REEM CAPITAL CORP.

(A Capital Pool Company)

Unaudited Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended November 30, 2023 and 2022

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3(a)), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

Vancouver, B.C.

January 26, 2024

REEM CAPITAL CORP.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT

(Expressed in Canadian dollars)

(Unaudited)

	Note	NOVEMBER 30, 2023 $	AUGUST 31, 2023 $ (Audited)
ASSETS			
CURRENT			
Cash		323,617	352,490
Restricted cash	**4**	142,200	142,200
Total assets		465,817	494,690
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT			
Accounts payable and accrued liabilities		35,503	46,395
Units to be issued	**4**	142,200	142,200
Total liabilities		177,703	188,595
SHAREHOLDERS' EQUITY			
Share capital	**4**	472,737	472,737
Contributed surplus	**5,6**	77,587	77,587
Deficit		(262,210)	(244,229)
Total shareholders' equity		288,114	306,095
Total liabilities and shareholders' equity		465,817	494,690

Nature of operations and going concern (Note 1)

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

Approved on behalf of the Board:

Signed: “Michael Saliken”, Director

Signed: "Jonathan Held", Director

REEM CAPITAL CORP.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023 AND 2022

(Expressed in Canadian dollars)

(Unaudited)

	Note	THREE MONTHS ENDED NOVEMBER 30, 2023 $	NOVEMBER 30, 2022 $
EXPENSES			
General and administrative		22,299	12,554
LOSS BEFORE THE FOLLOWING ITEM:		(22,299)	(12,554)
Interest income		4,318	2,198
NET LOSS AND COMPREHENSIVE LOSS		(17,981)	(10,356)
Net loss per share – basic and diluted	**7**	(0.00)	(0.00)
Weighted average number of shares outstanding – basic and diluted		7,900,000	7,900,000

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

REEM CAPITAL CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023 AND 2022

(Expressed in Canadian dollars)

(Unaudited)

	COMMON SHARES	SHARE CAPITAL $	CONTRIBUTED SURPLUS $	DEFICIT $	TOTAL $
BALANCE, SEPTEMBER 1, 2023	7,900,000	472,737	77,587	(244,229)	306,095
Net loss for the period	-	-	-	(17,981)	(17,981)
BALANCE, NOVEMBER 30, 2023	7,900,000	472,737	77,587	(262,210)	288,114
BALANCE, SEPTEMBER 1, 2022	7,900,000	472,737	77,587	(157,516)	392,808
Net loss for the period	-	-	-	(10,356)	(10,356)
BALANCE, NOVEMBER 30, 2022	7,900,000	472,737	77,587	(167,872)	382,452

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

REEM CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2023 AND 2022
(Expressed in Canadian dollars)
(Unaduited)

	THREE MONTHS ENDED	
	NOVEMBER 30, 2023	**NOVEMBER 30, 2022**
	$	**$**
OPERATING ACTIVITIES		
Net loss	(17,981)	(10,356)
Changes in non-cash working capital items:		
(Decrease) increase in accounts payable and accrued liabilities	(10,892)	12,486
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES	(28,873)	2,130
(DECREASE) INCREASE IN CASH AND RESTRICTED CASH	(28,873)	2,130
CASH AND RESTRICTED CASH - BEGINNING OF PERIOD	494,690	409,547
CASH AND RESTRICTED CASH - END OF PERIOD	465,817	411,677
Supplementary cash flow information		
Restricted cash	142,200	-
Interest received	4,318	2,198
Income tax paid	-	-

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

1. Nature of Operations and Going Concern

Reem Capital Corp. ("the Company") was incorporated pursuant to the provisions of the Business Corporations Act of British Colombia on March 29, 2021. The Company intends to carry on business as a “Capital Pool Company” (“CPC”), as such term is defined in TSX Venture Exchange Inc. (the “Exchange” or “TSX-V”) Policy 2.4 - Capital Pool Companies ("Policy 2.4"). As at November 30, 2023, the Company has no business operations, however, as noted below, on September 22, 2023, the Company entered into a definitive securities agreement. The Company’s registered head office address is 300 Roslyn Bldg., 400-5th Av. SW, Calgary, Alberta, T2P 0L6, Canada.

The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholders approval and acceptance by the Exchange (“Qualifying Transaction”). Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4.

The Company completed its initial public offering (“IPO”) on February 11, 2022. The gross proceeds raised from the IPO may only be used to identify a “Qualifying Transaction”, as such term is defined in Exchange Policy 2.4 with the exception that a maximum of $3,000 per month may be spent on reasonable general and administrative expenses of the Company.

Where a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will be able to complete a Qualifying Transaction or that it will be able to secure the necessary financing to complete a Qualifying Transaction.

On April 1, 2022, the Company entered into a non-binding letter of intent (the “LOI”) with Kalron Holdings Ltd. (“Kalron”) pursuant to which the Company and Kalron intend to complete an arm’s length business combination (the “Transaction”), and whereby the Company as it exists upon completion of the Transaction (the “Resulting Issuer”) will continue the business of Kalron. The initial term of the LOI ended on May 19, 2022. On December 29, 2022, the Company signed an extension of the LOI through March 15, 2023 and continued to negotiate under the terms of the extended LOI.

On September 22, 2023, the Company entered into a definitive securities exchange agreement (the "Definitive Agreement") with Kalron, Seegnal eHealth Ltd. ("Seegnal"), a subsidiary of Kalron, certain securityholders of Kalron and certain securityholders of Seegnal (the "Proposed Transaction").

It is intended that the Proposed Transaction will constitute a reverse take-over of the Company by Kalron as the former shareholders and debenture-holders of Kalron will own approximately 88.63% of the outstanding common shares in the capital of the Company (the "Reem Shares"). The Company following the completion of the Proposed Transaction is herein referred to as the "Resulting Issuer."

The Proposed Transaction will constitute the Qualifying Transaction of the Corporation and anticipates the Reem Shares will trade on the Exchange under the stock symbol "SEGN". The Reem Shares will remain halted pending receipt and review of acceptable documentation regarding the Qualifying Transaction pursuant to the CPC Policy.

1. Nature of Operations and Going Concern (continued)

Pursuant to the Definitive Agreement:

- immediately prior to closing of the Proposed Transaction, all outstanding convertible debentures and simple agreement for future equity (“SAFEs”) of Kalron will be converted, in accordance with their terms, into ordinary shares of Kalron (the "Kalron Shares");
- the minority shareholder of Seegnal (other than Kalron) (the "Seegnal Shareholder") will exchange, transfer, and assign all shares of Seegnal held by the Seegnal Shareholder to Seegnal for cancellation in consideration of Reem Shares;
- the Company will acquire all of the issued and outstanding Kalron Shares by way of a securities exchange;
- the Company will exchange all options of Seegnal for options of the Company; and
- certain holders of convertible debentures of Kalron will receive warrants of the Company entitling the holder to purchase one Reem Share at an exercise price of $0.90 per Reem Share (post-Consolidation (as defined below)) at any time on or before the 24-month anniversary from the date of issuance.

On or immediately prior to the closing of the Proposed Transaction, the Company will consolidate its outstanding share capital (the “Consolidation”) on the basis of one new Reem Share for each 2.37 existing Reem Shares.

Going concern

These unaudited condensed interim financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company does not generate revenue from operations. The Company incurred a net loss of $17,981 and $10,356 during the three months ended November 30, 2023 and 2022, respectively, and had an accumulated deficit of $262,210 as at November 30, 2023. The Company’s continuing operations are dependent upon its ability to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4. Any acquisition or investment proposed by the Company will be subject to regulatory approval. Where a potential acquisition has been identified, additional funding may be required in order to complete the transaction and there is no assurance that the Company will be successful in obtaining any additional funding. These conditions indicate the existence of a material uncertainty that may give rise to significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

2. Basis of Presentation

These unaudited condensed interim financial statements were prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain financial information and disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) has been omitted or condensed. The disclosure provided herein is incremental to the disclosure included in the audited annual financial statements. The financial statements were approved and authorized for issue by the Board of Directors on January 26, 2024.

3. Summary of Significant Accounting Policies

The policies applied in these unaudited condensed interim financial statements are based on IFRS's issued and outstanding as of the date the Board of Directors approved the unaudited condensed interim financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent audited financial statements for the year ended August 31, 2023.

Use of estimates, assumptions, and judgments

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Ability to continue as a going-concern

Management assesses the Company's ability to continue as a going-concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), and subsequent changes could materially impact the validity of such an assessment.

Fair value of share-based payments and agent's warrants

Management uses the Black-Scholes option-pricing model to calculate the fair value of share-based payments and agent's warrants. Management considers factors that knowledgeable, willing market participants would consider when selecting the appropriate valuation model to apply. Use of this method requires management to make assumptions and estimates about the share price on the measurement date, expected useful life of the instruments, expected dividends, the risk-free rate (based on government bonds), the expected volatility of the Company's share price. In making these assumptions and estimates, management relies on historical market data. The inputs to the model are subject to estimate and changes in these inputs can materially impact the estimated fair value of these instruments. The fair value reported may not represent the transaction value if these options were exercised/exchanged at any point in time.

Reclassification

Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

New and revised IFRS issued by not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended November 30, 2023 and have not been applied in the preparation these financial statements.

IAS 1 – Amendments to Classification of Liabilities as Current or Non-current

Amendments to International Accounting Standards (IAS) 1 Presentation of Financial Statements clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2024.

The Company has not early adopted this revised standard and adoption is not expected to have a material effect on the financial statements.

4. Share Capital

Authorized
Unlimited common shares with no par value.
Unlimited preferred shares with no par value.

	Number of Common Shares	Amount $
Issuance of seed shares, net of share issuance costs (i)	4,400,000	218,502
Initial public offering (ii)	3,500,000	254,235
Balance, September 1, 2023 and November 30, 2023	**7,900,000**	**472,737**

(i) Issuance of seed shares

On May 30, 2021, the Company issued 4,400,000 seed common shares at $0.05 per share for gross proceeds of $220,000. The Company incurred share issuance costs of $1,498 in the form of legal and professional fees related to the financing.

The issued and outstanding seed shares of 4,400,000 will be held in escrow pursuant to the requirements of the Exchange to be released as to 25% thereof on completion of the Company's Qualifying Transaction, as defined in the policies of the Exchange, and as to 25% thereof on each of the 6th, 12th and 18th months following the initial release. All stock options and common shares issued prior to the date of the final exchange bulletin pursuant to the exercise of the stock options are subject to escrow.

(Expressed in Canadian dollars)

4. Share Capital (continued)

(ii) Initial public offering

On February 11, 2022, the Company completed its IPO of a total of 3,500,000 common shares at a price of $0.10 per share for aggregate gross proceeds of $350,000. In connection with the IPO, the Company incurred share issuance costs of $95,765 in the forms of (i) agent's cash commission of $35,000; (ii) legal and professional fees of $42,289; and (iii) 350,000 agent's warrants with a fair value of $18,476.

(iii) Units to be issued

During the year ended August 31, 2023, in advance of financing closing related to the proposed transaction with Kalron, the Company received $142,200 for 237,000 subscription receipts issued at $0.60 each. Each subscription receipt shall be automatically exchanged, for no additional consideration, into one unit of the Company on the satisfaction of the escrow release conditions. These units have not been issued as the escrow release conditions have not been met. Each unit will comprise of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.90 for a period of 24 months following the closing of the proposed transaction. Accordingly, the advance received is presented as restricted cash on the statements of financial position. If the transaction is not successfully completed with Kalron, the funds shall be returned accordingly. Therefore, the amount has been presented as a liability until such time that the transaction is successfully completed.

5. Stock Options

The stock option plan of the Company provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, consultants and employees of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to ten (10) years from the date of the grant.

On February 11, 2022, the Company granted options to its directors and officers entitling the purchase of 790,000 common shares at a price of $0.10 per common share. The options are for a five-year term, expiring on February 11, 2027, and vest on the date of grant.

The following table summarizes the Company's outstanding and exercisable stock options:

	Number of Options		Weighted Average Exercise Price	Expiry Date
Balance, September 1, 2023 and November 30, and 2023	**790,000**	**$**	**0.10**	February 11, 2027

(Expressed in Canadian dollars)

6. Agent's Warrants

On February 11, 2022, the Company granted on the closing date to the agent, warrants to purchase 350,000 common shares at a price of $0.10 per share. The agent's warrants expire 24 months from the date the common shares of the Company are listed on the Exchange. The following table summarizes the Company's outstanding and exercisable agent's warrants:

	Number of Warrants		Weighted Average Exercise Price	Expiry Date
Balance, September 1, 2023 and November 30, and 2023	**350,000**	**$**	**0.10**	February 11, 2024

7. Net Loss Per Share

		THREE MONTHS ENDED	
		NOVEMBER 30, 2023	NOVEMBER 30, 2022
Numerators:			
Net loss and comprehensive loss	$	17,981	10,356
Denominators:			
Weighted average number of shares		7,900,000	7,900,000
Basic and diluted loss per share	**$**	0.00	0.00

The basic and diluted loss per share are the same as stock options and agent's warrants were not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

8. Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

As at November 31, 2023 and August 31, 2023, no amounts were due to related parties, including amounts owed directly to the officers and directors of the Company.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

9. Financial Instruments and Risk Management

Fair Values

At November 30, 2023, the Company's financial instruments consist of cash, restricted cash, accounts payable and accrued liabilities, and units to be issued. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks. The Board approves the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's search for a Qualifying Transaction, and limited exposure to credit and market risks.

9. Financial Instruments and Risk Management (continued)

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk

Credit risk is the risk of loss if a third party to a financial instrument fails to meet its commercial obligations. The Company's credit risk is primarily attributable to cash and restricted cash. The Company limits its exposure to credit loss by placing its cash and restricted cash with high credit quality financial institutions. The Company believes its exposure to credit risk is not significant.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash and restricted cash balances. The Company believes its exposure to interest rate risk is not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

10. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to become a CPC and complete a Qualifying Transaction so that it can provide adequate returns for shareholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as total shareholders' equity. The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment. These expenditure restrictions, as per Policy 2.4, limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of $3,000 per month for other general and administrative costs. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Policy 2.4.