVBW", respectively.

### ***Unit Separation***

On January 13, 2023, the Company's units were mandatorily separated into one share of common stock and one Public Warrant and ceased trading on the Nasdaq Capital Market (see Note 9).

### ***Reverse Stock Split***

On January 30, 2023, the Company filed a Certificate of Amendment of the Third Amended and Restated Certificate of Incorporation (the "Certificate of Amendment") reflecting the change in authorized shares of common stock from 100,000,000 to 500,000,000 and effecting a reverse stock split as of 12:01 a.m. Eastern Standard Time on February 1, 2023 with a ratio of 1-for-35 (the "Reverse Split"). As a result of the Reverse Split, every 35 shares of the Company's issued and outstanding common stock automatically converted into one share of common stock, without any change in the par value per share. No fractional shares were outstanding following the Reverse Split. Any holder who would have received a fractional share of common stock automatically received an additional fraction of a share of common stock to round up to the next whole share. In addition, effective as of the same time as the Reverse Split, proportionate adjustments were made to all then-outstanding equity awards and warrants with respect to the number of shares of common stock subject to such award or warrant and the exercise price thereof. Furthermore, the number of shares of common stock available for

issuance under the Company's equity incentive plans were proportionately adjusted for the Reverse Split ratio, such that fewer shares are subject to such plans. All share numbers included herein have been retroactively adjusted to reflect the 1-for-35 Reverse Split (see Note 10).

### **Regaining NASDAQ Compliance**

As previously reported in 2022, the Nasdaq Stock Market ("Nasdaq") issued delist letters based on the Company's non-compliance with the bid price and stockholders' equity requirements for continued listing on the Nasdaq Capital Market, as set forth in Nasdaq Listing Rules 5550(a)(2) and 5550(b)(1), respectively. The Company's compliance plan was approved by a Nasdaq hearing panel giving the Company until April 18, 2023 to regain compliance. On February 16, 2023, the Company received formal notice from Nasdaq stating that the Company's common stock will continue to be listed and traded on Nasdaq, due to the Company having regained compliance with the minimum bid price requirement and minimum stockholders' equity requirement for continued listing on Nasdaq, and all applicable listing standards.

As previously reported on August 8, 2023, the Company received a letter from the Nasdaq notifying the Company of its noncompliance with Nasdaq Listing Rule 5550(a)(2) by failing to maintain a minimum bid price for its common stock of at least \$1.00 per share for 30 consecutive business days. The Company has until February 5, 2024, to regain compliance by having a minimum closing bid price of at least \$1.00 per share for at least 10 consecutive business days. Additionally, the Company may be eligible for an additional 180 calendar day grace period to regain compliance.

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### **Liquidity and Capital Resources**

#### *Going Concern*

As of **June 30, 2023** **September 30, 2023**, the Company had an accumulated deficit of **\$20.6** **\$23.3** million, a stockholders' equity of **\$11.4** **\$8.8** million and available cash and cash equivalents of **\$15.7** **\$14.0** million. The Company expects to continue to incur significant operating and net losses, as well as negative cash flows from operations, for the foreseeable future as it continues to complete all necessary product development or future commercialization efforts. The Company has never generated revenue and does not expect to generate revenue from product sales unless and until it successfully completes development and obtains regulatory approval for REVTx-300, REV Tx-100, REV Tx-200, REV Tx-99b, REV Dx-501 or other product candidates, which the Company expects will not be for at least several years, if ever. The Company does not anticipate that its current cash and cash equivalents balance will be sufficient to sustain operations within one year after the date that the Company's unaudited financial statements for **June 30, 2023** **September 30, 2023** were issued, which raises substantial doubt about its ability to continue as a going concern.

To continue as a going concern, the Company will need, among other things, to raise additional capital resources. The Company plans to seek additional funding through public or private equity or debt financings. The Company may not be able to obtain financing on acceptable terms, or at all. The terms of any financing may adversely affect the holdings or

the rights of the Company's stockholders. If the Company is unable to obtain funding, it could be required to delay, reduce or eliminate research and development programs, product portfolio expansion or future commercialization efforts, which could adversely affect the Company's business operations.

The unaudited consolidated financial statements for June 30, 2023 September 30, 2023, have been prepared on the basis that the Company will continue as a going concern, and does not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability for the Company to continue as a going concern.

### ***Basis of Presentation***

The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). All inter-company transactions and balances have been eliminated in consolidation. Certain amounts previously reported in the financial statements have been reclassified to conform to the current year presentation. Such reclassifications did not affect net loss, stockholders' equity or cash flows.

## **2. Summary of Significant Accounting Policies**

### ***Unaudited Interim Condensed Consolidated Financial Statements***

The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited financial statements as of December 31, 2022 and for the year ended December 31, 2022 and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position. The financial data and the other financial information contained in these notes to the condensed consolidated financial statements related to the three and six nine months ended June 30, 2023 September 30, 2023 are unaudited. The results of operations for the three and six nine months ended June 30, 2023 September 30, 2023 are not necessarily indicative of the results to be expected for the year ending December 31, 2023 or for any other future annual or interim period. The condensed consolidated financial statements and notes thereto should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended December 31, 2022 included on Form 10-K, as filed with the SEC on March 30, 2023. The accompanying condensed consolidated balance sheet as of December 31, 2022 has been derived from the audited balance sheet at December 31, 2022 contained in the above referenced Form 10-K.

### ***Use of Estimates***

The preparation of the condensed consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions about future events that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of expenses. These estimates and assumptions are based on the Company's best estimates and judgment. The Company regularly evaluates its estimates and assumptions using historical and industry experience and other factors; however, actual results could differ materially from these estimates and could have an adverse effect on the Company's condensed consolidated financial statements.

## ***Cash and Cash Equivalents***

The Company considers all highly liquid investments purchased with original maturities of three months or less from the purchase date to be cash equivalents. The Company maintains its cash in checking and savings accounts. Income generated from cash held in savings accounts is recorded as interest income. The carrying value of the Company's savings accounts is included in cash and approximates the fair value.

## ***Concentrations of Credit Risk***

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. Bank deposits are held by accredited financial institutions and these deposits may at times be in excess of federally insured limits. The Company limits its credit risk associated with cash and cash equivalents by placing them with financial institutions that it believes are of high quality. The Company has not experienced any losses on its deposits of cash or cash equivalents.

## ***Deferred Offering Costs***

The Company capitalizes certain legal, professional accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such financings are consummated. After consummation of the equity financing, these costs are recorded as a reduction of the proceeds generated as a result of the offering. Should the planned equity financing be abandoned, the deferred offering costs will be expensed immediately as a charge to operating expenses in the condensed consolidated statements of operations.

## ***Property and Equipment, Net***

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is five years. Maintenance and repairs are charged to operating expense as incurred. When assets are sold, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in other income (expense).

## ***Leases***

The Company determines if an arrangement is a lease at inception. Lease right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. For operating leases with an initial term greater than 12 months, the Company recognizes operating lease right-of-use assets and operating lease liabilities based on the present value of lease payments over the lease term at the commencement date. Operating lease right-of-use assets are comprised of the lease liability plus any lease payments made and excludes lease incentives. Lease terms include options to renew or terminate the lease when the Company is

reasonably certain that the renewal option will be exercised or when it is reasonably certain that the termination option will not be exercised. For an operating lease, if the interest rate used to determine the present value of future lease payments is not readily determinable, the Company estimates the incremental borrowing rate as the discount rate for the lease. The Company's incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in similar economic environments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

### ***Research and Development Expenses***

Research and development expenses consist primarily of costs incurred for the development of the Company's product candidates, REVTx-300, REV Tx-100, REV Tx-200, REV Tx-99a/b and diagnostic product, REV Dx-501. Research and development costs are charged to expense as incurred. The Company records accrued expenses for estimated preclinical, clinical study and research expenses related to the services performed but not yet invoiced pursuant to contracts with research institutions, contract research organizations, and clinical manufacturing organizations that conduct and manage preclinical studies, clinical studies, research services, and development services on the Company's behalf. Payments for these services are based on the terms of individual agreements and payment timing may differ significantly from the period in which the services were performed. Estimates are based on factors such as the work completed, including the level of patient enrollment. The Company monitors patient enrollment levels and related activity to the extent reasonably possible and makes judgments and estimates in determining the accrued balance in each reporting period. The Company's estimates of accrued expenses are based on the facts and circumstances known at the time. If the Company underestimates or overestimates the level of services performed or the costs of these services, actual expenses could differ from estimates. As actual costs become known, the Company adjusts accrued expenses. To date, the Company has not experienced significant changes in estimates of clinical study and development services accruals.

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### ***Patent Costs***

Legal costs in connection with approved patents and patent applications are expensed as incurred, as recoverability of such expenditures is uncertain. These costs are recorded in general and administrative expense in the condensed consolidated statements of operations.

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### ***Stock-based Compensation***

The Company recognizes compensation expense related to stock options, third-party warrants, and Restricted Stock Unit ("RSU") awards granted, based on the estimated fair value of the stock-based awards on the date of grant. The fair value of employee stock options and third-party warrants are generally determined using the Black-Scholes option-pricing model using various inputs, including estimates of historic volatility, term, risk-free rate, and future dividends. The grant date fair value of the stock-based awards, which have graded vesting, is recognized using the straight-line method

over the requisite service period of each stock-based award, which is generally the vesting period of the respective stock-based awards. The Company recognizes forfeitures as they occur.

### ***Income Taxes***

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates applied to taxable income in the years in which those temporary differences are expected to be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income or loss in the period that includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized. Interest and penalties related to unrecognized tax benefits are included within the provision of income tax. To date, there have been no unrecognized tax benefits balances.

### ***Fair Value***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company's valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. The Company follows a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value. These levels of inputs are the following:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company has determined that the measurement of the fair value of the Class C Common Stock Warrants (as defined in Note 7) is a Level 3 fair value measurement and uses the Monte-Carlo simulation model for valuation (see Note 12).

### ***Warrant Liability***

The Company reviews the terms of debt instruments, equity instruments, and other financing arrangements to determine whether there are embedded derivative features, including embedded conversion options that are required to be bifurcated and accounted for separately as a derivative financial instrument. Additionally, in connection with the issuance of financing instruments, the Company may issue freestanding options and warrants.

The Company accounts for its common stock warrants in accordance with ASC 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). Based upon the provisions of ASC 480 and ASC 815, the Company accounts for common stock warrants as current liabilities if the warrant fails the equity classification criteria. Common stock warrants classified as liabilities are initially recorded at fair value on the grant date and remeasured at each balance sheet date with the offsetting adjustments recorded in change in fair value of warrant liabilities within the condensed consolidated statements of operations.

The Company values its common stock warrants classified as liabilities using either the Black-Scholes option pricing model or other acceptable valuation models, including the Monte-Carlo simulation model.

#### **Basic and Diluted Net (Loss) Earnings (Loss) per Share**

Basic net (loss) earnings (loss) per share is calculated by dividing net (loss) income (loss) by the weighted-average number of shares of common stock outstanding during the period, without consideration of potential shares of common stock. Diluted net (loss) earnings (loss) per share is calculated by dividing net (loss) income (loss) by the weighted-average number of shares of common stock outstanding plus potential shares of common stock. Convertible preferred stock on an as converted basis, RSU awards, warrants and stock options outstanding are considered potential shares of common stock and are included in the calculation of diluted net (loss) earnings (loss) per share using the treasury stock method when their effect is dilutive. Potential shares of common stock are excluded from the calculation of diluted net (loss) earnings (loss) per share when their effect is anti-dilutive.

For the three months ended **June 30, 2023** **September 30, 2023**, there were 1,169,255 potential shares of common stock, (see Note 10), that were excluded from the calculation of diluted net loss per share because their effect was anti-dilutive. For the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, there were **150,500** **166,463** million potential common shares that were included in the calculation of diluted net earnings per share, which consists of: (i) **147,494** **163,457** shares of common stock issuable upon the alternative cashless exercise of the Class C Common Stock Warrants and (ii) 3,006 Rollover RSU awards. For the three and **six** **nine** months ended **June 30, 2022** **September 30, 2022**, there were **412,594** **661,432** potential shares of common stock, (see Note 10), that were excluded from the calculation of diluted net loss per share because their effect was anti-dilutive.

The basic and diluted weighted-average shares used to compute net (loss) earnings (loss) per share in the unaudited condensed consolidated statements of operations includes the shares issued from the reverse stock split fractional share round up.

#### **Comprehensive (Loss) Income (Loss)**

The Company has no components of comprehensive (loss) income (loss) other than net income (loss). Thus, comprehensive (loss) income (loss) is the same as net (loss) income (loss) for the periods presented.

## **Segment Reporting**

Operating segments are defined as components of an entity about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources in assessing performance.

The Company has one operating segment. The Company's chief operating decision maker, its Chief Executive Officer, manages the Company's operations for the purposes of allocating resources and evaluating financial performance.

## **Recent Accounting Pronouncements**

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies that are adopted by the Company as of the specified effective date. The Company has evaluated recently issued accounting pronouncements and does not believe any will have a material impact on the Company's condensed consolidated financial statements or related financial statement disclosures.

## **3. Balance Sheet Details**

### **Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consisted of the following:

	<b>September 30,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>
Prepaid insurance costs	\$ 71,250	\$ —
Other prepaid expenses & current assets	81,387	73,132
<b>Total prepaid expenses &amp; current assets</b>	<b>\$ 152,637</b>	<b>\$ 73,132</b>

	<b>June 30,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>
Prepaid insurance costs	\$ 142,500	\$ —
Other prepaid expenses & current assets	107,512	73,132
<b>Total prepaid expenses &amp; current assets</b>	<b>\$ 250,012</b>	<b>\$ 73,132</b>

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### **Property and Equipment, Net**

Property and equipment, net consisted of the following:

	<b>June 30,</b>	<b>December 31,</b>
	<b>2023</b>	<b>2022</b>

Lab equipment	\$ 131,963	\$ 131,963
Total property and equipment, gross	131,963	131,963
Accumulated depreciation	(54,355)	(41,830)
Total property and equipment, net	\$ 77,608	\$ 90,133

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	September 30, 2023	December 31, 2022
Lab equipment	\$ 131,963	\$ 131,963
Total property and equipment, gross	131,963	131,963
Accumulated depreciation	(60,617)	(41,830)
Total property and equipment, net	\$ 71,346	\$ 90,133

Depreciation expense was \$6,262 and \$12,525 for the three and six months ended June 30, 2023, September 30, 2023, respectively, and \$6,262 and \$12,524 for the three and six months ended June 30, 2022, September 30, 2022, respectively.

### Accrued Expenses

Accrued expenses consisted of the following:

	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	2023	2022	2023	2022
Accrued payroll and related expenses	\$ 329,453	\$ 618,014	\$ 507,579	\$ 618,014
Accrued clinical study expenses	—	175,061	31,661	175,061
Accrued professional fees	99,117	75,722	223,358	75,722
Accrued clinical development costs	68,300	111,700	259,437	111,700
Accrued other expenses	—	5,000	—	5,000
Total accrued expenses	\$ 496,870	\$ 985,497	\$ 1,022,035	\$ 985,497

Included in accrued other expenses as of December 31, 2022, was the \$5,000 redemption price of the Series A Preferred Stock that automatically redeemed on January 30, 2023 upon the effectiveness of the Certificate of Amendment implementing the reverse stock split and an increase in the authorized shares of common stock of the Company (see Note 8).

### 4. Commitments and Contingencies

## **Lease Commitments**

In February 2021, Revelation Sub entered into an agreement to lease 2,140 square feet of laboratory space located at 11011 Torreyana Road, Suite 102, San Diego, California (the "Lease"). In January 2023, the Company signed an amendment extending the Lease until December 31, 2023, with a base monthly rent equal to \$9,630. The Company is required to maintain a security deposit of \$5,564. The Lease contains customary default provisions, representations, warranties and covenants. In addition to rent, the Lease requires the Company to pay certain taxes, insurance and operating costs relating to the leased premises. The Company has applied the short-term lease exception as the amendment is less than twelve months. The Lease is classified as an operating lease.

Rent expense was \$28,890 and \$53,881 for the three and six months ended June 30, 2023 September 30, 2023, respectively, and \$17,193 and \$32,260 for the three and six months ended June 30, 2022 September 30, 2022, respectively.

Future minimum lease payments under the operating lease as of June 30, 2023 September 30, 2023 is \$57,780 \$28,890.

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## **Convertible Note Financing**

On January 4, 2022, Revelation Sub entered into a convertible note with AXA Prime Impact Master Fund I SCA SICAV-RAIF ("AXA") for \$2.5 million with a fixed 10% annual interest rate, the proceeds of which were to be used by Revelation Sub to purchase shares of Petra common stock from redeeming Petra stockholders who redeemed shares of Petra common stock in connection with the Business Combination (the "Convertible Note").

On January 6, 2022, Old Revelation purchased 7,001 shares of Petra common stock with the proceeds from the Convertible Note. Repayment of the Convertible Note was made on January 6, 2022 in accordance with the exchange terms of the Convertible Note by which 7,001 shares of Petra common stock that had been purchased by Revelation Sub were transferred to AXA.

Total interest incurred under the Convertible Note was \$0 and \$14,383 during the three and six months ended June 30, 2022 September 30, 2022, respectively.

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## **Commitments**

The Company enters into contracts in the normal course of business with third party service providers and vendors. These contracts generally provide for termination on notice and, therefore, are cancellable contracts and not considered contractual obligations and commitments.

## **Contingencies**

From time to time, the Company may become subject to claims and litigation arising in the ordinary course of business. The Company is not a party to any material legal proceedings, nor is it aware of any material pending or threatened litigation other than described below.

#### *Legal Proceedings*

On February 18, 2022, LifeSci Capital LLC filed an action against the Company in the U.S. District Court for the Southern District of New York seeking damages in the amount of approximately \$2.7 million in cash and \$2.6 million in equity for unpaid banking and advisory fees. These fees arise under contracts which were entered into prior to the Business Combination and the Company is disputing the amount owed under those contracts and has asserted affirmative defenses including the defense that LifeSci Capital LLC mislead Petra in the amount of the fees sought exceeded the \$8.5 million cap on transaction expenses in funds that would be available for operation following the Business Combination Agreement. The Company has filed a counterclaim against LifeSci Capital LLC for damages arising from its misleading Petra. On June 22, 2022, LifeSci Capital LLC filed a motion for summary judgement and on March 2, 2023, the court denied the plaintiff's motion for summary judgment. As of the date of this Report, discovery is substantially complete and LifeSci has filed a second motion for summary judgment which is pending. If the proceeding goes to trial it is not expected to occur, at the earliest, until the second half of 2024.

Of the LifeSci Capital LLC claim, \$1.5 million relates to deferred underwriting fees from the Petra initial public offering ("IPO"). In addition, but separate from the claim, one of the underwriters in the Petra IPO who is not a participant in the litigation with LifeSci Capital LLC recently issued a demand letter seeking repayment for \$655 thousand in fees owed from the Petra initial public offering that remain unpaid. Both of these amounts are recorded as a current liability in the financial statements as of June 30, 2023 September 30, 2023 under deferred underwriting commissions. No other liabilities are reflected in the financial statements as the amount of any additional liability cannot be determined at this time.

On September 27, 2022, A-IR Clinical Research Ltd. ("A-IR") filed a claim against the Company in the High Court of Justice, in the Business and Property Courts of England and Wales, seeking £1.6 million in unpaid invoices, plus interest and costs, relating to the Company's viral challenge study. The case has been moved to the Commercial Court. The Company is disputing the claim because many of the invoices relate to work that was not performed and A-IR had misrepresented its qualifications to perform the contracted work. Since this proceeding is at a very early stage, no liability is reflected in the financial statements as the amount of any liability cannot be determined at this time.

#### **5. PIPE Investment**

On January 25, 2022, the Company closed a private placement of 36,947 shares of unregistered common stock, 36,959 unregistered pre-funded warrants to purchase common stock with an exercise price of \$0.00035, which did not have an expiration (the "Class A Pre-Funded Warrants"), and 73,905 unregistered warrants to purchase common stock with an

exercise price of \$115.15 per share of common stock which expire on July 25, 2027 (the "Class A Common Stock Warrants") at a combined purchase price of \$105.00 per share of common stock or \$104.99965 per Class A Pre-Funded Warrant and associated Class A Common Stock Warrants to an institutional investor (the "PIPE Investment"). Net proceeds to the Company were \$7.3 million.

Roth Capital Partners, LLC ("Roth") was engaged by the Company to act as its exclusive placement agent for the private placement. The Company paid Roth a cash fee equal to 6.0% of the gross proceeds received by the Company in the private placement, totaling \$465,600 and issued warrants to purchase up to 10,347 shares of common stock with an exercise price of \$115.15 which expire on July 25, 2027 (the "Class A Placement Agent Common Stock Warrants"). The Class A Placement Agent Common Stock Warrants have substantially the same terms as the Class A Common Stock Warrants.

In connection with the private placement, the Company entered into a registration rights agreement with the institutional investor, pursuant to which the Company agreed to file a registration statement to register for resale of the shares of common stock, shares of common stock underlying the Class A Pre-Funded Warrants and shares of common stock underlying the Class A Common Stock Warrants. The company filed the registration statement with the SEC on Form S-1 (File No. 333-262410) on January 28, 2022 and it became effective on February 7, 2022.

On February 22, 2022, the Company received a notice of cash exercise for the total outstanding Class A Pre-Funded Warrants issued in connection with the PIPE Investment for 36,959 shares of common stock at a purchase price of \$12.94.

Using the Black-Scholes option pricing model, the Class A Common Stock Warrants were valued in the aggregate at \$3.6 million and the Class A Placement Agent Common Stock Warrants were valued in the aggregate at \$0.5 million. Both were included in the issuance costs of the private placement and treated as equity (see Note 12).

## 6. 2022 Public Offering

On July 28, 2022, the Company closed a public offering of 238,096 shares of its common stock and 8,333,334 warrants to purchase up to 238,095 shares of its common stock with an exercise price of \$21.00 per share which expire on July 28, 2027 (the "Class B Common Stock Warrants") at a combined offering price of \$21.00 per share and associated warrant (the "July 2022 Public Offering"). Net proceeds to the Company from the offering were \$4.5 million.

Roth was engaged by the Company to act as its exclusive placement agent for the July 2022 Public Offering. The Company paid Roth a cash fee equal to 7.0% of the gross proceeds received by the Company in the public offering, totaling \$350,000 and issued warrants to purchase up to 16,667 shares of common stock with an exercise price of \$26.25 per share which expire on July 25, 2027 (the "Class B Placement Agent Common Stock Warrants").

The shares of common stock, the shares of common stock underlying the Class B Common Stock Warrants and the shares of common stock underlying the Class B Placement Agent Common Stock Warrants were registered with the SEC on Form S-1 (File No. 333-266108), and was declared effective by the SEC on July 25, 2022.

Using the Black-Scholes option pricing model, the Class B Common Stock Warrants were valued in the aggregate at \$4.5 million and the Class B Placement Agent Common Stock Warrants were valued in the aggregate at \$0.3 million. Both were included in the issuance costs of the July 2022 Public Offering and treated as equity (see Note 12).

## 7. 2023 Public Offering

On February 13, 2023, the Company closed a public offering of 2,888,600 shares of its common stock, 336,400 pre-funded warrants to purchase shares of common stock with an exercise price of \$0.0001 which did not have an expiration date (the “Class C Pre-Funded Warrants”) and 6,450,000 warrants to purchase shares of common stock with an exercise price of \$5.36 which expire on February 14, 2028 (the “Class C Common Stock Warrants”) at a combined offering price of \$4.83 per share of common stock, or \$4.8299 per Class C Pre-Funded Warrant and associated Class C Common Stock Warrants (the “February 2023 Public Offering”). Net cash proceeds to the Company from the offering were \$14.0 million.

Roth was engaged by the Company to act as its exclusive placement agent for the February 2023 Public Offering. The Company paid Roth a cash fee equal to 8.0% of the gross proceeds received by the Company in the public offering, totaling \$1.2 million.

The shares of common stock, the shares of common stock underlying the Class C Pre-Funded Warrants and the shares of common stock underlying the Class C Common Stock Warrants were registered with the SEC on Form S-1 (File No. 333-268576), and was declared effective by the SEC on February 9, 2023.

Between February 14, 2023 and April 6, 2023, the Company received notices of cash exercise for the Class C Pre-Funded Warrants issued in connection with the February 2023 Public Offering for 336,400 shares of common stock at a total purchase price of \$33.64. As of **June 30, 2023** **September 30, 2023**, there were no Class C Pre-Funded Warrants outstanding.

Using a Monte-Carlo simulation model, the Class C Common Stock Warrants were valued in the aggregate at \$14.0 million and included in the issuance costs of the February 2023 Public Offering and treated as a liability (see Note 12).

From March 13, 2023 to **June 30, 2023** **September 30, 2023**, the Company issued 2,385,137 shares of common stock in connection with notices of alternative cashless exercise for the Class C Common Stock Warrants issued in connection with the February 2023 Public Offering. As of **June 30, 2023** **September 30, 2023**, there were 487,160 of Class C Common Stock Warrants outstanding.

## 8. Preferred Stock

### Revelation Authorized Preferred Stock

The Certificate of Amendment of the Company authorizes up to 5,000,000 shares of preferred stock, \$0.001 par value per share, which may be issued as designated by the Board of Directors without stockholder approval. As of **June 30, 2023** **September 30, 2023** and as of the filing date of this Form 10-Q, there were no shares of preferred stock issued and outstanding.

### ***Series A Preferred Stock***

On December 19, 2022, the Company closed the sale of one share of the Company's Series A Preferred Stock, par value \$0.001 per share, to its Chief Executive Officer for \$5,000.00. The outstanding share of Series A Preferred Stock was automatically redeemed for \$5,000.00 on January 30, 2023 upon the effectiveness of the Certificate of Amendment implementing the reverse stock split and the increase in authorized shares of common stock of the Company.

The Series A Preferred Stock had 50,000,000 votes and voted together with the outstanding shares of the Company's common stock as a single class exclusively with respect to any proposal to amend the Company's Restated Certificate of Incorporation to effect a reverse stock split of the Company's common stock and to increase the number of authorized shares of common stock of the Company. The Series A Preferred Stock voted, without action by the holder, on any such proposal in the same proportion as shares of common stock voted. The Series A Preferred Stock otherwise had no voting rights except as otherwise required by the General Corporation Law of the State of Delaware.

### **9. Units**

In connection with Petra's IPO, in October of 2020, Petra issued unit's that consisted of one share of common stock and one warrant exercisable for 1/35 of a share of common stock with an exercise price of \$402.50 per share which expire on January 10, 2027 (the "Public Warrants"), which traded on the Nasdaq Capital Market under the ticker symbol REVBU.

As disclosed in Note 1, on January 13, 2023, the Company's units were mandatorily separated, ceased to exist and stopped trading on the Nasdaq Capital Market. At the time of separation there were 1,688,598 units separated, which represented 48,246 shares of common stock and 1,688,598 Public Warrants. No new shares of common stock or Public Warrants were issued in connection with the separation.

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### **10. Common Stock**

The Company is authorized under its articles of incorporation, as amended, to issue 500,000,000 shares of common stock, par value \$0.001 per share.

#### ***Reverse Split***

As disclosed in Note 1, on January 30, 2023, the Company filed the Certificate of Amendment reflecting the change in authorized shares of common stock from 100,000,000 to 500,000,000 and effecting a reverse stock split as of 12:01 a.m. Eastern Standard Time on February 1, 2023 with a ratio of 1-for-35. As a result of the Reverse Split, every 35 shares of the Company's issued and outstanding common stock automatically converted into one share of common stock, without any

change in the par value per share. No fractional shares were outstanding following the Reverse Split. Any holder who would have received a fractional share of common stock automatically received an additional fraction of a share of common stock to round up to the next whole share. In addition, effective as of the same time as the Reverse Split, proportionate adjustments were made to all then-outstanding equity awards and warrants with respect to the number of shares of common stock subject to such award or warrant and the exercise price thereof. Furthermore, the number of shares of common stock available for issuance under the Company's equity incentive plans were proportionately adjusted for the Reverse Split ratio, such that fewer shares will be subject to such plans.

#### ***Common Stock Issuance due to the Business Combination***

On the Closing Date, the Company issued an aggregate of 282,039 shares of common stock in exchange for all outstanding Revelation Sub stock. Net proceeds from the Business Combination were \$11.9 million, of which \$7.7 million was escrowed pursuant to a forward share purchase agreement entered into by Petra and an institutional investor and \$4.2 million was released to Revelation.

#### ***Common Stock Issuance during the year ended December 31, 2022***

On January 23, 2022, the Company issued 36,947 shares of common stock in connection with the PIPE Investment. The Company received net proceeds of \$7.3 million.

On January 31, 2022, the Company issued 8,572 shares of common stock as collateral to Loeb & Loeb, LLP as part of a payment deferral of legal fees in connection with the Business Combination.

On February 2, 2022, the Company issued 54 shares of common stock in connection with a notice of cash exercise for the Company's Rollover Warrants with a total purchase price of \$5,073.

On February 4, 2022, the Company cancelled 21,429 shares in connection with the exercise of the forward share purchase agreement and approximately \$7.7 million that was in escrow was paid to an institutional investor.

On February 22, 2022, the Company issued 36,959 shares of common stock in connection with a notice of cash exercise for the Class A Pre-Funded Warrants issued in connection with the PIPE Investment with a total purchase price of \$12.94.

On July 28, 2022, the Company issued 238,096 shares of its common stock in connection with the July 2022 Public Offering. The Company received net proceeds of \$4.5 million.

On July 29, 2022, the Company issued 3,435 shares of common stock in connection with vested Rollover RSU awards.

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#### ***Common Stock Issuance during the three and six nine months ended June 30, 2023 September 30, 2023***

On February 13, 2023, the Company issued 2,888,600 shares of its common stock in connection with the February 2023 Public Offering. The Company received net cash proceeds of \$14.0 million.

On February 14, 2023, the Company issued 33,000 shares of common stock in connection with a notice of cash exercise for Class C Pre-Funded Warrants issued in connection with the February 2023 Public Offering with a total purchase price of \$3.30.

On March 2, 2023, the Company issued 160,000 shares of common stock in connection with a notice of cash exercise for the Class C Pre-Funded Warrants issued in connection with the February 2023 Public Offering with a total purchase price of \$16.00.

From March 13, 2023 to March 31, 2023, the Company issued 965,357 shares of common stock in connection with notices of alternative cashless exercise for the Class C Common Stock Warrants issued in connection with the February 2023 Public Offering.

From April 1, 2023 to June 30, 2023, the Company issued 1,419,780 shares of common stock in connection with notices of alternative cashless exercise for the Class C Common Stock Warrants issued in connection with the February 2023 Public Offering.

On April 6, 2023, the Company received a notice of cash exercise for the Class C Pre-Funded Warrants issued in connection with the February 2023 Public Offering for 143,400 shares of common stock at purchase price of \$14.34.

On April 18, 2023, the Company issued 4,284 shares of common stock in connection with vested Rollover RSU awards.

As of **June 30, 2023** **September 30, 2023** and December 31, 2022, 6,297,303 and 682,882 shares of common stock were issued and outstanding, respectively. As of **June 30, 2023** **September 30, 2023**, no cash dividends have been declared or paid.

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The total shares of common stock reserved for issuance are summarized as follows:

	June 30, 2023	June 30, 2022	September 30, 2023	September 30, 2022
Public Warrants (exercise price of \$402.50 per share)	300,332	300,33	300,332	300,332
Class A Common Stock Warrants (exercise price of \$115.15 per share)	73,905	73,905	73,905	73,905
Class A Placement Agent Common Stock Warrants (exercise price of \$115.15 per share)	10,347	10,347	10,347	10,347

Class B Common Stock Warrants (exercise price of \$21.00 per share)	238,095	—	238,095	238,095
Class B Placement Agent Common Stock Warrants (exercise price of \$26.25 per share)	16,667	—	16,667	16,667
Class C Common Stock Warrants (exercise price of \$5.36 per share)	487,160	—	487,160	—
Rollover Warrants (exercise price of \$93.80 per share)	4,738	4,738	4,738	4,738
Rollover RSU awards outstanding	3,006	13,154	3,006	7,290
Stock options outstanding	35,005	10,118	35,005	10,058
<b>Shares reserved for issuance</b>	<b>1,169,2</b>	<b>412,59</b>	<b>1,169,25</b>	
	<b>55</b>	<b>4</b>	<b>5</b>	<b>661,432</b>
Shares available for future stock grants under the 2021 Equity Incentive Plan	33,283	58,170	33,283	58,230
<b>Total common stock reserved for issuance</b>	<b>1,202,5</b>	<b>470,76</b>	<b>1,202,53</b>	
	<b>38</b>	<b>4</b>	<b>8</b>	<b>719,662</b>

## 11. Stock-Based Compensation

### 2021 Equity Incentive Plan

In January 2022, in connection with the Business Combination, the Board of Directors and the Company's stockholders adopted the 2021 Equity Incentive Plan (the "2021 Plan") and reserved 36,983 authorized shares of common stock for issuance under the plan. The 2021 Plan is administered by the Board of Directors. Vesting periods and other restrictions for grants under the 2021 Plan are determined at the discretion of the Board of Directors. Grants to employees, officers, directors, advisors, and consultants of the Company typically vest over one to four years. In addition, the number of shares of stock available for issuance under the 2021 Plan will be automatically increased each January 1, and began on January 1, 2022, by 10% of the aggregate number of outstanding shares of our common stock from the first day of the preceding calendar year to the first day of the current calendar year or such lesser number as determined by our board of directors. On January 1, 2023, after effecting the Reverse Split the total shares available for issuance under the 2021 Equity Plan was increased to 68,288 authorized shares of common stock.

Under the 2021 Plan, stock options and stock appreciation rights are granted at exercise prices determined by the Board of Directors which cannot be less than 100% of the estimated fair market value of the common stock on the grant date. Incentive stock options granted to any stockholders holding 10% or more of the Company's equity cannot be granted with an exercise price of less than 110% of the estimated fair market value of the common stock on the grant date and such options are not exercisable after five years from the grant date.

As of **June 30, 2023** **September 30, 2023**, there were 33,283 shares available for future grant under the 2021 Plan.

## Restricted Stock Units

At the Closing Date of the Business Combination, all Revelation Sub RSU award holders received a Rollover RSU award in exchange for each RSU award of Revelation Sub that vest in accordance with the original terms of the award. The Company determined this to be a Type I modification but did not record any incremental stock-based compensation expense since the fair value of the modified awards immediately after the modification was not greater than the fair value of the original awards immediately before the modification.

The Rollover RSU awards have time-based and milestone-based vesting conditions. Under time-based vesting conditions, the Rollover RSU awards vest quarterly over one year for grants to the Board of Directors and quarterly over four years or 25% on the one year anniversary and the remainder vesting monthly thereafter for grants to officers, employees and consultants. The milestone-based vesting conditions vested on the Closing Date of the Business Combination.

As of **June 30, 2023** **September 30, 2023** and December 31, 2022, the Company has a total of 3,006 and 7,290 Rollover RSU awards for shares of common stock outstanding, respectively. As of **June 30, 2023** **September 30, 2023**, **1,072** **1,371** Rollover RSU awards have fully vested but are unissued and no Rollover RSU awards have been forfeited. As of **June 30, 2023** **September 30, 2023**, **1,934** **1,635** Rollover RSU awards will vest and be issued over the next **1.6** **1.4** years. Each Rollover RSU award converts to one share of common stock.

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## Stock Options

The Company has granted stock options which (i) vest fully on the date of grant; (ii) vest 25% on the one year anniversary of the grant date or the employees hiring date, with the remainder vesting quarterly thereafter; or (iii) vest quarterly over one year, for grants to Board of Directors, officers and employees. Stock options have a maximum term of 3 or 10 years.

The activity related to stock options, during the **six** **nine** months ended **June 30, 2023** **September 30, 2023** is summarized as follows:

	Weighted-average			Shares	Weighted-average Exercise Price	Weighted-average Remaining Contractual Term	Weighted-average Remaining Contractual Term
	Weighted-average	Remaining	Contractual Term				
	Shares	(Years)	Exercise				
Outstanding at December 31, 2022	9,58			9,5			
	1	\$ 31.91		81	\$ 31.91		

Granted	25,4		25,	
	24	1.19	424	1.19
Exercised	—	—	—	—
Expired				
and				
forfeited	—	—	—	—
Outstandin				
g at June 30,	35,0			
2023	05	\$ 9.60	8.4	
Exercisable				
at June 30,	32,2			
2023	64	\$ 6.25	8.4	
Outstandin				
g at				
September			35,	
30, 2023			005	\$ 9.60
Exercisable				8.2
at				
September			32,	
30, 2023			514	\$ 6.58
				8.2

For the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, the weighted-average Black-Scholes value per stock option was \$10.47. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

Volatility	126.0%
Expected term (years)	5.03
Risk-free interest rate	3.09%
Expected dividend yield	0.0%

Expected volatility is based on the historical volatility of shares of the Company's common stock. In determining the expected term of stock options, the Company uses the "simplified" method. Under this method, the expected term is presumed to be the midpoint between the average vesting date and the end of the contractual term. The risk-free interest rate is based on the U.S. Treasury yield for a period consistent with the expected term of the stock options in effect at the time of the grants. The dividend yield assumption is based on the expectation of no future dividend payments by the Company. In addition to assumptions used in the Black-Scholes model, the Company reduces stock-based compensation expense based on actual forfeitures in the period that each forfeiture occurs.

## Stock-Based Compensation Expense

For the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022, the Company recorded stock-based compensation expense for the period indicated as follows:

	Three Months Ended				Three Months Ended			
	June 30,		June 30,		September 30,		September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
General and administrative:								
RSU awards	22,3	27,0	44,	84,1	22,	23,9	67,1	108,
	\$ 83	\$ 33	\$ 766	\$ 12	\$ 384	\$ 28	\$ 50	\$ 040
Stock Options	34,5	24,6	41,	47,6	7,2	(10,	48,9	36,7
	56	91	772	96	16	912)	88	84
General and administrative stock-based compensation expense	56,9	51,7	86,	131,	29,	13,0	116,	144,
	39	24	538	808	600	16	138	824
Research and development:								
RSU awards	1,89	16,7	3,7	33,5	1,8	6,02	5,69	39,6
	8	95	96	87	98	1	4	08
Stock Options		21,6	1,1	62,6		21,6	1,79	84,3
	598	69	96	85	598	38	4	23
Research and development stock-based compensation expense	2,49	38,4	4,9	96,2	2,4	27,6	7,48	123,
	6	64	92	72	96	59	8	931
Total stock-based compensation expense	59,4	90,1	91,	228,	32,	40,6	123,	268,
	\$ 35	\$ 88	\$ 530	\$ 080	\$ 096	\$ 75	\$ 626	\$ 755

As of **June 30, 2023** **September 30, 2023**, there was **\$155,466** **131,185** and **\$83,005** **75,191** of unrecognized stock-based compensation expense related to Rollover RSU awards and stock options, respectively. The unrecognized stock-based compensation expense is expected to be recognized over a period of **1.6** **1.4** years and **2.7** **2.4** years for Rollover RSU's and stock options, respectively.

## 12. Warrants

### **Public Warrants**

In connection with Petra's IPO, Petra issued 10,511,597 Public Warrants to purchase an aggregate of 300,332 shares of common stock with an exercise price of \$402.50 per share which expire on January 10, 2027. The Public Warrants trade on the Nasdaq Capital Market under the ticker symbol REVBW.

The Company may redeem the Public Warrants at a price of \$0.01 per Public Warrant upon not less than 30 days' prior written notice of redemption if, and only if, the reported last sale price of the Company's common stock equals or exceeds \$630.00 per share for any 20 trading days within a 30-trading day period ending on the third business day prior to the notice of redemption to the Public Warrant holders; and if, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying the Public Warrants. If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement.

### **Rollover Warrants**

Prior to the Merger, Revelation Sub issued warrants to a placement agent to purchase up to 4,792 shares of common stock with an exercise price of \$93.80 per share which expire on January 31, 2027, valued on the issuance date in the aggregate at \$326,675. At the Closing Date of the Business Combination, all warrant holders received a Rollover Warrant, which was exercisable in accordance with its original issuance.

On February 2, 2022, the Company received a notice of cash exercise for the Company's Rollover Warrants for 54 shares of common stock at a purchase price of \$5,073. As of June 30, 2023 September 30, 2023, there were 4,738 Rollover Warrants remaining to be exercised or exchanged.

The fair value of the Rollover Warrants were estimated using the Black-Scholes option pricing model with the following assumptions:

Volatility	115 %
Expected term (years)	6
Risk-free interest rate	0.85 %
Expected dividend yield	0.0 %

### **Class A Pre-Funded Warrants**

In connection with the PIPE Investment, the Company issued pre-funded warrants to an institutional investor to purchase up to 36,959 shares of common stock at an exercise price of \$0.00035 per share.

On February 22, 2022, the Company received a notice of cash exercise for the Class A Pre-Funded Warrants issued in connection with the PIPE Investment for 36,959 shares of common stock at purchase price of \$12.94. As of June 30, 2023 September 30, 2023 there were no Class A Pre-Funded Warrants outstanding.

### **Class A Common Stock Warrants**

In connection with the PIPE Investment, the Company issued warrants to an institutional investor to purchase up to 73,905 shares of common stock at an exercise price of \$115.15 per share, valued on the PIPE Investment purchase date in the aggregate at \$3.6 million and included in the issuance costs of the PIPE Investment. The warrants were exercisable immediately upon issuance, provide for a cash or cashless exercise right and expire on July 25, 2027.

The fair value of the Class A Common Stock Warrants were estimated using the Black-Scholes option pricing model with the following assumptions:

Volatility	47%
Expected term (years)	5
Risk-free interest rate	1.54%
Expected dividend yield	0.0%

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### **Class A Placement Agent Common Stock Warrants**

In connection with the PIPE Investment, the Company issued warrants to Roth to purchase an aggregate of 10,347 shares of common stock at an exercise price of \$115.15 per share, valued on the PIPE Investment purchase date in the aggregate at \$0.5 million and included in the issuance costs of the PIPE Investment. The warrants were exercisable immediately upon issuance, provide for a cash or cashless exercise right and expire on July 25, 2027.

The fair value of the Class A Placement Agent Common Stock Warrants were estimated using the Black-Scholes option pricing model with the following assumptions:

Volatility	47%
Expected term (years)	5
Risk-free interest rate	1.54%
Expected dividend yield	0.0%

### **Class B Common Stock Warrants**

In connection with the July 2022 Public Offering, the Company issued 8,333,334 warrants to purchase an aggregate of 238,095 shares of common stock at an exercise price of \$21.00 per share, valued on the public offering purchase date in the aggregate at \$4.5 million and included in the issuance costs of the public offering. The warrants were exercisable immediately upon issuance, provide for a cash or cashless exercise right and expire on July 28, 2027.

The fair value of the Class B Common Stock Warrants were estimated using the Black-Scholes option pricing model with the following assumptions:

Volatility	144 %
Expected term (years)	5
Risk-free interest rate	2.69 %
Expected dividend yield	0.0 %

### **Class B Placement Agent Common Stock Warrants**

In connection with the July 2022 Public Offering, the Company issued warrants to the Placement Agent to purchase up to 16,667 shares of common stock at an exercise price of \$26.25 per share, valued on the public offering purchase date in the aggregate at \$0.3 million and included in the issuance costs of the public offering. The warrants were exercisable immediately upon issuance, provide for a cash or cashless exercise right and expire on July 25, 2027.

The fair value of the Class B Placement Agent Common Stock Warrants were estimated using the Black-Scholes option pricing model with the following assumptions:

Volatility	144 %
Expected term (years)	5
Risk-free interest rate	2.69 %
Expected dividend yield	0.0 %

### **Class C Pre-Funded Warrants**

In connection with the February 2023 Public Offering, the Company issued pre-funded warrants to purchase up to 336,400 shares of common stock at an exercise price of \$0.0001 per share.

Between February 14, 2023 and April 6, 2023, the Company received notices of cash exercise for the Class C Pre-Funded Warrants issued in connection with the February 2023 Public Offering for 336,400 shares of common stock at a total purchase price of \$33.64. As of June 30, 2023 September 30, 2023, there were no Class C Pre-Funded Warrants outstanding.

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### **Class C Common Stock Warrants**

In connection with the February 2023 Public Offering, the Company issued warrants to purchase up to 6,450,000 shares of common stock at an exercise price of \$5.36 per share, valued on the public offering purchase date in the aggregate at \$13,996,500 and included in the issuance costs of the public offering. The warrants were exercisable immediately upon issuance, provide for a cash, cashless exercise right or an alternative cashless exercise right for 0.4 shares of common stock per Class C Common Stock Warrant and expire on February 14, 2028.

The Company accounted for the Class C Common Stock Warrants as current liabilities based upon the guidance of ASC 480 and ASC 815. The Company evaluated the Class C Common Stock Warrants under ASC 815-40, Derivatives and Hedging—Contracts in Entity's Own Equity ("ASC 815-40"), and concluded that they do not meet the criteria to be classified in stockholders' equity.

The Company concluded that the multiplier of 0.4 shares of common stock per Class C Common Stock Warrant used in the alternative cashless exercise, precludes the Class C Common Stock Warrants from being considered indexed to the Company's stock. The Company recorded the Class C Common Stock Warrants as current liabilities on the balance sheet at fair value, with subsequent changes in their respective fair values recognized in the condensed consolidated statements of operations at each reporting date. Estimating fair values of liability-classified financial instruments requires the development of estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. In addition, option-based techniques are highly volatile and sensitive to changes in the trading market price of the Company's common stock. Because liability-classified financial instruments are initially and subsequently carried at fair value, the Company's financial results will reflect the volatility in these estimate and assumption changes. Changes in fair value are recognized as a component of other income (expense) in the condensed consolidated statements of operations.

At the date of issuance, the Company valued the Class C Common Stock Warrants using a Monte-Carlo simulation model with a fair value of \$14.0 million.

As of **June 30, 2023** **September 30, 2023**, the Company received notices of alternative cashless exercises for 5,962,840 Class C Common Stock Warrants issued in connection with the February 2023 Public Offering for 2,385,137 shares of common stock.

As of **June 30, 2023** **September 30, 2023**, the Company re-valued 487,160 outstanding Class C Common Stock Warrants using a Monte-Carlo simulation model with a fair value of **\$0.3** **0.2** million. For the three and **six** **nine** months ended **June 30, 2023 and 2022**, **September 30, 2023**, the gain of **\$0.4** **0.1** million and **\$8.2** **8.3** million, respectively, resulting from the change in the fair value of the liability for the unexercised warrants was recorded as a change in fair value of the warrant liability in the accompanying condensed consolidated statements of operations for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**.

### 13. Income Taxes

The quarterly provision for or benefit from income taxes is computed based upon the estimated annual effective tax rate and the year-to-date pre-tax (loss) income (loss) and other comprehensive (loss) income. The Company did not record a provision or benefit for income taxes during the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively.

For the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, the Company recorded non-taxable income of **\$0.4** **0.1** million and **\$8.2** **8.3** million, respectively, related to a change in the fair value of a warrant liability. The Company incurred taxable losses in 2022 and projects further taxable losses for 2023. The Company did not record a

benefit from income taxes because, based on evidence involving its ability to realize its deferred tax assets, the Company recorded a full valuation allowance against its deferred tax assets.

#### 14. Subsequent Events

In preparing these condensed consolidated financial statements, the number of shares reserved under Company has evaluated and determined there are no events and transactions for potential recognition or disclosure through November 9, 2023, the Company's 2021 Equity Incentive Plan

On July 14, 2023 at date the Company's 2023 Annual Meeting of Stockholders, an amendment financial statements were available to the 2021 Equity Incentive Plan to increase the number of shares reserved under the Plan from 68,288 to 648,788 was approved. be issued.

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#### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*You should read the following discussion of our financial condition and results of operations in conjunction with our financial statements and the notes included elsewhere in this Form 10-Q. The following discussion contains forward-looking statements that involve certain risks and uncertainties. Our actual results could differ materially from those discussed in these statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2022 particularly under the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements and Risk Factors Summary" sections.*

##### Overview

Revelation is a clinical-stage biopharmaceutical company founded in May 2020. We are focused on the development or commercialization of innate immune system therapeutics and diagnostics. Our current product candidates were developed by us and licensed to potentially prevent, treat and detect disease. Our therapeutic product candidates are based on our therapeutic platform and consist of REV-Tx-300, which is being developed as a potential therapy for the prevention and treatment of acute organ injury (e.g. AKI, MI) and chronic organ disease including CKD; REV-Tx-100, which is being developed for the prevention and treatment of infections including healthcare-associated bacterial infection resulting from surgery, severe burns, and antibiotic resistance; REV-Tx-200, which is being developed as a potential intranasal therapy that will be administered concurrently with a traditional commercially available IM vaccine; and REV-Tx-99b, which is being developed for the treatment of food allergies. REV-Tx-99a was being developed as a broad anti-viral nasal drop solution for the potential prevention or potential treatment of respiratory viral infections and REV-Tx-99b was being developed as a prevention or treatment for chronic nasal congestion and allergic rhinitis until June of 2022. Our diagnostic, REV-Dx-501 (REVID™ Rapid Test Kit), was being developed as a rapid point of care diagnostic product that can potentially be used to detect various respiratory viral infections.

Since our inception in May 2020, we have devoted substantially all of our resources to organizing and staffing our Company, business planning, raising capital, and research and development of REV-Tx-300, REV-Tx-100, REV-Tx-200, REV-Tx-

99a/b and REVDx-501, our product candidates.

We have funded our operations since our inception in May 2020 to **June 30, 2023** **September 30, 2023** through the issuance and sale of our capital stock, from which we have raised net proceeds of \$43.9 million. Our current cash and cash equivalents balance will not be sufficient to complete all necessary product development or future commercialization efforts. We anticipate that our current cash and cash equivalents balance will not be sufficient to sustain operations within one year after the date that our audited financial statements for **June 30, 2023** **September 30, 2023** were issued, which raises substantial doubt about our ability to continue as a going concern.

We plan to seek additional funding through public or private equity or debt financings. We may not be able to obtain financing on acceptable terms, or at all. The terms of any financing may adversely affect the holdings or the rights of our stockholders. If we are unable to obtain funding we could be required to delay, reduce or eliminate research and development programs, product portfolio expansion or future commercialization efforts, which could adversely affect our business operations.

As of **June 30, 2023** **September 30, 2023** we had an accumulated deficit of **\$20.6 million** **\$23.3 million**. We expect to continue to generate operating losses and negative operating cash flows for the foreseeable future if and as we:

- continue the research and development of our product candidates;
- initiate clinical studies for, or preclinical development of, our product candidates;
- further develop and refine the manufacturing processes of our product candidates;
- change or add manufacturers or suppliers of product candidate materials;
- seek regulatory and marketing authorizations for any of our product candidates that successfully complete development;
- acquire or license other product candidates, technologies or biological materials;
- make milestone, royalty or other payments under future license agreements;
- obtain, maintain, protect and enforce our intellectual property portfolio;
- seek to attract and retain new and existing skilled personnel;
- create additional infrastructure to support our operations as a public company and incur increased legal, accounting, investor relations and other expenses; and
- experience delays or encounter issues with any of the above.

Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our clinical studies and our expenditures on other research and development activities.

We have never generated revenue and do not expect to generate revenue from product sales unless and until we successfully complete development and obtain regulatory approval for REVTx-300, REV Tx-100, REV Tx-200, REV Tx-99b, REVDx-501 or other product candidates, which we expect will not be for at least several years, if ever. Accordingly, until

such time as we can generate significant revenue from sales of REV Tx-300, REV Tx-100, REV Tx-200, REV Tx-99b, REV Dx-501 or other product candidates, if ever, we expect to finance our cash needs through a combination of public or private equity offerings, debt financings or other capital sources, including potential collaborations, licenses and other similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Our failure to raise capital or enter into such other arrangements when needed would have a negative impact on our financial condition and could force us to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

On January 10, 2022, we consummated the previously announced Business Combination, pursuant to the terms of the agreement and plan of merger, dated as of August 29, 2021 with Petra and Merger Sub. Pursuant to the Business Combination Agreement, on the Closing Date, (i) Merger Sub merged with and into Revelation Sub, with Revelation Sub as the surviving company in the Business Combination, and became a wholly-owned subsidiary of Petra and (ii) Petra changed its name to "Revelation Biosciences, Inc."

## **Recent Developments**

### *Change in Authorized Shares and Reverse Stock Split*

On January 30, 2023, at a special meeting of stockholders, our stockholders approved a Certificate of Amendment to our Third Amended and Restated Certificate of Incorporation to change the authorized common stock from 100,000,000 to 500,000,000 shares and effect a reverse stock split of our outstanding shares of common stock at a specific ratio within a range of one-for-twenty (1-for-20) to a maximum of a one-for-one hundred (1-for-100) split. On January 30, 2023, we filed the Certificate of Amendment which set the authorized common stock to 500,000,000 and effected a 1-for-35 reverse stock split of our outstanding shares of common stock as of 12:01 a.m. Eastern Standard Time on February 1, 2023.

### *Business Combination*

On January 10, 2022, we consummated the previously announced Business Combination, pursuant to the terms of the agreement and plan of merger, dated as of August 29, 2021 with Petra and Merger Sub. Pursuant to the Business Combination Agreement, on the Closing Date, (i) Merger Sub merged with and into Revelation Sub, with Revelation Sub as the surviving company in the Business Combination, and became a wholly-owned subsidiary of Petra and (ii) Petra changed its name to "Revelation Biosciences, Inc."

## **Research and Development**

Research and development expenses consist primarily of costs incurred for the development of our product candidates, REV Tx-300, REV Tx-100, REV Tx-200, REV Tx-99a/b and REV Dx-501. Our research and development expenses consist primarily of external costs related to clinical development, costs related to contract research organizations, costs related to consultants, costs related to acquiring and manufacturing clinical study materials, costs related to contract manufacturing organizations and other vendors, costs related to the preparation of regulatory submissions, costs related

to laboratory supplies and services, and personnel costs. Personnel and related costs consist of salaries, employee benefits and stock-based compensation for personnel involved in research and development efforts.

We expense all research and development expenses in the periods in which they are incurred. We accrue for costs incurred as the services are being provided by monitoring the status of specific activities and the invoices received from our external service providers. We adjust our accrual as actual costs become known.

We expect our research and development expenses to increase substantially for the foreseeable future as we continue the development of REV Tx-300, REV Tx-100, REV Tx-200, REV Tx-99b and REV Dx-501 and continue to invest in research and development activities. The process of conducting the necessary clinical research and product development to obtain regulatory approval is costly and time consuming, and the successful development of REV Tx-300, REV Tx-100, REV Tx-200, REV Tx-99b, REV Dx-501 and any future product candidates is highly uncertain. To the extent that our product candidates continue to advance into larger and later stage clinical studies, our expenses will increase substantially and may become more variable.

The actual probability of success for REV Tx-300, REV Tx-100, REV Tx-200, REV Tx-99b, REV Dx-501 or any future product candidate may be affected by a variety of factors, including the safety and efficacy of our product candidates, investment in the development of REV Dx-501, investment in our clinical programs, manufacturing capability and competition with other products. As a result, we are unable to determine the timing of initiation, duration and completion costs of our research and development efforts or when and to what extent we will generate revenue from the commercialization and sale of REV Tx-300, REV Tx-100, REV Tx-200, REV Tx-99b, REV Dx-501 or any future product candidate.

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### ***General and Administrative***

Our general and administrative expenses consist primarily of personnel costs, expenses for outside professional services, including financial advisory, legal, human resource, audit and accounting services and consulting costs. Personnel and related costs consist of salaries, employee benefits and stock-based compensation for personnel involved in executive, finance and other administrative functions. We expect our general and administrative expenses to increase for the foreseeable future as we increase the size of our administrative function to support the growth of our business and support our continued research and development activities. We also anticipate increased expenses as we continue to operate as a public company, including increased expenses related to financial advisory services, audit, legal, regulatory, investor relations costs, director and officer insurance premiums associated with maintaining compliance with exchange listing and SEC requirements.

### ***Other Income (Expense), Net***

Other income (expense), net primarily consists of the change in fair value of warrant liability, foreign currency transaction gains and losses, interest expense and interest income from our cash balances in savings accounts.

## **Results of Operations**

The following table summarizes our results of operations for the periods presented:

	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2023	2022	Change	2023	2022	Change
<b>Operating expenses:</b>						
Research and development	1,651,36		1,269,80	3,085,91	5,037,42	(1,951,51)
	\$ 7	\$ 381,566	\$ 1	\$ 8	\$ 9	\$ 1)
General and administrative	1,126,53			3,244,85	4,608,75	(1,363,89)
	0	817,898	308,632	6	5	9)
Total operating expenses	2,777,89	1,199,46	1,578,43	6,330,77	9,646,18	(3,315,41)
	7	4	3	4	4	0)
Loss from operations	(2,777,89	(1,199,46	(1,578,43	(6,330,77	(9,646,18	3,315,41
	7)	4)	3)	4)	4)	0
Total other income (expense), net				8,413,42		8,389,20
	149,521	28,728	120,793	3	24,221	2
Net (loss) income	(2,628,37	(1,170,73	(1,457,64	2,082,64	(9,621,96	11,704,6
	\$ 6)	\$ 6)	\$ 0)	\$ 9	\$ 3)	\$ 12

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2023	2022	Change	2023	2022	Change
<b>Operating expenses:</b>						
Research and development				1,434,55	4,655,86	(3,221,31)
	\$ 909,278	\$ 975,583	\$ (66,305)	\$ 1	\$ 3	\$ 2)
General and administrative	1,023,75			2,118,32	3,790,85	(1,672,53)
	2	884,837	138,915	6	7	1)
Total operating expenses	1,933,03	1,860,42		3,552,87	8,446,72	(4,893,84)
	0	0	72,610	7	0	3)
Loss from operations	(1,933,03	(1,860,42		(3,552,87	(8,446,72	4,893,84
	0)	0)	(72,610)	7)	0)	3
Total other income (expense), net				8,263,90		8,268,40
	484,860	25,734	459,126	2	(4,507)	9
Net (loss) income	(1,448,17	(1,834,68		4,711,02	(8,451,22	13,162,2
	\$ 0)	\$ 6)	\$ 386,516	\$ 5	\$ 7)	\$ 52

## Research and Development Expenses

The following table summarizes our research and development expenses for the periods presented:

	Three Months Ended			Six Months Ended			Three Months Ended			Nine Months Ended		
	June 30,		Chan	June 30,		Chan	September 30,		Chan	September 30,		Chan
	2023	2022	ge	2023	2022	ge	2023	2022	ge	2023	2022	ge
REVTx-99a clinical study expenses				(3		3,0	(3,					(3,
		30	04		77,	07						3,0 08
		4,8	,8		96	7,9						86, 6,
	\$ —	\$ 52	\$ 52)	\$ —	\$ 7	\$ 67)	\$ —	\$ 93	\$ 3)	\$ —	\$ 0	\$ 0)
REVTx-99b clinical study expenses				(1		(2						(3
		10	05		27	75,						38 85
		5,1	,1		5,4	49						5,8 ,8
	—	36	36)	—	97	7)	—	89	89)	—	86	86)
REVTx-300 clinical study expenses							66,			66,	66,	66
							72			72	72	,7
							1	—	1	1	—	21
				10								46
Manufacturin g expenses	21	11	9,	51	21	29	18		17	69	22	8,
	9,2	0,1	07	0,5	6,9	3,5	3,2	8,6	4,5	3,7	5,5	18
	38	59	9	06	13	93	53	65	88	59	78	1
REVDx-501 diagnostic development				(2								(2
		20,	0,		27,	(2						27, 7,
		77	77		66	7,6						66 66
	—	1	1)	—	0	60)	—	—	—	—	0	0)
Other program expenses				47			1,1		1,1	1,6		1,
		47		7,	54		08,		08,	51,		65
		7,0		01	2,7		55		55	29		1,
		19	—	9	39	—	8	—	8	7	—	29
Other expenses		61,	16,	44	12	63,	56,	85,	16	(83	20	23
		59	84	,7	0,5	56	97	76	9,2	,44	6,3	2,7
		1	2	49	39	8	1	4	04	0)	03	72
												9)

Personnel expenses (including stock-based compensation)	15	41	66	26	99	33,	20	84,	12	46	78,	10
)	1,4	7,8	,3	0,7	4,2	49	7,0	31	2,7	7,8	57	,7
	30	23	93)	67	58	1)	71	5	56	38	3	35)
Total research and development expenses	90	97	6,	34,	55,	22	51,	38	69,	85,	37,	1,
	9,2	5,5	30	55	86	1,3	36	1,5	80	91	42	51
	<u>\$ 78</u>	<u>\$ 83</u>	<u>\$ 5)</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 12)</u>	<u>\$ 7</u>	<u>\$ 66</u>	<u>\$ 1</u>	<u>\$ 8</u>	<u>\$ 9</u>	<u>\$ 1)</u>

Research and development expenses decreased increased by \$0.1 million \$1.3 million, from \$1.0 million \$0.4 million for the three months ended June 30, 2022 September 30, 2022 to \$0.9 million \$1.7 million for the three months ended June 30, 2023 September 30, 2023. The decrease increase was primarily due to decreases of \$0.3 million in clinical study expenses related to REVTx-99a and \$0.3 million in personnel expenses, offset by an increase of \$0.5 million \$1.1 million in other program expenses. Other program expenses include pre-clinical costs and clinical preparation costs primarily for programs REV Tx-300, REV Tx-100 and REV Tx-200.

Research and development expenses decreased by \$3.2 million \$2.0 million, from \$4.7 million \$5.0 million for the six nine months ended June 30, 2022 September 30, 2022 to \$1.4 million \$3.1 million for the six nine months ended June 30, 2023 September 30, 2023. The decrease was primarily due to decreases of \$3.1 million in clinical study expenses related to REV Tx-99a and \$0.7 million \$0.6 million in personnel expenses, offset by increases of \$0.5 million \$1.7 million in other program expenses and \$0.3 million \$0.5 million in manufacturing expenses. Other program expenses include pre-clinical costs and clinical preparation costs primarily for programs REV Tx-300, REV Tx-100 and REV Tx-200.

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### General and Administrative Expenses

The following table summarizes our general and administrative expenses for the periods presented:

Three Months Ended			Six Months Ended			Three Months Ended			Nine Months Ended		
June 30,		Cha	June 30,		Chan	September 30,		Cha	September 30,		Chan
2023	2022	nge	2023	2022	ge	2023	2022	nge	2023	2022	ge

Personnel expenses (including employee stock-based compensation)	54	50	8,6,65	00,30	18,43	(1,45)	63	4,69	9,8	60	1,12	1,44	55,89,6
Legal and professional fees (including non-employee stock-based compensation)	38	13	0,8,47	93,57	63,2,9	(7,94)	41	8,71	2,9	34,1	1,65	34,83	77,31,1
Other expenses						(1,08)		5	6	9	0	9	89)
Total general and administrative expenses	1,02	88	8,3,4,75	2,11,8,32	3,79,85	(1,67,53)	1,12	7,6	8,8	1,1	0,9	3,24	4,60,36,89
	<u>\$ 2</u>	<u>\$ 7</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>\$ 7</u>	<u>\$ 1)</u>	<u>\$ 0</u>	<u>\$ 8</u>	<u>\$ 2</u>	<u>\$ 6</u>	<u>\$ 5</u>	<u>\$ 9)</u>	

General and administrative expenses increased by \$0.1 million \$0.3 million, from \$0.9 million \$0.8 million for the three months ended **June 30, 2022** **September 30, 2022** to **\$1.0 million \$1.1 million** for the three months ended **June 30, 2023** **September 30, 2023**. The increase was primarily due to an increase increases of \$0.3 million in personnel expenses and \$0.3 million in financial advisory fees, legal fees and professional consulting service fees, offset by a decrease of \$0.2 million in other expenses as a result of a decrease in D&O Insurance.

General and administrative expenses decreased by \$1.7 million \$1.4 million, from \$3.8 million \$4.6 million for the six nine months ended **June 30, 2022** **September 30, 2022** to **\$2.1 million \$3.2 million** for the six nine months ended **June 30, 2023** **September 30, 2023**. The decrease was primarily due to decreases of \$0.8 million \$1.0 million in other expenses as a result of a decrease in D&O Insurance \$0.7 million and \$0.4 million in financial advisory fees, legal fees and professional consulting service fees, and \$0.2 million in personnel expenses fees.

### Other Income (Expense), Net

Other income (expense), net was \$25,734 \$28,728 for the three months ended June 30, 2022 September 30, 2022, related to foreign currency transaction gains and losses and interest income from our cash balances in savings accounts. Other income (expense), net was \$484,860 \$149,521 for the three months ended June 30, 2023 September 30, 2023, related to the change in fair value of the warrant liability, foreign currency transaction gains and losses, and interest income from our cash balances in savings accounts.

Other income (expense), net was \$4,507 \$24,221 for the six nine months ended June 30, 2022 September 30, 2022, related to interest expense for the Promissory Notes Payable and Convertible Note, foreign currency transaction gains and losses, and interest income from our cash balances in savings accounts. Other income (expense), net was \$8,263,902 \$8,413,423 for the six nine months ended June 30, 2023 September 30, 2023, related to the change in fair value of the warrant liability, foreign currency transaction gains and losses, and interest income from our cash balances in savings accounts.

### **Liquidity and Capital Resources**

Since our inception to June 30, 2023 September 30, 2023, we have funded our operations from the issuance and sale of our common stock, preferred stock and warrants, from which we have raised net proceeds of \$43.9 million, of which \$14.0 million was received during the six nine months ended June 30, 2023 September 30, 2023. As of June 30, 2023 September 30, 2023, we had available cash and cash equivalents of \$15.7 million \$14.0 million and an accumulated deficit of \$20.6 million \$23.3 million.

Our use of cash is to fund operating expenses, which consist primarily of research and development expenditures related to our therapeutic product candidates, REVTx-300, REV Tx-100 and REV Tx-200. We plan to increase our research and development expenses substantially for the foreseeable future as we continue the clinical development of our current and future product candidates. At this time, due to the inherently unpredictable nature of product development, we cannot reasonably estimate the costs we will incur and the timelines that will be required to complete development, obtain marketing approval, and commercialize our current product candidate, diagnostic product or any future product candidates. For the same reasons, we are also unable to predict when, if ever, we will generate revenue from product sales or any future license agreements which we may enter into or whether, or when, if ever, we may achieve profitability. Clinical and preclinical development timelines, the probability of success, and development costs can differ materially from expectations. In addition, we cannot forecast the timing and amounts of milestone, royalty and other revenue from licensing activities, which future product candidates may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

We expect to continue to generate substantial operating losses for the foreseeable future as we expand our research and development activities. We will continue to fund our operations primarily through utilization of our current financial resources and through additional raises of capital.

To the extent that we raise additional capital through partnerships or licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates, future revenue streams or research programs or to grant licenses on terms that may not be favorable to us. If we raise additional capital through public or private equity offerings, the ownership interest of our then-existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to obtain adequate financing when needed, we may have to delay, reduce the scope of or suspend one or more of our clinical studies or preclinical studies, research and development programs or commercialization efforts or grant rights to develop and market our product candidates or diagnostic product even if we would otherwise prefer to develop and market such product candidates or diagnostic product ourselves.

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### **Going Concern**

As of **June 30, 2023** **September 30, 2023**, we had an accumulated deficit of **\$20.6 million** **\$23.3 million**, a stockholders' equity of **\$11.4 million** **\$8.8 million** and available cash and cash equivalents of **\$15.7 million** **\$14.0 million**. We expect to continue to incur significant operating and net losses, as well as negative cash flows from operations, for the foreseeable future as we continue to complete all necessary product development or future commercialization efforts. We have never generated revenue and do not expect to generate revenue from product sales unless and until we successfully complete development and obtain regulatory approval for REVTx-300, REV Tx-100, REV Tx-200, REV Tx-99b, REV Dx-501 or other product candidates, which we expect will not be for at least several years, if ever. We do not anticipate that our current cash and cash equivalents balance will be sufficient to sustain operations within one year after the date that our audited financial statements for **June 30, 2023** **September 30, 2023** were issued, which raises substantial doubt about our ability to continue as a going concern.

To continue as a going concern, we will need, among other things, to raise additional capital resources. We plan to seek additional funding through public or private equity or debt financings. We may not be able to obtain financing on acceptable terms, or at all. The terms of any financing may adversely affect the holdings or the rights of our stockholders. If we are unable to obtain funding we could be required to delay, reduce or eliminate research and development programs, product portfolio expansion or future commercialization efforts, which could adversely affect our business operations.

The unaudited condensed consolidated financial statements for **June 30, 2023** **September 30, 2023**, have been prepared on the basis that we will continue as a going concern, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability for us to continue as a going concern.

### **Cash Flows**

The following table summarizes our cash flows for the periods presented:

	Six Months Ended		Nine Months Ended	
	June 30,		September 30,	
	2023	2022	2023	2022
Net cash used in operating activities	\$ (3,566,769)	\$ (8,540,511)	\$ (5,283,450)	\$ (10,271,929)
Net cash provided by financing activities.	14,025,008	10,741,598	14,025,008	15,192,646
Net increase in cash and cash equivalents	\$ 10,458,239	\$ 2,201,087	\$ 8,741,558	\$ 4,920,717

### **Net Cash Used in Operating Activities**

During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, net cash used in operating activities was **\$3.6** **\$5.3** million, which consisted of a net income of **\$4.7** **\$2.1** million, offset by a net change of non-cash charges of **\$8.1** million comprised of the change in fair value of the warrant liability, stock-based compensation expense and depreciation expense.

During the **six** **nine** months ended **June 30, 2022** **September 30, 2022**, net cash used in operating activities was **\$8.5** **\$10.3** million, which consisted of a net loss of **\$8.5** million, offset by **\$9.6** million and a net change of **\$0.3** million **\$1.0** million in our net operating assets and liabilities, and offset by non-cash charges of **\$0.3** million comprised of stock-based compensation expense, non-cash lease expense and depreciation expense.

### **Net Cash Provided by Financing Activities**

During the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, net cash provided by financing activities was \$14.0 million, from net cash proceeds of \$14.0 million received from the February 2023 Public Offering.

During the **six** **nine** months ended **June 30, 2022** **September 30, 2022**, net cash provided by financing activities was **\$10.7** **\$15.2** million, from net proceeds of \$4.2 million received in connection with the Business Combination, after exercise of the forward share purchase agreement of \$7.7 million, and net proceeds of \$7.3 million received from the PIPE Investment, and net proceeds of approximately \$4.5 million received from the July 2022 Public Offering, offset by \$0.8 million in repayments of promissory notes payable, including interest expense.

### **Contractual Obligations and Other Commitments**

The following table summarizes our contractual obligations as of **June 30, 2023** **September 30, 2023** and the effects of such obligations are expected to have on our liquidity and cash flow in future periods:

	More					More				
	Less		than			Less		than		
	than	1 to 3	3 to 5	5		than	1 year	1 to 3	3 to 5	5
	1 year	years	years	years	Total		1 year	years	years	years
Operating lease obligations	57,7				57,	28,8				28,
	\$ 80	\$ —	\$ —	\$ —	\$ 780	\$ 90	\$ —	\$ —	\$ —	\$ 890
Total contractual obligations	57,7				57,	28,8				28,
	\$ 80	\$ —	\$ —	\$ —	\$ 780	\$ 90	\$ —	\$ —	\$ —	\$ 890

We have entered into an operating lease for laboratory space in San Diego, California. The table above includes future minimum lease payments under the non-cancelable lease arrangement.

We enter into contracts in the normal course of business with third party service providers and vendors. These contracts generally provide for termination on notice and, therefore, are cancellable contracts and not considered contractual obligations and commitments. We believe that our non-cancelable obligations under these agreements are not material.

## Off-Balance Sheet Arrangements

As of **June 30, 2023** **September 30, 2023**, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

## Quantitative and Qualitative Disclosure about Market Risk

We are exposed to market risks in the ordinary course of our business.

### Interest Rate Risk

Our cash and cash equivalents consist primarily of highly liquid investments in money market funds and cash on hand and have an original maturity date of 90 days or less. The fair value of our cash and cash equivalents would not be significantly affected by either an increase or decrease in interest rates due mainly to the short-term nature of these instruments.

### Foreign Currency Risk

Our expenses are generally denominated in the currencies in which our operations are located, which is primarily in the United States, England and Australia. We make payments to vendors for research and development services with payments denominated in foreign currencies including Australian Dollars and British Pounds. We are subject to foreign

currency transaction gains or losses on our payments denominated in foreign currencies. To date, foreign currency transaction gains and losses have not been material and we have not had a formal hedging program with respect to foreign currency; however, we may consider doing so in the future. A 10% increase or decrease in currency exchange rates would not have a material effect on our financial results.

### **Critical Accounting Policies and Significant Judgments and Estimates**

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with the U.S. generally accepted accounting principles ("GAAP"). The preparation of the condensed consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions about future events that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses. These estimates and assumptions are based on management's best estimates and judgment. Management regularly evaluates its estimates and assumptions using industry experience and other factors; however, actual results could differ materially from these estimates and could have an adverse effect on our condensed consolidated financial statements. While our significant accounting policies are more fully described in the notes to our condensed consolidated financial statements, we believe that the accounting policies discussed below are most critical to understanding and evaluating our historical and future performance.

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### **Research and Development Expenditures**

We record accrued expenses for estimated preclinical and clinical study and research expenses related to the services performed but not yet invoiced pursuant to contracts with research institutions, contract research organizations and clinical manufacturing organizations that conduct and manage preclinical studies, and clinical studies, and research services on our behalf. Payments for these services are based on the terms of individual agreements and payment timing may differ significantly from the period in which the services were performed. Our estimates are based on factors such as the work completed, including the level of patient enrollment. We monitor patient enrollment levels and related activity to the extent reasonably possible and make judgments and estimates in determining the accrued balance in each reporting period. Our estimates of accrued expenses are based on the facts and circumstances known at the time. If we underestimate or overestimate the level of services performed or the costs of these services, our actual expenses could differ from our estimates. As actual costs become known, we adjust our accrued expenses. To date, we have not experienced significant changes in our estimates of clinical study accruals.

### **Stock-based Compensation**

We recognize the compensation expense related to stock options, third-party warrants, and RSU awards granted, based on the estimated fair value of the awards on the date of grant. The fair value of employee stock options and third-

party warrants are generally determined using the Black-Scholes option-pricing model using various inputs, including estimates of historic volatility, term, risk-free rate, and future dividends. The grant date fair value of the stock-based awards, which have graded vesting, is recognized using the straight-line method over the requisite service period of each stock-based award, which is generally the vesting period of the respective stock-based awards. The Company recognizes forfeitures as they occur.

As of **June 30, 2023** **September 30, 2023**, there were 3,006 Rollover RSU awards and 35,005 stock options outstanding.

### ***Determination of the Fair Value of Common Stock***

Prior to the Business Combination, given the absence of a public trading market for our shares of common stock, our board of directors exercises its judgment and considers a number of objective and subjective factors to determine the best estimate of the fair value of our shares of common stock, including timely valuations of our shares of common stock prepared by an unrelated third-party valuation firm, important developments in our operations, sales of common stock and convertible preferred shares, actual operating results and financial performance, the conditions in the biotechnology industry and the economy in general, the stock price performance and volatility of comparable public companies, and the lack of liquidity of our shares of common stock, among other factors. After the Business Combination, the fair value of each share of common stock is based on the closing price of our shares of common stock as reported on the date of grant.

### **Recent Accounting Pronouncements**

See Note 2 to our unaudited condensed consolidated financial statements for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one yet, of their potential impact on our financial condition or results of operations.

### **JOBS Act Accounting Election**

We are an “emerging growth company,” as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies.

We have elected to use this extended transition period to enable us to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements and our interim financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

## Item 4. Controls and Procedures.

### Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures. Based on that evaluation of our disclosure controls and procedures as of June 30, 2023 September 30, 2023, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures as of such date are effective at the reasonable assurance level. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

### Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during our most recent quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

On February 18, 2022, LifeSci Capital LLC filed an action against the Company in the U.S. District Court for the Southern District of New York seeking damages in the amount of approximately \$2.7 million in cash and \$2.6 million in equity for unpaid banking and advisory fees. These fees arise under contracts which were entered into prior to the Business Combination and the Company is disputing the amount owed under those contracts and has asserted affirmative defenses including the defense that LifeSci Capital LLC mislead Petra in the amount of the fees sought exceeded the \$8.5 million cap on transaction expenses in funds that would be available for operation following the

Business Combination Agreement, Combination. The Company has filed a counterclaim against LifeSci Capital LLC for damages arising from its misleading Petra. On June 22, 2022, LifeSci Capital LLC filed a motion for summary judgement and on March 2, 2023, the court denied the plaintiff's motion for summary judgment. As of the date of this Report, discovery is substantially complete and LifeSci has filed a second motion for summary judgment which is pending. If the proceeding goes to trial it is not expected to occur, at the earliest, until the second half of 2024.

Of the LifeSci Capital LLC claim, \$1.5 million relates to deferred underwriting fees from the Petra initial public offering. In addition, but separate from the claim, one of the underwriters in the Petra initial public offering who is not a participant in the litigation with LifeSci Capital LLC recently issued a demand letter seeking repayment for \$655 thousand in fees owed from the Petra initial public offering that remain unpaid. Both of these amounts are recorded as a current liability in the financial statements as of June 30, 2023 September 30, 2023 under deferred underwriting commissions. No other liabilities are reflected in the financial statements as the amount of any additional liability cannot be determined at this time.

On September 27, 2022, A-IR Clinical Research Ltd. ("A-IR") filed a claim against the Company in the High Court of Justice, in the Business and Property Courts of England and Wales, seeking £1.6 million in unpaid invoices, plus interest and costs, relating to the Company's viral challenge study. The case has been moved to the Commercial Court. The Company is disputing the claim because many of the invoices relate to work that was not performed and A-IR had misrepresented its qualifications to perform the contracted work. Since this proceeding is at a very early stage, no liability is reflected in the financial statements as the amount of any liability cannot be determined at this time.

#### **Item 1A. Risk Factors.**

Our business is subject to various risks, including those described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes from the risk factors disclosed in Item 1A of our Annual Report on Form 10-K.

#### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

- a) None.
- b) None.
- c) None.

#### **Item 3. Defaults Upon Senior Securities.**

Not applicable.

#### **Item 4. Mine Safety Disclosures.**

Not applicable.

#### **Item 5. Other Information.**

None.

## Item 6. Exhibits, Financial Statement Schedules.

Furnish the exhibits required by Item 601 of Regulation S-K (§ 229.601 of this chapter).

EXHIBIT	DESCRIPTION
3.2 <sup>(1)</sup>	<a href="#">Second Amended and Restated Bylaws</a>
31.1* 31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2* 31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1* 32.1*	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2* 32.2*	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS*	XBRL Instance Document – the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith.

(1) Previously filed as an exhibit to Revelation Biosciences, Inc.'s Current Report on Form 8-K filed on July 7, 2023.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REVELATION BIOSCIENCES, INC.

Date: August 11, 2023 November 9, 2023

By: */s/ James Rolke*

**James Rolke**

Chief Executive Officer

(principal executive officer)

Date: August 11, 2023 November 9, 2023

By: */s/ Chester S. Zygmont, III*

**Chester S. Zygmont, III**

Chief Financial Officer

(principal financial and accounting officer)

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**Exhibit 31.1**

**REVELATION BIOSCIENCES, INC.**

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James Rolke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Revelation Biosciences, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ James Rolke

James Rolke

Chief Executive Officer and Director

(Principal Executive Officer)

Date: August 11, November 9, 2023

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**Exhibit 31.2**

**REVELATION BIOSCIENCES, INC.**

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Chester S. Zygmont, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Revelation Biosciences, Inc.;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Chester S. Zygmont, III

Chester S. Zygmont, III

Chief Financial Officer

(Principal Financial Officer and  
Principal Accounting Officer)

Date: August 11, November 9, 2023

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**Exhibit 32.1**

**REVELATION BIOSCIENCES, INC.**

**CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report on Form 10-Q of Revelation Biosciences, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operation of the Company.

By: /s/ James Rolke

James Rolke

Chief Executive Officer and Director  
(Principal Executive Officer)

Date: August 11, November 9, 2023

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**Exhibit 32.2**

**REVELATION BIOSCIENCES, INC.**

**CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report on Form 10-Q of Revelation Biosciences, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operation of the Company.

By: /s/ Chester S. Zygmont, III

Chester S. Zygmont, III

Chief Financial Officer  
(Principal Financial Officer and  
Principal Accounting Officer)

Date: August 11, November 9, 2023

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