No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of British Columbia, Alberta and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

Non-Offering March 31, 2025

PRELIMINARY PROSPECTUS

REEM CAPITAL CORP.

No securities are being offered pursuant to this prospectus (the "**Prospectus**"). This Prospectus is being filed to enable Reem Capital Corp. (the "**Company**"), a capital pool company pursuant to *Policy 2.4 - Capital Pool Companies* (the "**CPC Policy**") of the TSX Venture Exchange Inc. (the "**Exchange**" or "**TSXV**"), to complete its Qualifying Transaction (as defined under the CPC Policy) with Kalron Holdings Ltd. ("**Kalron**") (the "**Proposed Qualifying Transaction**"). Kalron carries on its business through its subsidiary, Seegnal eHealth Ltd. ("**Seegnal**"). Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised pursuant to this Prospectus. All expenses in connection with the preparation and filing of this Prospectus will be paid by the Company and Kalron from working capital.

The Company was formed as a capital pool company on March 29, 2021, and completed the initial public offering of its Common Shares (as defined herein) on February 11, 2022. The Common Shares were listed for trading on the Exchange on February 16, 2022. The Company's business has been restricted to the identification and evaluation of assets and businesses in connection with a potential Qualifying Transaction and, upon identifying and evaluating such opportunities, to negotiate an acquisition or participation in connection therewith subject to acceptance by the Exchange. The Company and Kalron, among others, entered into a securities exchange agreement on September 22, 2023, and such agreement was amended and restated on January 27, 2025 (the "**Definitive Agreement**"). Pursuant to the Definitive Agreement, the Company will acquire all of the issued and outstanding securities of Kalron. The Proposed Qualifying Transaction is intended to serve as the Company's Qualifying Transaction under the CPC Policy.

The Proposed Qualifying Transaction must be approved by the Exchange in accordance with the CPC Policy. Except as specifically contemplated in the CPC Policy, until Completion of the Proposed Qualifying Transaction (as defined herein), the Company has not carried on and will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. As of the date of this Prospectus, the common shares of the Company (the "**Common Shares**") are listed on the Exchange under the symbol "REEM.P". Trading of the Common Shares was halted on March 15, 2022, the date of the initial announcement of the Proposed Qualifying Transaction pursuant to the policies of the Exchange. At the time of the trading halt, the Common Shares were trading at a price of $0.08 per Common Share.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus. **This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities**.

Neither the Exchange nor any securities regulatory authority has in any way passed upon the merits of the Proposed Qualifying Transaction described in this Prospectus.

An investment in securities of the Company or the Resulting Issuer (as defined herein) should be considered highly speculative. There is no guarantee that an investment in the Company or the Resulting Issuer will earn any positive return in the short or long term. An investment in the Company or the Resulting Issuer is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There are certain risk factors associated with an investment in the securities of the Company or the Resulting Issuer and with Completion of the Proposed Qualifying Transaction and with respect to the Resulting Issuer's business. In reviewing this Prospectus, an investor should carefully consider the matters described in this Prospectus under the heading "*The Resulting Issuer – Risk Factors*".

The Company was incorporated in 2021, does not own any ongoing business operations and has no assets other than cash and cash equivalents, its listing on the Exchange and its rights under the Definitive Agreement. There is no assurance that the Company will successfully complete the Proposed Qualifying Transaction, or even if it does, that the business of the Resulting Issuer will be profitable or will succeed. Moreover, additional funds may be required to accomplish the business objectives of the Resulting Issuer, and the Resulting Issuer may not be able to obtain such financing or may not be able to raise sufficient funds. If future business activities of the Resulting Issuer are financed by the issuance of Resulting Issuer Shares (as defined herein) from treasury, control of the Resulting Issuer may change and shareholders may suffer additional dilution. Holders of Resulting Issuer Shares (as defined herein) may be unable to enforce Canadian statutory and civil remedies against non-residents.

The head office of the Company is located at Borden Ladner Gervais LLP, 1900, 520 - 3 Avenue SW, Calgary, Alberta, T2P 0R3, Canada, and the registered office of the Company is located at Borden Ladner Gervais LLP, Waterfront Centre, 1200, 200 Burrard St, Vancouver, BC V7X 1T2.

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GENERAL MATTERS

Readers should rely only on the information contained in this Prospectus. We have not authorized any other person to provide you with additional or different information. If anyone provides you with additional or different or inconsistent information, including information or statements in media articles about the Company, you should not rely on it. You should assume that the information appearing in this Prospectus is accurate only as at its date. The Company's business, financial conditions, results of operations and prospects may have changed since that date.

Unless otherwise noted or the context indicates otherwise, "we", "us", "our", or the "Company" refers to Reem Capital Corp. Certain capitalized terms and phrases used in this Prospectus are defined in the *"Glossary of Terms"*.

ENFORCEMENT OF CIVIL LIABILITIES

The following persons are incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or reside outside of Canada, and have appointed Borden Ladner Gervais LLP, Waterfront Centre, 1200, 200 Burrard St, Vancouver, BC V7X 1T2, as their agent for service of process in Canada, respectively:

- Ronnie Jaegermann, a director of the Company and proposed director of the Resulting Issuer;
- Eyal Schneid, the Chief Executive Officer of Kalron and Seegnal and the proposed Chief Executive Officer of the Resulting Issuer;
- Gadi Levin, the Chief Financial Officer of Kalron and Seegnal and the proposed Chief Financial Officer of the Resulting Issuer;
- Avraham Gilat, a director of Kalron and Seegnal;
- Nir Dor, a director of Kalron and Seegnal and proposed director of the Resulting Issuer; and
- Orit Lidor, a proposed director of the Resulting Issuer.

It may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the person has appointed an agent for service of process.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains "forward-looking information" within the meaning of applicable Canadian securities legislation, with respect to the Company, Kalron and the Resulting Issuer. The forward-looking information included in this Prospectus is not based on historical facts, but rather on the expectations of the Company's management regarding the future growth of the Resulting Issuer, its results of operations, performance, business prospects, and opportunities. This Prospectus uses words such as "will", "may", "expects", "anticipates", "intends", "plans", "believes", "estimates", "future", or similar expressions to identify forward-looking information. Such forward-looking information reflects the current beliefs of the Company's management, based on information currently available to them.

Forward-looking statements contained in this Prospectus include, without limitation, statements about:

- completion and timing of the Proposed Qualifying Transaction, including but not limited to the completion of the Kalron Share Adjustment, the Reem Share Adjustment, the Kalron Private Placement, and the Resulting Issuer Unit Financing;
- the anticipated timing of the Shareholder Meeting;
- use of funds;

- Kalron's and the Resulting Issuer's expectations regarding future growth, including Kalron's and the Resulting Issuer's ability to grow its business and increase its product offering to consumers, and the viability of Kalron's and the Resulting Issuer's business plan;

- Kalron's and the Resulting Issuer's expectations about growth in the industry in which it operates and its ability to increase its market penetration;

- Kalron's and the Resulting Issuer's anticipated cash needs and ability to obtain financing to support and expand its operations;

- Kalron's and the Resulting Issuer's perception of its competitors, emerging competition in the industry and the associated risks;

- Kalron's and the Resulting Issuer's ability to protect, maintain and enforce its intellectual property rights;

- regulatory developments and the regulatory environment in which Kalron and the Resulting Issuer operates;

- anticipated trends and challenges in Kalron's and the Resulting Issuer's business and the market in which Kalron and the Resulting Issuer operates; and

- Kalron's and the Resulting Issuer's future financial and operating results.

Forward-looking statements are based on the reasonable assumptions, estimates, opinions and analyses of management made in light of its experience and perception of historical trends, current conditions, expected future developments and other factors management of the Company believes are appropriate, relevant and reasonable in the circumstances at the date that such statements are made. The Company has based the forward looking information in this Prospectus on various material assumptions, including that: the Proposed Qualifying Transaction will be completed as contemplated; the Resulting Issuer will sustain or increase profitability, and will be able to fund its operations with existing capital, and/or it will be able to raise additional capital to fund operations; the Company will be able to attract and retain key personnel; the Company will be successful in obtaining all necessary approvals from all applicable regulatory authorities, including the approval of the Exchange with respect to the Proposed Qualifying Transaction; the general business, economic, financial market, regulatory and political conditions in which the Resulting Issuer operates will remain positive; the general regulatory environment will not change in a manner adverse to the business of the Resulting Issuer; the tax treatment of the Company and its subsidiaries will remain constant and the Company will not become subject to any material legal proceedings; the economy generally; competition, and anticipated and unanticipated costs. The Company cautions that the foregoing list of assumptions is not exhaustive.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Actual results, performance or achievement could differ materially from that expressed in, or implied by, any forward-looking information in this Prospectus, and, accordingly, investors should not place undue reliance on any such forward-looking information. Certain factors that may affect the future results, performance or achievements of the Company are summarized under the heading *"Resulting Issuer – Risk Factors"* in this Prospectus.

Further, any forward-looking information speaks only as of the date on which such statement is made and the Company undertakes no obligation to update any forward-looking information to reflect the occurrence of unanticipated events, except as required by law including applicable securities laws. New factors emerge from time to time and the importance of current factors may change from time to time and it is not possible for management of the Company to predict all of such factors, changes in such factors and to assess in advance the impact of each such factor on the business of the Resulting Issuer, respectively, or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking information contained in this Prospectus.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Prospectus concerning Kalron's industry and the markets in which Kalron operates, including general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

Unless otherwise indicated, the estimates included herein are derived from publicly available information released by independent industry analysts and third-party sources as well as data from Kalron's internal research, and include assumptions made by Kalron which Kalron has advised the Company that it believes to be reasonable based on its knowledge of its industry and markets. Kalron's internal research and assumptions have not been verified by any independent source, and neither the Company nor Kalron has independently verified any third-party information. While the Company and Kalron believe the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates regarding the Resulting Issuer's future performance and the future performance of the industry and markets in which the Resulting Issuer is expected to operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "*Cautionary Statement Regarding Forward-Looking Information" and "The Resulting Issuer – Risk Factors*".

CURRENCY AND EXCHANGE RATE DATA

The financial information in respect of Kalron is presented in United States dollars. The Company's Financial Statements are presented in Canadian dollars. In this Prospectus, references to "$" and "dollars" are to Canadian dollars. Amounts are stated in Canadian dollars unless otherwise indicated.

Certain financial information contained in this Prospectus is disclosed in United States dollars. The following table sets out, for the periods indicated, the high, low, and period-end indicative rates of exchange for US$1.00 expressed in Canadian dollars, published by the Bank of Canada.

	Year ended December 31, 2024	**Year ended December 31, 2023**
As at end of period	$1.4389	$1.3226
Low for the period	$1.3316	$1.3128
High for the period	$1.4416	$1.3875
Average rate for the period	$1.3698	$1.3497

PROSPECTUS SUMMARY

The following is a summary of the principal features contained in this Prospectus, and should be read together with the more detailed information, financial data, and statements contained elsewhere in this Prospectus. Certain capitalized terms and phrases used in this Prospectus are defined in the "Glossary of Terms".

The Company

The Company was incorporated by articles of incorporation under the BCBCA on March 29, 2021. The Company is a CPC and completed its initial public offering ("**Company's IPO**") on the Exchange on February 11, 2022. The Company sold 3,500,000 Common Shares at a price of $0.10 per Common Share pursuant to the Company's IPO, raising gross proceeds of $350,000. The Common Shares are listed and traded on the Exchange under the symbol "REEM.P". The registered office of the Company is located at Borden Ladner Gervais LLP, Waterfront Centre, 1200, 200 Burrard St, Vancouver, BC V7X 1T2. The head office of the Company is located at 1900 – 520, 3rd Ave SW, Calgary, AB T2P 0R3.

The principal business of the Company is the identification and evaluation of assets or businesses, with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be approved by the Exchange in accordance with the CPC Policy. The Company has not commenced commercial operations and has no assets other

than cash and cash equivalents, its listing on the Exchange and its rights under the Definitive Agreement. Except as specifically contemplated in the CPC Policy, until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets and businesses with a view to completing a Qualifying Transaction and, upon identifying and evaluating such opportunities, to negotiate an acquisition or participation subject to acceptance by the Exchange. See "*The Company – Business of the Company*".

Kalron

Kalron was incorporated under the Companies Law, 1999 (Israel) on December 7, 2017. Kalron's registration number is 515753481 and has its registered and head office address at 1 Hashikma Street, Savyon, Israel.

Kalron is a privately held holding corporation established under Israel's laws in 2017. Kalron is the sole shareholder of Seegnal, an Israeli based corporation incorporated under the Companies Law, 1999 (Israel) on September 25, 2005, as a wholly owned subsidiary of Teva Pharmaceuticals Industries Ltd. ("**Teva**"). Seegnal originally operated under the name "Teva Biogenetics Ltd.", as an empty shelf company until 2015, when the name was changed to "Mediseen eHealth Ltd." and the entity started operations. Mediseen eHealth Ltd. changed its name to "Seegnal eHealth Ltd." on December 4, 2019. Seegnal has developed, owns, and is marketing software products for the provisioning of patient-tailored medication at the point of care, with the goal of safeguarding patients (and physicians) from adverse drug reactions, which, according to the World Health Organization, has been determined among the top six most common causes of death worldwide.[1] In the relevant jurisdictions of its operations, Seegnal's products fall under the clinical decision support software ("**CDSS**") category and are classified as non-regulated medical devices and considered as excluded from the FDA's jurisdiction. Seegnal's platform incorporates certain drug databases licensed from prominent international databases, the current main database being First DataBank International Inc. The software as a service ("**SaaS**") common framework, which serves as the heart of Seegnal's products, encompasses a distinct patient-tailored (patient-centric) approach, patented single-screen glance, patented workflow, and over 1,500 proprietary algorithms.

The base product is a clinician-friendly point-of-care drug management solution that streamlines the prescription workflow, significantly reduces adverse drug reactions and physicians' "Alert Fatigue", and offers safe medication alternative solutions within seconds. Seegnal exclusively integrates patient-specific data such as vital signs, diets, lab test results, smoking, age, gender (and more), and many concomitant medication effects. The product is an add-on to any electronic medical record, turning such electronic medical record into an innovative and efficient electronic medical record that optimizes the management of the prescription workflow at the point-of-care.

The enhanced product elevates the patient-tailored approach by adding a precision medication layer based on DNA data using pharmacogenomics evidence, making Seegnal a pioneer in CDSS that can support physicians in their provision of professional services by not only prescribing the optimal medication type and dosage but also by altering and presenting alternatives for adverse drug reactions that DNA data alone does not take into account like allergies, current kidney, liver functions and more. In 2024, Seegnal designed precision medication product capabilities to become a B2C stand-alone product. For a detailed description of Kalron, see "*Kalron – Business of Kalron*."

The Proposed Qualifying Transaction

The Company has identified Kalron as an appropriate target for the Company to acquire for the purpose of completing its Qualifying Transaction. The Proposed Qualifying Transaction will be completed pursuant to the Definitive Agreement, pursuant to which the Company will acquire all of the issued and outstanding post-Kalron Share Adjustment Shares (as described herein), and Kalron will become a wholly owned subsidiary of the Company. Completion of the Proposed Qualifying Transaction is subject to, among other things, prior satisfaction or waiver of a number of conditions, including the conditional Exchange acceptance of the Proposed Qualifying Transaction, and the satisfaction or waiver of the conditions in the Definitive Agreement.

Upon Completion of the Proposed Qualifying Transaction, it is expected that the Resulting Issuer will be listed on the Exchange as a Tier 2 technology issuer.

[1] World Health Organization 2023: Global burden of preventable medication-related harm in health care: a systematic review. ISBN 978-92-4-008888-7 (electronic version).

The Proposed Qualifying Transaction is intended to serve as the Company's Qualifying Transaction under the CPC Policy. The Proposed Qualifying Transaction does not constitute a Non-Arm's Length Qualifying Transaction pursuant to the definition of such term in the CPC Policy and is not a Related Party Transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions.*

Consequently, the Proposed Qualifying Transaction does not require the approval of Company Shareholders.

Securities Exchange

The Company, Kalron, Seegnal and certain securityholders of Kalron entered into the Definitive Agreement (being an amended and restated securities exchange agreement) on January 27, 2025. Pursuant to the Definitive Agreement: (a) Kalron shall complete the Kalron Share Adjustment (as described herein); (b) the Company shall complete the Reem Share Adjustment (as described herein); (c) immediately prior to closing of the Proposed Qualifying Transaction and upon satisfaction of certain escrow release conditions, all Subscription Receipts shall convert into, without the payment of additional consideration or taking of further action, one unit of Kalron consisting of one post-Kalron Share Adjustment Kalron Share and one Kalron Warrant; (d) immediately prior to closing of the Proposed Qualifying Transaction, all outstanding convertible debentures and the Kalron SAFE will be converted, in accordance with their terms, into post-Kalron Share Adjustment Kalron Shares; (e) the Company shall acquire all of the issued and outstanding post-Kalron Share Adjustment Kalron Shares (as described herein) by way of a securities exchange; (f) the Kalron Warrants shall be exchanged for Resulting Issuer Warrants; and (g) certain holders of convertible debentures of Kalron shall receive, pursuant to the terms of the purchase agreements for such convertible debentures, Resulting Issuer Warrants.

The Securities Exchange will effectively provide for the acquisition of all of the outstanding equity interests of Kalron by the Company in a transaction in which the security holders of Kalron will receive securities of the Resulting Issuer. As a result of the Securities Exchange, the Company will become the sole registered and beneficial owner of all of the outstanding securities of Kalron and Kalron will become a wholly-owned subsidiary of the Company.

In connection with the Proposed Qualifying Transaction, Seegnal has entered into an engagement letter with Exiteam Ltd. ("**Exiteam**") whereby Exiteam will be paid a financial advisory services fee of Resulting Issuer Shares equaling 2% of the issued and outstanding Resulting Issuer Shares following Completion of the Proposed Qualifying Transaction, calculated on a fully-diluted basis, upon closing of the Proposed Qualifying Transaction (the "**Exiteam Financial Advisory Services Fees**"). Additionally, Seegnal has entered into an engagement letter with and Quarck Investments Ltd. ("**Quarck**") whereby Quarck will be paid a financial advisory services fee of Resulting Issuer Shares equaling 2% of the issued and outstanding Resulting Issuer Shares following Completion of the Proposed Qualifying Transaction, calculated on a non-diluted basis, upon closing of the Proposed Qualifying Transaction (the "**Quarck Financial Advisory Services Fees**"). The Exiteam Financial Advisory Services Fees and the Quarck Financial Advisory Services Fees are subject to Exchange acceptance in accordance with the policies of the Exchange. Ronnie Jaegermann is a director, officer and shareholder of Exiteam, a director of the Company and a proposed director of the Resulting Issuer.

See "*The Proposed Qualifying Transaction – Securities Exchange*" and "*The Proposed Qualifying Transaction – Definitive Agreement*".

Reem Shareholder Meeting

The Company has called an annual and special meeting of shareholders of the Company to be held on April 15, 2025 (the "**Shareholder Meeting**"). At the Shareholder Meeting, shareholders of the Company will be asked to consider and, if thought advisable, to pass certain resolutions, in addition to ordinary course resolutions for annual matters, approving: (i) a special resolution approving the continuance of the Company from the jurisdiction of the Province of British Columbia to the jurisdiction of the Province of Alberta, to be effective upon or prior to Completion of the Proposed Qualifying Transaction (the "**Continuance**"); (ii) a special resolution approving an amendment to the articles of the Company to reflect a the Reem Share Adjustment, to be effective immediately prior to Completion of the Proposed Qualifying Transaction; (iii) a special resolution approving an amendment to the articles of the Company to reflect the Name Change, to be effective immediately prior to Completion of the Proposed Qualifying Transaction; (iv) an ordinary resolution approving the Resulting Issuer Equity Incentive Plan, to be effective upon Completion of

the Proposed Qualifying Transaction; and (v) an ordinary resolution approving the auditors of the Company to be effective upon Completion of the Proposed Qualifying Transaction.

See "*The Company – Business of the Company – Reem Shareholder Meeting*".

Reem Share Adjustment

Prior to the completion of, and as a condition to, the Securities Exchange, the Company will complete the Reem Share Adjustment and will consolidate the outstanding Common Shares on the basis of one post-Reem Share Adjustment Common Share for every 3.16 Common Shares. The Company is seeking approval of the shareholders of the Company for the Reem Share Adjustment at the Shareholder Meeting. The Reem Share Adjustment is also subject to approval by the Exchange. In connection with and as a condition to the Securities Exchange, the Reem Share Adjustment is intended to be completed immediately prior to Completion of the Proposed Qualifying Transaction.

See "*The Proposed Qualifying Transaction – Reem Share Adjustment and Name Change*".

Kalron Share Adjustment

Prior to the completion of, and as a condition to, the Securities Exchange, Kalron will complete the Kalron Share Adjustment and will split the outstanding Kalron Shares on the basis of 35.52 post-Kalron Share Adjustment Kalron Shares for every one pre-Kalron Share Adjustment Kalron Share. The Kalron Share Adjustment is subject to approval of the board of directors and shareholders of Kalron in accordance with its constating documents. In connection with and as a condition to the Securities Exchange, the Kalron Share Adjustment is intended to be completed prior to Completion of the Proposed Qualifying Transaction.

See "*The Proposed Qualifying Transaction – Kalron Share Adjustment*".

Listing

The Common Shares have been listed and posted for trading on the Exchange. The Company has applied to list the Resulting Issuer Shares issued in connection with the Proposed Qualifying Transaction on the Exchange under the symbol "SEGN". Listing is subject to the Company fulfilling all of the requirements of the Exchange. The Exchange has not conditionally approved the Proposed Qualifying Transaction and there is no assurance that the Exchange will approve the Proposed Qualifying Transaction or the Resulting Issuers Shares to be issued in connection with the Proposed Qualifying Transaction.

See "*The Proposed Qualifying Transaction – Definitive Agreement*".

Escrow

Upon Completion of the Proposed Qualifying Transaction, and subject to the seed share resale rules of the Exchange, it is expected that the former holders of Common Shares and post-Kalron Share Adjustment Kalron Shares will hold freely tradable Resulting Issuer Shares, which will be listed on the Exchange, with the exception of certain insiders and principals of the Resulting Issuer, who will be subject to escrow provisions under the policies of the Exchange.

See "*The Resulting Issuer – Escrowed Securities*".

Resulting Issuer Unit Financing

Immediately after the Completion of the Proposed Qualifying Transaction, the Resulting Issuer intends to complete the Resulting Issuer Unit Financing of up to 2,875,000 Resulting Issuer Units at $0.80 per Resulting Issuer Unit for maximum gross proceeds of $2,300,000. Each Resulting Issuer Unit will entitle the holder to receive, without the payment of additional consideration or taking of further action, one Resulting Issuer Share and one Resulting Issuer Warrant, with each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at a price of $1.20 for a period of 24 months following the Completion of the Proposed Qualifying Transaction.

See "*The Proposed Qualifying Transaction – Resulting Issuer Unit Financing*".

Business of the Resulting Issuer

The business of Kalron will become the business of the Resulting Issuer under the name "Seegnal Inc." or such other name as may be approved by the Company, Kalron and the applicable regulatory authorities.

See "*The Resulting Issuer – Business of the Resulting Issuer*".

Estimated Available Funds and Principal Uses

Upon Completion of the Proposed Qualifying Transaction, including giving effect to the Securities Exchange, the working capital available to the Resulting Issuer is expected to be approximately US$1,122,111, assuming maximum gross proceeds under the Kalron Private Placement.

The Resulting Issuer intends to use its available funds to further the business objectives described in "*The Resulting Issuer – Available Funds and Principal Uses – Business Objectives*", principally including:

- Continuing to grow staff in the following key areas: sales and business development, research and development, including management and executive-level recruitment;
- Accelerating business development growth in North America and Europe;
- Continuing the research and development focus on current products to progress interoperability and meet new FHIR integration standards. Expand global reach by recruiting local channel partners;
- Building brand awareness for Seegnal for its precision medication product in North America and Europe through marketing; and
- Strengthening the Resulting Issuer's balance sheet by increasing its ratio of assets to liabilities, with a view to providing the Resulting Issuer with financial flexibility to undertake new projects, take advantage of new business opportunities, and withstand economic downturns.

The following table sets out the proposed principal uses of the funds by the Resulting Issuer, after giving effect to the Securities Exchange and assuming completion of the maximum of the Kalron Private Placement.

Use	**Assuming Completion of the Kalron Private Placement (US$)**
Gross Profit[(1)]	$(32,000)
Sales and marketing	$250,000
Research and development	$300,000
General and Administration	$150,000
Public Company and Listing Expenses	$200,000
Unallocated working capital	$254,111
Total	$1,122,111

Note:

(1) Revenue less cost of sales.

The above uses of available funds are estimates only. Funds may be reallocated for sound business reasons. Funds that are not immediately committed will be invested in short-term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper, guaranteed obligations, and bank demand deposits. It is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the 24 months following Completion of the Proposed Qualifying Transaction.

See "*The Resulting Issuer – Available Funds and Principal Uses*".

Directors and Executive Officers of the Resulting Issuer

Subject to Exchange approval, on Completion of the Proposed Qualifying Transaction, the following individuals are expected to be the directors and/or officers of the Resulting Issuer:

Eyal Schneid, Chief Executive Officer (Age 60)

Mr. Schneid has over 25 years of experience managing and selling B2B software solutions globally. His expertise focuses on business turn-around, setting up businesses for global companies, and growth. Mr. Schneid has served as a P&L business unit leader for Amdocs (listed on NASDAQ), a $300M P&L Division Manager for CSG International (listed on NASDAQ), a Managing Director for John Bryce Training UK, and a range of senior business roles in various start-up companies. Mr. Schneid has received a Practical Engineering in Aeronautics, a Bachelor of Arts in Marketing & Information Systems, and an MBA from The University of Manchester in International Marketing.

Gadi Levin, Chief Financial Officer (Age 52)

Mr. Levin is a seasoned executive and director with significant experience in capital market financings, cross border listings, accounting and financial management, providing fractional chief financial officer services and other financial services through his privately owned company, Ninety Six Capital Ltd. Mr. Levin currently serves as a director, chief executive officer and chief financial officer of several publicly companies listed on NASDAQ, OTC, TSX, TSXV and AIM. Mr. Levin plays key roles in raising capital in both public and private offerings and financial due diligence. His prior experience includes finance and accounting roles at two asset and investment firms. Mr. Levin began his career in public accounting at Arthur Andersen and Ernst & Young. Mr. Levin holds undergraduate degrees from the University of Cape Town and the University of South Africa and an MBA from Bar Ilan University. Mr. Levin is a certified chartered accountant in South Africa.

Nir Dor, Director (Age 62)

Mr. Dor is the Managing Partner of NET Capital Ventures, a private investment fund with a scope of investments in the technology field, mainly in start-up companies in the field of health, tourism, and software. He focuses on locating investments, supporting the financial management of the company's business development, and supporting entrepreneurs. Mr. Dor previously served as Chief Executive Officer and Chairman of the board of several public companies listed on TASE. Mr. Dor has a degree in accounting and finance and is a CPA in Israel.

Orit Lidor, Director (Age 46)

Ms. Lidor has over 20 years of experience in corporate legal affairs and governance. Since 2016, she has been a Partner at NET Capital Ventures, a private investment fund specializing in technology investments, primarily in start-up companies within the health, tourism, and software sectors. In this role, she focuses on the legal aspects of investments, including ongoing legal support, in addition to business development. Previously, Ms. Lidor served as Vice President, General Counsel, and Corporate Secretary at Clal Biotechnology Industries Ltd. (listed on the TASE) and as General Counsel and Corporate Secretary at Eden Springs Ltd. (listed on the TASE). Ms. Lidor holds an LL.B. from Tel Aviv University (magna cum laude) and is a member of the Israel Bar Association.

Peter Bloch, Director (Age 65)

Mr. Bloch is the Chief Executive Officer of Wembley Advisors Corp., where he works as an advisor and coach for CEO's as well as a part time executive and board member. Mr. Bloch has significant experience with mergers and acquisitions, reverse take-overs, securing capital funding from both private and public sources, and training and mentorship for CEO's. He has a focus in technology, pharmaceuticals, energy, and startups to early-stage companies. Mr. Bloch has previous experience as an advisor, mentor, consultant and board member to a number of companies. He previously served as chief executive officer of Bresotec Inc., as chief executive officer and chairman for Bionik

Laboratories (listed on the OTCMKTS), as director of EnerSpar Corporation (listed on the TSXV), and as director of Environmental Solutions Woldwide (listed on the OTCBB). Mr. Bloch currently serves as audit committee chair for Innocan Pharmaceuticals (listed on the CSE). Mr. Bloch has a degree in Commerce and is a CPA in Canada. He has also completed an executive IT management program from the Massachusetts Institute of Technology, and he has completed an executive negotiating program from Harvard.

Ronnie Jaegermann, Director (Age 64)

Mr. Jaegermann is a Founder and Venture Partner at Exiteam Capital Partners Ltd., an Israeli Venture Capital and Advisory Firm focusing on leading Israeli tech companies to listing on Canadian Capital Markets, since 2020. Between 2013 and 2019 Mr. Jaegermann was the Chief Executive Officer and Head of Investment Banking Advisory at Aloni Haft, a Tel Aviv-based boutique Investment Bank focused on fund raisings for Israeli companies in international capital markets. He has led multiple businesses in growing them from start-up to profitable companies that became take-out targets. Between 2012 - 2013, Mr. Jaegermann was the Chief Executive Officer of JNH International Ltd., a company that manufactures, markets and sells Disney licensed children furniture and toddler and junior Disney bed linen. Between 1998 - 2009 Mr. Jaegermann was the CEO and Director of several Israeli Technology companies who were listed on London's AIM Market and other European Stock Exchange. Mr. Jaegermann was involved in over 15 IPOs of Israeli companies raising a total of over $200M. Mr. Jaegermann holds a BA in Economic and Political Science from Tel Aviv University. Mr. Jaegermann serves as Chief Financial Officer of Cann-Is Capital Corp. (listed on the TSXV: NIS), a CPC, a member of the board of directors of Water Ways Technologies Inc. (listed on the TSXV: WWT) and Chair of the Audit committee and an independent member of the Board of Adcore (listed on the TSX: ADCO).

Michael Saliken – Calgary, Alberta – Corporate Secretary (Age 42)

Mr. Saliken is a lawyer and a partner at Borden Ladner Gervais LLP, one of Canada's largest law firms, where he focuses his practice on securities and corporate finance, M&A, and corporate governance. Mr. Saliken received a Bachelor of Commerce degree with distinction from the Haskayne School of Business at the University of Calgary in 2005 and a Bachelor of Laws degree from the University of Alberta in 2008. Mr. Saliken formerly acted as audit committee chair, director and corporate secretary for Meta Growth Corp.

See "*The Resulting Issuer – Directors, Executive Officers, and Promoter*".

Kalron Private Placement

In connection with and as a condition of the Proposed Qualifying Transaction, Kalron intends to complete the Kalron Private Placement of up to 5,000,000 Subscription Receipts at $0.80 per Subscription Receipt for maximum gross proceeds of $4,000,000. Each Subscription Receipt will, following the Completion of the Proposed Qualifying Transaction and the satisfaction of certain escrow release conditions, entitle the holder to receive, without the payment of additional consideration or taking of further action, one unit of Kalron consisting of (i) one post-Kalron Share Adjustment Kalron Share, and (ii) one Kalron Warrant, with each Kalron Warrant entitling the holder thereof to acquire one post-Kalron Share Adjustment Kalron Share at a price of $1.20 until 24 months following the Completion of the Proposed Qualifying Transaction. Each post-Kalron Share Adjustment Kalron Share and Kalron Warrant issued to Kalron Subscription Receipt Holders upon satisfaction of the escrow release conditions shall be exchanged for one Resulting Issuer Share, and one Resulting Issuer Warrant, with each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at a price of $1.20 until 24 months following the Completion of the Proposed Qualifying Transaction. The Resulting Issuer Warrants will be subject to the Warrant Indenture. Proceeds of the Kalron Private Placement will be held in escrow pending satisfaction of customary escrow release conditions, including the completion, satisfaction or waiver of all conditions precedent to the Proposed Qualifying Transaction and the receipt of all required shareholder and regulatory approvals, as applicable (including the conditional approval of the Exchange) in connection with the Proposed Qualifying Transaction, all of which shall be set forth in the Subscription Receipt Agreement.

In connection with the Kalron Private Placement, Kalron may pay certain finders cash or securities commission of up to 8% of the gross proceeds of the Kalron Private Placement. 100% of the cash payable to such finders shall be payable to such finders upon release of the Kalron Private Placement proceeds from escrow.

See "*The Proposed Qualifying Transaction – Kalron Private Placement*".

Interests of Insiders, Promoters and Control Persons

Except as set forth herein, no Insider, promoter or Control Person of the Company or any of their respective Associates and Affiliates (before giving effect to the Proposed Qualifying Transaction) has any interest in Kalron.

Arm's Length Qualifying Transaction

The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Pro Forma Consolidated Capitalization

The following table sets out the pro forma share capital of the Resulting Issuer as at November 30, 2024, based on the pro forma statement of financial position after giving effect to the Proposed Qualifying Transaction as described in the pro forma financial statements of the Resulting Issuer included in this Prospectus. See "*The Resulting Issuer – Pro Forma Consolidated Capitalization of the Resulting Issuer*".

Designation of security[(1)]	Amount authorized or to be authorized	Outstanding as at November 30, 2024[(2)(3)]	Outstanding as at November 30, 2024 after giving effect to the Proposed Qualifying Transaction and the Kalron Private Placement[(3)]
Resulting Issuer Shares	Unlimited	2,500,000	45,589,572
Resulting Issuer Warrants	N/A	Nil	30,122,356[(4)]
Resulting Issuer Options	10% of the Resulting Issuer Shares on the date of grant	250,000	250,000[(3)]

Notes:

(1) Certain securities of the Resulting Issuer are subject to escrow. See "*The Resulting Issuer – Escrowed Securities*".

(2) Granted pursuant to the Stock Option Plan. Assuming approval of the shareholders of the Company at the Shareholder Meeting is given for the Resulting Issuer Equity Incentive Plan, the aggregate number of Resulting Issuer Shares authorized for reservation pursuant to grants of Resulting Issuer Options under the Resulting Issuer Equity Incentive Plan may not exceed 10% of the Resulting Issuer Shares on the date of grant. See "*The Resulting Issuer – Options to Purchase Securities – Resulting Issuer Equity Incentive Plan*".

(3) Assumes completion of the Reem Share Adjustment and the Kalron Share Adjustment.

(4) This does not include Resulting Issuer Warrants that may be issued to Capital Canada Limited under the Kalron Private Placement.

Seegnal, the subsidiary of Kalron, after giving effect to the Proposed Qualifying Transaction, on a pro forma basis as of November 30, 2024, will have two loans outstanding from Israeli banks in the collective amount of US$1,364,000. The first loan was received in 2023 in the amount of US$2,000,000 and has a variable interest rate of Israeli prime rate (current 5.88%) plus 3.3% and is repayable on a monthly basis until September 1, 2025. The second loan was received in February 2024 in the amount of US$88,000 and has a variable interest rate of Israeli prime rate (current 5.88%) plus 4.57% and is repayable on a monthly basis until September 1, 2025.

In 2025 two shareholder loans were issued to Kalron in the aggregate principal amount of up to $637,880. The first shareholder loan is between Kalron and Mikal Ltd. in the principal amount of $322,811 with an annual interest rate of 10%. The second shareholder loan is between Kalron and Edtom Ltd. in the principal amount of $315,068 with an annual interest rate of 10%. The shareholder loans mature and are repayable on June 1, 2027 and can be repaid in full, with any accrued unpaid interest, in advance of such maturity date with no penalty at the option of Kalron upon 14 days' notice provided that the principal amount and any unpaid accrued interest will be due immediately on demand of Kalron does not complete the Proposed Qualifying Transaction by June 1, 2026. Each of Mikal Ltd. and Edtom Ltd. are expected to be as a Principal (as such terms are defined in the policies of the Exchange) and Insider of the Resulting Issuer following Completion of the Proposed Qualifying Transaction, as it is anticipated that they will each have beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the outstanding

Resulting Issuer Shares. Mikal Ltd., Edtom Ltd. and Gilat Management Ltd. will hold, directly, 50.12% of the Resulting Issuer Shares following Completion of the Proposed Qualifying Transaction.

Market for Securities

The Common Shares are listed on the Exchange under the trading symbol "REEM.P". Trading of the Common Shares was halted on March 15, 2022, the date of the initial announcement of the Proposed Qualifying Transaction pursuant to the policies of the Exchange. There is no public market for the Kalron Shares.

No Proceeds Raised

This Prospectus is a non-offering prospectus prepared and filed in order to complete the Proposed Qualifying Transaction. No proceeds will be raised pursuant to this Prospectus.

Risk Factors

An investment in the Company or the Resulting Issuer following Completion of the Proposed Qualifying Transaction involves a high degree of risk. There are risks inherent with Completion of the Proposed Qualifying Transaction and with respect to the business of the Resulting Issuer. You should carefully consider the information in this Prospectus and the information set out under "*The Resulting Issuer – Risk Factors"*.

Selected Financial Information of the Company

The following sets out selected financial information for the Company for the periods or as of the dates indicated. The selected financial information of the Company has been derived from the Company Financial Statements, which have been prepared in accordance with IFRS, and are included in this Prospectus. See Schedule "A" - *Financial Statements of the Company*. This summary financial information should be read in conjunction with, and is qualified in its entirety by, the Company Financial Statements.

	As at November 30, 2024 (unaudited) $	**As at August 31, 2024 $**	**As at August 31, 2023 $**	**As at August 31, 2022 $**
Total assets	265,309	283,418	494,690	409,547
Total current liabilities	(18,398)	(26,122)	(188,595)	(16,739)
Total non-current liabilities	-	-	-	-
Total shareholders' equity	246,911	257,296	306,095	392,808

	As at November 30, 2024 (unaudited) $	**Year ended August 31, 2024 $**	**Year ended August 31, 2023 $**	**Year ended August 31, 2022 $**
General and administrative expenses	12,581	63,687	98,745	75,683
Share-based compensation	-	-	-	59,111
Interest Income	2,196	14,888	12,032	1,840
Net loss and comprehensive loss for the year or period, as applicable	(10,385)	(48,799)	(86,713)	(132,954)
Net loss per share – basic and diluted	(0.00)	(0.01)	(0.01)	(0.02)
Weighted Average Number of Shares Outstanding	7,900,000	7,900,000	7,900,000	6,336,986

The Company's management discussion and analysis ("**MD&A**") for the financial years ended August 31, 2024 and 2023 are included in Schedule "A" – *Financial Statements of the Company*. The MD&A should be read in conjunction with the Company Financial Statements and related notes which have been prepared in accordance with IFRS.

Selected Financial Information of Kalron

The following sets out selected financial information for Kalron for the periods or as of the dates indicated. The selected financial information of Kalron has been derived from the Kalron Financial Statements, which have been prepared in accordance with IFRS, and are included in this Prospectus. See Schedule "B" - *Financial Statements of Kalron*. This summary financial information should be read in conjunction with, and is qualified in its entirety by, the Kalron Financial Statements.

	As at September 30, 2024 (unaudited) US$ (thousands)	**As at December 31, 2023 US$ (thousands)**	**As at December 31, 2022 US$ (thousands)**
Total assets	744	580	900
Total current liabilities	18,151	15,041	12,098
Total non-current liabilities	-	918	65
Total shareholders' deficit	(17,407)	(15,379)	(11,263)

	Nine months ended September 30, 2024 (unaudited) US$ (thousands)	**Year ended December 31, 2023 US$ (thousands)**	**Year ended December 31, 2022 US$ (thousands)**
Revenue	1,061	1,219	1,353
Cost of revenues	(993)	(1,646)	(1,626)
Gross profit (loss)	**68**	**(427)**	**(273)**
Research and development expenses	(367)	(1,043)	(2,570)
Sales and marketing expenses	(566)	(557)	(378)
General and administration costs	(1,053)	(1,555)	(1,683)
Other income	-	96	-
Change in fair value of convertible loans	(739)	(1,034)	(1,382)
Interest expenses	(120)	(256)	(223)
Foreign exchange gain (loss)	30	106	279
Loss on sale of property	-	-	-
Net loss and comprehensive loss for the year or period, as applicable	**(2,747)**	**(4,670)**	**(6,230)**
Basic loss per Kalron Share	(14.87)	(25.28)	(33.73)
Weighted Average Number of Shares Outstanding	184,709	184,709	184,709

Kalron's MD&A for the financial years ended December 31, 2023 and 2022 are included in Schedule "B" – *Financial Statements of Kalron*. The MD&A should be read in conjunction with the Kalron Financial Statements and related notes which have been prepared in accordance with IFRS.

Selected Pro Forma Financial Information

The following table sets out selected pro forma financial information for the Resulting Issuer as at November 30, 2024 after giving effect to the Proposed Qualifying Transaction. Such information is derived from the unaudited pro forma consolidated statements of financial position of the Resulting Issuer as at November 30, 2024. See "*Schedule C – Pro Forma Financial Statements of the Resulting Issuer*".

	Pro Forma Consolidated Amount as at November 30, 2024 (unaudited) US$
Total current assets	3,747,474
Total assets	3,788,474
Total current liabilities	10,486,705
Total liabilities	10,486,705
Total shareholders' equity	(6,698,231)

THE COMPANY

CORPORATE STRUCTURE

Name, Incorporation and Place of Business

The full corporate name of the Company is "Reem Capital Corp." The Company was incorporated as "Reem Capital Corp." under the laws of British Columbia pursuant to the BCBCA on March 29, 2021. The registered office of the Company is located at Borden Ladner Gervais LLP, Waterfront Centre, 1200, 200 Burrard St, Vancouver, BC V7X 1T2. The head office of the Company is located at 1900 – 520, 3rd Ave SW, Calgary, AB T2P 0R3.

BUSINESS OF THE COMPANY

Overview of the Company

The Company is a CPC established pursuant to the CPC Policy. The Company does not own any assets, other than cash, its listing on the Exchange and its rights under the Definitive Agreement. The principal business of the Company is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to acceptance by the Exchange, so as to complete a Qualifying Transaction in accordance with the policies of the Exchange.

The Company completed the Company's IPO on February 11, 2022, and its Common Shares were listed on the Exchange and began trading on February 16, 2022. On March 15, 2022, the Exchange halted trading in the Common Shares pending the announcement of the Proposed Qualifying Transaction.

History

The Company was incorporated as Reem Capital Corp. under the BCBCA on March 29, 2021. The Company is classified as a "Capital Pool Company" as defined in the CPC Policy.

On May 31, 2021, the Company issued 4,400,000 Common Shares at a price of $0.05 per Common Share for total proceeds of $220,000.

On February 11, 2022, the Company completed its initial public offering of 3,500,000 Common Shares at $0.10 per Common Share for gross proceeds of $350,000. The Common Shares began trading on the Exchange on February 16, 2022 under the symbol "REEM.P".

On April 4, 2022, the Company announced that it had entered into a non-binding letter of intent dated April 1, 2022 with Kalron, a company incorporated under the laws of Israel, pursuant to which the Company will acquire all of the issued and outstanding securities in the capital of Kalron.

On September 22, 2023, the Company entered into the Definitive Agreement, as amended and restated on January 27, 2025, with Kalron, Seegnal and certain securityholders of Kalron. See "*The Proposed Qualifying Transaction – Definitive Agreement*".

Narrative Description of the Business

As stated above under "*The Company – Business of the Company*", the Company is a CPC and, pursuant to the CPC Policy, to date has not carried on any operations. For information on the proposed principal business to be conducted following the Completion of the Proposed Qualifying Transaction, see "*Kalron – Business of Kalron*".

Reem Shareholder Meeting

The Company intends to convene the Shareholder Meeting on April 15, 2025. At the Shareholder Meeting, shareholders of the Company will be asked to consider and, if thought advisable, to pass certain resolutions, in addition

to ordinary course resolutions for annual matters, approving: (i) a special resolution approving the Continuance; (ii) a special resolution approving an amendment to the articles of the Company to reflect a the Reem Share Adjustment, to be effective immediately prior to closing of the Proposed Qualifying Transaction; (iii) a special resolution approving an amendment to the articles of the Company to reflect the Name Change, to be effective immediately prior to closing of the Proposed Qualifying Transaction; (iv) an ordinary resolution approving the Resulting Issuer Equity Incentive Plan, to be effective upon closing of the Proposed Qualifying Transaction; and (v) an ordinary resolution approving the auditors of the Company to be effective upon Completion of the Proposed Qualifying Transaction.

An information circular in respect of the Shareholder Meeting was mailed to shareholders of the Company in March 2025.

DIVIDENDS OR DISTRIBUTIONS

To date, the Company has not declared any dividends or distributions on the Common Shares although there are no restrictions precluding the Company from declaring any such dividends. The Company intends to direct its cash towards the development of its business and the identification and evaluation of assets or businesses and does not expect to declare or pay any dividends or distributions in the foreseeable future.

SELECTED FINANCIAL INFORMATION OF THE COMPANY AND MD&A

Selected Financial Information

Since incorporation, the following costs have been incurred by the Company in carrying out the Company's IPO, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the Exchange. The following tables sets out selected historical financial information for the Company for the period ended November 30, 2024, and the years ended August 31, 2024, August 31, 2023, and August 31, 2022 and selected statement of financial position and statement of operations data. Such information is derived from the audited annual financial statements of the Company and should be read in conjunction with such financial statements. See Schedule "A" – *Financial Statements of the Company*.

	Period ended November 30, 2024 (unaudited) ($)	**Year ended August 31, 2024 ($)**	**Year ended August 31, 2023 ($)**	**Year ended August 31, 2022 ($)**
Total expenses	(12,581)	(63,687)	(98,745)	(134,794)

SELECTED STATEMENT OF FINANCIAL POSITION DATA

	Period ended November 30, 2024 (unaudited) ($)	**Year ended August 31, 2024 ($)**	**Year ended August 31, 2023 ($)**	**Year ended August 31, 2022 ($)**
Net working capital	246,911	257,296	306,095	392,808
Total current assets	265,309	283,418	494,690	409,547
Total current liabilities	18,398	26,122	188,595	16,739
Total shareholders' equity	246,911	257,296	306,095	392,808

Selected Statement of Operations Data

	Three months November 30, 2024 (unaudited) ($)	Year ended August 31, 2024 ($)	Year ended August 31, 2023 ($)	Year ended August 31, 2022 ($)
Interest Income	2,196	14,888	12,032	1,840
Expenses	12,581	63,687	98,745	134,794
Net loss for the period	(10,385)	(48,799)	(86,713)	(132,954)
Basic and diluted loss per share	0.00	(0.01)	(0.01)	(0.02)

Selected Management's Discussion and Analysis

The Company's MD&A for the period ended November 30, 2024, the financial year ended August 31, 2024 and the financial year ended August 31, 2023 should be read in conjunction with the Company Financial Statements. All statements have been prepared in accordance with IFRS. See Schedule "C" – *Financial Statements of the Company*.

Discussion of Operations

The Company does not generate revenue from operations. During the three month period ended November 30, 2024, the Company recorded a net loss of $10,385 consisting of interest income of $2,196 professional fees totaling $9,705, listing and filling fess totaling $2,806, and general and administrative costs totaling $70.

During the year ended August 31, 2024, the Company recorded a net loss of $48,799 consisting of $14,888 of interest income, professional fees totaling $51,623, listing and filing fees totaling $8,654, and general and administrative costs totaling $3,410.

Liquidity, Capital Resources and Outlook

As at November 30, 2024, the Company had $265,309 in cash and working capital was $246,911. The Company incurred an accumulated deficit of $303,413. To date, the Company's expenditures are largely made up of costs related to administrative overhead and professional fees. Management anticipates that ongoing costs relating to the identification, evaluation, due diligence, negotiation and completion of a Qualifying Transaction will be incurred in future periods. The timing and magnitude of these costs is not predictable. These costs may be significant and could possibly result in higher general and administrative expenses. To date, the Company has procured working capital through equity financing. However, additional equity or debt financing may be required to complete a Qualifying Transaction. Except as described in the Company's final prospectus dated November 15, 2021, the funds raised pursuant to the Company's IPO and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions. There can be no assurance that the Company will be able to obtain adequate financing to complete a Qualifying Transaction.

As at August 31, 2024, the Company had $283,418 in cash and working capital was $257,296. The Company incurred an accumulated deficit of $293,028 and the Company's expenditures are largely made up of costs related to administrative overhead and professional fees. Management anticipates that ongoing costs relating to the identification, evaluation, due diligence, negotiation and completion of a Qualifying Transaction will be incurred in future periods. The timing and magnitude of these costs is not predictable. These costs may be significant and could possibly result in higher general and administrative expenses. As at August 31, 2024, the Company has procured working capital through equity financing. However, additional equity or debt financing may be required to complete a Qualifying Transaction. Except as described in the Company's final prospectus dated November 15, 2021, the funds raised pursuant to the Company's IPO and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions. There can be no assurance that the Company will be able to obtain adequate financing to complete a Qualifying Transaction.

Transactions with Related Parties

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

There was no remuneration paid to key management personnel during the period ended November 30, 2024 or the years ended August 31, 2024, 2023 and 2022 except for stock options issued to directors and officers in 2022, valued at $59,111.

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets out a breakdown of material components of the general and administration costs of the Company for the period ended November 30, 2024 and the years ended August 31, 2024, 2023 and 2022.

	As at November 30, 2024 ($)	**As at August 31, 2024 ($)**	**As at August 31, 2023 ($)**	**As at August 31, 2022 ($)**
Professional Fees	9,705	51,623	65,060	41,527
Transaction Fees	Nil	Nil	24,150	16,950
Listing and Filing Fees	2,806	8,654	8,796	12,654
General and Administrative	70	3,410	739	4,552
	12,581	63,687	98,745	75,683

DESCRIPTION OF SECURITIES

The Company is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares issuable in series, of which, as at the date hereof, 7,900,000 Common Shares are issued and outstanding as fully paid and non-assessable and no Preferred Shares are issued and outstanding. The Company has reserved an aggregate of up to 790,000 Common Shares at an exercise price of $0.10 per Common Share pursuant to outstanding Company Options under the Stock Option Plan expiring 10 years from the date of grant.

Each Common Share carries one vote at all meetings of shareholders, carries the right to receive a proportionate share, on a per share basis, of the assets of the Company available for distribution in the event of a liquidation, dissolution, or winding-up of the Company and the right to receive any dividend if declared by the Company.

All Common Shares which are issued and outstanding as at the date of this Prospectus are fully paid and non-assessable.

CONSOLIDATED CAPITALIZATION

For information regarding changes in the Company's consolidated capitalization as at November 30, 2024, that will result from the Proposed Qualifying Transaction, see "*The Resulting Issuer – Pro Forma Fully-Diluted Capitalization of the Resulting Issuer*".

PRIOR SALES

Prior Sales

The Company has not issued any Common Shares or securities convertible or exchangeable into Common Shares during the 12-month period before the date of this Prospectus.

Trading Price and Volume

The Common Shares have been listed and posted for trading on the Exchange since February 16, 2022. No trading in the Common Shares has occurred through the facilities of the Exchange. The Common Shares were halted from trading on March 15, 2022, pending the announcement of the Proposed Qualifying Transaction.

PRINCIPAL SECURITYHOLDERS

No Persons beneficially own, directly or indirectly or exercise control or direction over more than 10% of the issued and outstanding Common Shares as at the date of this Prospectus, other than as set out below:

Name of Shareholder	Number of Common Shares Held	Percentage of Class
Arthur Kwan	1,000,000	12.7%
Jonathan Held	1,000,000	12.7%
Ronnie Jaegermann	900,000	11.4%
Jonathan Holmes	800,000	10.1%

For information on principal holders of Resulting Issuer Shares after giving effect to the Kalron Private Placement and the Proposed Qualifying Transaction, see "*The Resulting Issuer – Principal Securityholders*".

DIRECTORS AND EXECUTIVE OFFICERS

Name, Address, Occupation, Security Holdings and Involvement with Other Reporting Issuers

The Company Board consists of five persons. Each director became a member of the Company Board on March 29, 2021, and will hold office until the next annual meeting of shareholders or until his successor is elected or appointed. An audit committee has been established as a committee of the Company Board. The following are the names and municipalities of residence of the directors and officers of the Company, their current positions with the Company and their current principal occupation:

Name & Municipality of Residence	Principal Occupation	Positions and Offices Held	Common Shares Held
Arthur Kwan Alberta, Canada	Professional corporate director and former Chief Executive Officer of Newly Institute	Director, Chief Executive Officer	1,000,000
Jonathan Held[(1)] Ontario, Canada	Partner at ALOE Finance Inc.	Director, Chief Financial Officer	1,000,000
Jonathan Holmes[(1)] Ontario, Canada	Managing Director at Investing News Network, Australia	Director	800,000
Ronnie Jaegermann[(1)] Israel	Founder & Ventures Partner at Exiteam Capital Partners Ltd.	Director	900,000
Michael Saliken Alberta, Canada	Partner at Borden Ladner Gervais LLP	Director, Corporate Secretary	500,000

Note:
(1) Member of the Audit Committee.

The total aggregate number of Common Shares beneficially owned, directly or indirectly, by all directors and officers of the Company is 4,200,000, which is equal to 53.2% of the issued and outstanding Common Shares.

Set forth below is a description of the background of the directors and officers of the Company, including a description of each individual's principal occupation(s) within the past five years.

Arthur Kwan – Calgary, Alberta – Director and Chief Executive Officer (Age 52)

Arthur Kwan is a co-founder, President and Chief Executive Officer of The Newly Institute, and the Chief Executive Officer and a founding partner of Aston Capital Advisors. Mr. Kwan is also a Director and the Chair of the Corporate Governance Committee of High Tide Inc. From June 2003 to July 2013, Mr. Kwan held various positions including Chief Executive Officer, President and director of CannaIncome Fund and Seven Leaf Ventures. Mr. Kwan was formerly a director of Stem Holdings from June 2020 to September 2020, and Camarico Investment Group (FKA Cerus Energy) from February 2019 to March 2022. Prior to his positions with CannaIncome Fund and Seven Leaf Ventures, Mr. Kwan worked as Managing Director of various investment banks. See "*Other Reporting Issuer Experience"*.

Jonathan Held – Toronto, Ontario – Director and Chief Financial Officer (Age 39)

Mr. Held, CPA, CA, is a seasoned financial executive with CFO level experience for private / public companies. Mr. Held is a partner at ALOE Finance, a boutique firm specializing in transaction advisory and senior level finance solutions. Mr. Held has worked in a number of sectors including technology, biotech and natural resources, both domestic and international, and has been involved in numerous successful public market transactions including initial public offerings, reverse takeovers and financings. Mr. Held holds a Bachelor of Mathematics and Master of Accounting from the University of Waterloo. Mr. Held is also, the CFO of Awakn Life Sciences Corp. (listed on the CSE: AWKN). See "*Other Reporting Issuer Experience*".

Jonathan Holmes – Windsor, Ontario – Director (Age 47)

Mr. Holmes is the Managing Director of The Investing News Network (referred to in this section as "**INN**") Australia and a Partner at Dig Media Inc., the parent company of INN. He also a member of the Australian Institute of Company Directors. With over 15 years at INN, Mr. Holmes has played a pivotal role in shaping the company's capital market strategies, working closely with the board to implement key initiatives. He is also a co-founder of INN Australia, Cannabis Investing News, and Psychedelics Investing News, expanding INN's global reach and sector coverage. Mr. Holmes brings extensive experience in venture capital, investor relations, and strategic marketing, having worked with over 200 publicly listed companies across North America and Australia. His 25-year background in business development includes collaborations with startups and Canada's Top 100 Employers, providing him with a deep understanding of corporate growth and market positioning. Mr. Holmes studied at the University of Western Ontario (BA, 1999), he furthered his expertise in business writing, public relations, and marketing communications at Simon Fraser University (2009).

Ronnie Jaegermann - Ramat Hasharon, Israel – Director (Age 64)

Mr. Jaegermann is a Founder and Venture Partner at Exiteam Capital Partners Ltd., an Israeli Venture Capital and Advisory Firm focusing on leading Israeli tech companies to listing on Canadian Capital Markets, since 2020. Between 2013 and 2019 Mr. Jaegermann was the Chief Executive Officer and Head of Investment Banking Advisory at Aloni Haft, a Tel Aviv-based boutique Investment Bank focused on fund raisings for Israeli companies in international capital markets. He has led multiple businesses in growing them from start-up to profitable companies that became take-out targets. Between 2012 - 2013, Mr. Jaegermann was the Chief Executive Officer of JNH International Ltd., a company that manufactures, markets and sells Disney licensed children furniture and toddler and junior Disney bed linen. Between 1998 - 2009 Mr. Jaegermann was the CEO and Director of several Israeli Technology companies who were listed on London's AIM Market and other European Stock Exchange. Mr. Jaegermann was involved in over 15 IPOs of Israeli companies raising a total of over $200M. Mr. Jaegermann holds a BA in Economic and Political Science from Tel Aviv University. Mr. Jaegermann serves as Chief Financial Officer of Cann-Is Capital Corp. (listed on the TSXV: NIS), a CPC, a member of the board of directors of Water Ways Technologies Inc. (listed on the TSXV: WWT) and Chair of the Audit committee and an independent member of the Board of Adcore (listed on the TSX: ADCO).

Michael Saliken – Calgary, Alberta – Director and Corporate Secretary (Age 42)

Mr. Saliken is a lawyer and a partner at Borden Ladner Gervais LLP, one of Canada's largest law firms, where he focuses his practice on securities and corporate finance, M&A, and corporate governance. Mr. Saliken received a Bachelor of Commerce degree with distinction from the Haskayne School of Business at the University of Calgary in 2005 and a Bachelor of Laws degree from the University of Alberta in 2008. Mr. Saliken formerly acted as audit committee chair, director and corporate secretary for Meta Growth Corp. See "*Other Reporting Issuer Experience*".

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Company that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction (or the equivalent in a jurisdiction outside of Canada):

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term
Jonathan Held	Signature Resources Ltd.	TSXV	Director, CFO	December 2012 to August 2020
	Goldstream Minerals Inc. (Now Bluma Wellness Inc.)	NEX	Director	December 2015 to June 2020
	Scythian Biosciences Corp. (Now SOL Global Investments Corp.)	TSXV / CSE	CFO	August 2021 to September 2022
	1169071 B.C. Ltd.	N/A	CEO, CFO Director	December 2022 to present
	Awakn Life Sciences Corp.	CSE	CFO	April 2020 to present
	AF2 Capital Corp.	TSXV	CFO	March 2021 to present
Ronnie Jaegermann	Water Ways Technologies Inc.	TSXV	Director	March 2019 to present
	Adcore Inc.	TSX	Director, Chair of the Audit Committee	May 2019 to present
	Cann-is Capital Corp.	TSXV	CFO	September 2022 to present
Michael Saliken	META Growth Corp.	TSXV	Director, Chair of the Audit Committee	September 2019 to November 2020
	Bow Lake Capital Corp.	TSXV	Director	December 2021 to present
Arthur Kwan	High Tide Inc.	TSXV	Director	August 2022 to present
	Stem Holdings Inc.	CSE	Director	June 2020 to September 2020
	Camarico Investment Group (FKA Cerus Energy)	CSE	Director	February 2019 to March 2022
	Friday's Dog Holdings Inc.	TSXV	Director	February 2022 to present

Corporate Cease Trade Orders or Bankruptcies

No director, officer, insider or promoter of the Company is, or within the 10 years prior to the date of this Prospectus has been, a director, officer or promoter of any other issuer that:

(a) was subject to (i) a cease trade order; (ii) and order similar to a cease trade order; or (iii) a order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order the was issue after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the Company's knowledge, no director, executive officer, insider or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

No director, officer, insider or promoter of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or

(b) any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflict of Interests

There are potential conflicts of interest to which all of the directors, officers, insiders and promoters of the Company will be subject in connection with the operations of the Company. All of the directors, officers, insiders and promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the search by the Company for businesses or assets in order to close a Qualifying Transaction. Accordingly, situations may arise where all of the directors, officers, insiders and promoters will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA.

EXECUTIVE COMPENSATION

Director and named executive officer compensation, excluding compensation securities

Arthur Kwan and Jonathan Held, being the Named Executive Officers of the Company, were not paid any compensation during the financial year ended August 31, 2024, as the CPC Policy prohibits directors and officers from receiving remuneration while the Company is a CPC.

Compensation Excluding Compensation Securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Arthur Kwan *Director, Chief Executive Officer*	2024	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
	2023	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Jonathan Held *Director, Chief Financial Officer*	2024	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
	2023	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Jonathan Holmes *Director*	2024	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
	2023	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Ronnie Jaegermann *Director*	2024	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
	2023	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Michael Saliken *Director, Corporate Secretary*	2024	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
	2023	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

Stock options and other compensation securities

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Arthur Kwan *Director, Chief Executive Officer*	Options	237,000	February 11, 2022	$0.10	$0.10	$0.10	February 11, 2027
Jonathan Held *Director, Chief Financial Officer*	Options	237,000	February 11, 2022	$0.10	$0.10	$0.10	February 11, 2027
Jonathan Holmes *Director*	Options	118,500	February 11, 2022	$0.10	$0.10	$0.10	February 11, 2027
Ronnie Jaegermann *Director*	Options	118,500	February 11, 2022	$0.10	$0.10	$0.10	February 11, 2027
Michael Saliken *Director, Corporate Secretary*	Options	79,000	February 11, 2022	$0.10	$0.10	$0.10	February 11, 2027

Exercise of Compensation Securities by Directors and NEOs							
Name and position	**Type of compensation security**	**Number of underlying securities**	**Exercise price per security ($)**	**Date of exercise**	**Closing price of security on date of exercise ($)**	**Difference between exercise price and closing price on date of exercise ($)**	**Total value on exercise date ($)**
Arthur Kwan *Director, Chief Executive Officer*	Options	237,000	$0.10	Nil	Nil	Nil	Nil
Jonathan Held *Director, Chief Financial Officer*	Options	237,000	$0.10	Nil	Nil	Nil	Nil
Jonathan Holmes *Director*	Options	118,500	$0.10	Nil	Nil	Nil	Nil
Ronnie Jaegermann *Director*	Options	118,500	$0.10	Nil	Nil	Nil	Nil
Michael Saliken *Director, Corporate Secretary*	Options	79,000	$0.10	Nil	Nil	Nil	Nil

Stock option plans and other incentive plans

Incentive Plan Awards

The Company has adopted the Stock Option Plan which provides that the Company Board may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Common Shares ("**Company Options**"), provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares, exercisable for a maximum period of up to ten (10) years from the date of grant. In addition, the Stock Option Plan provides that: (a) no more than 5% of the issued shares of the Company will be granted to any individual in any 12 month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements; (b) no more than 2% of the issued shares of the Company will be granted to any one consultant in any 12 month period; and (c) no more than an aggregate of 2% of the issued Common Share of the Company will be granted to an employee conducting investor relations activities in any 12 month period. Further, the number of Common Shares issuable at any given time to Eligible Charitable Organizations (as such term is defined in the policies of the Exchange) in aggregate will not exceed one percent (1%) of the issued and outstanding Common Shares of the Company as at the date of grant of any Company Option. The term of a Company Option must expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Company, as the case may be, subject to any earlier expiry date of such Company Option.

Company Options to purchase up to 790,000 Common Shares were granted to the directors and officers of the Company in connection with the closing of the Company's IPO in February 2022. The allocation of the option grants was approved by the Company Board.

Employment, consulting and management agreements

There is no employment contract, compensatory plan or other arrangement in place with the Named Executive Officers of the Company, nor is there any agreement between the Company and the Named Executive Officers that provides for payment to the Named Executive Officers in connection with any termination, resignation, retirement, change in control of the Company or change in responsibilities of the Named Executive Officers of the Company.

No cash compensation was paid to the directors of the Company in their capacity as directors during the financial year ended August 31, 2024. The directors of the Company are eligible to receive Company Options to purchase Common Shares pursuant to the terms of the Stock Option Plan.

Oversight and description of director and named executive officer compensation

The Company has not established a compensation committee. However, it is anticipated that such a committee will be established upon completion of a Qualifying Transaction. The Company Board has not, at any time since the Company's most recently completed fiscal year, retained a compensation consultant or advisor to assist the Company Board in determining the compensation for any of the Company's executive officers' or directors' compensation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, no former or current director, executive officer, or employee of the Company is or has been indebted to the Company or is indebted to another entity, which indebtedness has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, at any time.

AUDIT COMMITTEE

The following information of the Company is disclosed in accordance with National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Audit Committee Charter

The complete text of the charter of the Company's audit committee is attached to this Prospectus as Schedule "D". See Schedule "D" – *Audit Committee Charter*.

Composition of the Audit Committee

The audit committee of the Company currently consists of Jonathan Held, Jonathan Holmes and Ronnie Jaegermann. Jonathan Held acts as chairman of the audit committee of the Company. Each member of the audit committee of the Company is financially literate, with Jonathan Holmes and Ronnie Jaegermann comprising its independent members.

Relevant Education and Experience

Please refer to "*Company – Directors and Executive Officers*" for biographical information detailing the relevant education and experience of each audit committee member of the Company that would provide an understanding of the accounting principles used by the Company to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth of and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising

one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time has a recommendation of the audit committee of the Company to nominate or compensate an external auditor not been adopted by the Company Board.

Reliance on Certain Exemptions

The Corporation has not relied on:

(a) the exemption in section 2.4 (*De Minimus Non-audit Services*) of NI 52-110;

(b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110;

(c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of 52-110;

(d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of 52-110; or

(e) an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The audit committee of the Company has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Services Fees (By Category)

The aggregate fees billed by the Company's external auditors for the fiscal year ended August 31, 2024 and 2023 are as follows:

Financial Period	**Audit Fees[(1)]**	**Audit-Related Fees[(2)]**	**Tax Fees[(3)]**	**All Other Fees[(4)]**
Year ended August 31, 2024	$12,000	Nil	Nil	Nil
Year ended August 31, 2023	$12,000	$4,500	Nil	Nil

Notes:

(1) The aggregate fees billed for audit services.

(2) The aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under "Audit Fees".

(3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.

(4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

The Company is a "venture issuer" for the purposes of NI 52-110. The Company is therefore relying on the exemption set out in Section 6.1 of NI 52-110 in respect of Part 3 (Composition of the Audit Committee) thereof, that would otherwise require, subject to certain exceptions, that all members of the audit committee be independent.

CORPORATE GOVERNANCE

Board of Directors

The Company's Board consists of five directors. Arthur Kwan, Jonathan Held, Jonathan Holmes, Ronnie Jaegermann, and Michael Saliken. Jonathan Holmes, Ronnie Jaegermann, and Michael Saliken are independent based upon the tests for independence set forth in NI 52-110. Arthur Kwan and Jonathan Held are not independent on the basis that Mr. Kwan is the chief executive officer, and Mr. Held is the chief financial officer.

There is no specific written mandate of the Company Board. The Company Board has overall responsibility for the management of the business affairs of the Company.

Directorships

See "*The Company - Directors and Executive Officers- Other Reporting Issuer Experience*" for the directors of the Company who also serve as directors of other reporting issuers.

Orientation and Continuing Education

The skills and knowledge of the Company Board as a whole are such that no formal continuing education process is currently deemed required. The Company Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies.

Ethical Business Conduct

The Company has not adopted formal guidelines to encourage and promote a culture of ethical business conduct, but does so by nominating directors it considers ethical, by avoiding or minimizing conflicts of interest and by having a sufficient number of independent Board members. It is not anticipated that the Company Board will adopt formal guidelines in the 12 months following the date of this Prospectus.

Nomination of Directors

The Company Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Company Board's duties effectively and to maintain a diversity of view and experience.

The Company Board does not have a nominating committee, and these functions are currently performed by the Company Board as a whole.

Compensation

The Company Board is responsible for, among other things, reviewing and shaping all compensation arrangements for the executive officers and directors of the Company.

To determine the recommended compensation payable, the Company Board will review compensation paid for directors and executive officers of companies of similar size and stage of development and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers while taking into account the financial and other resources of the Company.

In setting the compensation, the Company Board will annually review the performance of the executive officers in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives. For further information regarding how the Company determines compensation for its directors and executive officers, see "*The Company - Executive Compensation*".

Other Board Committees

The Company does not have any committees of the Company Board other than the audit committee of the Company.

Assessments

No formal policy has been established to assess the Company Board and its committees. However, the Company believes that its corporate governance practices are appropriate and effective given the Company's is a CPC.

RISK FACTORS

An investment in the Company or the Resulting Issuer following Completion of the Proposed Qualifying Transaction involves a high degree of risk. There are risks inherent with Completion of the Proposed Qualifying Transaction and with respect to the business of the Company and the Resulting Issuer. You should carefully consider the information in this Prospectus and the information set out under "*The Resulting Issuer – Risk Factors*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings outstanding, threatened or pending as of the date of this Prospectus by or against the Company or to which it is a party or its business or any of its assets is the subject of, nor to the knowledge of the directors and officers of the Company, are any such legal proceedings contemplated which could become material to the Company.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Each of the directors and officers of the Company have acquired Common Shares and have been granted Company Options. Except as disclosed elsewhere herein, none of the directors, officers or principal shareholders of the Company, and no Associate or Affiliate of any of them, has or has had any material interest in any transaction that materially affects the Company. See "*The Company* – Directors and Executive Officers", "*Audit Committee and Corporate Governance*" and "*Principal Securityholders*".

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

The Company's auditor is SRCO Professional Corporation ("**SRCO**"), located at Park Place Corporate Centre, 15 Wertheim Crt. Suite 409, Richmond Hill, Ontario, L4B 3H7. SRCO is independent with respect to the Company within the meaning of the Chartered Professional Accountants of Ontario Rules of Professional Conduct.

Transfer Agent and Registrar

The Company's transfer agent and registrar is Endeavor Trust Company (the "**Transfer Agent**"), at its principal office at Suite 702 777 Hornby St., Vancouver, British Columbia, V6Z 1S4.

MATERIAL CONTRACTS

The following are the material contracts of the Company that are outstanding as of the date of this Prospectus:

1. The Transfer Agent Agreement dated as of July 27, 2021, between the Company and the Transfer Agent.

2. Agency Agreement dated as of November 15, 2021, between the Company and Research Capital Corporation.

3. The Definitive Agreement. See "*The Proposed Qualifying Transaction – Definitive Agreement*".

The material contracts described above may be inspected at the registered office of the Company, located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2, during normal business hours for a period of 30 days after the date of this Prospectus.

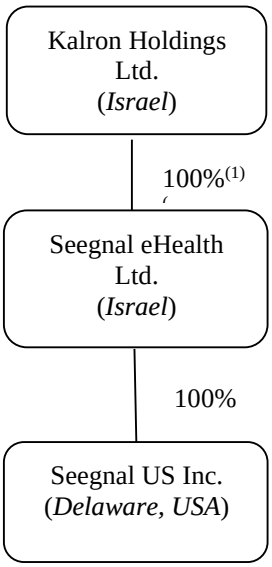
KALRON HOLDINGS LTD.

CORPORATE STRUCTURE

The full corporate name of Kalron is "Kalron Holdings Ltd.". Kalron was incorporated on December 7, 2017, under the Companies Law, 1999 (Israel). Kalron's registration number is 515753481. Kalron's head and registered office is located at 1 Hashikma St., Savyon, Israel.

Intercorporate Relationships

Kalron has one subsidiary, being Seegnal eHealth Ltd. (registration number 513728675). Seegnal has one subsidiary, being Seegnal US Inc. (registration number 6174092). The organization structure of Kalron and its subsidiaries is as shown in the diagram below.



Note:
(1) On a non-fully diluted basis. There are also 121,033 Seegnal Options outstanding.

BUSINESS OF KALRON

OVERVIEW AND HISTORY

Kalron is a privately held holding corporation established under Israel's laws in 2017. Kalron is the sole shareholder of Seegnal, an Israeli based corporation incorporated under the Companies Law, 1999 (Israel) on September 25, 2005, as a wholly owned subsidiary of Teva. Seegnal originally operated under the name "Teva Biogenetics Ltd.", as an empty shelf company until 2015, when the name was changed to "Mediseen eHealth Ltd." and the entity started operations. Mediseen eHealth Ltd. changed its name to "Seegnal eHealth Ltd." on December 4, 2019. Seegnal has developed, owns and is marketing software products for the provisioning of patient-tailored medication at the point of care, with the goal of safeguarding patients (and physicians) from adverse drug reactions, which, according to the World Health Organization, has been determined among the top six most common causes of death worldwide.[2] In the relevant jurisdictions of its operations, Seegnal's products fall under the CDSS category and are classified as non-regulated medical devices and considered as excluded from the FDA's jurisdiction. Seegnal's platform incorporates certain drug databases licensed from prominent international database producers, the current main database being First

[2] World Health Organization 2023: Global burden of preventable medication-related harm in health care: a systematic review. ISBN 978-92-4-008888-7 (electronic version).

DataBank International Inc. The SaaS framework, which serves as the heart of Seegnal's products, encompasses a distinct patient-tailored (patient-centric) approach, patented single-screen glance, patented workflow, and over 1,500 proprietary algorithms.

Seegnal has entered into a license agreement dated January 29, 2012, with First DataBank International Inc. (as amended), pursuant to which Seegnal received a license to use First DataBank International Inc.'s drug databases as part of its products.

Over time, Seegnal identified that placing the individual patient at the center (instead of the medication) by tailoring logic specific to that same certain patient is the key to reducing adverse drug reactions. Currently, Seegnal's base product is an electronic medical record add-on that allows physicians in a single-glance window to manage and mitigate any possible medication risks within seconds, only when needed. In a study done in Brigham's Women's Hospital, Seegnal stopped physicians only 4% of the time (once per patient) compared to EPIC electronic medical record which they use (the electronic medical record market leader in the U.S. with 51.5% of the total number of hospitals beds in the U.S.)[3] which stopped them 59.5% of the time, having much better sensitivity and specificity in comparison. The Seegnal software has been accredited as a Health Insurance Portability and Accountability Act ("**HIPPAA**") compliant during 2022 purposely to market and deploy the system in the U.S.

In 2017, Seegnal (then 'Mediseen eHealth Ltd.') was purchased from Teva by Kalron. As part of the acquisition, Kalron committed to continuing to employ Seegnal's employees and paying Teva certain royalties on sales. Pursuant to the acquisition agreement, Teva is entitled to receive from Seegnal royalties at a rate of 5% of revenues until the earlier of (i) a maximum royalty payment of $7,500,000 or (ii) December 31, 2027. Furthermore, until the earlier of: (a) the expiry of the obligation to pay royalties; or (b) the occurrence of certain milestones related to Seegnal's operating results as defined in the acquisition agreement, Kalron has a funding obligation towards Seegnal and is required to use reasonable commercial efforts to fund Seegnal (whether by way of equity, loans, guarantees to third parties or external financing) to ensure that Seegnal can operate in the ordinary course. Kalron is further obligated to pay Teva between $350,000 and $3,000,000, a onetime cash payment, upon the sale of the Seegnal business, as defined in the acquisition agreement, at a value between $3,000,000 and $50,000,000. There is no set time period for the payment to occur, and the Proposed Qualifying Transaction does not trigger the requirement to make this payment to Teva. Mikal Ltd. has guaranteed this cash payment obligation of Kalron.

Kalron performs business development and strategic management on behalf of Seegnal, as well as financing endeavours of Seegnal.

Kalron, through its subsidiary Seegnal, has developed a vast intellectual property portfolio. The SaaS based technology contains over 1500 specific algorithms, and includes three (3) registered patents in the United States, one (1) registered patent in Canada, and one (1) registered patent in the State of Israel, all in the areas of graphical user interface and workflow. The Seegnal system's functional disruptive graphical user interface approach, on the one hand, and the technical capability to introduce the individual patient at the center when providing clinical recommendations, on the other hand, reduces the physicians' workload by over 60% compared to EPIC's system, while providing over 98% alert accuracy and automating alternative therapy resolution suggestions, saving physicians time from researching for alternatives manually.[4]

In 2023, Seegnal finished an actual live proof of concept in a hospital, demonstrating the capability of its newest product (expansion of the base product), providing precision medication recommendations while reducing adverse drug reactions-. With that, Seegnal is one of the few companies worldwide that can provide end-to-end precision medication recommendations with significantly reduced adverse drug reactions, both because of contraindications and patient-to-medication interaction.

In December 2023, Kalron signed a pilot agreement with Supra Inwest for the piloting and subsequent further distribution of the Seegnal system in Poland. Poland has a substantial healthcare infrastructure with over 250,000

[3] US Acute Care EHR Market Share 2024, KLAS Report, May 17th, 2024, https://klasresearch.com/report/us-acute-care-ehr-market-share-2024-large-organizations-drive-market-energy/3333.

[4] Sonam N Shah et al, "Comparison of Medication Alerts from Two Commercial Applications in the USA", June 2021, https://pubmed.ncbi.nlm.nih.gov/33616888/.

hospitalization beds, ranking it as one of the largest healthcare systems in Europe in terms of monetary value. The Seegnal platform is currently a "standard of care" system for over 10,000 clinicians who use it daily to prescribe medications to their patients. The product scans over one million therapies every day.

In January 2024, Seegnal signed a new SaaS license agreement with Leumit Health Services, a large health maintenance organization in the State of Israel, for a five year term. The agreement is based on usage rather than a periodic fixed fee and is expected to generate higher revenues for Seegnal**.**

In August 2024, Kalron entered into a non-exclusive distribution agreement with Digitals OYT Ltd. ("**Digitals**"), for Digitals to market and license Seegnal's clinical decision-support system in the UK. In November 2024, Digitals secured access for Seegnal's system to the UK Government's G-Cloud 14 framework which will allow UK public sector organizations, including NHS trusts, hospitals, and clinics, to procure Seegnal's "Virtual Digital Pharmacist" through a streamlined process. The UK's NHS is responsible for one of the largest public healthcare systems in Europe, which includes 515 hospitals and 390,000 doctors. The G-Cloud 14 framework, managed by the Crown Commercial Service, facilitates public sector procurement of pre-approved cloud software and services, allowing organizations to bypass lengthy tender processes.

In 2024, Seegnal designed precision medication product capabilities to become a B2C stand-alone product, as further detailed below under "*Products and Services*".

Seegnal primarily operates in Israel and the UAE, while actively pursuing business expansion opportunities in the United Kingdom and Poland. Two of Israel's four health maintenance organizations are using the system by virtue of long-term licensing agreements in national deployment as well as one of the largest hospital facilities in the country pursuant to a public tender process win. The largest hospital in Tel Aviv is due to complete its onboarding of Seegnal by April 2025.

Kalron intends to continue its current business and operations in 2025.

Industry Overview

There is a concern within the medical profession regarding the use and potential harm of prescription drugs.[5] and that is coming out of a doctor. From a clinical perspective, this unspoken problem has a devastating impact. In 2023, The World Health Organization (WHO) published that adverse drug reactions are estimated to be between the 4th and 6th most common cause of death worldwide, taking their place among other prevalent causes of mortality such as heart disease, cancer, and stroke.[6] In another medical publication from the same year, it was determined that "at least one in 20 patients are affected by preventable medication-related harm globally and that more than 25% of preventable harm is severe or life-threatening."[7]

To understand the impact economically, reference is made to a study done in 2018 in the USA,[8] which quantified the costs of prescription drug-related morbidity and mortality to be $534.8 Billion per year in the USA alone (a regulated market in which every prescription issuer or dispenser must have a drug interaction alerting system).

The market splits primarily into two segments:

1. Those with regulations that enforce alerting systems – USA, Canada, and the UK, as an example.
2. Those who don't have regulations that enforce such systems – many European countries, for example.

[5] Pol Arch Med Wewn. 2014;124(11):628-34. doi: 10.20452/pamw.2503. Epub 2014 Oct 30

[6] World Health Organization 2023: Global burden of preventable medication-related harm in health care: a systematic review. ISBN 978-92-4-008888-7 (electronic version)

[7] Twenty-First Century Global ADR Management: A Need for Clarifcation, Redesign, and Coordinated Action, Therapeutic Innovation & Regulatory Science (2023) 57:100–103, https://doi.org/10.1007/s43441-022-00443-8

[8] Watanabe, JH, McInnis, T, & Hirsch, JD. "Cost of Prescription Drug–Related Morbidity and Mortality." Annals of Pharmacotherapy, 2018; 52(9), 829–837

Regulated markets - The current legacy systems are backend databases focused on medication and integrated into electronic medical record's by feeding their drug-to-drug alerting to the electronic medical record front end. They calculate prescriptions at a drug level (drug per drug) and present alerts whenever found between a pair of drugs tested, stopping the user in the process with each alert. All legacy systems operate similarly and vary based on the interpretation (logic) derived from their drug data sets. Seegnal believes that this concept leads to an overload of irrelevant alert messages and low accuracy. Most importantly, it ignores the patient-influencing factors in the process; thus, all alerts are generic.

In this segment, Seegnal's distinct ability to present all alerts at a prescription level while including patient-specific algorithms (including the new revolutionary precision medication module) positions Seegnal in a notable advantage. Automating the prescription management workflow at the point of care, stopping less than 10% of the time and, when stopped, only once per patient, while at the same time increasing patient medication safety.

Unregulated markets – Unregulated markets possess an incredible opportunity to start fresh with the new standard Seegnal dictates, whereas medication alerting is patient-specific. In those markets, the key driver for Seegnal adaptation is safety accreditation. Hospitals and health institutions seek to receive international safety accreditation that reassures patients and local regulators of the quality of medical treatment at the said institution. Many markets in this segment are in the digitalization phase, moving to central electronic medical record systems. Thus, the timing of introducing Seegnal in those markets is perfect.

Products and Services

The base product is a clinician-friendly point-of-care drug management solution that streamlines the prescription workflow, significantly reduces adverse drug reactions and physicians' "Alert Fatigue," and offers safe medication alternative resolution within seconds. Seegnal exclusively integrates patient-specific data like vital signs, diets, lab test results, smoking, age, gender (and more), and many concomitant medication effects. The product is an add-on to any electronic medical record, turning such electronic medical record into an innovative and efficient electronic medical record that manages the prescription workflow at the point-of-care. This product is designed and is marketed as a B2B product for healthcare providers. Healthcare providers would be hospitals (generic and psychiatric), community care clinics, health management organizations, and elderly care/nursing homes. There is an opportunity to convert the product into a B2C product, adding modules such as over-the-counter medication and supplements.

The enhanced product elevates the patient-tailored approach by adding a precision medication layer based on DNA data using pharmacogenomics evidence, making Seegnal a pioneer CDSS that can support physicians by not only prescribing the optimal medication type and dosage but also by alerting and presenting alternatives for adverse drug reactions that DNA does not take into account like allergies, current kidney and liver functions and more. In 2024, Seegnal designed precision medication product capabilities to become a B2C stand-alone product. This product will come in two forms: a B2B product, which is an expansion of the base product, and a newly created B2C product that will be made available for the public.

The enhanced product is currently in the late stages of development and is approaching market readiness. Seegnal has designed the core functionality and architecture to allow for client-specific customization upon securing its first relevant customer. At that point, Seegnal's technical team will undertake approximately six months of tailored development and integration work to finalize the enhanced product according to the specific requirements of this initial client.

Seegnal has adopted a customer-driven development strategy, with further progress contingent upon securing the first client. This approach allows for efficient resource allocation and ensures the final product will meet actual market needs. Seegnal estimates that completing this customization phase will require approximately US$100,000 in additional development costs beyond current operating expenses. To optimize cost efficiency and development resources, Seegnal plans to utilize a hybrid development model, with portions of the work to be performed by established offshore development partners with whom Seegnal has existing collaborative relationships.

Narrative Description of the Business

Seegnal's CDSS software for safely prescribing medication at the point of care is intended for medical practitioners who have to prescribe, dispense, review, or track medication orders for patients. Seegnal currently sells the software to health organizations and not to the individual users. Seegnal's business model includes four components:

1. One-time implementation cost – Seegnal provides implementation services for the initial integration into the health care provider electronic medical systems as well as the related configuration to meet the specific requirements. Such implementation is generally provided as part of a pilot phase and represents a separate performance obligation because the contract is no enforceable beyond the pilot phase unless both Seegnal and the customer agree to commence a subscription period, and a contractually determined transaction price specific to the pilot phase is paid by the customer irrespective of the decision to start a subscription period.
2. Recurring annual license usage fees - either per user or per B2C product and B2B product for primary care providers, or per bed for hospitals and other overnight admission institutions.
3. Recurring annual support and maintenance fees – for ongoing clinical and technical support. This fee is sometimes integrated with the annual license fees. Per the request of some customers those fees might be calculated and included as part of the recurring annual license costs.
4. Ad hoc change request fees apply to any change in the interface or workflow requested by a specific customer.

After the system's initial installation, Seegnal's services are centered around providing monthly medication mapping to reflect changes in medication inventory at the institution, clinical consultation and monitoring, and technical bug fixes if necessary.

Seegnal is marketing the solution today in Israel, UAE, Poland, and the UK. Over 10,000 doctors use the system daily in production, and over 1 million therapies are scanned daily, 24 hours a day, 365 days a year.

Operations

The Chief Executive Officer of Seegnal supervises all operations. The operations are divided into three areas of responsibility:

1. The vice president of Clinical and Regulatory Affairs is responsible for clinical development and operation standards, such as the international organization for standardization ("**ISO**") and conformité Européenne (CE) certification, product roadmap, and clinical adherence, whenever change requests are asked.

2. Research and Development is responsible for adding the clinical logic, developing AI and tool enhancements into the platform, data security and privacy standards such as HIPPA and General Data Protection Regulation ("**GDPR**") standards and adhering to the overall software development life cycle.

3. The Customer Success Director is responsible for pre-sale activities, implementation, commercial renewals, and customer satisfaction.

A weekly alignment meeting is held to synchronize between the groups and set the agreed priorities. Disputes are settled by the Chief Executive Officer of Seegnal.

Facilities and Dependence on Foreign Operations

Conditions in Israel may affect Kalron's business, results of operations and financial condition. Kalron is headquartered near Tel Aviv, Israel. In addition, Kalron harnesses local Microsoft Azure servers that store data and the software in each country or region it operates in. Seegnal R&D environments, knowhow and tools are also stored in the cloud in one of Israel's notable operators. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries. As a result, Kalron is vulnerable to the political, economic, legal, regulatory and military conditions affecting Israel and the Middle East. Armed conflicts between Israel and its neighboring countries and territories occur periodically and a protracted state of hostility has, in the past, resulted in security and economic difficulties for Israel. Any such hostilities or escalation thereof, armed conflicts or violence in the region could adversely affect Kalron's business, results of operations and financial

condition. In addition, Kalron may be adversely affected by other events or factors affecting Israel such as the interruption or curtailment of trade between Israel and its trading partners, a significant downturn in the economic or financial condition of Israel, a significant downgrading of Israel's internal credit rating, labour disputes and political instability, including riots and uprisings. A number of countries, primarily in the Middle East, as well as some Muslim countries, including Malaysia and Indonesia restrict business with Israel or Israeli companies. There may also be certain countries, businesses or other global movements that may exert pressure on the Kalron's partners, customers or others not to do business with Israel or Israeli companies. Furthermore, the Israeli government is currently pursuing extensive changes to Israel's judicial system. In response to the foregoing developments, critics have voiced concerns that the proposed changes may negatively impact the business and economic environment in Israel. Restrictive laws policies or movements directed towards Israel or Israeli businesses could have a material adverse effect on Kalron's business, results of operations and financial condition. Generally, under Israeli law, citizens and permanent residents of Israel are obligated to perform military reserve duty for extended periods of time through the age of 45 (or older for citizens with certain occupations) and are subject to being called to active duty at any time under emergency circumstances. In response to increased hostilities, there have been periods of significant call-ups of military reservists. It is possible that there will be additional call-ups in the future, which may include officers and key personnel of Kalron or Seegnal, which could disrupt business operations for a significant period of time.

Cycles and Seasonality

Seegnal's business is not seasonal and has a steady state demand. Per the SaaS business model, revenue is cyclical (annual revenue cycle), and contracts typically range between 3 to 7 years in duration.

Employees

As of December 31, 2024, Seegnal had 10 full-time and 2 part-time employees.

Intangible Properties

Seegnal's material owned intellectual property consists of proprietary technology, processes, trade secrets, and know-how, as well as inherent copyright of authorship in the source code developed by Seegnal, and unregistered trademarks. Seegnal does not have any material licensed intellectual property. While the Seegnal system does currently have some dependencies linked to third party's medical databases intellectual property, Seegnal is working on the removal of such dependencies, which is a process of 2-3 years. While Seegnal's commercial success generally depends on its ability to maintain the confidentiality of its proprietary technology, processes, trade secrets, and know-how, it is not substantially dependent on any specific and identifiable intellectual property.

The SaaS-based technology contains over 1500 specific algorithms, which are major assets of Seegnal, and Seegnal has successfully secured patents in the United States (3 registered), Canada (1 registered), and the State of Israel (1 registered), all granted in the areas of graphical user interface and workflow.

The Company has developed and implemented a sophisticated technological infrastructure that enables real-time data acquisition, advanced computational processing, and rapid response generation, all operating within millisecond timeframes. This high-performance system integrates a carefully selected suite of specialized tools, cutting-edge technologies, and comprehensive databases originally developed for social media applications, which the Company has strategically adapted and optimized for medical applications. This proprietary integration of technologies and methodologies represents Seegnal's core intellectual asset and competitive advantage in the marketplace. Due to its strategic importance, Seegnal maintains this technical framework as confidential trade secrets and proprietary know-how.

To protect its intellectual property, Seegnal relies on a combination of trade secret, copyright, trademark, passing-off laws, and other statutory and common law protections in Israel, the United States, and international markets. Seegnal also protects its intellectual property through the use of non-disclosure agreements and other contracts, disclosure and invention assignment agreements, confidentiality procedures, and technical measures. Some of the medical databases used by Seegnal are protected by intellectual property registrations, which Seegnal indicates both, in its contracts with

the customers, and also presented online for each user when they first log on to Seegnal. The users are required to accept electronically online in order to continue the sign in. These include the following patents:

USA

- Patent No. 10387406; Tiled 'A Method, System & Program for Improving Healthcare' - Issued on Aug. 20, 2019; Expiry on Aug. 20, 2032.

  This patent describes a method, system, and program for improving healthcare by providing a platform accessible via a web browser or electronic medical record. It generates alerts concerning potential adverse effects from a combination of pharmaceutical preparations and supplements. The system integrates data from multiple databases to process and deliver these alerts to users. The unique feature in this patent's claim 1 is the integration of data from at least two databases and one processing tool to generate alerts about potential adverse effects from a combination of pharmaceutical preparations and supplements.

- Patent No. 10592501; Titled 'A Method, System & Program for Improving Healthcare' - Issued on March 17, 2020; Expiry on March 8, 2032.

  This patent outlines a method, system, and program designed to enhance healthcare by offering a platform that can be accessed through a web browser or electronic medical record. It focuses on generating alerts about potential adverse effects from various pharmaceutical combinations. The system uses data from multiple sources to provide these alerts to healthcare providers. This patent's claim 1 uniquely emphasizes the use of a web browser or electronic medical record to access the platform, focusing on generating alerts about potential adverse effects from various pharmaceutical combinations.

- Patent No. 10872079; Titled 'Method, System & Predictive Computing Platform for Generating Reduced Patient-Specific Data Subset of Drug-Related Adverse Reaction Alerts'; Issued on 22 December, 2020; Expire on March 8, 2032.

  This patent involves a method, system, and predictive computing platform aimed at generating a reduced patient-specific data subset of drug-related adverse reaction alerts. It leverages predictive algorithms to filter and prioritize alerts, ensuring that only the most relevant information is presented to healthcare providers. This approach helps in managing and mitigating potential adverse drug reactions more effectively. The distinctive feature in this patent's claim 1 is the use of a predictive computing platform to generate a reduced patient-specific data subset of drug-related adverse reaction alerts, leveraging predictive algorithms to filter and prioritize alerts.

Canada

- Patent No. 2829100; Titled 'A Method, System & Program for Improving Healthcare'; Issued on March 30, 2021; Expire on March 8, 2032.

  Similar to the U.S. patents, this Canadian patent describes a method, system, and program for improving healthcare by providing a platform accessible through a web browser or electronic medical record. It generates alerts about potential adverse effects from pharmaceutical combinations. The system integrates data from multiple databases to deliver these alerts to users. The unique feature in this patent's claim 1 is the specific method of integrating data from multiple healthcare databases to generate alerts about potential adverse effects from pharmaceutical combinations. This integration is designed to improve the accuracy and relevance of the alerts provided to healthcare providers.

Israel

- Patent No. 224957; Titled 'A Method, System & Program for Improving Healthcare'; Issued on March 1, 2019; Expire on March 8, 2032.

This Israeli patent details a method, system, and program for improving healthcare by offering a platform accessible via a web browser or electronic medical record. It focuses on generating alerts concerning potential adverse effects from various pharmaceutical combinations. The system uses data from multiple sources to provide these alerts to healthcare providers. This patent's claim 1 uniquely emphasizes the use of a centralized system that processes data from various sources to generate alerts about potential adverse effects from pharmaceutical combinations. The system is designed to be accessible via a web browser or electronic medical record, ensuring that healthcare providers can easily access the information.

Changes to Contracts

UAE: Abu Dahbi Stem Cells Center Licensing & Collaboration Agreement, which had been updated by means of Amendment on November 7, 2024 and its contractual term is currently scheduled to terminate on December 31, 2025 and the last payment installment to be made by April 30, 2025. Negotiations for renewing the contract are underway.

Special Skills and Knowledge

Most aspects of Kalron's business require specialized skill and knowledge. Such skills and knowledge include pharmaceuticals and drug interactions, medicine, cloud web & interfaces computing, and regulatory compliance. Kalron meets its needs for such specialized skills and knowledge through the expertise of its officers and employees. To the extent that additional specialized skills and knowledge are required, Kalron retains outside consultants.

Competitive Conditions

At present, management of Seegnal believes that there is no direct competition comparing the features and design of the products. There are many indirect competitors, which can be classified as follows:

Legacy drug-to-drug interaction databases - These databases are legacy products embedded in electronic medical records and provide only drug-to-drug alerting, comparing only two drugs at a time. Those products are the hardest to compete with as they are incumbents and meet the FDA's regulatory compliance (although do not solve the challenges mentioned clinically or operationally due to the high levels of false alerts and missing many important alerts, all contributing to the large death toll described). On the other hand, they are purely back-end systems that do not meet modern workflow needs; they only supply alerts (leaving the clinicians with the resolution burden), exclude patient factors, and are mostly regarded as a burden by the medical staff and, therefore, ignored. Not having patient factors will prevent them from moving into the precision medication area, and we believe they will be looking for Seegnal for collaboration. In this group, companies such as First DataBank International Inc., Walters Kluwer, Elsevier, and Micromedix can be found.

AI-driven medication management products – startups embracing AI to help pharmacists do medication reviews. They are either working to identify the 20% of patients that are at risk to automate medication review and propose a preventative therapy and monitoring plan or reducing pharmacists by reducing the number of subscriptions that need pharmacist review (scanning and clearing all those prescriptions that are OK, sending the problematic ones to the pharmacist and by that eliminating the need to have many pharmacists), or aimed to interoperate medication errors by means of deviation from general therapy behavior in an institution and are backed only. Neither of these are direct competitors as they do not focus on the point of care. Two companies, as an example, are MedAware and FeelBetter.

When entering the precision medication segment, Seegnal has witnessed many small companies and laboratories entering this field, offering DNA testing to provide a pharmacogenetic profile, which is the basis of precision medication. Management of Seegnal believes that those are not serious competitors as they provide a theoretical precision medication reading that is less applicable for prescribing medication at the point of care.

While DNA tests provide essential data on the individual metabolism and how the individual interacts with each medication, DNA tests do not provide a reading on the actual medical state of the individual, such as, but not limited to, allergies, kidney function level, blood pressure, diseases, and more. Seegnal, to the best of Kalron's knowledge, is the only company today with the end-to-end capability to merge DNA testing with the actual medical patient state to recommend practical precision medication treatment at the point of care that is also free from any drug related problem.

Regulatory Requirements

Kalron is subject to many laws and regulations, policies and guidance from regulatory bodies that affect companies providing technology services and operating in the healthcare and medtech industries. While we monitor changes in these laws and regulations, policies and guidance from regulatory bodies, many are still evolving and it is possible that current or future laws and regulations, policies and guidance from regulatory bodies could be interpreted or applied in a manner that would prohibit, alter, or impair Kalron's existing or planned products.

Israel

The Israeli Medical Device Division of the Ministry of Health ("**AMAR**") regulatory body, generally follows international regulations such as CE or FDA. Currently, devices for managing medication at the point of care are exempt from the Israeli AMAR approval. Operationally, Israel adopted the International Organization for Standardization ("**ISO**") standards. Seegnal adheres to all applicable ISO for information security and medical devices and has an annual accreditation checkup. From information security perspective, Seegnal adheres to the newest ISO 27001 and ISO 27799. From a quality management perspective, Seegnal adheres to ISO 13485.

Europe

Seegnal must adhere to the CE quality standard, which it initiated its certification and implementation process in 2024. Seegnal awaits the actual accreditation review, which is expected to take place and is intended to be duly completed during Q2 2025. From information security perspective, Seegnal implemented GDPR standard during 2024 and was evaluated and accredited with GDPR compliance in December 2024.

United States

The Seegnal software is classified as a non-regulated medical device and considered excluded from the FDA jurisdiction. Additionally, the Seegnal software was accredited as HIPPAA compliant during 2022.

Canada

An examination assessment of the applicability of the relevant regulatory framework concluded during September 2023 that the Seegnal software meets all the four criteria and therefore should be considered as excluded from the medical device regulations in Canada.

DIVIDENDS OR DISTRIBUTIONS

The following table sets forth information regarding dividends declared on the Kalron Shares (prior to the effect of the Kalron Share Adjustment) for the periods specified.

	Financial year ended December 31,	
	2023 (US$)	**2022 (US$)**
Dividends declared per Kalron Share	Nil	Nil

There are no restrictions precluding Kalron from declaring dividends on the Kalron Shares. Kalron may from time to time declare dividends at the discretion of the Kalron Board when cash balances from Kalron's operations exceed cash required for the development of its business.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Financial Information

The following table sets forth selected financial information for Kalron for the periods or as of the dates indicated. The selected financial information of Kalron has been derived from the Kalron Financial Statements which have been

prepared in accordance with IFRS, and are included in this Prospectus. See "*Financial Statements of Kalron*". This summary financial information should be read in conjunction with, and is qualified in its entirety by, the Kalron Financial Statements.

	As at September 30, 2024 (unaudited) US$ (thousands)	**As at December 31, 2023 US$ (thousands)**	**As at December 31, 2022 US$ (thousands)**
Total assets	744	580	900
Total current liabilities	18,151	15,041	12,098
Total non-current liabilities	-	918	65
Total shareholders' deficit	(17,407)	(15,379)	(11,263)

	Nine months ended September 30, 2024 (unaudited) US$ (thousands)	**Year ended December 31, 2023 US$ (thousands)**	**Year ended December 31, 2022 US$ (thousands)**
Revenue	1,061	1,219	1,353
Cost of revenues	(993)	(1,646)	(1,626)
Gross profit (loss)	**68**	**(427)**	**(273)**
Research and development expenses	(367)	(1,043)	(2,570)
Sales and marketing expenses	(566)	(557)	(378)
General and administration costs	(1,053)	(1,555)	(1,683)
Other income	-	96	-
Change in fair value of convertible loans	(739)	(1,034)	(1,382)
Interest expenses	(120)	(256)	(223)
Foreign exchange gain (loss)	30	106	279
Loss on sale of property	-	-	-
Net loss and comprehensive loss for the year or period, as applicable	**(2,747)**	**(4,670)**	**(6,230)**
Basic loss per Kalron Share	(14.87)	(25.28)	(33.73)
Weighted Average Number of Shares Outstanding	184,709	184,709	184,709

Management's Discussion and Analysis

Kalron's MD&A for the period ended September 30, 2024 and the financial years ended December 31, 2023 and 2022 is included in "*Schedule B – Financial Statements of Kalron*". The MD&A should be read in conjunction with the Kalron Financial Statements and related notes, which have been prepared in accordance with IFRS.

DESCRIPTION OF SECURITIES

Kalron Shares

Kalron is authorized to issue 1,000,000 Kalron Shares with a par value of NIS 0.01 each. Each Kalron Share is entitled to one vote per share at meetings of shareholders of Kalron, to receive an equal share of any dividends and distributions (whether payable in cash or otherwise) as may be declared from time to time, and, in the event of any liquidation, dissolution or winding-up of Kalron (whether voluntary or involuntary), to receive in equal amounts per share the assets of Kalron.

As at the date of this Prospectus, there are 184,709 Kalron Shares issued and outstanding.

Kalron Convertible Debentures

Kalron 20% Discount Convertible Debentures

Kalron has issued convertible debentures in the aggregate principal amount of $897,850.00 bearing interest at a rate of 8% per annum, all of which shall be converted, at a 20% discount to the price per Subscription Receipt in the Kalron Private Placement, prior Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis) (the "**Kalron 20% Discount Convertible Debentures**").

Kalron 25% Discount Convertible Debentures

Kalron has issued convertible debentures in the aggregate principal amount of $125,000.00 bearing interest at a rate of 8% per annum, all of which shall be converted, at a 25% discount to the price per Subscription Receipt in the Kalron Private Placement, prior Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis) (the "**Kalron 25% Discount Convertible Debentures**").

Kalron 25% Discount + Warrant Convertible Debentures

Kalron has issued convertible debentures in the aggregate principal amount of $4,516,924.50 bearing interest at a rate of 8% per annum, all of which shall be converted, at a 25% discount to the price per Subscription Receipt in the Kalron Private Placement, prior Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis) and, in accordance with the terms of the purchase agreements pursuant to which the Kalron 25% Discount + Warrant Convertible Debentures were issued, into Resulting Issuer Warrants (the "**Kalron 25% Discount + Warrant Convertible Debentures**").

Kalron $0.66 Convertible Debentures

Kalron has issued convertible debentures in the aggregate principal amount of $3,726,455.00 bearing no interest, all of which shall be converted prior to Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis) and, in accordance with the terms of the purchase agreements pursuant to which the Kalron $0.66 Convertible Debentures were issued, into Resulting Issuer Warrants (the "**Kalron $0.66 Convertible Debentures**").

Kalron $0.72 Convertible Debentures

Kalron has issued convertible debentures in the aggregate principal amount of $175,000.00 bearing no interest, all of which shall be converted prior to Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis) and, in accordance with the terms of the purchase agreements pursuant to which the Kalron (the "**Kalron $0.72 Convertible Debentures**").

Kalron $0.76 Convertible Debentures

Kalron has issued convertible debentures in the aggregate principal amount of $171,570.00 bearing no interest, all of which shall be converted prior to Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis) and, in accordance with the terms of the purchase agreements pursuant to which the Kalron $0.76 Convertible Debentures were issued, into Resulting Issuer Warrants (the "**Kalron $0.76 Convertible Debentures**").

Kalron $0.80 Convertible Debentures

Kalron has issued convertible debentures Kalron in the aggregate principal amount of $4,573,902.00 bearing interest at a rate of 15% per annum, all of which shall be converted prior to Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis) and, in accordance with the terms of the purchase

agreements pursuant to which the Kalron $0.80 Convertible Debentures were issued, into Resulting Issuer Warrants (the "**Kalron $0.80 Convertible Debentures**").

Kalron No Interest $0.80 Convertible Debentures

Kalron has issued non interest convertible debentures in the aggregate principal amount of $381,220.00 bearing no interest, all of which shall be converted prior to Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis) and, in accordance with the terms of the purchase agreements pursuant to which the Kalron $0.80 Convertible Debentures were issued, into Resulting Issuer Warrants (the "**Kalron No Interest $0.80 Convertible Debentures**").

Kalron No Discount Convertible Debentures

Kalron has issued convertible debentures outstanding in the aggregate principal amount of $881,280.00 bearing no interest, all of which shall be converted prior to Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis) and, in accordance with the terms of the purchase agreements pursuant to which the Kalron No Discount Convertible Debentures were issued, into Resulting Issuer Warrants (the "**Kalron No Discount Convertible Debentures**").

Kalron SAFE

Kalron has a simple agreement for future equity of Kalron in the aggregate amount of $1,500,000, which shall be converted prior to Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis).

Seegnal Shares

There are 1,469,562 ordinary shares of Seegnal issued and outstanding. Kalron owns 100% of the issued and outstanding ordinary shares of Seegnal.

Seegnal Options

Seegnal has 121,033 stock options outstanding, which such Seegnal Options were issued pursuant to the Seegnal Stock Option Plan. The Seegnal Options will not convert into any securities of the Resulting Issuer and will remain options of Seegnal following the Completion of the Proposed Qualifying Transaction.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Kalron as at September 30, 2024, and as at the date of this Prospectus. The table should be read in conjunction with the Kalron Financial Statements and the notes thereto included in this Prospectus. See "*Financial Statements of Kalron*".

	As at September 30, 2024[1]	As of the date of this Prospectus [1][2][3][4][5][7]
Kalron Shares	184,709	184,709
Kalron 20% Discount Convertible Debentures	$897,850	$897,850
Kalron 25% Discount Convertible Debentures	$125,000	$125,000
Kalron 25% Discount + Warrant Convertible Debentures	$4,516,924.50	$4,516,924.50
Kalron $0.66 Convertible Debentures	$2,636,129	$3,726,455
Kalron $0.72 Convertible Debentures	$175,000	$175,000
Kalron $0.76 Convertible Debentures	$171,570	$171,570
Kalron $0.80 Convertible Debentures	$4,573,902	$4,573,902
Kalron no interest $0.80 Convertible Debentures	$286,220	$381,220
Kalron No Discount Convertible Debentures	$881,280	$881,280
Kalron SAFE	$1,500,000	$1,500,000
Subscription Receipts[6]	0	0

Notes:

(1) On a pre-Kalron Share Adjustment basis.

(2) Certain convertible debentures accrue interest and such amounts factor in estimated interest to February 28, 2025. These amounts are subject to change as interest continues to accrue.

(3) 2% of the Resulting Issuer Shares will be issued to each of Exiteam (calculated on a fully diluted basis) and Quarck (calculated on a non-diluted basis) pursuant to the Exiteam Financial Advisory Services Fee and the Quarck Financial Advisory Services Fee.

(4) 368,958 Resulting Issuer Warrants will be issued to Steckel Investments Inc. at the Completion of the Proposed Qualifying Transaction pursuant to an engagement letter between Seegnal and Capital Canada Limited and an amended letter of direction dated November 1, 2024.

(5) Capital Canada Limited will be issued 8% of the amount of Subscription Receipts brought in by Capital Canada Limited under the Kalron Private Placement, issuable as Resulting Issuer Warrants, pursuant to an engagement letter between Seegnal and Capital Canada Limited and an amended letter of direction dated November 1, 2024.

(6) The Subscription Receipts convert into units of Kalron, comprising of one post-Kalron Share Adjustment Share and one Kalron Warrant upon satisfaction of certain escrow release conditions. See "*The Proposed Qualifying Transaction* – Kalron Private Placement" for more information.

(7) As of September 30, 2024 and as of the date of this Prospectus, Seegnal has granted 121,033 Seegnal Options.

Seegnal, the subsidiary of Kalron, after giving effect to the Proposed Qualifying Transaction, on a pro forma basis as of November 30, 2024, will have two loans outstanding from Israeli banks in the collective amount of US$1,364,000. The first loan was received in 2023 in the amount of US$2,000,000 and has a variable interest rate of Israeli prime rate (current 5.88%) plus 3.3% and is repayable on a monthly basis until September 1, 2025. The second loan was received in February 2024 in the amount of US$88,000 and has a variable interest rate of Israeli prime rate (current 5.88%) plus 4.57% and is repayable on a monthly basis until September 1, 2025.

In 2025 two shareholder loans were issued to Kalron in the aggregate principal amount of up to $637,880. The first shareholder loan is between Kalron and Mikal Ltd. in the principal amount of $322,811 with an annual interest rate of 10%. The second shareholder loan is between Kalron and Edtom Ltd. in the principal amount of $315,068 with an annual interest rate of 10%. The shareholder loans mature and are repayable on June 1, 2027 and can be repaid in full, with any accrued unpaid interest, in advance of such maturity date with no penalty at the option of Kalron upon 14 days' notice provided that the principal amount and any unpaid accrued interest will be due immediately on demand of Kalron does not complete the Proposed Qualifying Transaction by June 1, 2026. Each of Mikal Ltd. and Edtom Ltd. are expected to be a Principal (as such terms are defined in the policies of the Exchange) and Insider of the Resulting Issuer following Completion of the Proposed Qualifying Transaction, as it is anticipated that they will each have beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the outstanding Resulting Issuer Shares. Mikal Ltd., Edtom Ltd. and Gilat Management Ltd. will hold, directly, 50.12% of the Resulting Issuer Shares following Completion of the Proposed Qualifying Transaction.

For information regarding changes in Kalron's consolidated capitalization since September 30, 2024 that will result from the Proposed Qualifying Transaction, see "*The Resulting Issuer – Pro Forma Fully-Diluted Capitalization of the Resulting Issuer*".

OPTIONS TO PURCHASE SECURITIES

Options

As of the date of this Prospectus, there are no options to purchase Kalron Shares and Seegnal has granted 121,033 Seegnal Options to officers, employees and consultants pursuant to the Seegnal Stock Option Plan. The Seegnal Options will not convert into any securities of the Resulting Issuer and will remain options of Seegnal following the Completion of the Proposed Qualifying Transaction. The following table sets out information regarding the outstanding Seegnal Options as of the date of this Prospectus.

Holder of Seegnal Options	Number of Optionees	Seegnal Shares Underlying Options	Exercise Price (US$)	Expiry Date
Executive Officers and Former Executive Officers	1	50,087	$16.621	4/9/2033
Directors (other than those who are also Executive Officers) and Former Directors	-	-	-	-
Other Current and Former Employees	10	67,162	$9.5-$17.86	26/2/2029-4/9/2033
Consultants	2	3,747	$11.2-$17.2	17/4/2030-17/5/2032
Total	13	**121,033**		

PRIOR SALES

The following table sets out information regarding each issuance by Kalron of Kalron Shares and securities convertible or exchangeable into Kalron Shares during the 12-month period before the date of this Prospectus, on a post-Kalron Share Adjustment basis.

Date of Issue	Security	Principal Amount of Debenture	Number of Kalron Shares (post-Kalron Share Adjustment) Upon Conversion [(1)]	Conversion Price
February 28, 2024	Kalron $0.72 Convertible Debentures	$50,000	69,444	$0.72
March 28, 2024	Kalron No Interest $0.80 Debentures	$35,000	43,750	$0.80
May 1, 2024	Kalron No Interest $0.80 Debentures	$50,000	62,500	$0.80
May 28, 2024	Kalron No Interest $0.80 Debentures	$50,000	62,500	$0.80
June 11, 2024	Kalron $0.72 Convertible Debentures	$50,000	69,444	$0.72
June 27, 2024	Kalron No Interest $0.80 Debentures	$50,000	62,500	$0.80
July 7, 2024	Kalron No Interest $0.80 Debentures	$101,220	126,525	$0.80
November 12, 2024	Kalron No Interest $0.80 Debentures	$35,000	43,750	$0.80
November 24, 2024	Kalron No Interest $0.80 Debentures	$60,000	75,000	$0.80

Note:

(1) Certain convertible debentures accrue interest and such amounts factor in estimated interest to February 28, 2025. These amounts are subject to change as interest continues to accrue.

PRINCIPAL SECURITYHOLDERS

The following table lists those Persons who beneficially own, directly or indirectly or exercise control or direction over more than 10% of the issued and outstanding Kalron Shares as at the date of this Prospectus.

Name and Country of Residence	Type of Ownership	Number of Kalron Share	Percentage of Kalron Shares Owned Before Proposed Qualifying Transaction and Kalron Private Placement
Mikal Ltd.[(1)] *Israel*	Direct and Indirect	131,095	71.0%
Edtom Ltd.[(1)] *Israel*	Direct	18,912	10.2%
Roni Shiloh *Israel*	Direct and Indirect	25,000	13.5%
Gilat Management Services Ltd.[(1)] *Israel*	Direct	712	0.4%

Note:

(1) Mikal Ltd. is controlled by Gilat Management Services Ltd. (an entity established under the laws of Israel and controlled by Mr. Avraham Gilat, a resident of Israel) and Edtom Ltd. (an entity established under the las of Israel and controlled by Mr. Ron Nafatli, a resident of Israel).

DIRECTORS, EXECUTIVE OFFICERS, AND PROMOTER

Directors and Executive Officers

The following table sets out, for each director and executive officer of Kalron and Seegnal, the person's name, province or state and country of residence, position(s) with Kalron and Seegnal, the date on which the person became a director and/or an executive officer, and principal occupation. Kalron and Seegnal directors are elected annually and, unless re-elected, retire from office at the end of the next annual meeting of shareholders of Kalron or Seegnal, as applicable.

Name and Province or State and Country of Residence	Position	Director or Officer Since	Principal Occupation for the Past Five Years	Number of Kalron Shares owned or controlled
Avraham Gilat (Israel)	Director of Kalron and Seegnal	December 10, 2017	Director and CEO of Mikal Ltd.	131,807[(1)]
Nir Dor (Israel)	Director of Kalron and Seegnal	December 10, 2017	Managing Partner of NET Capital Ventures	0
Eyal Schneid (Israel)	Chief Executive Officer of Kalron and Seegnal	January 1, 2025	CEO of Kalron and Seegnal	0[(2)]
Gadi Levin (Israel)	Chief Financial Officer of Kalron and Seegnal	July 2021	Chartered Accountant, part time CFO	0

Notes:

(1) Mr. Avraham Gilat owns 712 Kalron Shares through Gilat Management Services Ltd. (an entity established under the laws of Israel and controlled by Mr. Avraham Gilat, a resident of Israel). Gilat Management Services Ltd. controls Mikal Ltd. with Edtom Ltd., who owns 131,095 Kalron Shares. All share numbers are on a pre-Kalron Share Adjustment basis.

(2) Mr. Eyal Schneid has been granted 50,087 Seegnal Options.

The directors and executive officers of Kalron beneficially own, or exercise control or direction over, directly or indirectly, 131,807 Kalron Shares (prior to the Kalron Share Adjustment), representing 71.4% of the issued and outstanding Kalron Shares on the date of this Prospectus.

Set forth below is a description of the background of the directors and officers of Kalron and Seegnal, including a description of each individual's principal occupation(s) within the past five years.

Avraham Gilat, Director (Age 76)

Mr. Gilat has over 40 years of experience in investment management and defense industries. Since 2010, he has served as President and Partner of Mikal Ltd., a private investment company specializing in biotech, food tech, and digital health, where he identifies investment opportunities, drives strategic partnerships, and maximizes returns through effective market analysis. From 1993 to 2010, Mr. Gilat created and primarily owned the third-largest private defense holding group in Israel, which was later sold to Elbit. Prior to that, from 1976 to 1993, he held various executive positions at IMI (Israel Military Industries), including VP of Business Development, VP of Marketing, and Director of IMI USA Office, where he pioneered the introduction of Israeli defense technology into the USA. Mr. Gilat holds a Bachelor of Science in Economics from Tel-Aviv University and a Master of Business Administration from New York University.

Nir Dor, Director (Age 62)

Mr. Dor is the Managing Partner of NET Capital Ventures, a private investment fund with a scope of investments in the technology field, mainly in start-up companies in the field of health, tourism, and software. He focuses on locating investments, supporting the financial management of the company's business development, and supporting entrepreneurs. Mr. Dor previously served as Chief Executive Officer and Chairman of the board of several public companies (listed on the TASE). Mr. Dor has a degree in accounting and finance and is a CPA in Israel.

Eyal Schneid, Chief Executive Officer (Age 60)

Mr. Schneid has over 25 years of experience managing and selling B2B software solutions globally. His expertise focuses on business turn-around, setting up businesses for global companies, and growth. Mr. Schneid has served as VP America Delivery P&C Insurance at Sapiens, where he managed the delivery of bespoke insurance systems to north American customers, a P&L business unit leader for Amdocs (DOX), a $300M P&L Division Manager for CSG International, a Managing Director for John Bryce Training UK, and a range of senior business roles in various start-up companies. Mr. Schneid has received a Practical Engineering in Aeronautics, a Bachelor of Arts in Marketing & Information Systems, and an MBA from The University of Manchester in International Marketing.

Gadi Levin, Chief Financial Officer (Age 52)

Mr. Levin is a seasoned executive and director with significant experience in capital market financings, cross border listings, accounting and financial management, providing fractional chief financial officer services and other financial services through his privately owned company, Ninety Six Capital Ltd. Mr. Levin currently serves as a director, chief executive officer and chief financial officer of several publicly companies listed on NASDAQ, OTC, TSX, TSXV and AIM. Mr. Levin plays key roles in raising capital in both public and private offerings and financial due diligence. His prior experience includes finance and accounting roles at two asset and investment firms. Mr. Levin began his career in public accounting at Arthur Andersen and Ernst & Young. Mr. Levin holds undergraduate degrees from the University of Cape Town and the University of South Africa and an MBA from Bar Ilan University. Mr. Levin is a certified chartered accountant in South Africa.

Promoter

There are no promoters of Kalron.

Cease Trade Orders or Bankruptcies

No director, officer, insider or promoter of Kalron is, or within the 10 years prior to the date of this Prospectus has been, a director, officer or promoter of any other issuer that:

(c) was subject to (i) a cease trade order; (ii) and order similar to a cease trade order; or (iii) a order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(d) was subject to an order the was issue after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To Kalron's knowledge, no director, executive officer, insider or promoter of Kalron or a shareholder holding a sufficient number of securities of Kalron to affect materially the control of Kalron:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company, including Kalron, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

None of the directors, officers, insiders, or the promoter of Kalron, or a shareholder holding a sufficient number of securities of Kalron to affect materially the control of Kalron has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Kalron provides no compensation to its directors and executive officers, other than its Chief Financial Officer. Seegnal provides no compensation to its directors. The following disclosure relates to the compensation provided by Seegnal to its executive officers, and to the Chief Financial Officer of Kalron, who is compensated for financial services pursuant to the Levin Agreement (as defined and described below).

The board of directors of Seegnal is responsible for setting the overall compensation strategy of Seegnal and evaluating and making determinations for the compensation of Seegnal's Chief Executive Officer. Seegnal's Chief Executive Officer is responsible for the overall compensation strategy of the other executive officers based on the ongoing budget approved by the board of directors.

It is the objective of Seegnal's compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value.

Other than the use of leased company cars and statutory pension benefits that are required under Israeli laws, no personal benefits are granted to the executive officers of Seegnal, and no objective or subjective bonus has been contemplated. Seegnal does not offer any group benefit plans, such as medical, dental, life, accidental death and dismemberment and long-term disability coverage.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth information concerning the compensation, other than securities-based compensation, paid to the Named Executive Officers of Kalron and Seegnal during the financial years ended December 31, 2024 and 2023.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (US$)[1] (thousands)	Bonus (US$)[1] (thousands)	Committee or Meeting Fees (US$)[1] (thousands)	Value of Perquisites (US$)[1] (thousands)	Value of all Other Compensation (US$)[1] (thousands)	Total Compensation (US$)[1] (thousands)
Eyal Schneid Chief Executive Officer of Kalron and Seegnal	2024	244	Nil	Nil	Nil	944	1,188
	2023	236	Nil	Nil	Nil	361	597
Gadi Levin Chief Financial Officer of Kalron	2024	70	Nil	Nil	Nil	Nil	70
	2023	75	Nil	Nil	Nil	Nil	75

Note:

(1) NIS amounts are expressed in US dollars, on the basis of the annual average of representative exchange rates published by the Bank of Israel, which were US$1.00 = NIS 3.70 in 2024, and US$1.00 = NIS 3.69 in 2023.

Stock Options and Other Compensation Securities

The following table discloses the particulars of the securities-based awards granted or issued to each director and Named Executive Officer of Seegnal during the financial year ended December 31, 2024. No options have been granted in Kalron.

Name and Position	Type of compensation security	Number of shares of Seegnal underlying compensation securities and percentage of class[1]	Date of issue or grant	Exercise price (US$)[2]	Closing price of underlying security on date of grant	Closing price of underlying security at year end	Expiry date
Eyal Schneid Chief Executive Officer of Kalron and Seegnal	Seegnal Options	50,087	4/9/2023	$ 16.621	n/a	n/a	4/9/2033
Gadi Levin	-	-	-	-	-	-	-

Chief Financial Officer of Kalron									

Notes:

(1) The Seegnal Options will not convert into any securities of the Resulting Issuer and will remain options of Seegnal following the Completion of the Proposed Qualifying Transaction.

(2) NIS amounts are expressed in US dollars, on the basis of the annual average of representative exchange rates published by the Bank of Israel, which was US$1.00 = NIS 3.70 in 2024.

No director or Named Executive Officer of Kalron exercised any Seegnal Options during the financial year ended December 31, 2024.

Stock Option Plans and Other Incentive Plans

Seegnal Option Plan

Seegnal has adopted the Seegnal Stock Option Plan, a stock option plan pursuant to which a total of 121,033 Seegnal Options are outstanding, of which 50,087 have been granted to Named Executive Officers and remain outstanding. The Seegnal Stock Option Plan has not been, and is not required to be, approved by the shareholders of Seegnal. The Seegnal Stock Option Plan will terminate on January 13, 2029 unless readopted by the board of directors of Seegnal.

The board of directors of Seegnal may issue Seegnal Options pursuant to the Seegnal Stock Option Plan, and may specify terms at its discretion, including the number of Seegnal Options granted, exercise price, and vesting and acceleration provisions. Seegnal Options may not be assigned or transferred.

Seegnal Options expire on the earliest of the date specified by the board of directors of Seegnal, subject to a maximum term of ten years from the grant date, unless accelerated or earlier terminated in connection with certain events. Unvested Seegnal Options terminate immediately upon termination of the holder's service to Seegnal and its affiliates. Vested Seegnal Options terminate 90 days after termination, and 12 months after the optionee's death, retirement or disability. In the event of (a) a merger or consolidation of Seegnal in which its shareholders prior to the consummation of such transaction do not retain a majority of the voting power in the surviving corporation, or (b) a sale of all or substantially all of Seegnal's shares or assets (including, without limitation, a grant of irrevocable exclusive license to all or substantially all of Seegnal's intellectual property) (collectively, for the purposes of this section, a "**Transaction**"), the board of directors of Seegnal may resolve that a holder of Seegnal Options shall be provided with substitute securities of the successor company to Seegnal resulting from a Transaction or other reasonable compensation, or if the successor company does not agree to provide substitute securities, the board of directors of Seegnal shall have full power and authority to determine that (i) the vesting of the Seegnal Options shall be accelerated so that any unvested Seegnal Options shall be immediately vested upon the occurrence of a transaction, or (ii) any unvested Seegnal Options be cancelled or cashed out.

The board of directors of Seegnal may amend the Seegnal Stock Option Plan at its discretion, provided that such amendments do not derogate from the rights attached to outstanding Seegnal Options.

Employment, Consulting, and Management Agreements

Certain agreements with Named Executive Officers provide for either a 90 day notice or 30 day notice requirement to terminate the agreement and severance equal to 8.33% of such Named Executive Officer's annual salary in accordance with Israeli employment laws.

Eyal Schneid Services and Consultancy Agreements

Mr. Eyal Schneid is employed as Chief Executive Officer of Seegnal pursuant to: (i) a consultancy services agreement between Seegnal US Inc., and A. Schneid Businesses Ltd., a corporation wholly-owned by Mr. Schneid, dated June 6, 2023 (the "**Consultancy Agreement**"); and (ii) a services agreement between Seegnal and A. Schneid Businesses Ltd., a corporation wholly-owned by Mr. Schneid, dated June 6, 2023 (the "**Services Agreement**"). Pursuant to the Consultancy Agreement, Mr. Schneid is entitled to receive a monthly fee of USD $11,229.20 per month for the work

performed by Mr. Schneid amounting to 72 hours per month and bonuses as agreed to by the parties. Pursuant to the Services Agreement, Mr. Schneid is entitled to receive a monthly fee of USD $16,843.8 (exclusive to VAT) converted to NIS per the rate on the invoice issuance date for work performed amounting to 110 hours per month, a monthly payment in the amount of NIS $3,840 for car value compensation and Seegnal Options and bonuses as agreed to by the parties. The Consultancy Agreement and Services Agreement each include a non-competition and confidentiality provisions, and restrictions on undertaking certain activities for the term of the agreement and for 12 months after termination. The Consultancy Agreement may be terminated by either Mr. Schneid or Seegnal US Inc. upon providing written notice of 30 days in accordance with Israeli advanced notice law and the Services Agreement may be terminated by either Seegnal or Mr. Schneid upon providing written notice of 90 days, except in the case where Mr. Schneid has breached his confidentiality or fiduciary duties, or under other circumstances that lawfully justify termination without severance pay. The agreements do not contain change of control, severance (other than the amounts required by law) or constructive dismissal provisions.

Gadi Levin Consulting Agreement

Mr. Levin has been engaged since July 1, 2021 as Chief Financial Officer of Kalron pursuant to a consulting agreement between Seegnal and Mr. Levin ("**Levin Agreement**"). His duties include CFO and financial controller services. Mr. Levin is entitled to receive compensation of US$5,000 per month. The Levin Agreement contains confidentiality and non-disclosure provisions. The Levin Agreement does not contain does not contain change of control, or severance provisions, and may be terminated by either Mr. Levin or Seegnal upon 30 days' prior written notice.

Oversight and Description of Director and Named Executive Officer Compensation

The board of directors of Seegnal is responsible for setting the overall compensation strategy of Seegnal and evaluating and making determinations for the compensation of Seegnal's Chief Executive Officer. Seegnal's Chief Executive Officer is responsible for the overall compensation strategy of the other executive officers based on the ongoing budget approved by the board of directors. The Chief Executive Officer's compensation is determined by a negotiation with the parties which aligns with common practice and similarly, the vice president level compensation is determined by the Chief Executive Officer which aligns with common practice.

Pension Disclosure

There are no pensions offered to Directors and Named Executive Officers.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Prospectus, no director or officer of Kalron, or any Associate or Affiliate of any of them is indebted to Kalron, nor is any indebtedness of any such person the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Kalron.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

As of the date hereof, the Kalron Board is comprised of two directors, Nir Dor and Avraham Gilat, and does not have a formal audit committee. Mr. Dor and Mr. Gilat are considered to be independent as such term is defined in NI 52-110. All directors are considered to be financially literate, as such term is defined in NI 52-110. Mr. Dor is expected to be appointed to the Resulting Issuer Board upon Completion of the Proposed Qualifying Transaction.

After Completion of the Proposed Qualifying Transaction, the Resulting Issuer will implement the appropriate provisions of NI 52-110. See "*The Resulting Issuer – Audit Committee and Corporate Governance* ".

AUDITORS, TRANSFER AGENT AND REGISTRAR

Kalron's auditors are Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited.

Kalron has not appointed a transfer agent and registrar.

MATERIAL CONTRACTS OF KALRON

The following are the only material contracts entered into by Kalron and Seegnal since January 1, 2024 or prior thereto, which are currently in effect and considered to be currently material:

1. Definitive Agreement. See "*The Proposed Qualifying Transaction – Definitive Agreement*".

2. Asset Purchase Agreement between Teva and Kalron, dated November 30, 2017 and royalty payments Memorandum of Understanding between Kalron and Seegnal, dated December 30, 2019, royalty payments in effect until December 31, 2027.

3. License Agreement between Seegnal (then 'Mediseen eHealth Ltd') and First DataBank International Inc., dated January 29, 2012, most recently amended May 21, 2024, effective until March 31, 2030.

Copies of material contracts will be available for inspection without charge at the business office of Kalron at 1 Hashikma St., Savyon, Israel or at the Calgary offices of Borden Ladner Gervais LLP, counsel to Kalron, at 1900, 520 3rd Ave SW, Calgary, Alberta, T2P 0R3, during ordinary business hours from the date hereof until the Completion of the Proposed Qualifying Transaction.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings involving Kalron as at the date of this Prospectus and Kalron knows of no such proceedings currently contemplated. There have been no material penalties, sanctions, or settlement agreements imposed by a court or regulatory body upon Kalron as at the date of this Prospectus and Kalron knows of no such proceedings currently contemplated.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Prospectus, none of the directors or executive officers of Kalron, or persons or companies that beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding post-Kalron Share Adjustment Kalron Shares, or any Associate or Affiliate of any of the foregoing, has any material interest, direct or indirect, in any transactions in which Kalron has participated within the three years before the date of this Prospectus, which has materially affected or is reasonably expected to materially affect Kalron.

RISK FACTORS

The business of Kalron, which will be the business of the Resulting Issuer, is subject to a number of risks. See "*The Resulting Issuer – Risk Factors*".

THE PROPOSED QUALIFYING TRANSACTION

PROPOSED QUALIFYING TRANSACTION

The Company has identified the Proposed Qualifying Transaction with Kalron as an appropriate transaction for the purpose of completing its Qualifying Transaction as required under the CPC Policy. The Proposed Qualifying Transaction will be completed by way of the Definitive Agreement, pursuant to which the Company will acquire all issued and outstanding post-Kalron Share Adjustment Kalron Shares and Kalron will become a wholly owned Subsidiary of the Company.

The Completion of the Proposed Qualifying Transaction is subject to, among other things, prior satisfaction or waiver of a number of conditions, including completion of the Kalron Private Placement, final Exchange acceptance of the Proposed Qualifying Transaction, completion of the Kalron Share Adjustment and the Reem Share Adjustment, and the satisfaction or waiver of the conditions in the Definitive Agreement. Upon Completion of the Proposed Qualifying Transaction, the Resulting Issuer is expected to meet all of the Exchange's minimum listing requirements for an Exchange listed issuer.

The following steps will occur in order to effect the Proposed Qualifying Transaction:

1. *Closing of the Kalron Private Placement.* Kalron intends to undertake the Kalron Private Placement of Subscription Receipts. Closing of the Kalron Private Placement is a condition to Completion of the Proposed Qualifying Transaction. For more information, see "*The Proposed Qualifying Transaction – Kalron Private Placement*".

2. *Kalron Share Adjustment.* Prior to the completion of, and as a condition to, the Proposed Qualifying Transaction, Kalron will effect the Kalron Share Adjustment. See "*The Proposed Qualifying Transaction – Kalron Share Adjustment*".

3. *Reem Share Adjustment and Name Change.* Immediately prior to the completion of, and as a condition to, the Proposed Qualifying Transaction, the Company will consolidate the outstanding Common Shares on the basis of one post-Reem Share Adjustment Common Share for every 3.16 Common Shares, and will change its name to "Seegnal Inc." See "*The Proposed Qualifying Transaction – Reem Share Adjustment and Name Change*".

4. *Securities Exchange.* Immediately following the Reem Share Adjustment and Name Change, pursuant to the Definitive Agreement, the Company will acquire all of the issued and outstanding securities of Kalron in consideration for the issuance of securities of the Company. See "*The Proposed Qualifying Transaction* – Securities Exchange".

5. *Completion of the Proposed Qualifying Transaction.* Once the Kalron Share Adjustment, the Reem Share Adjustment, the Name Change, and the Securities Exchange are complete, the Proposed Qualifying Transaction shall be deemed completed, subject to the approval of the Exchange.

See "*The Proposed Qualifying Transaction – Shareholder Approval*" and *"– Regulatory Approval*".

Securities Exchange

On September 22, 2023, the Company, Kalron, Seegnal and the certain securityholders of Kalron entered into the Definitive Agreement, as amended and restated on January 27, 2025, pursuant to which the Company will acquire all of the issued and outstanding securities of Kalron in consideration for the issuance of securities of the Company.

Pursuant to the Definitive Agreement, the Company will acquire all of the outstanding Kalron Shares (on a post-Kalron Share Adjustment basis) from the Kalron Securityholders in exchange for the issuance from treasury of one Common Share (on a post-Reem Share Adjustment basis) for every one post-Kalron Share Adjustment Kalron Share. In addition, all Kalron Warrants (as constituted after giving effect to the Kalron Share Adjustment) will be cancelled and replaced with an equal number of Resulting Issuer Warrants of like tenor and effect. See "*The Proposed Qualifying Transaction – Effect of the Proposed Qualifying Transaction and Private Placement*".

As a result of the Securities Exchange, Kalron will become a wholly-owned subsidiary of the Resulting Issuer, and the Resulting Issuer will carry on business currently carried on by Kalron.

DEFINITIVE AGREEMENT

The Definitive Agreement contains covenants, representations and warranties of and from each of the Company and Kalron and various conditions precedent, both mutual and with respect to each entity.

The following is a summary of certain provisions of the Definitive Agreement, which is qualified in its entirety by reference to the full text of the Definitive Agreement, a copy of which is filed under the Company's issuer profile on SEDAR+.

Representations, Warranties, and Covenants

The Definitive Agreement contains customary representations and warranties made by each of the Company, Kalron and Seegnal. Those representations and warranties were made solely for the purposes of the Definitive Agreement and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms.

Moreover, some of the representations and warranties contained in the Definitive Agreement are qualified by knowledge or by reference to a contractual standard of materiality (including a "**material adverse effect**", as such term is defined in the Definitive Agreement) that may be different from that generally applicable to public disclosure to shareholders, or those standards used for the purpose of allocating risk between parties to an agreement. The representations and warranties provided by each of the Company, Kalron and Seegnal relate to, among other things: their valid incorporation and existence authorized capital and outstanding securities, authority and capacity to enter into the Definitive Agreement, no material defaults under any contracts, agreements or licenses, and an absence of certain material changes and litigation.

The Kalron securityholders party to the Definitive Agreement provided certain representations and warranties regarding ownership of their Kalron Shares and certain other matters consistent with agreements of this nature.

In addition, the Definitive Agreement contains customary affirmative and negative covenants whereby, among other things, each of the Company, Kalron and Seegnal covenants to maintain their respective businesses and not take certain actions outside the ordinary course until the Closing Date or the termination of the Definitive Agreement, and to use commercially reasonable efforts to satisfy certain conditions precedent to their respective obligations under the Definitive Agreement.

Conditions to the Proposed Qualifying Transaction Becoming Effective

The respective obligations of the Company and the Kalron securityholders party to the Definitive Agreement to complete the Proposed Qualifying Transaction are subject to the satisfaction or waiver of certain conditions on or before the time of Closing, including the conditions described below.

Mutual Conditions

Conditions precedent for the benefit of each of the Company and the Kalron securityholders party to the Definitive Agreement are as follows:

- receipt by the other parties of all corporate, shareholder, and regulatory approvals necessary in order for such party to perform its obligations under the Definitive Agreement and complete Proposed Qualifying Transaction, including the Israeli Tax Pre-Ruling (as defined herein);
- representations and warranties of the other parties remaining true;
- performance by the other parties of all covenants to be performed or complied with on or before the Closing Date;
- completion of the Kalron Private Placement;
- receipt of a conditional listing letter from the Exchange confirming that the Resulting Issuer satisfies the minimum listing requirements of the Exchange for a Tier 2 Technology Issuer;
- compliance with or waiver of the sponsorship requirements applicable to the Proposed Qualifying Transaction pursuant to Exchange Policies;
- absence of legal or regulatory proceedings to restrict, prohibit, or enjoin the Securities Exchange; and

- delivery by the other parties of customary officer's certificates.

Conditions in Favour of the Company

Conditions precedent for the benefit of the Company are as follows:

- all holders of Kalron Shares, the holder of the Kalron SAFE and all Kalron Subscription Receipt Holders shall have executed joinder agreements to become party to the Definitive Agreement;
- Kalron shall have taken all necessary steps to complete the Kalron Share Adjustment prior to Closing;
- lack of Material Adverse Effect in the affairs of Kalron;
- absence of legal or regulatory proceedings to restrict, prohibit, or enjoin the Resulting Issuer from conducting, expanding, and developing the business of Kalron;
- all of the post-Kalron Share Adjustment Kalron Shares issued and outstanding at the time of Closing shall have been delivered or transferred to the Company;
- as of the Closing Date, Kalron will have no outstanding convertible securities, agreements or obligations for the exercise, conversion or issuance of Kalron Shares;
- delivery of a legal opinion from counsel to Kalron and Seegnal;
- Kalron shall be the sole shareholder of Seegnal as of immediately prior to Closing; and
- Kalron shall have delivered waiver and extension consents signed by all holders of Kalron Convertible Debentures waiving certain interim period covenants with respect to the Kalron Share Adjustment and extending the maturity date of such Kalron Convertible Debentures.

Conditions in Favour of Kalron

Conditions precedent for the benefit of Kalron and the Kalron securityholders party to the Definitive Agreement are as follows:

- the Company shall have taken all necessary steps to appoint the new board of directors of the Resulting Issuer;
- the Company shall have taken all necessary steps to complete the Reem Share Adjustment;
- lack of Material Adverse Effect in the affairs of the Company;
- Kalron shall be satisfied that the Company has a cash and working capital balance of not less than $250,000; and
- Kalron shall have received a list of the Company's assets and liabilities, in form and substance satisfactory to Kalron.

Non-Solicitation and Standstill

From the date of the acceptance of the Definitive Agreement by a securityholder of Kalron until completion of the Securities Exchange or the earlier termination of the Definitive Agreement, each of the Company, Kalron, and the Kalron securityholders party to the Definitive Agreement have agreed not to directly or indirectly solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with, or provide information relating to its securities or assets, business, operations, affairs or financial condition to

any persons in connection with the acquisition or distribution of any securities of the Company, Kalron or Seegnal, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets of the Company, Kalron or Seegnal, unless such action, matter or transaction is part of the transactions contemplated in the Definitive Agreement or is satisfactory to, and is approved in writing in advance by the parties thereto or is necessary to carry business in the normal course.

Termination

The Definitive Agreement may be terminated at any time prior to the Closing Date (a) by mutual written consent of the parties; (b) by either Kalron or the Company, if there has been a misrepresentation, breach or non-performance by the breaching party of any representation, warranty, covenant or obligation contained in the Definitive Agreement, which could reasonably be expected to have a Material Adverse Effect on the terminating party, provided the breaching party has been given notice of and 30 days to cure any such misrepresentation, breach or non-performance; (c) by either Kalron or the Company, if the closing has not occurred on or before May 31, 2025, or such later date as may be agreed to by Kalron and the Company (provided, that the right to terminate the Definitive Agreement is not available to any party whose failure to fulfill any of its obligations under the Definitive Agreement has been the cause of or resulted in the failure to consummate the transactions contemplated thereby by such date); or (d) by the Company, if Kalron had not received subscription agreements from investors in connection with the Kalron Private Placement in the aggregate amount of more than $2,500,000 by February 28, 2025. This last condition has been waived by the Company.

In the event of the termination of the Definitive Agreement in the circumstances set out above, the Definitive Agreement will forthwith become void and no Party shall have any liability or further obligations to the other parties to the Definitive Agreement, except as set out below or for obligations arising from fraud or willful misconduct of a party.

In the event of termination of the Definitive Agreement pursuant to (b) or (c) above (provided the Company's failure to fulfill any of its obligations under the Definitive Agreement was not the cause of or failure to consummate the Proposed Qualifying Transaction), Kalron shall pay to the Company all expenses incurred by the Company in connection with the Definitive Agreement, in the amount up to $100,000.

In the event of termination of the Definitive Agreement pursuant to (c) above (provided the Company's failure to fulfill any of its obligations under the Definitive Agreement was not the cause of or failure to consummate the Proposed Qualifying Transaction) and Kalron completes a private placement of greater than $4,000,000 at any time up to 30 days following termination of the Definitive Agreement, Kalron shall pay to the Company $100,000.

ISRAELI TAX PRE-RULING

In connection with the proposed Securities Exchange, on February 13, 2025, Kalron received a pre ruling from the Israeli Tax Authority (the "**Israeli Tax Pre-Ruling**") with respect to a tax deferral on capital gains and other Israeli tax withholding obligations that would otherwise apply in regards to the consideration due to Kalron Securityholders. The significance of the Israeli Tax Pre-Ruling is, mainly, that it is expected to provide for a tax deferral with respect to the proposed Securities Exchange until the securities received by Kalron Securityholders are ultimately disposed of, subject to the following expected limitations and restrictions:

- The Resulting Issuer must hold the post-Kalron Share Adjustment Kalron Shares for at least two years from the date the Securities Exchange is completed and, subject to certain exceptions, must not cause a dilution of its interest in Kalron to less than 51%.

- Immediately following completion of the Securities Exchange and for a period of two years thereafter, former holders of post-Kalron Share Adjustment Kalron Shares or Kalron Warrants who receive Resulting Issuer Shares or Resulting Issuer Warrants, as applicable, must hold not less than 25% of the outstanding Resulting Issuer Shares.

- If and when the Resulting Issuer disposes of the post-Kalron Share Adjustment Kalron Shares it owns, it will be subject to full tax in Israel (without any credit or deduction or offset of losses, and regardless of the Canada-Israel Tax Treaty), in accordance with the portion of the post-Kalron Share Adjustment Kalron Shares that were previously owned by such Kalron Securityholders prior to the closing of the Securities Exchange.

- Post-Kalron Share Adjustment Kalron Shares and Resulting Issuer Shares issued to Kalron Securityholders in connection with the Securities Exchange will be deposited with a nominee company incorporated to be a holder of record and distribution agent of publicly traded or other securities in accordance with the Israeli Securities Law, 5728-1968, as amended (the "**Trustee**"). However, holders of such Resulting Issuer Shares who are not residents of Israel or otherwise subject to Israeli income tax are permitted to have their Resulting Issuer Shares released.

- The Trustee shall report to the Israeli Tax Authority on any dividend distribution by the Resulting Issuer to its shareholders, as well as any dividend distribution by Kalron to the Resulting Issuer, and to deduct applicable tax.

- A gain or loss arising from the sale of post-Kalron Share Adjustment Kalron Shares by the Resulting Issuer may not be offset against a loss or gain in the Resulting Issuer in the tax year in which the Closing of the Securities Exchange occurs, or in the following two years. During the five years following the Closing of the Securities Exchange, a gain or loss arising from the sale of post-Kalron Share Adjustment Kalron Shares by the Resulting Issuer may not be offset against gain or loss arising from assets acquired prior to the Closing of the Securities Exchange.

- Kalron and Seegnal must continue to operate its business as presently conducted (i.e., its main economic activity) and holds its intangible assets for at least two years from the Closing of the Securities Exchange.

- The consideration paid by the Resulting Issuer to the Kalron Securityholders must be paid in accordance with the Definitive Agreement in proportion to their relative holdings of post-Kalron Share Adjustment Kalron Shares, and no other consideration may be paid by the Resulting Issuer, directly or indirectly, to the Kalron Securityholders.

KALRON SHARE ADJUSTMENT

Prior to Completion of the Proposed Qualifying Transaction, Kalron intends to subdivide the Kalron Shares on the basis of 35.52 post-Kalron Share Adjustment Kalron Share for every one Kalron Share. As a result of the Kalron Share Adjustment, there will be 6,560,310 post-Kalron Share Adjustment Kalron Shares outstanding.

REEM SHARE ADJUSTMENT AND NAME CHANGE

Immediately prior to the Closing, it is expected that the Company will file Articles of Amendment to consolidate the Common Shares on the basis of one post-Reem Share Adjustment Common Share for every 3.16 Common Shares, and change its name to "Seegnal Inc."

The Reem Share Adjustment and the Name Change are subject to approval by the Company Shareholders and the Exchange, and approval of the Reem Share Adjustment and Name Change will be sought by the Company at the Shareholder Meeting.

SHAREHOLDER APPROVAL

The Proposed Qualifying Transaction does not constitute a Non-Arm's Length Qualifying Transaction (as defined by the CPC Policy) and does not require the approval of the Company Shareholders. However, Kalron's obligations to complete the Securities Exchange is conditional upon implementation of the Reem Share Adjustment and approval of the Name Change.

REGULATORY APPROVAL

The Definitive Agreement provides that receipt of all regulatory, governmental and third-party approvals and consents is a condition precedent to the Securities Exchange becoming effective. The Proposed Qualifying Transaction (including the Reem Share Adjustment, the Kalron Share Adjustment and the Name Change) are subject to the approval of the Exchange. Listing of the Common Shares to be issued in connection with the Proposed Qualifying Transaction is subject to the Company fulfilling all of the listing requirements of the Exchange. This Prospectus is also subject to the approval of certain provincial securities regulatory authorities.

KALRON PRIVATE PLACEMENT

In connection with and as a condition of the Proposed Qualifying Transaction, Kalron intends to complete the Kalron Private Placement of up to 5,000,000 Subscription Receipts at $0.80 per Subscription Receipt for maximum gross proceeds of $4,000,000. Each Subscription Receipt will, following the Completion of the Proposed Qualifying Transaction and the satisfaction of certain escrow release conditions, entitle the holder to receive, without the payment of additional consideration or taking of further action, one unit of Kalron consisting of (i) one post-Kalron Share Adjustment Kalron Share, and (ii) one Kalron Warrant, with each Kalron Warrant entitling the holder thereof to acquire one post-Kalron Share Adjustment Kalron Share at a price of $1.20 until twenty-four (24) months following the Completion of the Proposed Qualifying Transaction. Each post-Kalron Share Adjustment Kalron Share and Kalron Warrant issued to Kalron Subscription Receipt Holders upon satisfaction of the escrow release conditions shall be exchanged for one Resulting Issuer Share, and one Resulting Issuer Warrant, with each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at a price of $1.20 until twenty-four (24) months following the Completion of the Proposed Qualifying Transaction. The Resulting Issuer Warrants will be subject to the Warrant Indenture. Proceeds of the Kalron Private Placement will be held in escrow pending satisfaction of customary escrow release conditions, including the completion, satisfaction or waiver of all conditions precedent to the Proposed Qualifying Transaction and the receipt of all required shareholder and regulatory approvals, as applicable (including the conditional approval of the Exchange) in connection with the Proposed Qualifying Transaction, all of which shall be set forth in the Subscription Receipt Agreement.

In connection with the Kalron Private Placement, Kalron may pay certain finders cash or securities commission of up to 8% of the gross proceeds of the Kalron Private Placement. 100% of the cash payable to such finders shall be payable to such finders upon release of the Kalron Private Placement proceeds from escrow.

EFFECT OF THE PROPOSED QUALIFYING TRANSACTION AND PRIVATE PLACEMENT

In connection with the Completion of the Proposed Qualifying Transaction:

1. all of the Subscription Receipts will convert into Kalron Units in accordance with their terms, resulting in the issuance of up to 5,000,000 post-Kalron Share Adjustment Kalron Shares and 5,000,000 Kalron Warrants;

2. all of the Kalron Convertible Debentures and the Kalron SAFE will be converted into Kalron Shares;

3. all of the post-Kalron Share Adjustment Kalron Shares outstanding immediately prior to the Closing will be sold and transferred to the Company in exchange for the issuance of one Resulting Issuer Share per Kalron Share;

4. there will be 45,589,572 Resulting Issuer Shares outstanding, on an undiluted basis, of which:

    (a) former Company Shareholders will hold 2,500,000 Resulting Issuer Shares, representing approximately 5.48% of the outstanding Resulting Issuer Shares;

    (b) former Kalron Securityholders will hold 35,860,100 Resulting Issuer Shares, representing approximately 78.66% of the outstanding Resulting Issuer Shares; and

(c) former Kalron Subscription Receipt Holders will hold 5,000,000 Resulting Issuer Shares, representing approximately 10.97% of the outstanding Resulting Issuer Shares; and

(d) financial advisors will hold 2,229,472 Resulting Issuers Shares, representing approximately 4.89% of the outstanding Resulting Issuer Shares;

5. each convertible security of Kalron outstanding immediately prior to the Closing, including the Kalron Warrants, will be exchanged for one comparable convertible security of the Resulting Issuer, and each such convertible security of Kalron shall be cancelled upon exchange;

6. the Resulting Issuer will issue Resulting Issuer Warrants to former holders of Kalron Convertible Debentures pursuant to the Definitive Agreement;

7. all of the directors of the Company other than Ronnie Jaegermann will have resigned, and Resulting Issuer Board will be four directors, and the Kalron Nominees will become directors of the Resulting Issuer;

8. all of the officers of the Company will have resigned and been replaced by officers appointed by Resulting Issuer Board;

9. Kalron shall be a wholly-owned subsidiary of the Resulting Issuer, and the Resulting Issuer will carry on the business of Kalron;

10. the Resulting Issuer Shares will be listed on the Exchange, and will be freely tradeable in Canada, except for Resulting Issuer Shares held by insiders of the Company and Principals of the Resulting Issuer and which are subject to escrow pursuant to Exchange Policies; and

11. the corporate name of the Resulting Issuer will be "Seegnal Inc.".

Resulting Issuer Unit Financing

Immediately after the Completion of the Proposed Qualifying Transaction, Reem intends to complete the Resulting Issuer Unit Financing of up to 2,875,000 Resulting Issuer Units at $0.80 per Resulting Issuer Unit for maximum gross proceeds of $2,300,000. Each Resulting Issuer Unit will entitle the holder to receive, without the payment of additional consideration or taking of further action, one Resulting Issuer Share and one Resulting Issuer Warrant, with each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at a price of $1.20 for a period of twenty-four months (24) following the Completion of the Proposed Qualifying Transaction. The Resulting Issuer Warrants shall be subject to the Warrant Indenture.

THE RESULTING ISSUER

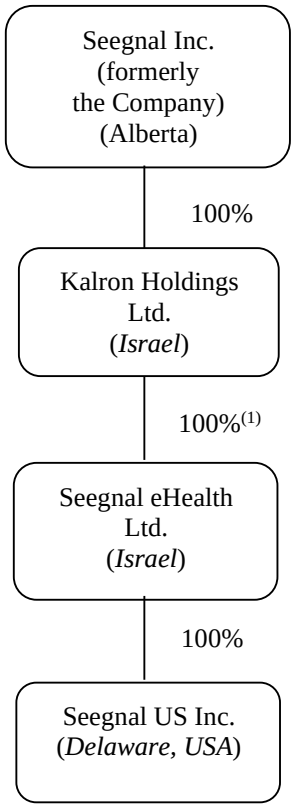
CORPORATE STRUCTURE

Name and Incorporation

Immediately after Completion of the Proposed Qualifying Transaction (which includes the completion of the Continuance), the Resulting Issuer will be subject to the ABCA. It is expected that, following the Completion of the Proposed Qualifying Transaction and the Continuance, the Resulting Issuer's registered office will be located at Centennial Place, East Tower, 1900, 520 – 3rd Ave. SW, Calgary, Alberta T2P 0R3, and its head office will be located at 1 Hashikma St., Savyon, Israel.

Intercorporate Relationships

Following the Completion of the Proposed Qualifying Transaction. Kalron will be a wholly owned subsidiary of the Resulting Issuer. The chart below represents the corporate structure of the Resulting Issuer.



Note:

(1) On a non-fully diluted basis. There are also 121,033 Seegnal Options outstanding.

BUSINESS OF THE RESULTING ISSUER

The Resulting Issuer will carry on the business of Kalron and use the funds available to it as stated in this Prospectus. The Resulting Issuer plans to continue with Kalron's business plan. See "*Kalron – Narrative Description of the Business*" and "*The Resulting Issuer – Available Funds and Principal Uses*".

AVAILABLE FUNDS AND PRINCIPAL USES

Available Funds

The funds that are expected to be available to the Resulting Issuer upon completion of the Kalron Private Placement and the Proposed Qualifying Transaction are described in the following table.

Source	Assuming Maximum Gross Proceeds under the Kalron Private Placement (US$)
Estimated working capital of Kalron(1)	(1,561,222)
Estimated working capital of the Company(2)	100,000
Gross proceeds of the Kalron Private Placement(3)	2,777,778
Estimated fees and expenses of the Kalron Private Placement	(194,444)
Total	**1,122,111**

Notes:

(1) As of March 25, 2025.
(2) As of March 25, 2025.
(3) US$2,777,778 reflects a Kalron Private Placement of CAD$4,000,000.

Principal Uses of Available Funds

The following table sets forth the proposed use of available funds by the Resulting Issuer in order of priority upon Completion of the Proposed Qualifying Transaction:

Use	Assuming Completion of the Kalron Private Placement (US$)
Gross profit[(1)]	$(32,000)
Sales and marketing	$250,000
Research and development	$300,000
General and Administration	$150,000
Public Company and Listing Expenses	$200,000
Unallocated working capital	$254,111
Total	$1,122,111

Note:

(1) Revenue less cost of sales.

The above uses of available funds are estimates only. While management currently intends to use the available funds as set forth in this Prospectus, the Resulting Issuer may reallocate the available funds for sound business reasons. Funds that are not immediately committed to the various uses described above will be invested in short-term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper, guaranteed obligations, and bank demand deposits. It is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the 24 months following Completion of the Proposed Qualifying Transaction.

Business Objectives

General

The Resulting Issuer intends to further the business objectives and pursue the growth strategy described in "*Kalron – Description of the Business*". Principal objectives include:

- Continuing to grow staff in the following key areas: sales and business development, research and development, including management and executive-level recruitment;
- Accelerating business development growth in North America and Europe;
- Continuing the research and development focus on current products to progress interoperability and meet new FHIR integration standards. Expand global reach by recruiting local channel partners;
- Building brand awareness for Kalron for its precision medication product in North America and Europe through marketing; and
- Strengthening the Resulting Issuer's balance sheet by increasing its ratio of assets to liabilities, with a view to providing the Resulting Issuer with financial flexibility to undertake new projects, take advantage of new business opportunities, and withstand economic downturns.

Research and Development

The Resulting Issuer's expects to complete the following research and product development objectives using funds available following Completion of the Proposed Qualifying Transaction:

Seegnal embarked on several projects for 2025 that should increase the clinical throughput of Seegnal and reduce significant platform costs. As a cost reduction and simplification, Seegnal is working to replace clinical data that was available in the drug interaction database, which Seegnal decided to sunset last year due to its high annual licensing costs. This is intended to be the major focus of Seegnal in 2025. The second major project is creating a codeless rule engine editor that will allow Seegnal clinicians (and later customer clinicians) to develop clinical decision trees without requiring product design and programming. This will enable Seegnal to develop the product clinically in parallel to the technical development, whereas today, one comes over the other. Clinically Seegnal is focusing on launching a new drug-medicine module as part of the new contract to be signed with one of its major clients.

Finally, Seegnal intends to produce an AI mapping tool that will reduce implementation costs and timeline by app. 30%, helping to scale the onboarding of new customers while reducing the initial integration costs and making the product more appealing.

The Resulting Issuer intends to use offshore or outsourcing development work for some of the abovementioned tasks.

The above execution and plan is a general roadmap and it may be amended to meet specific commitments made as part of answering tenders and submitting R&D grants in the area of precision mediation.

Milestones

The following significant events should occur for the stated business objectives disclosed above to be accomplished. The specific time periods in which each event is targeted to occur and the costs currently estimated concerning each event are listed below:

Business Objective	**Timeline**	**Estimated Cost**
DiDB Functionality – Food Alcohol	August 2025	Normal Running OPEX
DiDB Functionality – Smoking	October 2025	Normal Running OPEX
DiDB Functionality – NLP Engine	December 2025	Up to 100K above the current running OPEX
DiDB Functionality – Supplements (new functionality)	December 2025	Normal Running OPEX
Codeless Rule Editor	October 2025	Up to 100K above the current running OPEX
AI Mapping	November 2025	Up to 25K above the current running OPEX

DIVIDENDS OR DISTRIBUTIONS

The Resulting Issuer intends to direct its cash towards the development of its business and the identification and evaluation of assets or businesses, and does not expect to declare or pay any dividends or distributions in the foreseeable future. There will be no restrictions precluding the Resulting Issuer from declaring any dividends or distributions on the Resulting Issuer Shares.

DESCRIPTION OF SECURITIES

The attributes of the Resulting Issuer Shares will be the same as the Common Shares, and will not change as a result of the Proposed Qualifying Transaction. See "*The Company – Description of Securities*".

PRO FORMA CONSOLIDATED CAPITALIZATION OF THE RESULTING ISSUER

Pro Forma Consolidated Capitalization of the Resulting Issuer

The following table sets out the pro forma undiluted share capital of the Resulting Issuer after giving effect to the Proposed Qualifying Transaction and the Kalron Private Placement.

The following table sets forth the pro forma consolidated capitalization of the Resulting Issuer before and after giving effect to the Proposed Qualifying Transaction, assuming completion of the Reem Share Adjustment, the Kalron Share Adjustment, and the Kalron Private Placement. The table should be read in conjunction with the pro forma financial of the Resulting Issuer and the notes thereto included in this Prospectus. See "*Financial Statements*".

Designation of security[(1)]	Amount authorized or to be authorized	Outstanding as at November 30, 2024[(2)(3)]	Outstanding as at November 30, 2024 after giving effect to the Proposed Qualifying Transaction and the Kalron Private Placement[(3)]
Resulting Issuer Shares	Unlimited	2,500,000	45,589,572
Resulting Issuer Warrants	N/A	Nil	30,122,356[(4)]
Resulting Issuer Options	10% of the Resulting Issuer Shares on the date of grant	250,000	250,000[(3)]

Notes:

(1) Certain securities of the Resulting Issuer are subject to escrow. See "*The Resulting Issuer – Escrowed Securities*".

(2) Granted pursuant to the Stock Option Plan. Assuming approval of the shareholders of the Company at the Shareholder Meeting is given for the Resulting Issuer Equity Incentive Plan, the aggregate number of Resulting Issuer Shares authorized for reservation pursuant to grants of Resulting Issuer Options under the Resulting Issuer Equity Incentive Plan may not exceed 10% of the Resulting Issuer Shares on the date of grant. See "*The Resulting Issuer – Options to Purchase Securities – Resulting Issuer Equity Incentive Plan*".

(3) Assumes completion of the Reem Share Adjustment and the Kalron Share Adjustment.

(4) This does not include Resulting Issuer Warrants that may be issued to Capital Canada Limited under the Kalron Private Placement.

Seegnal, the subsidiary of Kalron, after giving effect to the Proposed Qualifying Transaction, on a pro forma basis as of November 30, 2024, will have two loans outstanding from Israeli banks in the collective amount of US$1,364,000. The first loan was received in 2023 in the amount of US$2,000,000 and has a variable interest rate of Israeli prime rate (current 5.88%) plus 3.3% and is repayable on a monthly basis until September 1, 2025. The second loan was received in February 2024 in the amount of US$88,000 and has a variable interest rate of Israeli prime rate (current 5.88%) plus 4.57% and is repayable on a monthly basis until September 1, 2025.

In 2025 two shareholder loans were issued to Kalron in the aggregate principal amount of up to $637,880. The first shareholder loan is between Kalron and Mikal Ltd. in the principal amount of $322,811 with an annual interest rate of 10%. The second shareholder loan is between Kalron and Edtom Ltd. in the principal amount of $315,068 with an annual interest rate of 10%. The shareholder loans mature and are repayable on June 1, 2027 and can be repaid in full, with any accrued unpaid interest, in advance of such maturity date with no penalty at the option of Kalron upon 14 days' notice provided that the principal amount and any unpaid accrued interest will be due immediately on demand of Kalron does not complete the Proposed Qualifying Transaction by June 1, 2026. Each of Mikal Ltd. and Edtom Ltd. are expected to be a Principal (as such terms are defined in the policies of the Exchange) and Insider of the Resulting Issuer following Completion of the Proposed Qualifying Transaction, as it is anticipated that they will each have beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the outstanding Resulting Issuer Shares. Mikal Ltd., Edtom Ltd. and Gilat Management Ltd. will hold, directly, 50.12% of the Resulting Issuer Shares following Completion of the Proposed Qualifying Transaction.

Pro Forma Fully-Diluted Capitalization of the Resulting Issuer

The following table sets out the pro forma fully-diluted share capital of the Resulting Issuer:

	After giving effect to the Proposed Qualifying Transaction and the Kalron Private Placement[1]	
Designation of security	**Number Outstanding**	**Percentage of Fully-Diluted Share Capital**
Issued to Kalron Securityholders pursuant to the Proposed Qualifying Transaction (excluding the convertible debenture and holders of Kalron SAFEs)	6,560,310	8.64%
Issued to Kalron Securityholders upon conversion of the convertible debentures and the Kalron SAFE pursuant to the Proposed Qualifying Transaction[2]	29,299,790	38.57%
Existing shareholders of Reem (post-Reem Share Adjustment)	2,500,000	3.29%
Issued to investors in the Kalron Private Placement[3]	5,000,000	6.58%
Issued to Exiteam as a financial advisory fee	1,412,270	1.86%
Issued to Quarck as a financial advisory fee	817,202	1.08%
Total Resulting Issuer Shares	**45,589,572**	
Reserved for issuance upon the exercise of Resulting Issuer Warrants to be issued in the Kalron Private Placement[3]	5,000,000	6.58%
Reserved for issuance upon the exercise of Resulting Issuer Warrants to be issued upon conversion of the Kalron Convertible Debentures[2]	24,753,398	32.59%
Reserved for issuance upon exercise of outstanding Company Options (post-Reem Share Adjustment)	250,000	0.33%
Reserved for issuance upon the exercise of warrants to be issued to Steckel Investments Inc.[4]	368,958	0.49%
Reserved for issuance upon the exercise of warrants to be issued to Capital Canada Limited as a finder pursuant to the Kalron Private Placement[5]	TBD	
Total Resulting Issuer Shares (fully-diluted)	**75,961,928**	**100%**

Notes:

(1) Assumes completion of the Reem Share Adjustment and the Kalron Share Adjustment.

(2) Certain convertible debentures accrue interest and such amounts factor in estimated interest to February 28, 2025. These amounts are subject to change as interest continues to accrue. The warrants of the Resulting Issuer shall be issued at an exercise price of $1.20 per Resulting Issuer Share (post-Reem Share Adjustment).

(3) Assumes completion the $4,000,000 Kalron Private Placement.

(4) To be issued pursuant to an engagement letter between Seegnal and Capital Canada Limited entitling Capital Canada Limited to warrants of the Resulting Issuer for services relating to prior financings of Kalron and Seegnal. Capital Canada instructed Kalron and Seegnal to issue the warrants to Steckel Investments Inc. pursuant to an amended letter of direction dated November 1, 2024.

(5) Capital Canada Limited will be issued 8% of the amount of Subscription Receipts brought in by Capital Canada Limited under the Kalron Private Placement, issuable as Resulting Issuer Warrants, pursuant to an engagement letter between Seegnal and Capital Canada Limited and an amended letter of direction dated November 1, 2024.

OPTIONS TO PURCHASE SECURITIES

Upon Completion of the Proposed Qualifying Transaction, there will be 250,000 options to purchase Resulting Issuer Shares outstanding. No grants of options are planned prior to or in connection with Completion of the Proposed Qualifying Transaction.

The following table describes the Resulting Issuer Options that will be held by the officers, directors, employees and consultants of the Resulting Issuer upon Completion of the Proposed Qualifying Transaction.

Holder	Number of Optionees	Resulting Issuer Shares Underlying Options	Exercise Price ($)	Expiry Date
Executive Officers and Former Executive Officers	3	175,000	$0.316	February 11, 2027
Directors (other than those who are also Executives)	1	37,500	0.316	February 11, 2027
Officers and Former Directors	1	37,500	0.316	February 11, 2027
Other Current and Former Employees	Nil	Nil	Nil	Nil
Consultants	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil
Total	5	250,000		

Resulting Issuer Equity Incentive Plan

At the Shareholders Meeting, the shareholders of the Company will be asked to approve the Resulting Issuer Equity Incentive Plan to be effective upon Completion of the Proposed Qualifying Transaction, the principal terms of which are described below. In the event that the Resulting Issuer Equity Incentive Plan is not approved by the shareholders of the Company at the Shareholder Meetings, the Stock Option Plan will continue in full force and effect.

Purpose

The Resulting Issuer Equity Incentive Plan provides the Resulting Issuer with the ability to grant equity-based incentive awards in the form of Resulting Issuer Options, RSUs and DSUs (collectively, the "**Awards**"). The purpose of the Resulting Issuer Equity Incentive Plan is to provide the Resulting Issuer with a share–related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Resulting Issuer and its subsidiaries, if any, to reward such of those directors, employees and consultants as may be granted Awards under the Resulting Issuer Equity Incentive Plan by the Resulting Issuer Board from time to time for their contributions toward the long–term goals and success of the Resulting Issuer and to enable and encourage such directors, employees and consultants to acquire Resulting Issuer Shares as long–term investments and proprietary interests in the Resulting Issuer.

Administration of Resulting Issuer Equity Incentive Plan

The Resulting Issuer Equity Incentive Plan is administered by the Resulting Issuer Board or by a special committee of directors appointed from time to time by the Resulting Issuer Board (the "**Plan Administrator**").

Eligibility

All directors, employees, and consultants of the Resulting Issuer and future subsidiaries, if any, are eligible to participate in the Resulting Issuer Equity Incentive Plan (referred to as "**Participants**"). The extent to which any such individual is entitled to receive a grant of an Award pursuant to the Resulting Issuer Equity Incentive Plan will be determined in the sole and absolute discretion of the Plan Administrator.

Shares Subject to Resulting Issuer Equity Incentive Plan

The Resulting Issuer Equity Incentive Plan provides that the aggregate number of Resulting Issuer Shares in respect of which Awards may be granted pursuant to the Resulting Issuer Equity Incentive Plan shall not exceed: (a) with respect to Resulting Issuer Shares reserved for issuance pursuant to Restricted Share Units or Deferred Share Units, ten percent (10%) of the Resulting Issuer's total issued and outstanding Common Shares as of the effective date of the Resulting Issuer Equity Incentive Plan; and (b) with respect to Resulting Issuer Shares reserved for issuance pursuant to Options, ten percent (10%) of the Resulting Issuer's total issued and outstanding Resulting Issuer Shares as at the time of the applicable Option grant; or such other number as may be approved by the Exchange and the shareholders

of the Resulting Issuer from time to time, provided that the shareholder approval referred to in the Resulting Issuer Equity Incentive Plan must be obtained on a "disinterested" basis in compliance with the applicable policies of the Exchange. This Resulting Issuer Equity Incentive Plan is not considered an "evergreen" plan, and the Resulting Issuer Shares covered by Awards which have been settled, exercised or terminated shall not be available for subsequent grants under the Resulting Issuer Equity Incentive Plan.

Limits on Grants of Awards

The Resulting Issuer Equity Incentive Plan provides the maximum aggregate number of Resulting Issuer Shares:

(a) issuable to Insiders (as a group) at any time, under all of the Resulting Issuer's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Resulting Issuer's issued and outstanding Resulting Issuer Shares at any point in time (unless the Resulting Issuer receives shareholder approval on a "disinterested" basis in compliance with the applicable policies of the Exchange), provided that the acquisition of Resulting Issuer Shares by the Resulting Issuer for cancellation shall be disregarded for the purposes of determining non–compliance for any Awards outstanding prior to such purchase of Resulting Issuer Shares for cancellation;

(b) issued to Insiders (as a group) within any one (1) year period, under all of the Resulting Issuer's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Resulting Issuer's issued and outstanding Resulting Issuer Shares calculated as at the date any Award is granted or issued to any Insider (unless the Resulting Issuer receives shareholder approval on a "disinterested" basis in compliance with the applicable policies of the Exchange), provided that the acquisition of Resulting Issuer Shares by the Resulting Issuer for cancellation shall be disregarded for the purposes of determining non–compliance for any Awards outstanding prior to such purchase of Resulting Issuer Shares for cancellation;

(c) which may be reserved for issuance to any one Participant under the Resulting Issuer Equity Incentive Plan together with all of the Resulting Issuer's other previously established or proposed Security Based Compensation Arrangements shall not exceed five percent (5%) of the issued and outstanding Resulting Issuer Shares on the grant date or within any 12-month period (in each case on a non-diluted basis), unless the Resulting Issuer receives shareholder approval on a "disinterested" basis in compliance with the applicable policies of the Exchange;

(d) issued to any one consultant within any one (1) year period, under all of the Resulting Issuer's Security Based Compensation Arrangements, shall not exceed two percent (2%) of the Resulting Issuer's issued and outstanding Resulting Issuer Shares calculated as at the date any Award is granted or issued to the consultant;

(e) issued or issuable to Investor Relations Service Providers and all Participants providing investor relations activities within any one (1) year period, pursuant to any Resulting Issuer Options issued under the Resulting Issuer's Security Based Compensation Arrangements, shall not exceed two percent (2%) of the Resulting Issuer's issued and outstanding Resulting Issuer Shares calculated as at the date any Award is granted or issued to any such Investor Relations Service Provider (and including any Participant that performs Investor Relations Activities and/or whose sole role or duties primarily consist of Investor Relations Activities), it being understood that Investor Relations Service Providers may not receive any Awards other than Resulting Issuer Options for the provision of Investor Relations Activities;

(f) Resulting Issuer Options granted to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more than twenty five percent (25%) of the Resulting Issuer Options vesting in any three month period, notwithstanding any other provision of the Resulting Issuer Equity Incentive Plan; and

(g) Awards, other than Resulting Issuer Options, must vest in a period of not less than 12 months from the date of grant of the Award.

Non-transferability of Awards

Except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one (1) year from the Participant's death.

Israeli Residents for Tax Purposes

In respect of holders of Awards who are residents of the State of Israel or those who are deemed to be residents of the State of Israel for tax purposes, additional provisions set out in the schedule of the Resulting Issuer Equity Incentive Plan will apply to any grant of such Awards. For greater certainty, any issuances of Awards to holders who are residents of the State of Israel or those who are deemed to be residents of the State of Israel for tax purposes, shall only be issuable provided they do not contradict the regulations of the Exchange.

Awards

Resulting Issuer Options

A Resulting Issuer Option entitles a holder thereof to purchase a prescribed number of Common Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each Resulting Issuer Option is granted, which exercise price must in all cases be not less than the TSXV Market Price on the date of grant. Subject to any accelerated termination as set forth in the Resulting Issuer Equity Incentive Plan, each Resulting Issuer Option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of Resulting Issuer Options, provided that so long as the Common Shares are listed on the Exchange, such vesting terms are in compliance with Exchange Policy 4.4.

Once a Resulting Issuer Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Resulting Issuer Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Resulting Issuer or a subsidiary of the Resulting Issuer and the Participant. Each vested Resulting Issuer Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Resulting Issuer Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Resulting Issuer Option becomes exercisable, provided that so long as the Common Shares are listed on the Exchange, such acceleration of the date upon which any Resulting Issuer Option becomes exercisable is in compliance with Exchange Policy 4.4. The Plan Administrator may provide at the time of granting a Resulting Issuer Option that the exercise of that Resulting Issuer Option is subject to restrictions, in addition to those specified in the Resulting Issuer Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting a Resulting Issuer Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. The exercise price must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Resulting Issuer or by such other means as might be specified from time to time by the Plan Administrator, which may include through an arrangement with a broker approved by the Resulting Issuer (or through an arrangement directly with the Resulting Issuer) whereby payment of the exercise price is accomplished with the proceeds of the sale of Common Shares deliverable upon the exercise of the Resulting Issuer Option, or such other consideration and method of payment for the issuance of Common Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.

Restricted Share Units

An RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Resulting Issuer which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Resulting Issuer Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of a payment for services rendered by the applicable Participant in a taxation year.

No RSU may vest before the date that is one year following the date that it is granted or issued and all terms will comply with Section 409A, with respect to a U.S. Taxpayer. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs.

Upon settlement, holders will redeem each vested RSU for one fully paid and non-assessable Common Share in respect of each vested RSU (or, at the election of the holder and subject to the approval of the Plan Administrator, a cash payment or a combination of Common Shares and cash). Any such cash payments made by the Resulting Issuer shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. The Plan Administrator shall have the authority to determine the settlement terms and the terms will comply with Section 409A, with respect to a U.S. Taxpayer.

Deferred Share Units

A DSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Resulting Issuer which entitles the holder to receive one Common Share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each DSU on a future date. The Resulting Issuer Board may fix from time to time a portion of the total compensation (including annual retainer) paid by the Resulting Issuer to a director in a calendar year for service on the Resulting Issuer Board that are to be payable in the form of DSUs. In addition, a Participant may, with the Resulting Issuer's consent, be given, subject to the provisions of the Resulting Issuer Equity Incentive Plan, the right to elect to receive a portion of the compensation owing to them in the form of DSUs.

No DSU may vest before the date that is one year following the date that it is granted or issued and all terms will comply with Section 409A, with respect to a U.S. Taxpayer. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs.

Upon settlement, holders will redeem each vested DSU for one fully paid and non-assessable Common Share. DSUs shall be settled for holders who are not a U.S. Taxpayer, on the date determined by the holder (which date shall not be earlier than the Termination Date (as defined in the Resulting Issuer Equity Incentive Plan) or later than the end of the first calendar year commencing after the Termination Date), and for holders who are U.S. Taxpayers, on the date that shall be determined by the U.S. Taxpayer in compliance with Section 409A.

General

Dividend Equivalents

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs and DSUs shall be credited, in accordance with the terms of the Resulting Issuer Equity Incentive Plan, with dividend equivalents in the form of additional RSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. The maximum aggregate number of additional RSUs and DSUs that might be issued to satisfy such an Award is included when calculating limits of grants to insiders. Such dividend equivalents shall be computed by dividing: the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of DSUs held by the Participant on the record date for the payment of such dividend, by the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Black-out period

In the event an Award expires, has a redemption date or has a settlement date, at a time when a scheduled blackout is formally imposed by the Resulting Issuer pursuant to its internal trading policies as a result of the existence of an undisclosed material change or material fact in the affairs of the Resulting Issuer exists, the expiry, redemption date or settlement date of such Award will be the date that is ten business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

Withholding Taxes

Notwithstanding any other terms of the Resulting Issuer Equity Incentive Plan, the granting, vesting or settlement of each Award under the Resulting Issuer Equity Incentive Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Resulting Issuer such amount as the Resulting Issuer or a subsidiary of the Resulting Issuer is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Resulting Issuer or a subsidiary of the Resulting Issuer, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Resulting Issuer or any affiliate may withhold such amount from any remuneration or other amount payable by the Resulting Issuer or any affiliate to the Participant, require the sale, on behalf of the applicable Participant, of a number of Common Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Resulting Issuer of the net proceeds from such sale sufficient to satisfy such amount, or enter into any other suitable arrangements for the receipt of such amount.

Recoupment

Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Resulting Issuer or the relevant subsidiary of the Resulting Issuer, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administration shall have the authority to waive the recoupment.

Hold Period

The granting of an Award (i) to Insiders, or (ii) where the exercise price is at a discount to the Exchange Market Price, shall be subject to a four-month hold period in compliance with the policies of the Exchange.

Termination of Employment of Services

The following describes the impact of certain events upon the Participants under the Resulting Issuer Equity Incentive Plan where a Participant's employment, consulting agreement or arrangement is terminated by the Resulting Issuer or a subsidiary of the Resulting Issuer:

- Termination for Cause / Voluntary Resignation: Any Resulting Issuer Option or other Award held by the Participant that has not been exercised, surrendered, or settled as of the Termination Date (as defined in the Resulting Issuer Equity Incentive Plan) shall be immediately forfeited and cancelled, for no consideration, as of the Termination Date.

- Termination without Cause: Any unvested Resulting Issuer Option or other Award which would otherwise vest or become exercisable in accordance with its terms based solely on the Participant remaining in the service of the Resulting Issuer on or prior to the date that is 90 days after the Termination Date shall immediately vest. All other unvested Resulting Issuer Options or other Awards shall be immediately forfeited and cancelled for no consideration. Any vested Resulting Issuer Options may be exercised by the Participant

within the time period contemplated by the Resulting Issuer Equity Incentive Plan.

- Death or Disability: Any Award that is held by the Participant that has not vested as of the date of the death or disability (as defined under the Resulting Issuer Equity Incentive Plan) of such Participant shall vest on such date. Any vested Resulting Issuer Options may be exercised by the Participant, or Participant's beneficiary or legal representative (as applicable), within the time period contemplated by the Resulting Issuer Equity Incentive Plan.

- Retirement: Any (i) outstanding Award that vests or becomes exercisable based solely on the Participant remaining in the service of the Resulting Issuer or its subsidiary will become 100% vested, and (ii) outstanding Award that vests based on the achievement of Performance Goals (as defined in the Resulting Issuer Equity Incentive Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Resulting Issuer Options may be exercised by the Participant within the time period contemplated by the Resulting Issuer Equity Incentive Plan.

U.S. Taxpayers

Resulting Issuer Options granted under the Resulting Issuer Equity Incentive Plan to U.S. Taxpayers may be non–qualified stock options or incentive stock options qualifying under Section 422 of the Code ("**ISOs**"). Each Option shall be designated in the Award Agreement as either an ISO or a non–qualified stock option. If an Award Agreement fails to designate an Option as either an ISO or non–qualified stock option, the Option will be a non–qualified stock option. The Resulting Issuer shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO. Non–qualified stock options will be granted to a U.S. Taxpayer only if such U.S. Taxpayer performs services for the Resulting Issuer or any company or other entity in which the Resulting Issuer has a direct or indirect controlling interest or otherwise has a significant ownership interest, as determined under Section 409A, such that the Option will constitute an option to acquire "service recipient stock" within the meaning of Section 409A, or such option otherwise is exempt from Section 409A.

The aggregate number of Common Shares reserved for issuance in respect of granted ISOs shall not exceed 10,000,000 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the date of grant, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with the Resulting Issuer Equity Incentive Plan. At the discretion of the Plan Administrator, ISOs may only be granted to an individual who is an employee of the Resulting Issuer, or of a "parent Company" or "subsidiary Company" of the Resulting Issuer, as such terms are defined in Sections 424(e) and (f) of the Code.

If an ISO is granted to a person who owns shares representing more than ten percent (10%) of the voting power of all classes of shares of the Resulting Issuer or of a "parent company" or "subsidiary company", as such terms are defined in Section 424(e) and (f) of the Code, on the date of grant, the term of the Option shall not exceed five years from the time of grant of such Option and the exercise price shall be at least one hundred and ten percent (110%) of the Market Price of the Common Shares subject to the Option.

To the extent the aggregate Market Price as at the date of grant of the Common Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Resulting Issuer and any "parent company" or "subsidiary company", as such terms are defined in Section 424(e) and (f) of the Code) exceeds US$100,000, such excess ISOs shall be treated as non–qualified stock options.

Each person awarded an ISO under the Resulting Issuer Equity Incentive Plan shall notify the Resulting Issuer in writing immediately after the date he or she makes a disposition or transfer of any Common Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made within two years from the date of grant or within one year after the date such person acquired the Common Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Resulting Issuer may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Common Shares acquired pursuant to

the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Common Shares.

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Resulting Issuer.

Amendments to Resulting Issuer Incentive Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Resulting Issuer, amend, modify, change, suspend or terminate the Resulting Issuer Equity Incentive Plan or any Awards granted pursuant to the Resulting Issuer Equity Incentive Plan as it, in its discretion determines appropriate, provided that: (a) no such amendment, modification, change, suspension or termination of the Resulting Issuer Equity Incentive Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Resulting Issuer Equity Incentive Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or Exchange requirements; and (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to income inclusion under Section 409A shall be null and void ab initio with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

Notwithstanding the above, and subject to any rules of the Exchange, approval of the holders of Common Shares shall be required for any amendment, modification or change that:

(a) increases the percentage of Common Shares reserved for issuance under the Resulting Issuer Equity Incentive Plan, except pursuant to the provisions in the Resulting Issuer Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Resulting Issuer or its capital;

(b) amends an amending provision within the Resulting Issuer Equity Incentive Plan;

(c) reduces the exercise price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry date for the purpose of reissuing an Option to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option) except pursuant to the provisions in the Resulting Issuer Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Resulting Issuer or its capital;

(d) extends the term of a Resulting Issuer Option beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the Participant or within 10 business days following the expiry of such a blackout period);

(e) amends Participants eligible to be granted or issued Awards under the Resulting Issuer Equity Incentive Plan;

(f) permits a Resulting Issuer Option to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period of the Resulting Issuer);

(g) changes the eligible Participants of the Resulting Issuer Equity Incentive Plan;

(h) proposes to amend any material term of the Resulting Issuer Equity Incentive Plan, such proposed amendment having first received the approval of a majority of the Resulting Issuer Board of the Resulting Issuer; or

(i) deletes or reduces the range of amendments which require approval of shareholders.

The Resulting Issuer is required to obtain shareholder approval on a "disinterested" basis in compliance with the applicable policies of the Exchange in the following circumstances:

(a) reduces the exercise price or purchase price of an Award benefiting an Insider;

(b) extends the term of an Award benefiting an Insider;

(c) increases or removes the ten percent (10%) limits on Common Shares issuable or issued to Insiders as set forth; and

(d) the issuance to any Participant, within a 12-month period, of a number of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares.

The Resulting Issuer shall be required to obtain Exchange acceptance of any amendment to the Resulting Issuer Equity Incentive Plan.

Notwithstanding the above, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Resulting Issuer Equity Incentive Plan for the purposes of:

(a) making any amendments to the general vesting provisions of each Award, provided that so long as the Common Shares are listed on the Exchange, such amendments to the general vesting provisions of each Award are in compliance with Exchange Policy 4.4;

(b) making any amendments to the provisions regarding the termination of employment or services;

(c) making any amendments to add covenants of the Resulting Issuer for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;

(d) making any amendments not inconsistent with the Resulting Issuer Equity Incentive Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and directors; or

(e) making such changes or corrections which, on the advice of counsel to the Resulting Issuer, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

PRINCIPAL SECURITYHOLDERS

The following table lists those persons who will beneficially own, directly or indirectly or exercise control or direction over more than 10% of the issued and outstanding Resulting Issuer Shares after Completion of the Proposed Qualifying Transaction and the Kalron Private Placement.

		After giving effect to the Proposed Qualifying Transaction and Kalron Private Placement[(1)]	
Name and Municipality of Residence	**Type of Ownership**	**Number of Resulting Issuer Shares**	**Percentage of Resulting Issuer Shares**
Mikal Ltd.[(2)]	Direct and Indirect	13,306,570	29.19%
Edtom Ltd.[(2)]	Direct	9,517,707	20.88%

Gilat Management Services Ltd.[2]	Direct	25,288	0.06%

Notes:

(1) Assumes no participation in the Kalron Private Placement.

(2) Mikal Ltd. is controlled by Gilat Management Services Ltd. (an entity established under the laws of Israel and controlled by Mr. Avraham Gilat, a resident of Israel) and Edtom Ltd. (an entity established under the las of Israel and controlled by Mr. Ron Nafatli, a resident of Israel).

DIRECTORS, EXECUTIVE OFFICERS AND PROMOTER

Directors and Executive Officers

The following table sets out, for each proposed director and executive officer of the Resulting Issuer, the person's name, province or state and country of residence, proposed position(s), and principal occupation.

Directors of the Resulting Issuer will hold office from the closing and, unless re-elected, will retire from office at the end of the next annual meeting of the shareholders of the Resulting Issuer.

Name and Province or State and Country of Residence	Position to be held with the Resulting Issuer	Principal Occupation, Business or Employment for the Last Five Years	Number of Resulting Issuer Shares owned or controlled, assuming Completion of the Proposed Qualifying Transaction[1]
Eyal Schneid *Israel*	Chief Executive Officer	Chief Executive Officer of Seegnal, Chief Commercial Officer of Seegnal, VP North America P&C of Sapiens, SVP – Head of Division of CSG International	-
Gadi Levin *Israel*	Chief Financial Officer	Chief Financial Officer of Seegnal, Chief Financial Officer of Vaxil Bio Ltd., Chief Financial Officer of BriaCell Therapeutics Corp.	-
Nir Dor[2] *Israel*	Director	Managing Partner of NET Capital Ventures	-
Orit Lidor *Israel*	Director	Partner of NET Capital Ventures, legal advisor to Kalron	-
Peter Bloch[2] *Ontario, Canada*	Director	Chief Executive Officer of Wembley Advisors Corp., Chief Executive Officer of Bresotec Inc.	-
Ronnie Jaegermann[2] Israel	Director	Founder & Ventures Partner at Exiteam Capital Partners Ltd.	-

Name and Province or State and Country of Residence	Position to be held with the Resulting Issuer	Principal Occupation, Business or Employment for the Last Five Years	Number of Resulting Issuer Shares owned or controlled, assuming Completion of the Proposed Qualifying Transaction[(1)]
Michael Saliken *Alberta, Canada*	Corporate Secretary	Partner at Borden Ladner Gervais LLP	158,228

Notes:

(1) Assumes no participation in the Kalron Private Placement.
(2) Proposed member of the Audit Committee.

Upon Completion of the Proposed Qualifying Transaction, the proposed directors and executive officers of the Resulting Issuer are expected to beneficially own, or exercise control or direction over, directly or indirectly, no Resulting Issuer Shares, assuming completion of the Kalron Private Placement and the Resulting Issuer Unit Financing.

Set forth below is a description of the background of the directors and executive officers of the Resulting Issuer who are not directors or officers of the Company or Kalron. For biographical information of each of the directors, see "*Kalron – Directors and Executive Officers*".

Other Reporting Issuer Experience

The following table sets out the proposed directors and executive officers of the Resulting Issuer that are, or have been within the last five years, directors or officers of other issuers that are or were reporting issuers in any Canadian jurisdiction (or the equivalent in a jurisdiction outside of Canada):

Name	Name of Reporting Issuer	Trading Market	Position	Term

Gadi Levin	EV Nickel Inc.	TSXV	Director	December 2021 – present
	Eco (Atlantic) Oil & Gas	TSXV	Finance Director	December 2016 – present
	BriaCell Therapeutics Corp.	TSXV	CFO	February 2016 – present
	Vaxil Bio Therapeutics	TSXV	CEO, Director	March 2016 – present
Nir Dor	Nayax Ltd.	NASDAQ, TASE	Director	December 2022 – present
Peter Bloch	Innocan Pharmaceuticals	CNSX	Director and Audit Committee Chair	January 2020 - present
	Toggle.AI	CNSX	Director	December 2024 – present
	Nextech3D.AI inc	CNSX	Director	December 2024 - present
	Arway Corp	CNSX	Director	December 2024 - present
Ronnie Jaegermann	Water Ways Technologies Inc.	TSXV	Director	March 2019 to present
	Adcore Inc.	TSX	Director, Chair of the Audit Committee	May 2019 to present
	Cann-is Capital Corp.	TSXV	CFO	September 2022 to present

Promoter

There are no promoters of the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

No proposed director, officer, insider, or promoter of the Resulting Issuer is, or within the 10 years prior to the date of this Prospectus has been, a director or officer of any other issuer that:

(a) was subject to (i) a cease trade order; (ii) and order similar to a cease trade order; or (iii) a order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order the was issue after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director, executive officer, insider or promoter of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company, including the Resulting Issuer, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

No proposed director, officer, insider, or promoter of the Resulting Issuer, or shareholder holding sufficient securities to affect materially the control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the Completion of the Proposed Qualifying Transaction are also directors and/or officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer. Directors and executive officers of the Resulting Issuer will be bound by the provisions of the ABCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. Any conflicts of interest will be subject to the procedures and remedies provided under the ABCA.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Management of Kalron expects that the historical executive compensation disclosure provided for Kalron will be indicative of the expected executive compensation disclosure for the Resulting Issuer. See "*Kalron – Executive Compensation*". Further, the Resulting Issuer Equity Incentive Plan will provide for alternative compensation through the issuance of Resulting Issuer Options, RSUs and DSUs. See "*The Resulting Issuer – Resulting Issuer Equity Incentive Plan*". Upon Completion of the Proposed Qualifying Transaction, the Resulting Issuer Board may, as and when it determines is appropriate, establish a compensation committee and adopt a more formal compensation process that is in line with market practice for a junior publicly-listed company operating in this industry, having regard for local market conditions.

The Resulting Issuer expects to provide a market-based blend of base salaries and bonuses, and equity incentive components in the form of Resulting Issuer Options to align the interests of executive officers with the interests of the Resulting Issuer's shareholders.

After Closing, the Resulting Issuer Board acting as a whole will determine the compensation of executive officers and directors, and grants of Resulting Issuer Options.

Compensation of Directors

Resulting Issuer Board as a whole will determine the compensation of directors of the Resulting Issuer. It is not anticipated that the Resulting Issuer will provide its directors with any compensation for attending meetings of the

Resulting Issuer Board or any of its committees. However, directors will be eligible to receive grants of Resulting Issuer Options pursuant to the Stock Option Plan from time to time on a basis commensurate with industry standards, reflecting the responsibilities and risks involved in being a director of the Resulting Issuer. Non-management directors will also be reimbursed for transportation and other out-of-pocket expenses incurred in connection with attending meetings, and generally in discharging their director functions.

Employment, Consulting, and Management Agreements

No new employment or consulting agreements between Kalron, Seegnal and either of their executive officers will be entered into or will come into effect after Closing.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Prospectus, no proposed director or officer of the Resulting Issuer is or has been indebted to the Resulting Issuer or is indebted to another entity, which indebtedness has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer, at any time.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

Under NI 41-101, the Company required to include in this Prospectus the disclosure required under Form 52-110F2 with respect to the audit committee of the Resulting Issuer.

Audit Committee Charter

Following the Completion of the Proposed Qualifying Transaction, the Resulting Issuer is expected to continue to use the audit committee charter of the Company attached as Schedule "D" to this Prospectus.

Composition of the Audit Committee

The audit committee of the Resulting Issuer will consist of Nir Dor, Peter Bloch, and Ronnie Jaegermann. Mr. Bloch and Mr. Jaegermann will be "independent" as such term is defined in NI 52-110. Mr. Dor will not be considered independent. A majority of the members of the audit committee of the Resulting Issuer will not be executive officers, employees or control persons of the Resulting Issuer or any of its affiliates, since neither Mr. Bloch nor Mr. Jaegermann will hold any such position, and they will together constitute a majority of the audit committee. Each of the proposed members of the audit committee of the Resulting Issuer is "financially literate" as such term is defined in NI 52-110.

Relevant Education and Experience

Please refer to "*Resulting Issuer - Directors, Executive Officers and Promoter*" and "*Kalron – Directors, Executive Officers, and Promoter*" for biographical information detailing the relevant education and experience of each audit committee member of the Resulting Issuer that would provide an understanding of the accounting principles used by the Resulting Issuer to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth of and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The audit committee oversight will not be relevant until the audit committee of the Resulting Issuer is created upon the Completion of the Proposed Qualifying Transaction.

Reliance on Certain Exemptions

The audit committee of the Resulting Issuer is not anticipated to rely on:

(a) the exemption in section 2.4 (*De Minimus Non-audit Services*) of NI 52-110;

(b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110;

(c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of 52-110;

(d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of 52-110; or

(e) an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The audit committee of the Resulting Issuer is not anticipated to adopt any specific policies and procedures for the engagement of non-audit services.

External auditor Services Fees (By Category)

No fees have been billed to an external auditor in relation to the Reporting Issuer.

Exemption

The Resulting Issuer is relying on the exemption provided in Section 6.1 of NI 52-110 as the Resulting Issuer will be a "venture issuer". As a result, the Resulting Issuer will be exempt from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Corporate Governance

Set forth below is a description of the corporate governance practices to be adopted by the Resulting Issuer, provided pursuant to Form 58-101F2 of NI 58-101. The Resulting Issuer will implement and adopt a continuous disclosure policy and Insider trading policy no later than the first date following the Closing on which the Resulting Issuer is required to file financial statements under applicable Canadian securities laws.

Board of Directors

The Resulting Issuer Board will be responsible for the general supervision of the management of the Resulting Issuer's business and affairs with the objective of enhancing shareholder value. The Resulting Issuer Board will discharge its responsibilities directly and through its committees.

A director is considered independent within the meaning of NI 58-101 if he or she has no direct or indirect "material relationship" with the company. In addition to certain objective criteria, a "material relationship" is defined as a relationship which could, in the view of the board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Resulting Issuer Board will consist of four directors. Of the proposed directors of the Resulting Issuer, Peter Bloch, and Ronnie Jaegermann will be considered "independent" as such term is defined in NI 58-101. Nir Dor and Orit Lidor will not be considered independent.

Orientation and Continuing Education

It is not anticipated that the Resulting Issuer Board will adopt any formal policies with respect to the orientation of new directors, nor does is it anticipated to provide continuing education for the directors. Formal policies with respect to director orientation and education will be implement as and when warranted by growth of the Resulting Issuer's operations.

Ethical Business Conduct

The Resulting Issuer Board is not expected to adopt a formal written Code of Business Conduct and Ethics. To ensure that an ethical business culture is maintained and promoted, directors will be encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Resulting Issuer proposes to enter into, such director will be expected to disclose such interest to the Resulting Issuer Board in compliance with all applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Resulting Issuer Board's meeting concerning such matters and will be further precluded from voting on such matters. Should the Resulting Issuer's operations grow in size and scope or should the Resulting Issuer Board consider it in the best interests of the Resulting Issuer, the Resulting Issuer Board will adopt additional policies and standards relating to ethical business conduct, which will be in line with industry standards and applicable laws.

Nomination of Directors

It is not anticipated that Resulting Issuer will adopt a formal process with respect to the appointment of new directors. Additional directors will be recruited by the Resulting Issuer Board, and the recruitment process will involve both formal and informal discussions the directors and management of the Resulting Issuer.

Compensation

It is not anticipated that the Resulting Issuer Board will receive cash compensation for acting in such capacity. However, directors will be eligible to receive grants of Resulting Issuer Options pursuant to the Stock Option Plan from time to time on a basis commensurate with industry standards, reflecting the responsibilities and risks involved in being a director of the Resulting Issuer. Non-management directors will also be reimbursed for transportation and other out-of-pocket expenses incurred in connection with attending meetings, and generally in discharging their director functions.

Compensation of executive officer will be determined by the Resulting Issuer Board as a whole, except for the compensation of the Chief Executive Officer, which will be determined by the independent members of the Resulting Issuer Board, or any compensation committee established by the Resulting Issuer Board. See "*The Resulting Issuer – Executive Compensation*".

Other Board Committees

The Resulting Issuer Board may establish such other committees as it determines to be appropriate. The membership and duties of any such committee will be determined after Completion of the Proposed Qualifying Transaction.

Assessments

The Resulting Issuer will not have a formal process for assessing the effectiveness of the Resulting Issuer Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant.

Other Corporate Policies

After Completion of the Proposed Qualifying Transaction, the Resulting Issuer Board will meet to consider and, if thought fit, approve an insider trading policy that is suitable for a listed company on Tier 2 of Exchange, taking into

account the size and other circumstances of the Resulting Issuer. Copies of any insider trading policy adopted by the Resulting Issuer will be distributed to all directors, officers, employees, consultants and contractors, or alternatively, as applicable, they will be advised that the policies are available on the Resulting Issuer's website for review. All such persons will be informed whenever significant changes are made. New directors, officers, employees, consultants and contractors of the Resulting Issuer will be provided with copies of any such insider trading policy, and will be educated about its importance.

INTERESTS OF PROPOSED MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Prospectus, none of the proposed directors or executive officers of the Resulting Issuer or persons or companies that are expected to beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding Resulting Issuer Shares, or any Associate or Affiliate of any of the foregoing, has any material interest, direct or indirect, in any transactions in which the Resulting Issuer has participated within the three years before the date of this Prospectus, which has materially affected or is reasonably expected to materially affect the Resulting Issuer .

ESCROWED SECURITIES

The Company and Kalron expect that 22,849,565 Resulting Issuer Shares to be issued to the former Kalron Securityholders, pursuant to the Proposed Qualifying Transaction will be held by persons who are Principals (as defined in Exchange Policy 1.1) of the Resulting Issuer, and will accordingly be subject to escrow in accordance with Exchange Policies. In addition, an aggregate of 887,925 Resulting Issuer Shares will be subject to SSRR (the "**Seed Shares**").

Qualifying Transaction Escrow

Resulting Issuer Shares to be issued pursuant to the Proposed Qualifying Transaction to Principals of the Resulting Issuer and the Seed Shares will be subject to escrow in accordance with Exchange Policies. Upon Completion of the Proposed Qualifying Transaction, such persons will be required to place their Resulting Issuer Shares into escrow pursuant to a Tier 2 Value Escrow Agreement (the "**QT Escrow Agreement**"). The following table sets out the securities that will be subject to escrow pursuant to the QT Escrow Agreement:

Designation of Class	Number of securities held in escrow or that are subject to a contractual restrictions on transfer	Percentage of Class
Resulting Issuer Shares which will be subject to escrow	22,849,565	50.12%
Resulting Issuer Shares which will be subject to SSRR	887,925	1.9%

The QT Escrow Agreement provides that escrowed Resulting Issuer Shares will be released as follows:

(a) 10% of the securities will be released on the date of the Final Exchange Bulletin;

(b) 15% of the securities will be released 6 months from the Final Exchange Bulletin;

(c) 15% of the securities will be released 12 months from the Final Exchange Bulletin;

(d) 15% of the securities will be released 18 months from the Final Exchange Bulletin;

(e) 15% of the securities will be released 24 months from the Final Exchange Bulletin;

(f) 15% of the securities will be released 30 months from the Final Exchange Bulletin; and

(g) 15% of the securities will be released 36 months from the Final Exchange Bulletin.

Transfers of Escrowed Securities

Resulting Issuer Shares held pursuant to QT Escrow Agreement may not be sold, assigned, transferred, redeemed, mortgaged, pledged, surrendered or otherwise dealt with in any manner except as provided by QT Escrow Agreement. Resulting Issuer Shares may be transferred within escrow to an individual who is a director or senior officer of the Resulting Issuer or a material operating subsidiary of the Resulting Issuer, provided that certain requirements of the Exchange are met, including that the new proposed transferee agrees to be bound by the terms of QT Escrow Agreement. In the event of the bankruptcy of a holder of Resulting Issuer Shares subject to escrow, such Resulting Issuer Shares may be transferred within escrow to the trustee in bankruptcy or other Person legally entitled to such Resulting Issuer Shares provided that certain prescribed Exchange requirements are met.

Where escrowed Resulting Issuer Shares are to be held by a person that is not an individual, such person will be required to agree to not engage in any transaction that would result in the change of control of such person while its securities of the Resulting Issuer are held in escrow. Any such person will be required to further undertake to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities which could reasonably result in a change of control of the person.

Other than as disclosed above, no other securities of the Resulting Issuer are held in escrow or are anticipated to be held in escrow upon Completion of the Proposed Qualifying Transaction.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP ("**Counsel**"), counsel to the Resulting Issuer, the following is, as of the date of this prospectus, a summary of the principal Canadian federal income tax considerations generally applicable to shareholders of the Resulting Issuer.

This summary applies only to a holder who: is a beneficial owner of Resulting Issuer Shares and securities convertible into Resulting Issuer Shares (for purposes of this section, collectively the "**Resulting Issuer Shares**"); for the purposes of the Tax Act, and at all relevant times, deals at arm's length and is not affiliated with the Resulting Issuer; and acquires and holds the Resulting Issuer Shares as capital property. Generally, the Resulting Issuer Shares will be considered to be capital property to a Holder thereof provided that the Holder does not use the Resulting Issuer Shares in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder: that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; that is a "specified financial institution" as defined in the Tax Act; an interest in which is a "tax shelter" as defined in the Tax Act; an interest in which would be a "tax shelter investment" as defined in the Tax Act; that has made a functional currency reporting election under the Tax Act; that has or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement", as those terms are defined in the Tax Act; that is a partnership; or that is exempt from tax under Part I of the Tax Act (except for the limited discussion under the heading "Eligibility for Investment"). Such Holders should consult their own tax advisors with respect to an investment in Resulting Issuer Shares.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Resulting Issuer Shares, controlled by a non-resident person, or group of non-resident persons not dealing with each other at arm's length, for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of holding Resulting Issuer Shares.

This summary is based upon the current provisions of the Tax Act and the Regulations in force as of the date hereof, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") and all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). This

summary assumes that the Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances, including the application and effect, if any, of the income and other tax laws of any province, territory, or local tax authority.

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for the purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times ("**Resident Holder**"). A Resident Holder whose Resulting Issuer Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Resulting Issuer Shares, and every other "Canadian security" (as defined in the Tax Act), held by such person, in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to Resulting Issuer Warrants. Resident Holders should consult their own tax advisors regarding this election.

Dividends

Dividends received or deemed to be received on the Resulting Issuer Shares will be included in computing a Resident Holder's income. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act). An enhanced dividend tax credit will be available to individuals in respect of "eligible dividends" designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

Dividends received or deemed to be received by a Resident Holder that is a corporation on the Resulting Issuer Shares must be included in computing its income but generally will be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing taxable income.

Dispositions of Resulting Issuer Shares

Upon a disposition (or a deemed disposition) of a Resulting Issuer Share (other than to the Company, unless purchased by the Company in the open market in the manner in which Common Shares are normally purchased by any member of the public in the open market), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security to the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital**

loss") realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Resulting Issuer Shares by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such Resulting Issuer Shares or shares substituted for such Resulting Issuer Shares to the extent and in the circumstances specified by the Tax Act. Similar rules may apply where a Resulting Issuer Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" or "substantive CCPC" (each as defined in the Tax Act) also may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year which will include taxable capital gains.

Minimum Tax

Capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the application of the minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who for the purposes of the Tax Act: (i) are not deemed to be resident in Canada at any time while they hold the Resulting Issuer Shares; and (ii) do not use or hold the Resulting Issuer Shares in carrying on a business in Canada ("**Non-Resident Holders**").

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer or an authorized foreign bank (as those terms are defined in the Tax Act) carrying on business in Canada and elsewhere. Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty. For example, under the *Canada-United States Tax Convention (1980)*, as amended (the "**Treaty**"), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and fully entitled to benefits under the Treaty (a "**U.S. Holder**") is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a corporation beneficially owning at least 10% of the Company's voting shares). Not all persons who are residents of the United States will qualify for the benefits of the Treaty. Non-Resident Holders from other jurisdictions may have different rights under their tax treaties (if any) with Canada. Non-Resident Holders are advised to consult their tax advisors in this regard.

Dispositions of Shares

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Resulting Issuer Share, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Resulting Issuer Share constitutes "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

Provided the Resulting Issuer Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the Exchange), at the time of disposition, the Resulting Issuer Shares generally should not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period

immediately preceding the disposition, the following two conditions are met concurrently: (i) one or any combination of the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the Common Shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act) or an option, an interest or right in such property, whether or not such property exists. Notwithstanding the foregoing, a Resulting Issuer Share or Resulting Issuer Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances. A Non-Resident Holder's capital gain (or capital loss) in respect of a disposition of Resulting Issuer Shares or Resulting Issuer Warrants that constitute or are deemed to constitute taxable Canadian property to a Non-Resident Holder (and are not exempt from tax pursuant to the terms of an applicable tax treaty) will generally be computed in the manner described above under the subheading "*Holders Resident in Canada — Dispositions of Resulting Issuer Shares*" and "*Holders Resident in Canada – Capital Gains and Capital Losses*". Non-Resident Holders whose Resulting Issuer Shares are taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them. There may be additional considerations not described herein in respect of a disposition of a Resulting Issuer Share by a Non-Resident Holder to the Company. Non-Resident Holders who dispose of Resulting Issuer Shares to the Company should consult their own tax advisors.

ELIGIBILITY FOR INVESTMENT

In the opinion of Counsel, based on the current provisions of the Tax Act, provided that the Resulting Issuer Shares are listed on a "designated stock exchange" (as defined in the Tax Act), which currently includes the Exchange, at the time of acquisition of the Resulting Issuer Shares by Resident Holders, the Resulting Issuer Shares will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (a "**RRSP**"), a registered education savings plan (a "**RESP**"), a registered retirement income fund (a "**RRIF**"), a deferred profit sharing plan (other than a plan where the Resulting Issuer or a non-arm's length person within the meaning of the Tax Act in relation to the Resulting Issuer is an employer and makes payments to such plan), a registered disability savings plan (a "**RDSP**"), a tax-free savings account (a "**TFSA**") and a first home savings account (an "**FHSA**") (each as defined in the Tax Act).

Notwithstanding that the Resulting Issuer Shares may be a "qualified investment" for a trust governed by an RRSP, RESP, RRIF, RDSP, TFSA, or FHSA (for purposes of the Tax Act), the holder, annuitant or subscriber, as the case may be, will be subject to a penalty tax on the Resulting Issuer Shares held in the RRSP, RESP, RRIF, RDSP, TFSA, or FHSA if such Resulting Issuer Shares are a "prohibited investment" (as defined in the Tax Act). The Resulting Issuer Shares will generally be a "prohibited investment" if the holder, annuitant or subscriber, as the case may be, (i) does not deal at arm's length with the Resulting Issuer for the purposes of the Tax Act, or (ii) has a "significant interest" (as defined for purposes of the prohibited investment rules in the Tax Act) in Resulting Issuer.

Resident Holders who intend to transfer their Resulting Issuer Shares to their RRSP, RESP, RRIF, RDSP, TFSA, or FHSA should consult their own tax advisors regarding their particular circumstances.

RISK FACTORS

The current business of Kalron will be the business of the Resulting Issuer following Completion of the Proposed Qualifying Transaction. Accordingly, risk factors relating to Kalron's current business will be risk factors relating to the Resulting Issuer's business. Due to the nature of Kalron's business, the legal and economic climate in which it operates and its present stage of development and proposed operations, Kalron is subject to significant risks. Kalron's future development and actual operating results may be very different from those expected as at the date of this Prospectus. Readers should carefully consider all such risks, which include but are not limited to the following.

Risks Related to the Business

Conditions in Israel and the Middle East may affect Kalron's business, results of operations and financial condition.

Kalron's core operations are located near Tel Aviv, Israel. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries. Most recently, on October 8, 2023, Israel's security cabinet declared a state of war on Hamas.

As a result, Kalron is vulnerable to the political, economic, legal, regulatory and military conditions affecting Israel and the Middle East. Armed conflicts between Israel and its neighbouring countries and territories occur periodically and a protracted state of hostility has, in the past, resulted in security and economic difficulties for Israel. Any such hostilities or escalation thereof, armed conflicts or violence in the region could adversely affect Kalron's business, results of operations and financial condition. In addition, Kalron may be adversely affected by other events or factors affecting Israel such as the interruption or curtailment of trade between Israel and its trading partners, a significant downturn in the economic or financial condition of Israel, a significant downgrading of Israel's internal credit rating, labour disputes and political instability, including riots and uprisings.

Furthermore, there are a number of countries, primarily in the Middle East, as well as some Islamic countries, including Malaysia and Indonesia that restrict business with Israel or Israeli companies. There may also be certain countries or businesses that may exert pressure on Kalron's partners, customers or others not to do business with Israel or Israeli companies. Restrictive laws or policies directed towards Israel or Israeli businesses could have a material adverse effect on Kalron's business, results of operations and financial condition.

Generally, under Israeli law, citizens and permanent residents of Israel are obligated to perform military reserve duty for extended periods of time through the age of 45 (or older for citizens with certain occupations) and are subject to being called to active duty at any time under emergency circumstances. In response to increased hostilities, there have been periods of significant call-ups of military reservists. It is possible that there will be additional call-ups in the future, which may include officers and key personnel of Kalron, which could disrupt business operations for a significant period of time.

Kalron can be adversely affected by other global and regional factors that periodically occur, including:

- geopolitical and security issues, such as armed conflict and civil or military unrest, political instability, human rights concerns and terrorist activity;
- natural disasters, public health issues (including the COVID-19 pandemic) and other catastrophic events;
- inefficient infrastructure and other disruptions, such as supply chain interruptions and large-scale outages or cyber-attacks on its data hosting or telecommunications providers;
- formal or informal imposition of new or revised export, clinical, privacy or quality standards that might impact the ability to obtain operational licenses, which could be changed without notice; government restrictions on, or nationalization of, our operations in any country, or restrictions on our ability to repatriate earnings from a particular country;
- adverse changes relating to government grants, tax credits or other government incentives, including more favorable incentives provided to competitors;
- differing employment practices and labor issues;
- ineffective legal protection of our intellectual property rights in certain countries;
- local business and cultural factors that differ from our current standards and practices;

- continuing uncertainty regarding social, political, and tax and trade policies; and

- fluctuations in the market values of any of our investments, which can be negatively affected by liquidity, credit deterioration or losses, interest rate changes, financial results, political risk, sovereign risk, or other factors.

Kalron must hold various approvals authorizing its activities in Israel. In order for Kalron to carry on business operations in Israel, it must: be registered with the Registrar of Companies; and be registered with the Israel tax authorities. Furthermore, in order to carry on operations in accordance with the ISO standards, Kalron is also required to hold ISO certificates. Although Kalron believes that all such required registrations, certificates and licenses are in good standing as of the date of this Prospectus, if renewals or new permits, business licenses, or approvals are required in connection with Kalron's activities and are not granted or are delayed, or if existing permits, business licenses or approvals are revoked or substantially modified, Kalron may suffer a material adverse effect. If new standards are applied to renewals or new applications, it could prove costly to Kalron to meet any new level of compliance.

Kalron's commercial and financial success depends on the success of its current commercial products.

Kalron's future success depends upon building and expanding Seegnal's commercial operations in Israel, the UAE, Poland and the UK, as well as entering additional markets such as the United States of America, to commercialize all of its products and technologies. If Kalron fails to expand the use of its technologies in a timely manner and penetrate the available markets which the products are intended to serve, Kalron may not be able to expand its markets and grow revenue, the value of Kalron may decline and investors may lose money.

Unanticipated delays or problems associated with Kalron products and improvements may cause customer dissatisfaction.

Kalron's future success is dependent on its ability to continue to develop and expand its products and technologies and to address the needs of its customers. There may be delays in releasing new Kalron products or technologies in the future - any material delays may cause customers to forego purchases of Kalron's products to purchase competitors' offerings instead.

Kalron may need to develop new products and services and rapid technological change could render its systems obsolete.

The industry in which Kalron operates is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements, and evolving industry standards. The introduction of new products and new technologies, the emergence of new industry standards, or improvements to existing technologies could render Kalron's platform obsolete or relatively less competitive.

Kalron's commercial and financial success depends on market acceptance, and if not achieved will result in Kalron not being able to generate revenue to support its operations.

The commercial success of Kalron depends, among other things, on market acceptance. The success of Kalron's products and any new products and services that it may launch is dependent upon its ability to attract and retain a critical mass of merchants in potentially diverse geographic locations. The sales cycle for a new merchant can be lengthy. Merchants may not be willing to invest the time and resources necessary to achieve the necessary integration required to successfully deploy Kalron technology. Competitive pricing and market acceptance also depends on the future pricing and availability of competing products and the perceived comparative efficacy of its products. If Kalron cannot reach this market, or cannot offer competitive pricing packages, its operating results and revenues will be adversely affected.

The application of the Canadian foreign affiliate dumping rules could adversely affect the Resulting Issuer and its shareholders

The Tax Act contains legislation (the "**FAD Rules**") that can cause adverse tax consequences where, among other situations, a Canadian corporation is controlled by a non-resident person, or a group of non-resident persons not dealing with each other at arm's length (such person or group, a "**Non-Resident Parent**"), in each case for purposes of the FAD Rules, and the Canadian corporation makes an "investment" in a "foreign affiliate" of the Canadian corporation. Upon Closing, the Resulting Issuer may be subject to the FAD Rules. If the Resulting Issuer is subject to the FAD Rules, the "paid-up capital" of the Resulting Issuer Shares for purposes of the Tax Act, following Closing, will be materially less than the price for which such shares were issued (and accordingly less than a shareholder's adjusted cost base in such shares). Further, following Closing, if the Resulting Issuer is subject to the FAD Rules, additional "investments" (if any) made by the Resulting Issuer in its foreign subsidiaries from time-to-time may (i) reduce the "paid-up capital" of the Resulting Issuer Shares for purposes of the Tax Act at that time and/or (ii) result in the Resulting Issuer being deemed to have paid a dividend for purposes of the Tax Act to its Non-Resident Parent (resulting in liability for non-resident Canadian withholding tax) which could increase the Resulting Issuer's tax costs and have a material adverse effect on the Resulting Issuer and/or its shareholders. The Resulting Issuer intends to manage its affairs, including investments in its foreign subsidiaries, such that it will not be deemed to have paid any dividends by virtue of the FAD Rules. However, the application of the FAD Rules following Closing could reduce the paid-up capital of the Common Shares at that time.

In general, a reduction in the paid-up capital of the Resulting Issuer Shares should not have a material adverse effect on the Resulting Issuer or its shareholders. However, in certain circumstances, such reduction could have a material adverse effect on shareholders. For example, if a Resulting Issuer Share held by a shareholder is redeemed by the Resulting Issuer (unless such Resulting Issuer Share is purchased by the Resulting Issuer in the open market in the manner in which shares are normally purchased by any member of the public in the open market), the shareholder will be deemed to have received a dividend from the Resulting Issuer equal to the amount, if any, by which the redemption proceeds exceeds the paid-up capital of the share redeemed (regardless of the adjusted cost base of such share to the shareholder). If the shareholder is a non-resident of Canada, any such deemed dividend will be subject to Canadian withholding tax.

Kalron may require additional capital to support its operations or the growth of its business, and it cannot be certain that this capital will be available on reasonable terms when required, or at all.

From time to time, Kalron may need additional financing to operate or grow its business. The ability to continue as a going concern may be dependent upon raising additional capital from time-to-time to fund operations. Kalron's ability to obtain additional financing, if and when required, will depend on investor and lender willingness, its operating performance, the condition of the capital markets and other facts, and Kalron cannot assure anyone that additional financing will be available to it on favorable terms when required, or at all. If Kalron raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of its current stock, and its existing stockholders may experience dilution. If Kalron is unable to obtain adequate financing or financing on terms satisfactory to it when it requires it, its ability to continue to support the operation or growth of its business could be significantly impaired and its operating results may be harmed.

Kalron's growth strategy may not achieve the anticipated results.

Kalron's future success will depend on its ability to grow its business, including through commercialization of its products. Growth and innovation strategies require significant commitments of management resources and capital investments and Kalron may not grow its revenues at the rate it expects or at all. As a result, Kalron may not be able to recover the costs incurred in developing new projects and initiatives or to realize their intended or projected benefits, which could materially adversely affect its business, financial condition or results of operations.

Kalron faces substantial competition in the future and may not be able to keep pace with the rapid technological changes which may result from others discovering, developing or commercializing products before or more successfully than Kalron. The activities of competing companies, or others, may limit Kalron's revenues.

In general the development and commercialization of new SaaS products is highly competitive and is characterized by extensive research and development and rapid technological change. Market share can shift as a result of technological innovation and other business factors. Commercial opportunities for Kalron's products may be reduced if Kalron's competitors develop or market products or novel technologies that are more effective, are better tolerated, are more accepted by the market, have better distribution channels, or are less costly than that offered by Kalron. If those products gain market acceptance, Kalron's revenue and financial results could be adversely affected. If Kalron fails to develop new products or enhance existing products, its leadership in the current markets served could erode, and its business, financial condition and results of operations may be adversely affected.

While Kalron's products are distinct and innovative technologies, there are a number of indirect competitors in the market. Such competitors include large and small companies that may have significant access to capital resources, competitive product pipelines, a large captive customer base, substantial research and development staffs and facilities, and substantial experience in the market. Kalron recognizes the need to invest in research and development to continue to add high-value, differentiated capabilities to expand both the depth and breadth of Kalron's product offering. Management also recognizes the need to ensure customer satisfaction through all phases of the sales cycle and intends to invest in competitive intelligence and analysis as it relates to the dynamics of the market, as well as in trends in technology and in products as they are introduced into the market. However, Kalron may not be able to compete with competitors that are more established in the market.

Kalron depends on highly skilled personnel to grow and operate its business. If Kalron is not able to hire, retain, and motivate its key personnel, its business may be adversely affected.

Kalron's success depends in part upon a number of key employees, including members of senior management who have extensive experience in the industry. Competition for talented senior management is intense and Kalron's ability to successfully develop and maintain a competitive market position will depend in part on its ability to attract and retain highly qualified and experienced management. The loss of the services of key personnel could have a materially adverse effect on Kalron's business.

Kalron may not properly leverage or make the appropriate investment in technology advancements, which could result in the loss of any sustainable competitive advantage in products, services and processes.

Robust information technology systems, platforms and products are critical to Kalron's operating environment, SaaS products and competitive position. Understanding technological innovation is necessary for Kalron to retain its competitive advantage. Kalron may not be successful in developing, acquiring or implementing new AI-driven products and services which are competitive and responsive to the needs of customers, or new product, features and enhancements may not achieve adequate acceptance in the market. Kalron may lack sufficient resources to continue to make the significant investments in information technology required to compete with its competitors. Certain information technology initiatives that Kalron's management may consider to be important for long-term success will require capital investment, have significant risks associated with their execution, and could take several years to implement. Kalron may be unable to develop or implement these initiatives in a cost-effective, timely manner or at all. There can be no assurance that others will not acquire similar or superior technologies sooner than Kalron or that Kalron will acquire technologies on an exclusive basis or at a significant price advantage. If Kalron does not accurately predict, prepare and respond to new kinds of technology innovations, market developments and changing customer needs, our business may be harmed. If Kalron is unable to generate adequate revenue growth and manage expenses then it may incur significant losses and may not achieve or maintain profitability.

Kalron may suffer from claims relating to, among other things, actual or alleged defects in our products. If our products actually or allegedly fail to perform as expected, publicity related to these claims could harm our reputation and decrease demands for our products or increase regulatory scrutiny of our products.

Kalron's software products are complex and, from time to time, have had, and could have or could be alleged to have, defects in design, security vulnerabilities or other errors, failures, or other issues of not functioning in accordance with

their specifications or as expected. Some errors or defects in our solutions have been, and could be, initially undetected and only discovered after they have been tested, commercialized, and deployed by customers. Alleged or actual defects in any of Kalron's solutions could result in adverse publicity for Kalron, warranty claims, litigation against Kalron, legal expenses and damages, Kalron's customers never being able to commercialize technology incorporating our solutions, negative publicity for customers, and other consequences. Depending on the severity of the malfunction, error, or defect, Kalron could incur significant additional development costs and repair, or rolling back costs. If any of Kalron's solutions are or are alleged to be defective, we may be required to participate in a rollback or temporary by passing of the product. Product liability, warranty, and rollback or bypass costs would have an adverse effect on Kalron's business, results of operations, and financial condition. In addition, product liability claims present the risk of protracted litigation, legal fees, and diversion of management's attention from the operation of Kalron, even if defense of these claims is ultimately successful.

Investment in current research and development efforts may not provide a sufficient, timely return.

The development of new products and strategies is a costly, complex and time-consuming process, and the investment in technology product development and marketing often involves a prolonged time until a return is achieved on such an investment. Kalron has made, and the Resulting Issuer will continue to make, significant investments in technology development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from Kalron's strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect Kalron's operating results if they are not sufficiently offset by revenue increases. Kalron will continue to dedicate a significant amount of resources to its development efforts in order to maintain a competitive position in the market. However, significant revenue from such new product and service investments may not be achieved for a prolonged period of time, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and services may not be as lucrative as the margins Kalron has previously experienced for its legacy products and services.

Kalron's use of healthcare data and the possibility of security breaches.

Kalron's products involve access to user health data and other confidential, sensitive and private information. Kalron is and will increasingly be subject to a variety of laws, directives and regulations, as well as contractual obligations, relating to the collection, use, retention, security, disclosure, de-identification and other processing of confidential, sensitive, and private information and health data in the jurisdictions in which the Company operates. Kalron believes that it is taking reasonable steps to protect the security, integrity and confidentiality of the information that Kalron collects, uses, and discloses, but there is no guarantee that inadvertent or unauthorized data access or use will not occur despite prevention efforts. In the future, attempts may be made to disable Kalron's systems or breach the security of its systems. It is generally difficult to recognize techniques to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems until they are launched against a target, as they frequently change. As a result, Kalron may be unable to anticipate these techniques or to implement adequate preventative measures.

In addition, there are a number of federal and provincial laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the privacy rules under the Personal Information Protection and Electronics Documents Act (Canada) ("**PIPEDA**") and equivalent legislation in the United States, protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose. If Kalron was found to be in violation of the privacy or security rules under PIPEDA or other laws protecting the confidentiality of patient health information, it could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation and have a material adverse effect on the business, results of operations and financial condition of Kalron.

Other applicable privacy legislations include the Basic Law: Human Dignity and Liberty, 5752 -1992 and the Protection of Privacy Law, 5741-1981 (Israel), the European Union General Data Protection Regulation (Regulation (EU) 2016/679), UK General Data Protection Regulation (UK GDPR), and the Health Insurance Portability and Accountability Act (HIPAA) (United States).

The market perception of Kalron's security measures could be harmed if an actual or perceived security breach occurs. A security breach could cause the loss or corruption of data, which could harm the business. Any failure to maintain the security of Kalron's systems could result in loss of personal information and/or other confidential information, damage to Kalron's reputation and relationships with users, early termination of contracts with users and other business losses, indemnification of our users, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, Kalron may incur losses in excess of their insurance coverage.

Kalron's inability to maintain corporate culture as it grows, resulting in the loss of innovation, creativity, collaboration, and focus on execution.

A critical component to Kalron's success has been corporate culture. Kalron invests in employees so that they may innovate, collaborate and bring the best of themselves to work everyday. Additionally, as Kalron grows and develops the infrastructure of a public company, it may be difficult to maintain important aspects of the corporate culture. If Kalron fails to preserve such culture, its ability to retain and recruit personnel, its ability to effectively focus on and pursue corporate objectives, and the overall business could be harmed.

Israeli corporate tax rates are subject to regulatory change.

The Israeli corporate tax rate was 23% for the years ended December 31, 2024 and 2023. This tax rate could be changed by government decisions and tax regulations, which could have a material effect on Kalron's revenues. These changes could be relevant to Kalron in the case it would be re-classified as a non-preferred technological plant which would result in the regular Israeli corporate tax rate being applied to Kalron.

Statute of Limitations on Kalron's tax reports for the years ended December 31, 2024, 2023 and 2022.

The general statute of limitations on tax reports in Israel is four years, and therefore Kalron's tax reports for the years ended December 31, 2024, 2023 and 2022 can still be assessed by the Israeli Tax Authority, which could result in, among other things, determining that Kalron is not a preferred technological plant and by such is subject to a higher percentage of corporate tax (23% for the years ended December 31, 2024, 2023 and 2022).

If Kalron fails to develop widespread brand awareness cost-effectively, its business may suffer.

Kalron believes that developing and maintaining widespread awareness of its brand in a cost-effective manner is critical to achieving widespread acceptance of its products. Kalron's marketing efforts are directed at growing brand awareness. Brand promotion activities, although they have been successful in the past, may not generate customer awareness or increase revenues, and even if they do, any increase in revenues may not offset the expenses incurred in brand building. If Kalron fails to successfully promote and maintain its brand, or incur substantial expenses in doing so, Kalron may fail to attract or retain customers necessary to realize a sufficient return on its brand building efforts, or to achieve the widespread brand awareness that is critical for broad adoption of its products.

Possible failure to realize anticipated benefits of future acquisitions could impact Kalron's business.

Kalron may in the future complete acquisitions to strengthen its position in the SaaS industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as Kalron's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own. The integration of acquired businesses requires the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect Kalron's ability to achieve the anticipated benefits of these and future acquisitions.

There is intense competition in the medical SaaS industry.

The medical SaaS industry is highly competitive and rapidly changing. Kalron may be significantly affected by new product introductions and geographic expansion by existing competition and expects that competition will intensify in the future. Specific factors upon which Kalron competes include, but are not limited to, functionality of its applications, ease of use, timing for implementation, quality of support and services, and price. Kalron's potential competitors include other companies selling patient-tailored SaaS services and technology in the healthcare space. Many of these potential competitors have significantly greater financial, technical, marketing and other resources than Kalron has. Many of them also have longer operating histories, greater name recognition and stronger relationships with merchants and consumers who use or might use a low-value-payment service. Kalron may not be able to compete successfully with these competitors.

There is inherent technology and development risk in Kalron's business and industry.

Kalron utilizes technology principally architected and developed by the company or adapted from the social on-line market and adapted by Kalron to the healthcare market. There can be no assurances that Kalron will meet its targeted development or integration timelines such that it will be able to offer solutions at competitive pricing, or that Kalron can continue to enhance and improve the responsiveness, functionality and features of its technology and enable the solutions to scale at a reasonable cost. In addition, there is a risk that third parties may have applied for or been granted patents for certain processes or technology which Kalron has already deployed or intends to deploy, in which case Kalron may incur additional costs or be prohibited from using or implementing certain product features or processes in one or more countries. Kalron solutions incorporate complex technology and software. Accordingly, they may contain errors, or "bugs", that could be detected at any point. Such errors could materially and adversely affect Kalron's reputation, resulting in claims and/or significant costs to Kalron, and/or cause consumers, merchants, licensees and other parties to abandon Kalron's solutions and impair Kalron's ability to market and sell solutions and services in the future. The costs incurred in correcting any errors and satisfying any such claims may be substantial and could adversely affect Kalron's operating margins. While Kalron plans to continually test its solutions for errors and work with customers and merchants through its maintenance support services to identify and correct bugs, errors may be found in the future.

Kalron maintains data on cloud storage servers, which could be the target of a security breach.

Kalron's business faces certain security risks. Kalron's products and services involve storage using cloud-based hosting service. Although data is stored in specialized security groups and are externally encrypted, storage hardware and networking infrastructure is provided by a third party, and security breaches and cyberattacks expose it to a risk of loss of this information, litigation and potential liability. If an actual or perceived breach of security and/or cyberattack occurs, the market perception of the effectiveness of Kalron's security measures could be harmed, Kalron could lose users and it may incur significant legal and financial exposure, including legal claims and regulatory fines and penalties. Computer viruses, break-ins, cyberattacks or other security problems could lead to misappropriation of proprietary information and interruptions, delays, or cessation in service to clients. Kalron's risk and exposure to cyberattacks or security breaches cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber-security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyberattacks and threats continue to evolve, Kalron may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. Any failure to adequately address these risks could have an adverse effect on the business and reputation of the Resulting Issuer.

There could be interruptions or delays from cloud servers that could affect Kalron's products or services.

Kalron's products and services involve storage using reputable third-party cloud-based hosting service by Microsoft (Azure) and in the future also Amazon AWS, and Google Cloud. Any damage to, or failure of, the hosting service's systems generally could result in interruptions in the use of Kalron's products or services. Such interruptions may reduce our revenue temporarily and cause customer dissatisfaction if the root cause is determined to be on Kalron's side and not the third-party hosting side. Kalron's business will also be harmed if its customers and potential customers believe its products or services are unreliable.

Risks Related to Worldwide Economic Conditions

Market fluctuations could adversely affect Kalron's operating results.

Downturns in general economic and market conditions may reduce demand for Kalron's products and could negatively affect Kalron's revenue, operating results and cash flow.

Recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to Kalron or to Kalron's industry could materially adversely affect Kalron over the course of time. Volatility in the market could hurt Kalron's ability to raise capital. Potential price inflation caused by an excess of liquidity in countries, or by tariffs, where Kalron conducts business may increase the costs incurred to sell Kalron's products and may reduce Kalron's profit margins. As a result of downturns in general economic and market conditions, potential customers may not be interested in purchasing Kalron products. Any of these events, or other events caused by turmoil in world financial markets may have a material adverse effect on Kalron's business, operating results and financial conditions.

Government regulation could adversely affect Kalron's business.

Kalron's ability to conduct business in each jurisdiction in which it currently sells products or may in the future operate is dependent upon the treatment of the regulation of healthcare professions and use of enterprise grade AI in delivering medical services under the laws and the policies, guidance and rules of the regulatory bodies in such jurisdiction, which are subject to changing political, regulatory and other influences. Any such changes could require us to restructure the way in which Kalron carries on business, which could have a material adverse effect on the business, financial condition, results of operations and prospects.

If there are any changes to the scope of practice or the type of services that healthcare providers are permitted to use enterprise grade AI in delivering such services, this could have a material adverse effect on Kalron's business, financial condition, results of operations, cash flows and prospects.

If Kalron fails to effectively maintain, promote, protect and enhance our brand and customer service, the business and competitive advantage may be harmed.

Kalron's believes that developing, maintaining, promoting and enhancing its products and associated brands is critical to expanding its business. Developing, maintaining, promoting and enhancing the Kalron brand depends largely on Kalron's ability to continue to provide high-quality, well-designed, useful, reliable and innovative products and services, which it may not do successfully.

Errors, defects, data breaches, disruptions or other performance problems with Kalron's products, including with third-party applications, may harm its reputation and brand. Kalron may introduce new products and services or terms of service that its customers do not like, which may negatively affect its brand. Additionally, if Kalron's customers have a negative experience using its products and services or third-party products and services integrated within Kalron's products and services, such an experience may affect the Kalron brand, especially as it continues to attract new customers.

Any unfavorable media coverage or negative publicity about Kalron or the general industry in which Kalron operations, including, for example, publicity relating to the quality and reliability of our Kalron's products, its privacy and security practices, product changes, litigation or regulatory activity could seriously harm Kalron's reputation. Such negative publicity could also adversely affect the engagement and loyalty of Kalron's customers and result in decreased revenue, which could seriously harm its business. Critics of the medical AI industry, and others, have in the past and may in the future utilize the internet, the press and other means to publish criticisms of the industry, Kalron and its competitors, or make allegations regarding the business and operations, or the business and operations of Kalron's competitors. Kalron or others in the industry may receive similar negative publicity or allegations in the future, and it could be costly, time consuming, distracting to management, cause fluctuations in the market price of the Common Shares and harm Kalron's business and reputation.

Kalron may be affected by business conditions or tariffs outside of its control, resulting in adverse impacts on its ability to do business.

In addition to the other risks mentioned elsewhere, these risks and expenses could have a material adverse effect on Kalron's business, results of operations or financial condition and include without limitation:

- adverse currency rate fluctuations;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, representatives and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements; and
- the imposition of Canadian, United States, Israeli and/or other international sanctions against a country, company, person or entity with whom the Corporation does business that would restricts or prohibits the Corporation's continued business with the sanctioned country, company, person or entity.

Risks Related to Intellectual Property

Kalron's intellectual property rights are valuable, and any failure or inability to protect them could adversely affect its business.

Kalron's success depends substantially upon the intellectual property that forms the basis of its products, primarily consisting of patented and unpatented proprietary technology, processes, trade secrets, and know-how, as well as inherent copyright of authorship in the source code developed by Kalron, and unregistered trademarks. To protect its intellectual property rights, Kalron relies upon trade secret, copyright, trademark, passing-off laws, and other statutory and common law protections in Israel, the United States, and international markets. Kalron also protects its intellectual property through the use of non-disclosure agreements and other contracts, disclosure and invention assignment agreements, confidentiality procedures, and technical measures. There can be no assurance that these measures will be successful in any given case, particularly in those countries where the laws do not afford Kalron protection for its intellectual property rights as robust as those available under Israeli, Canadian, and United States laws. Kalron may be unable to prevent the misappropriation, infringement or violation of its intellectual property rights, breaching any contractual obligations, or independently developing intellectual property that is similar to its own, any of which could reduce or eliminate Kalron's competitive advantages, adversely affect Kalron's revenues, or otherwise harm its business.

Assertions by third parties of infringement or other violations of Kalron's intellectual property rights could result in significant costs and substantially harm Kalron's business and operating results.

Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against Kalron. Any such claim against Kalron, even those without merit could cause Kalron to incur substantial costs defending against the claim and could distract its management. An adverse outcome of a dispute may require Kalron to pay substantial damages, cease making, licensing or using solutions that are alleged to infringe or misappropriate the intellectual property of others, expend additional development resources to attempt to redesign its services or otherwise develop non-infringing technology, which may not be successful, or enter into potentially unfavourable royalty or license agreements in order to obtain the right to use technologies or intellectual property rights.

Intellectual property claims are expensive and time consuming to defend and if resolved adversely, could have a significant impact on Kalron's business, financial condition, and operating results.

Kalron is actively engaged in enforcement and other activities to protect its intellectual property rights. If it became necessary to resort to litigation to protect these rights, any proceedings could be burdensome, costly and divert the

attention of management, and Kalron may not prevail. Any repeal or weakening of intellectual property laws or diminishment of procedures available for the enforcement of intellectual property rights in Israel, Canada, the United States, or internationally could make it more difficult for Kalron to adequately protect its intellectual property rights, negatively impacting their value and increasing the cost of enforcing its rights.

If Kalron is unable to protect the confidentiality of its proprietary information and know-how, the value of its technology and products could be adversely affected.

Kalron relies upon patented and unpatented proprietary technology, processes, trade secrets and know-how. Any disclosure to or misappropriation by third-parties of its confidential or proprietary information could enable Kalron's competitors to duplicate or surpass Kalron's technological achievements, potentially eroding its competitive position in the market, and negatively impacting Kalron's business and operating results.

Kalron protects its confidential and proprietary information in part through non-disclosure agreements and other contracts, disclosure and invention assignment agreements, with all employees, consultants, advisors and any third-parties, who have access to its confidential and proprietary information, and employs confidentiality procedures and technical measures, there can be no certainty that these measures or procedures will be sufficient to prevent improper disclosure of such confidential and proprietary information, or to prevent it from falling into the hands of Kalron's competitors and other third parties. There can be no certainty that parties to contracts used by Kalron to protect its confidential and proprietary information will not be terminated or breached, and Kalron may not have adequate remedies for any such termination or breach. Legal remedies may be insufficient or ineffective to meaningfully protect Kalron's confidential and proprietary information or compensate Kalron for losses that may occur in the event of unauthorized use or disclosure.

Adverse litigation judgments or settlements resulting from legal proceedings in the normal course of business could reduce Kalron's profits or limit its ability to operate.

Kalron may be subject to allegations, claims and legal actions arising in the ordinary course of its business, which may include claims by third parties, including employees or regulators. The outcome of many of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to us, a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against Kalron, its business, financial condition and results of operations could be materially adversely affected.

If Kalron is unable to defend their patents, the business could be adversely affected.

Kalron's patent position is highly uncertain and involves complex legal and factual questions. Accordingly, Kalron cannot predict the breadth of claims that may be allowed or enforced under their patents or in third-party patents. For example, others may independently develop similar or alternative technologies or duplicate any of Kalron's technologies; Kalron's issued patents may not provide a basis for commercially viable technologies, or may not provide Kalron with any competitive advantages, or may be challenged and invalidated by third parties; and, Kalron may not develop additional proprietary technologies that are patentable. As a result, Kalron's owned and licensed patents may not be valid and Kalron may not be able to obtain and enforce patents and to maintain trade secret protection for the full commercial extent of their technology. The extent to which Kalron is unable to do so could materially harm the business.

Kalron has applied for and will continue to apply for patents. Such applications may not result in the issuance of any patents, and any patents now held or that may be issued may not provide Kalron with adequate protection from competition. Furthermore, it is possible that patents issued or licensed to Kalron may be challenged successfully. In that event, if Kalron has a preferred competitive position because of such patents, such preferred position would be lost. If Kalron is unable to secure or to continue to maintain a preferred position, Kalron could become subject to competition from the sale of generic products. Failure to receive, inability to protect, or expiration of Kalron's patents would adversely affect its business and operations.

Patents issued or licensed to Kalron may be infringed by the products or processes of others. The cost of enforcing Kalron's patent rights against infringers, if such enforcement is required, could be significant, and Kalron may not

have the financial resources to fund such litigation. Further, such litigation can go on for years and the time demands could interfere with the business's normal operations. Kalron may become a party to patent litigation and other proceedings. The cost to Kalron of any patent litigation, even if resolved in their favour, could be substantial. Many of Kalron's competitors may be able to sustain the costs of such litigation more effectively than Kalron can because of their substantially greater financial resources. Litigation may also absorb significant management time.

Unpatented trade secrets, improvements, confidential know-how and continuing technological innovations are important to Kalron's scientific and commercial success. Although Kalron's attempts to and will continue to attempt to protect their proprietary information through reliance on trade secret laws and the use of confidentiality agreements with their partners, collaborators, employees and consultants, as well as through other appropriate means, these measures may not effectively prevent disclosure of Kalron's proprietary information, and, in any event, others may develop independently, or obtain access to, the same or similar information.

Risks Related to the Proposed Qualifying Transaction and the Resulting Issuer

Regulatory Approval of the Proposed Qualifying Transaction may not be obtained.

The Completion of the Proposed Qualifying Transaction is subject to the satisfaction of a number of conditions, including final acceptance of the Exchange. There can be no assurance that all of the necessary regulatory approvals will be obtained. If the Proposed Qualifying Transaction, as contemplated by the Definitive Agreement is not completed for these reasons or for any others, Kalron and the Company will have incurred significant costs associated with the failed implementation of the Proposed Qualifying Transaction.

The Definitive Agreement may be terminated.

The Definitive Agreement specifies that the parties' obligation to effect the Proposed Qualifying Transaction is conditional upon the satisfaction of a number of conditions. If any of the conditions are not satisfied or waived, the Proposed Qualifying Transaction may not be completed. Both the Company and Kalron have the right, in certain circumstances, to terminate the Definitive Agreement. Accordingly, there can be no certainty that the Definitive Agreement will not be terminated by either party prior to the Completion of the Proposed Qualifying Transaction.

Following the Closing, a small number of Resulting Issuer Shareholders will control more than 50% of the Resulting Issuer Shares, which could delay or prevent a change of control.

Upon the Completion of the Qualifying Transaction, Mikal Ltd. and Edtom Ltd. will control more than 50% of the Resulting Issuer Shares. As a result, there is the potential that significant influence may be exerted over the Resulting Issuer's operations and business strategy and Mikal Ltd. and Edtom Ltd. will have sufficient voting power to influence the outcome of matters requiring shareholder approval. This concentration of ownership could delay or prevent a change of control. See "*Resulting Issuer - Principal Securityholders*."

It may be difficult to enforce civil liabilities under Canadian securities laws.

The majority of the directors and officers of the Resulting Issuer and the promoter of the Resulting Issuer will be based in Israel, and most of the Resulting Issuer's assets, and assets of the directors, officers, and the promoter of the Resulting Issuer will be located outside of Canada. Therefore, a judgment obtained against the Resulting Issuer, or any of these persons, including a judgment based on the civil liability provisions of the Canadian securities laws, may not be collectible in Canada and may not be enforced by an Israeli court. It also may be difficult to effect service of process on these persons in Canada or to assert Canadian securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of Canadian securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not Canadian law is applicable to the claim. If the Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses the matters described above. As a result of the difficulty associated with

enforcing a judgment against the Resulting Issuer or the Resulting Issuer in Israel, it may be difficult to collect any damages awarded by either a Canadian or a foreign court.

Significant sales of Resulting Issuer Shares after the expiry of lock-up or escrow restrictions could adversely affect the market price of the Resulting Issuer Shares.

Although Common Shares held by existing shareholders and Resulting Issuer Shares issued in connection with the Completion of the Proposed Qualifying Transaction will be freely tradable, the Resulting Issuer Shares held by certain directors, executive officers and Control Persons of the Resulting Issuer will be subject to escrow pursuant to the policies of the Exchange. Sales of a substantial number of the Resulting Issuer Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Resulting Issuer Shares, and may make it more difficult for investors to sell Resulting Issuer at a favorable time and price.

The requirements of being a public company may strain the Resulting Issuer's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members.

As a reporting issuer, the Resulting Issuer will be subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the Exchange and other applicable securities rules and regulations. Compliance with those rules and regulations will increase the Resulting Issuer's legal and financial costs, make some activities more difficult, time consuming or costly and increase demand on its systems and resources.

There has been no prior public market for the Resulting Issuer Shares, and an active trading market may not develop.

Prior to the Proposed Qualifying Transaction, there has been no active public market for the Resulting Issuer's shares. An active trading market may not develop following Completion of the Proposed Qualifying Transaction or, if developed, may not be sustained. The lack of an active market may impair an investor's ability to sell its shares at the time he or she wishes to sell them or at a price that he or she considers reasonable. The lack of an active market may also reduce the fair market value of the Resulting Issuer's Shares. An inactive market may also impair an investor's ability to raise capital by selling its Resulting Issuer Shares and may impair the Resulting Issuer's ability to acquire other companies by using its Resulting Issuer Shares as consideration.

The Resulting Issuer will not have any control over the research and reports that securities or industry analysts publish about the Resulting Issuer or its business.

The trading market for the Resulting Issuer Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Resulting Issuer or its business. The Resulting Issuer will not have any control over these analysts. If one or more of the analysts who covers the Resulting Issuer should downgrade the Resulting Issuer Shares or change their opinion of the Resulting Issuer's business prospects, the Resulting Issuer's share price would likely decline. If one or more of these analysts ceases coverage of the Resulting Issuer or fails to regularly publish reports on the Resulting Issuer, the Resulting Issuer could lose visibility in the financial markets, which could cause the Resulting Issuer's share price or trading volume to decline.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Assuming approval of the shareholders of the Company is provided at the Shareholder Meeting, the auditors of the Resulting Issuer are expected to be Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, at its office at Derech Menachem Begin 146, Tel Aviv, Israel, after Completion of the Proposed Qualifying Transaction. If the shareholders of the Company do not approve Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited as the auditors of the Resulting Issuer after Completion of the Proposed Qualifying Transaction at the Shareholder Meeting, the auditors of the Resulting Issuer will be SRCO, located at Park Pl. Corporate Centre, 15 Wertheim Crt. Suite 409, Richmond Hill, Ontario, L4B 3H7.

The transfer agent and registrar for the Resulting Issuer Shares is expected to be Endeavor Trust Company (the "**Transfer Agent**"), at its principal office at Suite 702 777 Hornby St., Vancouver, British Columbia, V6Z 1S4.

MATERIAL CONTRACTS OF RESULTING ISSUER

The following are the only material contracts entered into by the Company or Kalron within two years prior to the date of this Prospectus which in effect and considered to be material to the Resulting Issuer:

1. The Transfer Agency and Registrarship Agreement dated as of August 24, 2022 between the Company and the Transfer Agent.

2. The Definitive Agreement. See "*The Proposed Qualifying Transaction - Definitive Agreement*".

3. The QT Escrow Agreement. See "*The Resulting Issuer – Escrowed Securities*".

4. Asset Purchase Agreement between Teva and Kalron, dated November 30, 2017 and royalty payments Memorandum of Understanding between Kalron and Seegnal, dated December 30, 2019, royalty payments in effect until December 31, 2027.

5. License Agreement between Seegnal (then 'Mediseen eHealth Ltd') and Fist DataBank International Inc., dated January 29, 2012, most recently amended May 21, 2024, effective until March 31, 2030.

Copies of material contracts will be available for inspection without charge at the business office of Kalron at 1 Hashikma St., Savyon, Israel or at the Calgary offices of Borden Ladner Gervais LLP, counsel to Kalron, at Calgary offices of Borden Ladner Gervais LLP, counsel to Kalron, at 1900, 520 3rd Ave SW, Calgary, Alberta, T2P 0R3, during ordinary business hours from the date hereof until the Completion of the Proposed Qualifying Transaction.

EXPERTS

Names of Experts

The following professional persons have prepared reports or have provided opinions that are either included in or referred to in this Prospectus: SRCO Professional Corporation, Chartered Professional Accountants, as auditor of the Company, and Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, as auditor of Kalron.

Interest of Experts

As at the date of this Prospectus, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or Kalron or its associates and affiliates greater than 1% of the current issued and outstanding securities of the Company and Kalron. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or Kalron or of an associate or affiliate or as a promoter of the Company or Kalron.

Each of SRCO Professional Corporation, Chartered Professional Accountants, the auditor of the Company, and Kesselman & Kesselman, a member firm of PricewaterhouseCoopers International Limited, the auditor of Kalron, has have advised that they are independent of the Company and Kalron within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

OTHER MATERIAL FACTS

There are no other material facts relating to the Company, Kalron, the Proposed Qualifying Transaction or the Kalron Private Placement that are not disclosed in this Prospectus or are necessary for this Prospectus to contain full, true and plain disclosure of all material facts.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the province of Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In the province of Ontario, the securities legislation further provides a purchaser with remedies of rescission or damages, if this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory, provided that the remedies for rescission, revisions of purchase price or damages are exercised by the purchaser within the time limit prescribed for by the securities legislation of the purchaser's province. However, in light of the fact that this is a non-offering prospectus and no securities are being purchased under this Prospectus, these rights and their associated remedies are not available to holders of Common Shares prior to Completion of the Proposed Qualifying Transaction, or holders of Resulting Issuer Shares after Completion of the Proposed Qualifying Transaction. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this prospectus. This is not an exhaustive list of defined terms used in this prospectus and additional terms are defined throughout. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**Affiliate**" of an entity means any Person directly or indirectly controlling, controlled by or under direct or indirect common Control with such entity.

"**AI**" means artificial intelligence.

"**allowable capital loss**" has the meaning ascribed there to in *Certain Canadian Federal Income Tax Considerations*.

"**AMAR**" means the Israeli Medical Device Division of the Ministry of Health regulatory body.

"**Associate**" when used to indicate a relationship with a person or company, means: an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer, any partner of the person or company, any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity, in the case of a person, a relative of that person, including that person's spouse or child, or any relative of the person or of his spouse who has the same residence as that person; but where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"**Award Agreement**" means the written agreement between a participant of the Resulting Issuer Equity Incentive Plan and the Company evidencing the terms and conditions on which an Award has been granted under the Resulting Issuer Equity Incentive Plan.

"**Awards**" has the meaning ascribed thereto in *The Resulting Issuer* – Options to Purchase Securities.

"**B2B**" means business to business.

"**B2C**" means business to consumer.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Canada-Israel Tax Treaty**" means the convention between the Government of Canada and the Government of the State of Israel for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed on September 21, 2016.

"**Capital Gains Proposals**" has the meaning ascribed thereto in *Certain Canadian Federal Income Tax Considerations*.

"**Capital Pool Company**" has the meaning defined in the CPC Policy.

"**CSE**" means the Canadian Securities Exchange.

"**CDSS**" has the meaning ascribed thereto in *Prospectus Summary – Kalron.*

"**Closing**" or "**Closing Date**" means the closing of the Securities Exchange pursuant to the Definitive Agreement.

"**CSE**" means the Canadian Securities Exchange.

"**Code**" means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder.

"**Common Shares**" means the common shares in the capital of the Company, as constituted on the date of this Prospectus.

"**Company**" means Reem Capital Corp., a corporation incorporated under the BCBCA (prior to completion of the Continuance).

"**Company Board**" means the board of directors of the Company.

"**Company Financial Statements**" means the unaudited condensed interim financial statements of the Company for the three months ended November 30, 2024 and the audited financial statements of the Company for the years ended August 31, 2024, 2023 and 2022 each consisting of the Statements of Financial Position, Statement of Loss and Comprehensive Loss, Statements of Changes in Shareholders' Equity, Statements of Cash Flows, and all notes thereto.

"**Company's IPO**" means the Company's initial public offering completed on February 11, 2022.

"**Company Options**" has the meaning ascribed thereto in "*The Company – Executive Compensation*".

"**Company Shareholders**" means the holders of Common Shares.

"**Completion of the Proposed Qualifying Transaction**" means the date the Final Exchange Bulletin is issued by the Exchange.

"**Continuance**" has the meaning ascribed thereto in "*Prospectus Summary – Reem Shareholder Meeting*".

"**Control Person**" in respect of a Person (including the terms "**controlled by**" and "**under common control with**") means the possession, directly or indirectly, or the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or by other arrangement.

"**Counsel**" means Borden Ladner Gervais LLP.

"**CPA**" means chartered professional accountant.

"**CPC**" means a corporation that has been incorporated or organized in a jurisdiction of Canada, that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and in regard to which the Completion of the Proposed Qualifying Transaction has not yet occurred.

"**CPC Policy**" means Exchange Policy 2.4 – *Capital Pool Companies.*

"**CRA**" mean the Canada Revenue Agency.

"**Definitive Agreement**" means the amended and restated securities exchange agreement between the Company, Kalron and Seegnal, among others, dated January 27, 2025, in respect of the Proposed Qualifying Transaction.

"**DSUs**" means deferred share units issued under the Resulting Issuer Equity Incentive Plan.

"**Exchange**" means the TSX Venture Exchange Inc.

"**Exchange Policies**" mean certain TSXV exchange policies.

"**Exchange Policy 1.1**" means the Exchange Policy 1.1 – *Interpretation*.

"**Exchange Policy 4.4**" means the Exchange Policy 4.4 – *Security Based Compensation*.

"**Exchange Requirements**" means and includes the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), the *Securities Act* (Ontario) and rules and regulations thereunder as amended, and any policies, rules, orders, rulings, forms or regulations from time to time enacted by the Ontario Securities Commission and all applicable provisions of the securities laws of any other jurisdiction.

"**Exiteam**" means Exiteam Ltd.

"**Exiteam Financial Advisory Services Fees**" means a financial advisory services fee of the Resulting Issuer Shares paid to Exiteam equaling 2% of the issued and outstanding Resulting Issuer Shares following Completion of the Proposed Qualifying Transaction, calculated on a fully-diluted basis, upon closing of the Proposed Qualifying Transaction.

"**FDA**" means the Food and Drug Administration in the United States.

"**FHSA**" means the first home savings account.

"**Final Exchange Bulletin**" means the Exchange Bulletin which is issued following Completion of the Proposed Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Proposed Qualifying Transaction.

"**GDPR**" the General Data Protection Regulation standards under the European Union.

"**HIPPAA**" means the Health Insurance Portability and Accountability Act under U.S. statute.

"**Holder**" has the meaning ascribed thereto in *Certain Canadian Federal Income Tax Considerations*.

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**Insider**" if used in relation to an issuer, means a director or senior officer of the issuer, a director or senior officer of the corporation that is an Insider or subsidiary of the issuer, a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or the issuer itself if it holds any of its own securities.

"**Investor Relations Activities**" has the meaning given to it in Exchange Policy 1.1 – *Definitions*, as amended, supplemented or replaced from time to time.

"**Investor Relations Service Provider**" includes any consultant that performs Investor Relations Activities and any director or employee whose role and duties primarily consist of Investor Relations Activities.

"**Israeli Tax Pre-Ruling**" means a pre ruling from the Israeli Tax Authority.

"**ISO**" means the International Organization for Standardization standards.

"**Kalron**" means Kalron Holdings Ltd., a corporation existing under the laws of the State of Israel.

"**Kalron 20% Discount Convertible Debentures**" has the meaning ascribed thereto in "*Kalron Holdings Ltd. – Description of Securities*".

"**Kalron 25% Discount Convertible Debentures**" has the meaning ascribed thereto in "*Kalron Holdings Ltd. – Description of Securities*".

"**Kalron 25% Discount + Warrant Convertible Debentures**" has the meaning ascribed thereto in "*Kalron Holdings Ltd. – Description of Securities*".

"**Kalron $0.66 Convertible Debentures**" has the meaning ascribed thereto in "*Kalron Holdings Ltd. – Description of Securities*".

"**Kalron $0.72 Convertible Debentures**" has the meaning ascribed thereto in "*Kalron Holdings Ltd. – Description of Securities*".

"**Kalron $0.76 Convertible Debentures**" has the meaning ascribed thereto in "*Kalron Holdings Ltd. – Description of Securities*".

"**Kalron $0.80 Convertible Debentures**" has the meaning ascribed thereto in "*Kalron Holdings Ltd. – Description of Securities*".

"**Kalron Board**" means the board of directors of Kalron.

"**Kalron Convertible Debentures**" means, collectively, the Kalron 20% Discount Convertible Debentures, the Kalron 25% Discount Convertible Debentures, the Kalron 25% Discount + Warrant Convertible Debentures, the Kalron $0.66 Convertible Debentures, the Kalron $0.72 Convertible Debenture, the Kalron $0.76 Convertible Debenture, Kalron $0.80 Convertible Debentures, Kalron No Interest $0.80 Convertible Debentures, and the Kalron No Discount Convertible Debentures.

"**Kalron Financial Statements**" means the unaudited condensed interim consolidated financial statements of Kalron for the three and nine months periods ended September 30, 2024 and the audited consolidated financial statements of Kalron as at and for the financial years ended December 31, 2023 and 2022 consisting of the Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Loss, Consolidated Statement of Changes in Deficits, Consolidated Statement of Cash Flows, and all notes thereto.

"**Kalron No Discount Convertible Debentures**" has the meaning ascribed thereto in "*Kalron Holdings Ltd. – Description of Securities*".

"**Kalron No Interest $0.80 Convertible Debentures**" has the meaning ascribed thereto in "*Kalron Holdings Ltd. – Description of Securities*".

"**Kalron Nominees**" means, subject to completion of the Securities Exchange, the reconstitution of the Company Board to consist of four (4) directors, being Nir Dor, Orit Lidor, Peter Bloch and Ronnie Jaegermann.

"**Kalron Private Placement**" means a private placement offering of up to 5,000,000 Subscription Receipts at $0.80 per Subscription Receipt for aggregate gross proceeds of up to $4,000,000.

"**Kalron SAFE**" means the simple agreement for future equity of Kalron in the aggregate amount of $1,500,000.00 issued to the holder of the Kalron SAFE, which shall be converted prior to Closing in accordance with the terms thereof into Kalron Shares (on a post-Kalron Share Adjustment basis).

"**Kalron Securityholders**" means the holders of all the Kalron Shares immediately prior to Closing, and as of Closing includes the holder of the Kalron SAFE after conversion of the Kalron SAFE, the Kalron Subscription Receipt Holders after the conversion of the Subscription Receipts, and the holders of Kalron Convertible Debentures after conversion of the Kalron Convertible Debentures.

"**Kalron Share Adjustment**" means the split of Kalron Shares on the basis of 1 pre-Kalron Share Adjustment Kalron Share to 35.52 post-Kalron Share Adjustment Kalron Shares.

"**Kalron Shares**" means the ordinary shares in the capital of Kalron.

"**Kalron Subscription Receipt Holders**" means any purchaser of Subscription Receipts pursuant to the Kalron Private Placement.

"**Kalron Units**" means the units converted from the Subscription Receipts, comprised of one post-Kalron Share Adjustment Kalron Share and one Kalron warrant.

"**Kalron Warrant**" means a Kalron Share purchase warrant issued upon conversion of a Subscription Receipt, entitling the holder thereof to purchase one Kalron Share (post-Kalron Share Adjustment) at an exercise price of $1.20 per Kalron Share (post Kalron Share Adjustment) at any time on or before the 24 month anniversary of the date of issuance.

"**Law**" or "**Laws**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any governmental entity or self-regulatory authority (including the Exchange).

"**Market Price**" means the price at any date in respect of the Resulting Issuer Shares shall be the volume weighted average trading price of the Resulting Issuer Shares on the Exchange for the five trading days immediately preceding the date of grant; provided that, for so long as the Resulting Issuer Shares are listed and posted for trading on the Exchange, the Market Price shall not be less than the market price, as calculated under the policies of the Exchange; and provided, further, that with respect to an Award made to a U.S. Taxpayer such Participant, the class of Resulting Issuer Shares and the number of Resulting Issuer Shares subject to such Award shall be identified by the Resulting Issuer Board or the Committee prior to the start of the applicable five trading day period. In the event that such Resulting Issuer Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Resulting Issuer Shares as determined by the Resulting Issuer Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A.

"**material adverse effect**" means in respect of any person, any change, effect, event or occurrence that either individually or in the aggregate with other such changes, effects, events or occurrences, is or would reasonably be expected to be, material and adverse to the business, results of operations or assets, properties, capitalization, condition (financial or otherwise) or liabilities of that person and its subsidiaries, on a consolidated basis, except any change, effect, event or occurrence resulting from or relating to: the announcement of the execution of this Agreement or the transactions contemplated hereby; changes in general economic, securities, financial, banking or currency exchange markets; any change in International Financial Reporting Standards; any natural disaster provided that it does not have a materially disproportionate effect on that person relative to comparable companies; changes affecting that person's industry generally, provided that such changes do not have a materially disproportionate effect on that person relative to comparable companies; generally applicable changes in applicable Law; the commencement or continuation of any war, armed hostilities or acts of terrorism provided that it does not have a materially disproportionate effect on that person relative to comparable companies; any decrease in the market price or any decline in the trading volume of that person's common shares (it being understood that the causes underlying such change in market price or trading volume (other than those in items (i) to (vii) above) may be taken into account in determining whether a material adverse effect has occurred);

"**MD&A**" means the Management Discussion and Analysis included in the annual financial statements or quarterly financial statements of a company.

"**Member**" means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements.

"**Name Change**" means the change of the name of the Company to "Seegnal Inc.", or such other name as may be approved by the Company, Kalron and the applicable regulatory authorities.

"**Named Executive Officers**" or "**NEO**" means, in relation to a company, each of the following individuals:

(a) any individual who acted as CEO of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

(b) any individual who acted as CFO of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 – *Statement of Executive Compensation – Venture Issuers*, for that financial year, and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"**NASDAQ**" means the National Association of Securities Dealers Automated Quotations.

"**NI 41-101**" means National Instrument 41-101 — *General Prospectus Requirements* or any successor instrument(s).

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* or any successor instrument(s).

"**NI 58-101**" means National Instrument 52-110 – *Disclosure of Corporate Governance Practices* or any successor instrument(s).

"**Non-Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the Company and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

"**Non-Resident Holders**" has the meaning ascribed thereto in *Certain Canadian Federal Income Tax Considerations.*

"**OTC**" means over-the-counter referring to a decentralized stock market.

"**OTCBB**" means over-the-counter bulletin board, a regulated quotation service for OTC securities.

"**Participants**" has the meaning ascribed thereto in *Resulting Issuer – Resulting Issuer Equity Incentive Plan - Eligibility*.

"**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.

"**Plan Administrator**" means the Resulting Issuer Board, or a committee or sub-delegate if the administration of the Resulting Issuer Equity Incentive Plan has been delegated by the Resulting Issuer Board in accordance with the terms of the Resulting Issuer Equity Incentive Plan.

"**Preferred Shares**" means the preferred shares of the Company.

"**Proposed Qualifying Transaction**" means the proposed acquisition by the Company of all of the issued and outstanding securities of Kalron, upon the terms and subject to the terms and conditions set forth in the Definitive Agreement, intended to be the Company's Qualifying Transaction.

"**Prospectus**" means this non-offering prospectus of the Company.

"**QT Escrow Agreement**" means an agreement to be entered into concurrent with the closing of the Transaction between the Resulting Issuer and certain insiders of the Resulting Issuer, which shall be in the form of Exchange Form 5D - *Escrow Agreement (Value Security Escrow).*

"**Qualifying Transaction**" means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

"**Quarck**" means Quarck Investments Ltd.

"**Quarck Financial Advisory Services Fees**" means a financial advisory services fee of Resulting Issuer Shares paid to Quarck equaling 2% of the issued and outstanding Resulting Issuer Shares following Completion of the Proposed Qualifying Transaction, calculated on a non-diluted basis, upon closing of the Proposed Qualifying Transaction.

"**R&D**" means research and development.

"**RDSP**" means registered disability savings plan.

"**Reem Share Adjustment**" means the consolidation of Common Shares on the basis of 3.16 pre consolidation Common Shares to 1 post consolidation Common Share.

"**Resident Holder**" has the meaning ascribed thereto in *Certain Canadian Federal Income Tax Considerations.*

"**RESP**" means the registered education savings plan.

"**Resulting Issuer**" means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin, which, for the purposes of this Prospectus, shall mean the Company after Completion of the Proposed Qualifying Transaction.

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer.

"**Resulting Issuer Equity Incentive Plan**" means omnibus equity incentive plan to be adopted by the Resulting Issuer upon Completion of the Proposed Qualifying Transaction.

"**Resulting Issuer Option**" means an option to purchase Resulting Issuer Shares subject to the Resulting Issuer Equity Incentive Plan.

"**Resulting Issuer Share**" means a Common Share (post-Reem Share Adjustment), on a post-Proposed Qualifying Transaction basis.

"**Resulting Issuer Unit**" means the units from the Resulting Issuer Unit Financing, comprised of one Resulting Issuer Share and one Resulting Issuer Warrant.

"**Resulting Issuer Unit Financing**" means a private placement offering of up to 2,875,000 Resulting Issuer Units at $0.80 per Resulting Issuer Unit for aggregate gross proceeds of up to $2,300,000.

"**Resulting Issuer Warrants**" means the warrants of the Resulting Issuer to be granted pursuant to: (a) the terms of the purchase agreements pursuant to which the applicable Kalron Convertible Debentures were issued, upon conversion of the Kalron 25% Discount + Warrant Convertible Debentures, the Kalron $0.66 Convertible Debentures, the Kalron $0.72 Convertible Debentures, the Kalron $0.76 Convertible Debentures, the Kalron $0.80 Convertible Debentures, the Kalron No Discount Convertible Debentures and the Kalron No Interest $0.80 Convertible Debentures; and (b) the exchange of Kalron Warrants upon exchange of such securities for Resulting Issuer Warrants, each entitling the holder thereof to purchase one Resulting Issuer Share at an exercise price of $1.20 per Resulting Issuer Share (post Reem Share Adjustment) at any time on or before the 24 month anniversary from the date of issuance.

"**RRIF**" means registered retirement income fund.

"**RRSP**" means registered retirement savings plan.

"**RSU**" means a restricted share unit under the Resulting Issuer Equity Incentive Plan.

"**SaaS**" means software as a service.

"**Section 409A**" means Section 409A of the Code.

"**Securities Exchange**" means the acquisition by the Company of all of the issued and securities of Kalron in consideration for the issuance of securities of the Company pursuant to the Definitive Agreement.

"**Security Based Compensation Arrangements**" means, a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Resulting Issuer Shares to Directors, officers, Employees and/or service providers of the Company or any subsidiary of the Company, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise, subject to prior Exchange acceptance;

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval Plus.

"**Seed Shares**" has the meaning ascribed thereto in "*Escrowed Securities*".

"**Seegnal**" means Seegnal eHealth Ltd., a corporation existing under the laws of the State of Israel.

"**Seegnal Options**" means 121,033 stock options of Seegnal granted pursuant to the Seegnal Stock Option Plan.

"**Seegnal Stock Option Plan**" means the stock option plan of Seegnal dated February 26, 2019.

"**Shareholder Meeting**" has the meaning ascribed thereto in "*Prospectus Summary – Reem Shareholder Meeting*".

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by a CPC, together with any concurrent transactions, would result in a CPC meeting the minimum listing requirements of the Exchange.

"**SRCO**" means SRCO Professional Corporation.

"**SSRR**" means the Seed Share Resale Restrictions which are Exchange hold periods of various lengths that apply where Seed Shares are issued to non-Principals (as defined in Exchange Policy 1.1) by private companies in connection with an initial public offering, reverse takeover, change of business or qualifying transaction.

"**Stock Option Plan**" means the stock option plan of the Company dated March 29, 2021.

"**Subscription Receipt**" means a subscription receipt of Kalron.

"**Subscription Receipt Agent**" means the escrow agent to be appointed pursuant to the Subscription Receipt Agreement.

"**Subscription Receipt Agreement**" means the agreement to be entered into by the Company, Kalron and the Subscription Receipt Agent as of the closing date of the Kalron Private Placement and governing the Subscription Receipts.

"**Subsidiary**" shall have the same meaning as the term "subsidiary companies" in the *Securities Act* (Ontario).

"**TASE**" means the Tel-Aviv Stock Exchange.

"**Tax Act**" or any reference to a specific provision thereof means the Income Tax Act (Canada) and similar legislation of any legislature of any province or territory of Canada, including any regulations promulgated thereunder, each as amended from time to time and in force of like or similar effect.

"**Tax Proposals**" has the meaning ascribed thereto in *Certain Canadian Federal Income Tax Considerations.*

"**taxable capital gain**" has the meaning ascribed thereto in *Certain Canadian Federal Income Tax Considerations*.

"**Teva**" means Teva Pharmaceuticals Industries Ltd.

"**TFSA**" means tax-free savings account.

"**Transfer Agent**" means Endeavor Trust Company.

"**Treaty**" has the meaning ascribed thereto in *Certain Canadian Federal Income Tax Considerations*.

"**TSX**" means the Toronto Stock Exchange.

"**TSXV**" means the TSX Venture Exchange.

"**UAE**" mean the United Arab Emirates.

"**UK**" means the United Kingdom.

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**U.S. Holder**" has the meaning ascribed thereto in *Certain Canadian Federal Income Tax Considerations*.

"**U.S. Taxpayer**" means a participant in the Resulting Issuer Equity Incentive Plan who, with respect to an Award, is subject to taxation under applicable U.S. tax laws.

"**Warrant Indenture**" means the warrant indenture to be entered into by the Company, Kalron and the Transfer Agent, as warrant agent, as of the closing date of the Kalron Private Placement and governing the Resulting Issuer Warrants.

CERTIFICATE OF THE COMPANY

Dated: March 31, 2025

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by the securities legislation of British Columbia, Alberta and Ontario.

REEM CAPITAL CORP.

(signed) *"Arthur Kwan"*
Arthur Kwan
Chief Executive Officer

(signed) *"Jonathan Held"*
Jonathan Held
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) *"Michael Saliken"*
Michael Saliken
Director

(signed) *"Ronnie Jaegermann"*
Ronnie Jaegermann
Director

CERTIFICATE OF KALRON

Dated: March 31, 2025

This Prospectus, as it relates to Kalron, constitutes full, true and plain disclosure of all material facts relating to the securities of Kalron.

KALRON HOLDINGS LTD.

(signed) *"Eyal Schneid"*
Eyal Schneid
Chief Executive Officer

(signed) *"Gadi Levin"*
Gadi Levin
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) *"Avraham Gilat"*
Avraham Gilat
Director

(signed) *"Nir Dor"*
Nir Dor
Director

SCHEDULE A

FINANCIAL STATEMENTS OF THE COMPANY

REEM CAPITAL CORP.

(A Capital Pool Company)

Unaudited Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended November 30, 2024 and 2023

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 24, 2025

REEM CAPITAL CORP.

STATEMENTS OF FINANCIAL POSITION

AS AT

(Expressed in Canadian dollars)

(Unaudited)

	Note	NOVEMBER 30, 2024 $	AUGUST 31, 2024 $
ASSETS			
CURRENT			
Cash		265,309	283,418
Total assets		265,309	283,418
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT			
Accounts payable and accrued liabilities		18,398	26,122
Total liabilities		18,398	26,122
SHAREHOLDERS' EQUITY			
Share capital	**4**	472,737	472,737
Contributed surplus	**5**	77,587	77,587
Deficit		(303,413)	(293,028)
Total shareholders' equity		246,911	257,296
Total liabilities and shareholders' equity		265,309	283,418

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.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

	Note	THREE MONTHS ENDED NOVEMBER 30, 2024 $	NOVEMBER 30, 2023 $
EXPENSES			
General and administrative		12,581	22,299
LOSS BEFORE THE FOLLOWING ITEM:		(12,581)	(22,299)
Interest income		2,196	4,318
NET LOSS AND COMPREHENSIVE LOSS		(10,385)	(17,981)
Net loss per share – basic and diluted	**6**	(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.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

	COMMON SHARES	SHARE CAPITAL $	CONTRIBUTED SURPLUS $	DEFICIT $	TOTAL $
BALANCE, SEPTEMBER 1, 2024	7,900,000	472,737	77,587	(293,028)	257,296
Net loss for the year	-	-	-	(10,385)	(10,385)
BALANCE, NOVEMBER 30, 2024	**7,900,000**	**472,737**	**77,587**	**(303,413)**	**246,911**
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**

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

REEM CAPITAL CORP.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2024 AND 2023
(Expressed in Canadian dollars)
(Unaudited)

	Note	THREE MONTHS ENDED NOVEMBER 30, 2024 $	NOVEMBER 30, 2023 $
OPERATING ACTIVITIES			
Net loss		(10,385)	(17,981)
Changes in non-cash working capital items:			
Decrease in accounts payable and accrued liabilities		(7,724)	(10,892)
CASH FLOWS USED IN OPERATING ACTIVITIES		(18,109)	(28,873)
DECREASE IN CASH		(18,109)	(28,873)
CASH - BEGINNING OF THE PERIOD		283,418	494,690
CASH - END OF THE PERIOD		265,309	465,817
Supplementary cash flow information			
Interest received		2,196	4,318
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, 2024, 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.

The closing date of the Proposed Transaction set forth in the Definite Agreement has since passed. However, the agreement has not been terminated and both parties are still working towards completing the Proposed Transaction.

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 $10,385 and $17,981 during the three months ended November 30, 2024 and 2023, respectively, and had an accumulated deficit of $303,413 as at November 30, 2024. 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 24, 2024.

3. Material Accounting Policy Information

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, 2024.

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.

3. Material Accounting Policy Information (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, 2024 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.

IAS 21 – Amendments to the Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB introduced amendments to IAS 21, impacting entities with transactions or operations in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. These amendments are effective for annual periods beginning on or after January 1, 2025.

IFRS 9 & IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB introduced amendments to IFRS 9 providing guidance on the classification of financial assets, including those with contingent features. IFRS 7 amendments will require entities to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. These amendments are effective for annual periods beginning on or after January 1, 2026.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

The Company has not early adopted these revised standards and these standards are 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, 2024 and November 30, 2024	**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.

(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.

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 vested 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, 2024 and November 30, and 2024	**790,000**	**$**	**0.10**	February 11, 2027

6. Net Loss Per Share

		THREE MONTHS ENDED NOVEMBER 30, 2024	NOVEMBER 30, 2023
Numerators:			
Net loss and comprehensive loss	**$**	10,385	17,981
Denominators:			
Weighted average number of shares		7,900,000	7,900,000
Basic and diluted loss per share	**$**	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.

7. 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, 2024 and August 31, 2024, 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.

8. Financial Instruments and Risk Management

Fair Values

At November 30, 2024, 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.

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.

8. Financial Instruments and Risk Management (continued)

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.

9. 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.

REEM CAPITAL CORP.

(A Capital Pool Company)

FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

Reem Capital Corp.
Financial Statements
(Expressed in Canadian dollars)
For the years ended August 31, 2024 and 2023

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SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Reem Capital Corp.

Opinion

We have audited the financial statements of Reem Capital Corp. (the "Company"), which comprise the statements of financial position as at August 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter –Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss during the year ended August 31, 2024 and had an accumulated deficit at August 31, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended August 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Emphasis of Matter - Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

(Continues)

Independent Auditor's Report to the Shareholders of Reem Capital Corp. *(continued)*

Other Information
Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(Continues)

Independent Auditor's Report to the Shareholders of Reem Capital Corp. *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sameer Parekh.

SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Canada
December 16, 2024

REEM CAPITAL CORP.

STATEMENTS OF FINANCIAL POSITION

AS AT

(Expressed in Canadian dollars)

	Note	AUGUST 31, 2024 $	AUGUST 31, 2023 $
ASSETS			
CURRENT			
Cash		283,418	352,490
Restricted cash	**4**	-	142,200
Total assets		283,418	494,690
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT			
Accounts payable and accrued liabilities		26,122	46,395
Units to be issued	**4**	-	142,200
Total liabilities		26,122	188,595
SHAREHOLDERS' EQUITY			
Share capital	**4**	472,737	472,737
Contributed surplus	**5,6**	77,587	77,587
Deficit		(293,028)	(244,229)
Total shareholders' equity		257,296	306,095
Total liabilities and shareholders' equity		283,418	494,690

Nature of operations and going concern (Note 1)

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

Approved on behalf of the Board:

Signed: “Michael Saliken”, Director

Signed: "Jonathan Held", Director

REEM CAPITAL CORP.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian dollars)

		YEAR ENDED	
		AUGUST 31, 2024	AUGUST 31, 2023
	Note	$	$
EXPENSES			
General and administrative		63,687	98,745
LOSS BEFORE THE FOLLOWING ITEM:		(63,687)	(98,745)
Interest income		14,888	12,032
LOSS BEFORE INCOME TAXES		(48,799)	(86,713)
Income taxes	7	-	-
NET LOSS AND COMPREHENSIVE LOSS		(48,799)	(86,713)
Net loss per share – basic and diluted	**8**	(0.01)	(0.01)
Weighted average number of shares outstanding – basic and diluted		7,900,000	7,900,000

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

REEM CAPITAL CORP.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian dollars)

	COMMON SHARES	SHARE CAPITAL $	CONTRIBUTED SURPLUS $	DEFICIT $	TOTAL $
BALANCE, AUGUST 31, 2022	**7,900,000**	**472,737**	**77,587**	**(157,516)**	**392,808**
Net loss for the year	-	-	-	(86,713)	(86,713)
BALANCE, AUGUST 31, 2023	**7,900,000**	**472,737**	**77,587**	**(244,229)**	**306,095**
Net loss for the year	-	-	-	(48,799)	(48,799)
BALANCE, AUGUST 31, 2024	**7,900,000**	**472,737**	**77,587**	**(293,028)**	**257,296**

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

REEM CAPITAL CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023
(Expressed in Canadian dollars)

	Note	YEAR ENDED AUGUST 31, 2024 $	AUGUST 31, 2023 $
OPERATING ACTIVITIES			
Net loss		(48,799)	(86,713)
Changes in non-cash working capital items:			
(Decrease) increase in accounts payable and accrued liabilities		(20,273)	29,656
CASH FLOWS USED IN OPERATING ACTIVITIES		(69,072)	(57,057)
FINANCING ACTIVITIES			
Units to be issued	**4**	(142,200)	142,200
CASH FLOW (USED IN) FROM FINANCING ACTIVITIES		(142,200)	142,200
(DECREASE) INCREASE IN CASH AND RESTRICTED CASH		(211,272)	85,143
CASH AND RESTRICTED CASH - BEGINNING OF THE YEAR		494,690	409,547
CASH AND RESTRICTED CASH - END OF THE YEAR		283,418	494,690
Supplementary cash flow information			
Restricted cash		-	142,200
Interest received		14,888	12,032
Income tax paid		-	-

The accompanying notes are an integral part of these 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 August 31, 2024, 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.

The closing date of the Proposed Transaction set forth in the Definite Agreement has since passed. However, the agreement has not been terminated and both parties are still working towards completing the Proposed Transaction.

Going concern

These 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 $48,799 and $86,713 during the years ended August 31, 2024 and 2023, respectively, and had an accumulated deficit of $293,028 as at August 31, 2024. 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 financial statements are prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared under the historical cost basis, using the accrual basis of accounting, except for cash flow information. Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Company. The financial statements for the years ended August 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors on December 16, 2024.

3. Material Accounting Policy Information

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified at FVTPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial instrument has been classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL). All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). The classification determines the method by which financial assets are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Cash is measured at amortized cost with subsequent impairments recognized in the statements of loss and comprehensive loss. Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. Financial liabilities, other than financial liabilities classified as FVTPL, are measured in subsequent periods at amortized cost using the effective interest method. Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the statements of financial position at amortized cost.

Derecognition of Financial Instruments

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Impairment and uncollectibility of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence that can be estimated reliably indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If a financial asset measured at amortized cost is impaired, an amount equal to the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate is recognized as an impairment loss in the statements of loss and comprehensive loss. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying amount that would have been determined had no impairment charge been recognized in prior periods. Reversals of impairment charges are recognized in the statements of loss and comprehensive loss in the period in which they occur.

3. Material Accounting Policy Information (continued)

Financial instruments (continued)

The Company's financial instruments and their classifications, described further below, are as follows:

Financial instruments:	Classification:
Cash and restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Units to be issued	Amortized cost

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

As at August 31, 2024, none of the Company's financial instruments were subsequently measured at fair value.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Cash

Cash comprise of unrestricted cash held in a bank and are readily available to support operations, as needed.

Restricted cash

Restricted cash consists of proceeds received in advance of financing closing related to the proposed transaction with Kalron. In accordance with the subscription agreements, the proceeds received are deposited into an interest-bearing account and will be released upon satisfaction of the escrow release conditions.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

3. Material Accounting Policy Information (continued)

Income taxes (continued)

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of loss and comprehensive loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Share-based payments

The Company has established an equity-settled stock option plan for the benefit of employees, officers, directors and consultants of the Company.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. When a loss is incurred during the period, basic and diluted loss per share are the same because the exercise of share equivalents is then considered to be "anti-dilutive".

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:

3. Material Accounting Policy Information (continued)

Use of estimates, assumptions and judgments (continued)

Income taxes

In assessing the probability of realizing income tax assets and valuing income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. Until August 31, 2024, the Company has realized a net loss from operations and does not believe it is probable that future taxable profit will be available against which the Company can utilize the benefits. The Company reassesses unrecognized income tax assets at each reporting date.

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.

3. Material Accounting Policy Information (continued)

New and revised IFRS accounting pronouncements adopted

The Company applied for the first-time certain standards and amendments, which are effective for the fiscal year ended August 31, 2024.

IAS 1 – Amendments to IAS 1 and IFRS Practice Statement 2
The IASB has issued amendments titled 'Disclosure of Accounting Policies' to IAS 1 and IFRS Practice Statement 2, effective for annual periods beginning on or after January 1, 2023. These changes guide entities to prioritize the disclosure of 'material' over 'significant' accounting policies. The amendments provide clarity on identifying material policies, emphasizing that information can be material due to its inherent nature, even if related amounts are immaterial. Additionally, IFRS Practice Statement 2 has been enhanced to support these changes. The Company has implemented IAS 1 and IFRS Practice Statement 2 Amendments.

IAS 8 – Amendments to Definition of Accounting Estimates
In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company has implemented IAS 8 and there is no impact to the financial statements as a result.

IAS 12 – Amendments to Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
On May 7, 2021, the IASB introduced amendments to IAS 12, clarifying the treatment of deferred tax for leases and decommissioning obligations. The primary change exempts certain transactions from the initial recognition exemption in IAS 12, specifically when both deductible and taxable temporary differences arise, leading to equal deferred tax assets and liabilities recognition. These amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption allowed. Entities will apply these changes retrospectively, adjusting the opening balance of retained earnings at the start of the earliest comparative period presented. The Company has implemented IAS 12 and there is no impact to the financial statements as a result.

New and revised IFRS issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the fiscal year ended August 31, 2024 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.

3. Material Accounting Policy Information (continued)

New and revised IFRS issued but not yet effective (continued)

IAS 21 – Amendments to the Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB introduced amendments to IAS 21, impacting entities with transactions or operations in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. These amendments are effective for annual periods beginning on or after January 1, 2025.

IFRS 9 & IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB introduced amendments to IFRS 9 providing guidance on the classification of financial assets, including those with contingent features. IFRS 7 amendments will require entities to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. These amendments are effective for annual periods beginning on or after January 1, 2026.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

The Company has not early adopted these revised standards and these standards are 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, August 31, 2023 and 2024	**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.

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. During the year ended August 31, 2024, it was determined that the RTO financing would be conducted in Kalron, hence the Company received instruction and transferred the restricted cash that had been held in escrow pursuant to the terms of the RTO financing to original subscribers or to Kalron as directed.

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 vested 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, 2022, August 31, 2023 and 2024	**790,000**	**$**	**0.10**	February 11, 2027

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 were set to expire 24 months from the date the common shares of the Company are listed on the Exchange and expired on February 11, 2024.

	Number of Warrants		Weighted Average Exercise Price	Expiry Date
Balance, September 1, 2022 and August 31, 2023	**350,000**	**$**	0.10	February 11, 2024
Expired	(350,000)			
Balance, August 31, 2024	**-**			

7. Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 27% (2023 – 27%) were as follows:

		AUGUST 31, 2024		AUGUST 31, 2023
Net loss for the period	**$**	**48,799**	**$**	**86,713**
Expected income tax recovery		13,176		23,413
Impact of non-deductible expenses		-		-
Tax effect of temporary differences		2,259		5,252
Benefits of tax losses not recognized		(15,435)		(28,665)
Income tax recovery	$	-	$	-

Unrecognized temporary differences

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

		AUGUST 31, 2024		AUGUST 31, 2023
Non-capital losses	$	76,002	$	60,567
Share issuance costs		8,428		15,676
Less: Unrecognized deferred tax assets		(84,430)		(76,243)
	$	-	$	-

As at August 31, 2024, the Company had a non-capital loss carryforward balance of $281,489 (2023 – $224,323). The non-capital losses carried forward expire starting 2041 through to 2044.

8. Net Loss Per Share

		YEAR ENDED AUGUST 31, 2024	AUGUST 31, 2023
Numerators:			
Net loss and comprehensive loss	**$**	48,799	86,713
Denominators:			
Weighted average number of shares		7,900,000	7,900,000
Basic and diluted loss per share	**$**	0.01	0.01

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.

9. Financial Instruments and Risk Management

Fair Values

At August 31, 2024, the Company's financial instruments consist of cash, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

9. Financial Instruments and Risk Management (continued)

Fair Values (continued)

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.

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. The Company limits its exposure to credit loss by placing its 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 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.

REEM CAPITAL CORP.

(A Capital Pool Company)

FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

Reem Capital Corp.
Financial Statements
(Expressed in Canadian dollars)
For the years ended August 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Reem Capital Corp.

Opinion

We have audited the financial statements of Reem Capital Corp. (the "Company"), which comprise the statements of financial position as at August 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter –Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss during the year ended August 31, 2023 and had an accumulated deficit at August 31, 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended August 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Emphasis of Matter - Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

(Continues)

Independent Auditor's Report to the Shareholders of Reem Capital Corp. *(continued)*

Other Information
Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(Continues)

Independent Auditor's Report to the Shareholders of Reem Capital Corp. *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sohail Raza.

SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Canada
December 19, 2023

REEM CAPITAL CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT AUGUST 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Note	AUGUST 31, 2023 $	AUGUST 31, 2022 $
ASSETS			
CURRENT			
Cash		352,490	409,547
Restricted cash	4	142,200	-
Total assets		494,690	409,547
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT			
Accounts payable and accrued liabilities		46,395	16,739
Units to be issued	4	142,200	-
Total liabilities		188,595	16,739
SHAREHOLDERS' EQUITY			
Share capital	4	472,737	472,737
Contributed surplus	5,6	77,587	77,587
Deficit		(244,229)	(157,516)
Total shareholders' equity		306,095	392,808
Total liabilities and shareholders' equity		494,690	409,547

Nature of operations and going concern (Note 1)

Subsequent events (Note 12)

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

Approved on behalf of the Board:

Signed: “Michael Saliken”, Director

Signed: "Jonathan Held", Director

REEM CAPITAL CORP.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

(Expressed in Canadian dollars)

	Note	AUGUST 31, 2023 $	AUGUST 31, 2022 $
EXPENSES			
General and administrative		98,745	75,683
Share-based compensation	5	-	59,111
LOSS BEFORE THE FOLLOWING ITEM:		(98,745)	(134,794)
Interest income		12,032	1,840
LOSS BEFORE INCOME TAXES		(86,713)	(132,954)
Income taxes	7	-	-
NET LOSS AND COMPREHENSIVE LOSS		(86,713)	(132,954)
Net loss per share – basic and diluted	8	(0.01)	(0.02)
Weighted average number of shares outstanding – basic and diluted		7,900,000	6,336,986

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

REEM CAPITAL CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Note	COMMON SHARES	SHARE CAPITAL $	CONTRIBUTED SURPLUS $	DEFICIT $	TOTAL $
BALANCE, AUGUST 31, 2021		4,400,000	218,502	-	(24,562)	193,940
Initial public offering	4	3,500,000	272,711	-	-	272,711
Issuance of stock options	5	-	-	59,111	-	59,111
Issuance of agent's warrants	6	-	(18,476)	18,476	-	-
Net loss for the year		-	-	-	(132,954)	(132,954)
BALANCE, AUGUST 31, 2022		**7,900,000**	**472,737**	**77,587**	**(157,516)**	**392,808**
Net loss for the year		-	-	-	(86,713)	(86,713)
BALANCE, AUGUST 31, 2023		**7,900,000**	**472,737**	**77,587**	**(244,229)**	**306,095**

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

REEM CAPITAL CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Note	AUGUST 31, 2023 $	AUGUST 31, 2022 $
OPERATING ACTIVITIES			
Net loss		(86,713)	(132,954)
Items not affecting cash:			
Share based compensation	**5**	-	59,111
Changes in non-cash working capital items:			
Increase in accounts payable and accrued liabilities		29,656	5,489
CASH FLOWS USED IN OPERATING ACTIVITIES		(57,057)	(68,354)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares, net	**4**	-	272,711
Units to be issued	**4**	142,200	-
CASH FLOW FROM FINANCING ACTIVITIES		142,200	272,711
INCREASE IN CASH AND RESTRICTED CASH		85,143	204,357
CASH AND RESTRICTED CASH - BEGINNING OF YEAR		409,547	205,190
CASH AND RESTRICTED CASH - END OF YEAR		494,690	409,547
Supplementary cash flow information			
Restricted cash		142,200	-
Interest received		12,032	1,840
Income tax paid		-	-

The accompanying notes are an integral part of these 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 August 31, 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. The parties entered into a definitive securities exchange agreement on September 22, 2023. See note 12.

1. Nature of Operations and Going Concern (continued)

Going concern

These 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 $86,713 and $132,954 during the years ended August 31, 2023 and 2022, respectively, and had an accumulated deficit of $244,229 as at August 31, 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 financial statements are prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared under the historical cost basis, using the accrual basis of accounting, except for cash flow information. Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Company. The financial statements for the years ended August 31, 2023 and 2022 were approved and authorized for issue by the Board of Directors on December 19, 2023.

3. Summary of Significant Accounting Policies

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified at FVTPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial instrument has been classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL). All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). The classification determines the method by which financial assets are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Cash is measured at amortized cost with subsequent impairments recognized in the statements of loss and comprehensive loss. Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. Financial liabilities, other than financial liabilities classified as FVTPL, are measured in subsequent periods at amortized cost using the effective interest method. Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the statements of financial position at amortized cost.

3. Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Derecognition of Financial Instruments

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Impairment and uncollectibility of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence that can be estimated reliably indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If a financial asset measured at amortized cost is impaired, an amount equal to the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate is recognized as an impairment loss in the statements of loss and comprehensive loss. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying amount that would have been determined had no impairment charge been recognized in prior periods. Reversals of impairment charges are recognized in the statements of loss and comprehensive loss in the period in which they occur.

The Company's financial instruments and their classifications, described further below, are as follows:

Financial instruments:	Classification:
Cash and restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Units to be issued	Amortized cost

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

As at August 31, 2023, none of the Company's financial instruments were subsequently measured at fair value.

3. Summary of Significant Accounting Policies (continued)

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Cash

Cash comprise of unrestricted cash held in a bank and are readily available to support operations, as needed.

Restricted cash

Restricted cash consists of proceeds received in advance of financing closing related to the proposed transaction with Kalron. In accordance with the subscription agreements, the proceeds received are deposited into an interest-bearing account and will be released upon satisfaction of the escrow release conditions.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of loss and comprehensive loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

3. Summary of Significant Accounting Policies (continued)

Share-based payments

The Company has established an equity-settled stock option plan for the benefit of employees, officers, directors and consultants of the Company.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. When a loss is incurred during the period, basic and diluted loss per share are the same because the exercise of share equivalents is then considered to be "anti-dilutive".

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:

3. Summary of Significant Accounting Policies (continued)

Use of estimates, assumptions and judgments (continued)

Income taxes

In assessing the probability of realizing income tax assets and valuing income tax liabilities, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. Until August 31, 2023, the Company has realized a net loss from operations and does not believe it is probable that future taxable profit will be available against which the Company can utilize the benefits. The Company reassesses unrecognized income tax assets at each reporting date.

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

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 fiscal year ended August 31, 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.

IAS 8 – Amendments to Definition of Accounting Estimates

In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 12 – Amendments to Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

On May 7, 2021, the IASB introduced amendments to IAS 12, clarifying the treatment of deferred tax for leases and decommissioning obligations. The primary change exempts certain transactions from the initial recognition exemption in IAS 12, specifically when both deductible and taxable temporary differences arise, leading to equal deferred tax assets and liabilities recognition. These amendments are effective from January 1, 2023, with early adoption allowed. Entities will apply these changes retrospectively, adjusting the opening balance of retained earnings at the start of the earliest comparative period presented.

IAS 1 – Amendments to IAS 1 and IFRS Practice Statement 2

The IASB has issued amendments titled 'Disclosure of Accounting Policies' to IAS 1 and IFRS Practice Statement 2, effective from January 1, 2023. These changes guide entities to prioritize the disclosure of 'material' over 'significant' accounting policies. The amendments provide clarity on identifying material policies, emphasizing that information can be material due to its inherent nature, even if related amounts are immaterial. Additionally, IFRS Practice Statement 2 has been enhanced to support these changes. The amendments are to be applied prospectively, with early adoption permitted.

The Company has not early adopted these revised standards and these standards are 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, August 31, 2022 and 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.

(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.

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

	Number of Options		Weighted Average Exercise Price	Expiry Date
Balance, August 31, 2021	**-**	**$**	**-**	
Granted	790,000		0.10	February 11, 2027
Balance, August 31, 2022 and 2023	**790,000**	**$**	**0.10**	

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. Options granted were allocated an estimated fair value using the Black-Scholes option pricing model to estimate the fair value using the weighted average assumptions of an expected forfeiture rate of 0%, a risk-free interest rate of 1.82%, an expected dividend yield of 0%, an expected stock price volatility of 100%, and an expected option life of five years. This resulted in a calculated fair value per stock option of $0.0748. During the year ended August 31, 2023, the Company recognized $nil (2022 - $59,111) of share-based compensation that were recorded as contributed surplus.

6. Agent's Warrants

The following table summarizes the Company's outstanding and exercisable agent's warrants:

	Number of Warrants		Weighted Average Exercise Price	Expiry Date
Balance, August 31, 2021	**-**	**$**	**-**	
Granted	350,000		0.10	February 11, 2024
Balance, August 31, 2022 and 2023	**350,000**	**$**	**0.10**	

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. Options issued were allocated an estimated fair value using the Black-Scholes option pricing model to estimate the fair value using the weighted average assumptions of an expected forfeiture rate of 0%, a risk-free interest rate of 1.55%, an expected dividend yield of 0%, an expected stock price volatility of 100%, and an expected option life of two years. This resulted in a calculated fair value per warrant of $0.0528. During the year ended August 31, 2023, the Company recognized $nil (August 31, 2022 - $18,476) of share issuance costs that were recorded as contributed surplus.

7. Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 27% (2022 – 27%) were as follows:

	Year ended August 31, 2023	Year ended August 31, 2022
Net loss for the period	**$ 86,713**	**$ 132,954**
Expected income tax recovery	23,413	35,898
Impact of non-deductible expenses	-	(15,960)
Tax effect of temporary differences	5,252	5,252
Benefits of tax losses not recognized	(28,665)	(25,190)
Income tax recovery	$ -	$ -

Unrecognized temporary differences

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

	August 31, 2023	August 31, 2022
Non-capital losses	$ 60,567	$ 31,903
Share issuance costs	15,676	20,928
Less: Unrecognized deferred tax assets	(76,243)	(52,831)
	$ -	$ -

As at August 31, 2023, the Company had a non-capital loss carryforward balance of $224,323 (2022 – $118,158). The non-capital losses carried forward expire starting 2041 through to 2043.

8. Net Loss Per Share

	Year ended August 31, 2023	Year ended August 31, 2022
Numerators:		
Net loss for the year	**$ (86,713)**	**$ (132,954)**
Denominators:		
Weighted average number of shares	**7,900,000**	**6,336,986**
Basic and diluted loss per share	**$ (0.01)**	**$ (0.02)**

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.

9. 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.

Total share-based compensation in the form of stock options granted to officer and directors for the year ended August 31, 2023 was $Nil (2022 - $59,111).

As at August 31, 2023 and 2022, 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.

10. Financial Instruments and Risk Management

Fair Values

At August 31, 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.

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.

10. Financial Instruments and Risk Management (continued)

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.

11. 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.

12. Subsequent Events

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.

12. Subsequent Events (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.

REEM CAPITAL CORP.

(A Capital Pool Company)

Management's Discussion and Analysis

For the three months ended November 30, 2024 and 2023

Introduction

This Management's Discussion and Analysis ("MD&A") provides a review of Reem Capital Corp.'s ("Reem" or "the Company") financial performance for the three months ended November 30, 2024. It should be read in conjunction with the Company's unaudited condensed interim financial statements and accompanying notes for the three months ended November 30, 2024, and the audited financial statements for the year ended August 31, 2024, and the notes thereto. The financial information contained in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"), which is the required reporting framework for Canadian publicly accountable enterprises. The MD&A has been prepared effective January 24, 2025.

This MD&A may contain "forward-looking statements" which reflect expectations regarding future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Going concern

The Company does not generate revenue from operations. The Company incurred a net loss of $7,579 and $17,981 during the three months ended November 30, 2024 and 2023, respectively, and had an accumulated deficit of $300,607 as at November 30, 2024. However, the Company believes that its working capital balance of $249,717 as at November 30, 2024 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. The Company's 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. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction. The Company's 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.

Nature of the Business and Incorporation

The Company is a Capital Pool Company ("CPC"), as such term is defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V" or the "Exchange") (the "Policy").

The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The Company's registered head office address is 300 Roslyn Bldg., 400-5th Av. Sw, Calgary, Alberta, T2P 0L6, Canada.

Corporate development

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.

Initial public offering

On February 11, 2022, the Company completed its initial public offering, raising gross proceeds of $350,000 (the "Offering") pursuant to a prospectus dated November 15, 2021. Under the terms of the Offering, an aggregate of 3,500,000 common shares in the capital of the Company were subscribed for at a price of $0.10 per share.

Research Capital Corporation (the "Agent") acted as the agent for the Offering. The Agent received a cash commission equal to 10% of the gross proceeds of the Offering and warrants to purchase 350,000 common shares at a price of $0.10 per share for a period of 24 months from the date of listing of the common shares on the Exchange. These warrants expired on February 11, 2024.

Upon closing of the Offering, the Company granted 790,000 incentive stock options to its directors and officers which are exercisable within five years from the date of the grant at an exercise price of $0.10 per common share.

Trading symbol and commencement of trading

The Company is a Capital Pool Company under the policies of the Exchange. The Company's common shares commenced trading on the Exchange on February 11, 2022 under the trading symbol "REEM".

Proposed transaction

On April 1, 2022, the Company entered into a non-binding letter of intent with Kalron Holdings Ltd. ("Kalron"), (the "LOI") 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.

Kalron is a privately-held holding corporation that was established under the laws of Israel in 2017 and is the sole shareholder of Seegnal eHealth Ltd ("Seegnal"), which provides patient-tailored software as a service (SAAS) system for one-glance managing & mitigating drug related problems while providing decision support to healthcare professionals at the point of care.

The Transaction is subject to, among other conditions, the receipt of all required approvals and consents, including board and shareholder approval of the Company and Kalron, as applicable, and the approval of any regulatory bodies, applicable securities commissions and the stock exchange. There can be no assurances the proposed transaction will be completed as proposed or at all.

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 the parties continue 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 debentureholders 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.

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.

The closing date of the Proposed Transaction set forth in the Definite Agreement has since passed. However, the agreement has not been terminated and both parties are still working towards completing the Proposed Transaction.

Results of Operations

As the Company is not revenue generating, it continues to incur operating losses. A breakdown of items included in General and Administrative for the stated periods are as follows:

	THREE MONTHS ENDED	
	NOVEMBER 30, 2024	NOVEMBER 30, 2023
	$	$
Professional fees	9,705	16,975
Listing and filing fees	2,806	2,806
General and administrative	70	2,518
	12,581	22,299

Professional fees totalling $9,705 was incurred for the three months ended November 30, 2024 compared to $16,975 for the three months ended November 30, 2023. General and Administrative fee totaled $70 for the three months ended November 30, 2024 compared to $16,975 for the three months ended November 30, 2023. These additional fees incurred in the prior period was in relation to the Proposed Transaction.

Selected financial information:

The following is a summary of the Company's financial results for the three months ended November 30, 2024 and 2023:

	THREE MONTHS ENDED	
	NOVEMBER 30, 2024	**NOVEMBER 30, 2023**
Net loss and comprehensive loss	(10,385)	(17,981)
Net loss per share	(0.00)	(0.00)

The Company had a net loss of $10,385 for the three months ended November 30, 2024, compared to $17,981 for the three months ended November 30, 2023. The decrease was due primarily to increased professional and general and administrative fees incurred in the previous period related to the proposed Qualifying Transaction.

Summary of Financial Results of the Most Recently Completed Quarters

	November 30, 2024	**August 31, 2024**	**May 31, 2024**	**February 29, 2024**
Net loss and comprehensive loss	(10,385)	(12,643)	(12,060)	(6,115)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Working capital	246,911	257,296	269,939	281,999
Total assets	265,309	283,418	399,344	446,838

	November 30, 2023	**August 31, 2023**	**May 31, 2023**	**February 28, 2023**
Net loss and comprehensive loss	(17,981)	(37,193)	(4,678)	(34,486)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Working capital	288,114	306,095	485,488	347,966
Total assets	465,817	494,690	500,761	357,043

The Company incurred a net loss of $10,385 for the three months ended November 30, 2024, compared to $17,981 for the three months ended November 30, 2023. The decrease was due primarily to increased professional and general and administrative fees incurred in the previous period related to the proposed Qualifying Transaction.

The Company incurred a net loss of $10,385 for the three months ended November 30, 2024, compared to $12,643 for the three months ended August 31, 2024. The decrease was due to increased professional fees incurred in the previous period related to the proposed Qualifying Transaction.

Liquidity and Capital Resources

As of November 30, 2024, the Company had $265,309 in cash and working capital was $246,911. The Company incurred an accumulated deficit of $303,413. To date, the Company's expenditures are largely made up of costs related to administrative overhead and professional fees.

Management anticipates that ongoing costs relating to the identification, evaluation, due diligence,

negotiation and completion of a Qualifying Transaction will be incurred in future periods. The timing and magnitude of these costs is not predictable. These costs may be significant and could possibly result in higher general and administrative expenses. To date, the Company has procured working capital through equity financing.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and further periods if the review affects both current and future periods. Significant assumptions that management have made that would result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to but is not limited to the recognition of deferred income taxes.

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, and subsequent changes could materially impact the validity of such an assessment.

Financial Instruments and Risk Management

Fair Values

At November 30, 2024, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. 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 limit exposure to credit and market risks.

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 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 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.

Management of Capital

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes shareholders' equity, comprised of issued common shares, contributed surplus, and deficit in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Outstanding Share Data

The following securities were outstanding as at January 24, 2024:

	Number
Common shares	7,900,000
Stock options	790,000

Risk Factors

The Company is actively trying to complete its Qualifying Transaction and currently has no source of recurring income. The Company has not commenced commercial operations, and has no significant assets other than cash, has no history of earnings and shall not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until that time, the Company is not permitted to carry on any other business other than the identification and evaluation of potential Qualifying Transactions.

There can be no assurances that the Company will continue to be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

To a certain degree, the Company's success depends upon key members. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of members of management and certain key employees could have a material adverse effect on the Company.

Other Information

Additional information relating to the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

REEM CAPITAL CORP.

(A Capital Pool Company)

Management's Discussion and Analysis

For the years ended August 31, 2024 and 2023

Introduction

This Management's Discussion and Analysis ("MD&A") provides a review of Reem Capital Corp.'s ("Reem" or "the Company") financial performance for the year ended August 31, 2024. It should be read in conjunction with the Company's financial statements and accompanying notes for the years ended August 31, 2024 and 2023. The financial information contained in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The MD&A has been prepared effective December 16, 2024.

This MD&A may contain "forward-looking statements" which reflect expectations regarding future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Going concern

The Company does not generate revenue from operations. The Company incurred a net loss of $48,799 and $86,713 during the years ended August 31, 2024 and 2023, respectively, and had an accumulated deficit of $293,028 as at August 31, 2024. However, the Company believes that its working capital balance of $257,296 as at August 31, 2024 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. The Company's 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. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction. The Company's 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.

Nature of the Business and Incorporation

The Company is a Capital Pool Company ("CPC"), as such term is defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V" or the "Exchange") (the "Policy").

The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The Company's registered head office address is 300 Roslyn Bldg., 400-5th Av. Sw, Calgary, Alberta, T2P 0L6, Canada.

Corporate development

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.

Initial public offering

On February 11, 2022, the Company completed its initial public offering, raising gross proceeds of $350,000 (the "Offering") pursuant to a prospectus dated November 15, 2021. Under the terms of the Offering, an aggregate of 3,500,000 common shares in the capital of the Company were subscribed for at a price of $0.10 per share.

Research Capital Corporation (the "Agent") acted as the agent for the Offering. The Agent received a cash commission equal to 10% of the gross proceeds of the Offering and warrants to purchase 350,000 common shares at a price of $0.10 per share for a period of 24 months from the date of listing of the common shares on the Exchange. These warrants expired on February 11, 2024.

Upon closing of the Offering, the Company granted 790,000 incentive stock options to its directors and officers which are exercisable within five years from the date of the grant at an exercise price of $0.10 per common share.

Trading symbol and commencement of trading

The Company is a Capital Pool Company under the policies of the Exchange. The Company's common shares commenced trading on the Exchange on February 11, 2022 under the trading symbol "REEM".

Proposed transaction

On April 1, 2022, the Company entered into a non-binding letter of intent with Kalron Holdings Ltd. ("Kalron"), (the "LOI") 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.

Kalron is a privately-held holding corporation that was established under the laws of Israel in 2017 and is the sole shareholder of Seegnal eHealth Ltd ("Seegnal"), which provides patient-tailored software as a service (SAAS) system for one-glance managing & mitigating drug related problems while providing decision support to healthcare professionals at the point of care.

The Transaction is subject to, among other conditions, the receipt of all required approvals and consents, including board and shareholder approval of the Company and Kalron, as applicable, and the approval of any regulatory bodies, applicable securities commissions and the stock exchange. There can be no assurances the proposed transaction will be completed as proposed or at all.

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 the parties continue 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 debentureholders 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.

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.

The closing date of the Proposed Transaction set forth in the Definite Agreement has since passed. However, the agreement has not been terminated and both parties are still working towards completing the Proposed Transaction.

Results of Operations

As the Company is not revenue generating, it continues to incur operating losses. A breakdown of items included in General and Administrative for the stated periods are as follows:

	YEAR ENDED	
	AUGUST 31, 2024	AUGUST 31, 2023
	$	$
Professional fees	51,623	65,060
Transaction fees	-	24,150
Listing and filing fees	8,654	8,796
General and administrative	3,410	739
	63,687	98,745

Transaction fees totalling $24,150 was incurred for the year ended August 31, 2023 compared to $nil for the year ended August 31, 2024. Fee was incurred in relation to the Proposed Transaction in the prior period and no additional fees were incurred in the current period.

Selected financial information:

The following is a summary of the Company's financial results for the year ended August 31, 2024 and 2023:

	YEAR ENDED	
	AUGUST 31, 2024	**AUGUST 31, 2023**
Net loss and comprehensive loss	(48,799)	(86,713)
Net loss per share	(0.01)	(0.01)

The Company had a net loss of $48,799 for the year ended August 31, 2024, compared to $86,713 for the year ended August 31, 2023. The decrease was due primarily to increased transaction costs and professional fees incurred in the previous year related to the proposed Qualifying Transaction.

Summary of Financial Results of the Most Recently Completed Quarters

	August 31, 2024	**May 31, 2024**	**February 29, 2024**	**November 30, 2023**
Net loss and comprehensive loss	(12,643)	(12,060)	(6,115)	(17,981)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Working capital	257,296	269,939	281,999	288,114
Total assets	283,418	399,344	446,838	465,817

	August 31, 2023	**May 31, 2023**	**February 28, 2023**	**November 30, 2022**
Net loss and comprehensive loss	(37,193)	(4,678)	(34,486)	(10,356)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Working capital	306,095	485,488	347,966	382,452
Total assets	494,690	500,761	357,043	411,677

The Company incurred a net loss of $12,643 for the three months ended August 31, 2024, compared to $37,193 for the three months ended August 31, 2023. The decrease was primarily due to additional legal fees incurred in relation to the proposed Qualifying Transaction in the prior year.

The Company incurred a net loss of $12,643 for the three months ended August 31, 2024, compared to $12,060 for the three months ended May 31, 2024. There was no variance in activity in the two comparative periods.

Liquidity and Capital Resources

As of August 31, 2024, the Company had $283,418 in cash and working capital was $257,296. The Company incurred an accumulated deficit of $293,028. To date, the Company's expenditures are largely made up of costs related to administrative overhead and professional fees.

Management anticipates that ongoing costs relating to the identification, evaluation, due diligence, negotiation and completion of a Qualifying Transaction will be incurred in future periods. The

timing and magnitude of these costs is not predictable. These costs may be significant and could possibly result in higher general and administrative expenses. To date, the Company has procured working capital through equity financing.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and further periods if the review affects both current and future periods. Significant assumptions that management have made that would result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to but is not limited to the recognition of deferred income taxes.

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, and subsequent changes could materially impact the validity of such an assessment.

Financial Instruments and Risk Management

Fair Values

At August 31, 2024, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. 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 limit exposure to credit and market risks.

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 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 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.

Management of Capital

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes shareholders' equity, comprised of issued common shares, contributed surplus, and deficit in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Outstanding Share Data

The following securities were outstanding as at December 16, 2024:

	Number
Common shares	7,900,000
Stock options	790,000

Risk Factors

The Company is actively trying to complete its Qualifying Transaction and currently has no source of recurring income. The Company has not commenced commercial operations, and has no significant assets other than cash, has no history of earnings and shall not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until that time, the Company is not permitted to carry on any other business other than the identification and evaluation of potential Qualifying Transactions.

There can be no assurances that the Company will continue to be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

To a certain degree, the Company's success depends upon key members. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of members of management and certain key employees could have a material adverse effect on the Company.

Other Information

Additional information relating to the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

REEM CAPITAL CORP.

(A Capital Pool Company)

Management's Discussion and Analysis

For the years ended August 31, 2023 and 2022

Introduction

This Management's Discussion and Analysis ("MD&A") provides a review of Reem Capital Corp.'s ("Reem" or "the Company") financial performance for the year ended August 31, 2023. It should be read in conjunction with the Company's financial statements and accompanying notes for the years ended August 31, 2023 and 2022. The financial information contained in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The MD&A has been prepared effective December 19, 2023.

This MD&A may contain "forward-looking statements" which reflect expectations regarding future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Going concern

The Company does not generate revenue from operations. The Company incurred a net loss of $86,713 and $132,954 during the years ended August 31, 2023 and 2022, respectively, and had an accumulated deficit of $244,229 as at August 31, 2023. However, the Company believes that its working capital balance of $306,095 as at August 31, 2023 will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period. These 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. As the Company has no revenues, its ability to continue as a going concern is dependent on obtaining additional financing and completing a Qualifying Transaction. 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.

Nature of the Business and Incorporation

The Company is a Capital Pool Company ("CPC"), as such term is defined in Policy 2.4 of the TSX Venture Exchange ("TSX-V" or the "Exchange") (the "Policy").

The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The Company's registered head office address is 300 Roslyn Bldg., 400-5th Av. Sw, Calgary, Alberta, T2P 0L6, Canada.

Corporate development

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.

Initial public offering

On February 11, 2022, the Company completed its initial public offering, raising gross proceeds of $350,000 (the "Offering") pursuant to a prospectus dated November 15, 2021. Under the terms of the Offering, an aggregate of 3,500,000 common shares in the capital of the Company were subscribed for at a price of $0.10 per share.

Research Capital Corporation (the "Agent") acted as the agent for the Offering. The Agent received a cash commission equal to 10% of the gross proceeds of the Offering and warrants to purchase 350,000 common shares at a price of $0.10 per share for a period of 24 months from the date of listing of the common shares on the Exchange.

Upon closing of the Offering, the Company granted 790,000 incentive stock options to its directors and officers which are exercisable within five years from the date of the grant at an exercise price of $0.10 per common share.

Trading symbol and commencement of trading

The Company is a Capital Pool Company under the policies of the Exchange. The Company's common shares commenced trading on the Exchange on February 11, 2022 under the trading symbol "REEM".

Proposed transaction

On April 1, 2022, the Company entered into a non-binding letter of intent with Kalron Holdings Ltd. ("Kalron"), (the "LOI") 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.

Kalron is a privately-held holding corporation that was established under the laws of Israel in 2017 and is the sole shareholder of Seegnal eHealth Ltd ("Seegnal"), which provides patient-tailored software as a service (SAAS) system for one-glance managing & mitigating drug related problems while providing decision support to healthcare professionals at the point of care.

The Transaction is subject to, among other conditions, the receipt of all required approvals and consents, including board and shareholder approval of the Company and Kalron, as applicable, and the approval of any regulatory bodies, applicable securities commissions and the stock exchange. There can be no assurances the proposed transaction will be completed as proposed or at all.

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 the parties continue 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 debentureholders 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.

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.

Results of Operations

Selected financial information:

The following is a summary of the Company’s financial results for the year ended August 31, 2023 and 2022:

	Year ended August 31, 2023	Year ended August 31, 2022
Net loss and comprehensive loss	(86,713)	(132,954)
Net loss per share	(0.01)	(0.02)

The Company had a net loss of $86,713 for the year ended August 31, 2023, compared to $132,954 for the year ended August 31, 2022. The decrease was due primarily to transaction costs and professional fees incurred in the previous year for the Company’s listing on the Exchange, as well as $59,111 of share-based compensation related to the issuance of stock options.

Summary of Financial Results of the Most Recently Completed Quarters

	August 31, 2023	May 31, 2023	February 28, 2023	November 30, 2022
Net loss and comprehensive loss	(37,193)	(4,678)	(34,486)	(10,356)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Working capital	306,095	485,488	347,966	382,452
Total assets	494,690	500,761	357,043	411,677

	August 31, 2022	May 31, 2022	February 28, 2022	November 30, 2021
Net loss and comprehensive loss	(4,080)	(19,045)	(84,484)	(25,345)
Net loss per share	(0.00)	(0.00)	(0.02)	(0.01)
Working capital	392,808	396,888	415,933	168,595
Total assets	409,547	411,303	470,906	191,432

The Company had a net loss of $37,193 for the three months ended August 31, 2023, compared to $4,080 for the three months ended August 31, 2022. The increase was primarily due to additional legal fees incurred in relation to the proposed Qualifying Transaction.

Liquidity and Capital Resources

As of August 31, 2023, the Company had $494,690 in cash and restricted cash and working capital was $306,095. The Company incurred an accumulated deficit of $244,229. To date, the Company's expenditures are largely made up of costs related to administrative overhead and professional fees.

Management anticipates that ongoing costs relating to the identification, evaluation, due diligence, negotiation and completion of a Qualifying Transaction will be incurred in future periods. The timing and magnitude of these costs is not predictable. These costs may be significant and could possibly result in higher general and administrative expenses. To date, the Company has procured working capital through equity financing.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are

recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and further periods if the review affects both current and future periods. Significant assumptions that management have made that would result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to but is not limited to the recognition of deferred income taxes.

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.

Total share-based compensation in the form of stock options granted to officer and directors for the year ended August 31, 2023 was $nil (2022 - $59,111).

As at August 31, 2023 and 2022, no amounts were due to related parties, including amounts owed directly to the officers and directors of the Company.

Financial Instruments and Risk Management

Fair Values

At August 31, 2023, the Company's financial instruments consist of cash, restricted cash, and accounts payable and accrued liabilities. 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 limit exposure to credit and market risks.

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 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.

Management of Capital

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes shareholders' equity, comprised of issued common shares, contributed surplus, and deficit in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Outstanding Share Data

The following securities were outstanding as at December 19, 2023:

	Number
Common shares	7,900,000
Stock options	790,000
Agent's warrants	350,000

Risk Factors

The Company is actively trying to complete its Qualifying Transaction and currently has no source of recurring income. The Company has not commenced commercial operations, and has no significant assets other than cash and restricted cash, has no history of earnings and shall not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until that time, the Company is not permitted to carry on any other business other than the identification and evaluation of potential Qualifying Transactions.

There can be no assurances that the Company will continue to be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

To a certain degree, the Company's success depends upon key members. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of members of management and certain key employees could have a material adverse effect on the Company.

Other Information

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

SCHEDULE B

FINANCIAL STATEMENTS OF KALRON

KALRON HOLDINGS LTD

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in US Dollars)

FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2024

Kalron Holdings Ltd.

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2024 and December 31, 2023

Unaudited, U.S. dollars in thousands, expect per share data

	Note	September 30, 2024	December 31, 2023
		Unaudited	Audited
ASSETS			
Current assets			
Cash		**$ 407**	$ 41
Restricted deposits		**16**	36
Trade receivables		**175**	-
Other current assets		**105**	205
Total current assets		**703**	282
Non- current assets			
Property and equipment, net		**23**	239
Right of use assets		**18**	59
Total non- current assets		**41**	298
Total Assets		**$ 744**	$ 580
LIABILITIES AND DEFICIT			
Current liabilities			
Accounts payables		**$ 706**	$ 985
Other accounts payable and royalty provisions		**834**	804
Short-term portion of lease liabilities		**33**	51
Short-term portion of long term loan from bank	**5**	**1,364**	1,068
Convertible loans from shareholders	**6**	**9,062**	6,546
Convertible loans	**7**	**6,036**	5,587
Deferred revenues		**116**	-
Total current liabilities		**18,151**	15,041
Long term liabilities			
Long-term lease liabilities		-	14
Long-term loan from bank	**5**	-	904
Total non- current liabilities		-	918
Total liabilities		**$ 18,151**	$ 15,959
Deficit Attributable to Equity Holders of the Company			
Share Capital		**(*)**	(*)
Additional paid in capital	**9**	**12,490**	12,490
Warrants		**18**	18
Accumulated deficit		**(32,316)**	(29,569)
Total Kalron shareholders' deficit		**(19,808)**	(17,061)
Non-controlling interest	**10**	**2,401**	1,682
Total Deficit		**(17,407)**	(15,379)
Total liabilities and deficit		**$ 744**	$ 580

Nature and continuance of operations and going concern (Note 1)

Commitments and Contingencies (Note 8)

Subsequent Events (Note 17)

Chief Executive Officer	**Director**
Eyal Schneid	**Nir Dor**

* Represent less than $1 thousand

Date of approval of financial statements: _____, 2025.

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

Kalron Holdings Ltd.

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the three and nine months periods ended September 30, 2024 and 2023

Unaudited, U.S. dollars in thousands, except per share data

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Revenues	**12**	**$ 354**	$ 333	**$ 1,061**	$ 929
Cost of revenues	**13**	**(319)**	(423)	**(993)**	(1,338)
Gross profit (loss)		**35**	(90)	**68**	(409)
Research and development costs	**14**	**119**	265	**367**	836
Sales and marketing expenses	**15**	**183**	128	**566**	368
General and administration costs	**16**	**361**	323	**1,053**	1,056
Operating Loss		**(628)**	(806)	**(1,918)**	(2,669)
Change in fair value of convertible loans	**6,7**	**(141)**	(201)	**(739)**	(830)
Interest expenses		**(27)**	(44)	**(120)**	(181)
Foreign exchange gain (loss)		**(72)**	89	**30**	214
		(240)	(156)	**(829)**	(797)
Net loss and comprehensive loss for the period		**$ (868)**	$ (962)	**$ (2,747)**	$ (3,466)
Basic and fully diluted loss per share		**$ (4.70)**	$ (5.21)	**$ (14.87)**	$ (18.76)
Weighted Average Number Of Shares Outstanding		**184,709**	184,709	**184,709**	184,709

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

Kalron Holdings Ltd.

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT

For the nine months periods ended September 30, 2024 and 2023

Unaudited, U.S. dollars in thousands, except per share data

	Ordinary share capital		Additional paid in capital	Warrants	Accumulated deficit	Total Kalron shareholders' deficit	Non-controlling interest	Total deficit
	Ordinary shares	Amount						
Balance - December 31, 2022	**184,709**	**$ (*)**	**$ 12,490**	**$ -**	**$ (24,899)**	**$ (12,409)**	**$ 1,146**	**$ (11,263)**
Share based compensation	-	-	-	-	-	-	264	264
Net loss for the period	-	-	-	-	(3,466)	(3,466)	-	(3,466)
Balance - September 30, 2023	**184,709**	**$ -**	**$ 12,490**	**$ -**	**$ (28,365)**	**$ (15,875)**	**$ 1,410**	**$ (14,465)**
Balance - December 31, 2023	**184,709**	**$ -**	**$ 12,490**	**$ 18**	**$ (29,569)**	**$ (17,061)**	**$ 1,682**	**$ (15,379)**
Share based compensation	-	-	-	-	-	-	719	719
Net loss for the period	-	-	-	-	(2,747)	(2,747)	-	(2,747)
Balance - September 30, 2024	**184,709**	**$ -**	**$ 12,490**	**$ 18**	**$ (32,316)**	**$ (19,808)**	**$ 2,401**	**$ (17,407)**

(*) Represent amounts less than $1 thousand

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

Kalron Holdings Ltd.

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the nine months periods ended September 30, 2024 and 2023

Unaudited, U.S. dollars in thousands, except per share data

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Cash flows from operating activities		
Net loss for the period	**$ (2,747)**	$ (3,466)
Adjustments for		
Depreciation and amortization	**257**	144
Exchange rate differences on bank loans	**(45)**	(178)
Exchange rate differences and interest expenses on lease liabilities	**9**	(7)
Share based payment expenses	**719**	264
Interest expenses	**119**	112
Change in fair value of convertible loans	**739**	830
Exchange rate differences on balances of cash and restricted deposits	**1**	47
Changes in non-cash working capital:		
Increase in trade receivables	**(175)**	(41)
Decrease in other current assets	**100**	21
Increase (decrease) in accounts payables	**(279)**	490
Increase (decrease) in deferred revenues	**116**	(472)
Increase (decrease) in other accounts payable and royalty provisions	**30**	(363)
	(1,156)	(2,619)
Cash flows from investing activities		
Restricted deposits	**19**	57
Payments for property, plant and equipment	**-**	(5)
	19	52
Cash flows from financing activities		
Proceeds of long-term loans from bank	**88**	2,068
Repayment of long-term loans from bank	**(661)**	-
Repayment of short-term loans from bank	**-**	(2,127)
Interest paid for loans	**(109)**	(113)
Payments of lease liabilities	**(39)**	(86)
Interest paid for lease liabilities	**(2)**	(11)
Proceeds from shareholders convertible loans	**1,942**	2,777
Receipt of convertible loans	**284**	179
	1,503	2,687
Net increase in cash	**366**	120
Cash, beginning of period	**41**	141
Exchange rate differences on balances of cash	**-**	(44)
Cash, end of period	**$ 407**	$ 217

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

NOTE 1 – GENERAL

a. Kalron Holdings Ltd. ("Kalron") was incorporated on December 7, 2017 in Israel. Kalron conducts its operations through its wholly owned subsidiary - Seegnal eHealth Ltd., a company incorporated in Israel ("Seegnal") (collectively the "Company"). Seegnal developed and owns the Seegnal platform – a patient-centric decision support system, designated for handling and mitigating risks of drug related problems (DPRs) by healthcare professionals making use of the platform for reference and decision support while treating and/or dispensing drugs/substances to patient. The Company's head office is located at Hashikma St 1, Savyon, Israel.

b. On November 30, 2017 an Asset and Share Purchase Agreement ("ASPA") was signed between Teva Pharmaceutical Industries Ltd. (the "Former Parent of Seegnal or "Teva") and Kalron, for the purchase of the Seegnal's shares (See note 8(d)).

c. On June 5, 2019, Seegnal established Seegnal US Inc, a wholly owned subsidiary ("Seegnal US") which is focusing on sales and marketing of the Company's products in North America. During 2024, the operations of Seegnal US have been reduced significantly and at the date of approval of the financial statements, Seegnal US does not have active operations.

d. Proposed transaction

On September 23, 2023, Reem Capital Corp. ("REEM") (TSXV:REEM.P) entered into a definitive agreement with Kalron, which was subsequently amended on January 27, 2025 (the "Definitive Agreement") pursuant to which Reem and Kalron intend to complete the Transaction (as defined below), and whereby Reem as it exists upon completion of the Transaction (the "Resulting Issuer") will continue the business of Kalron (the "Proposed Transaction").

Pursuant to the Amended and Restated Definitive Agreement:

- immediately prior to closing of the Proposed Transaction, all outstanding convertible debentures and SAFE (simple agreement for future equity) instruments of Kalron will be converted, in accordance with their terms, into post-Kalron share split ordinary shares of Kalron ("Kalron Post-Split Shares");
- Reem shall acquire all of the issued and outstanding Kalron Post-Split Shares by way of a securities exchange; and
- certain holders of convertible debentures of Kalron shall receive, pursuant to the terms of the purchase agreements for such convertible debentures, warrants of Reem entitling the holder thereof to purchase one Resulting Issuer Share (as defined below) at an exercise price of CAD$1.20 per Resulting Issuer Share (as defined below) at any time on or before the 24-month anniversary from the date of issuance.

The above steps are referred to as the "Transaction" or the "Proposed Transaction" in these financial statements.

It is intended that the Proposed Transaction will constitute a reverse take-over of Reem by Kalron inasmuch as the former shareholders, debenture holders and other securityholders of Kalron will own approximately 78.64% of the outstanding shares of the resulting issuer (the "Resulting Issuer Shares"), which such calculation does not factor in the completion of the Kalron Financing (as defined below) nor any financial advisory services securities being issued at closing of the Transaction. Reem, following the completion of the Transaction is herein referred to as the "Resulting Issuer". The Resulting Issuer Shares to be issued to former shareholders, debenture holders and other securityholders of Kalron will be issued at a deemed price of CAD$0.80 per Resulting Issuer Share.

NOTE 1 - GENERAL (continued)

d. Proposed transaction (continued)

The Proposed Transaction will constitute the "Qualifying Transaction" of the Corporation as such term is defined in Policy 2.4 - Capital Pool Companies (the "CPC Policy") of TSX Venture Exchange (the "Exchange"). The Corporation expects to be classified as a Tier 2 Technology Issuer upon closing of the Proposed Transaction and it is anticipated that the Resulting Issuer Shares will trade on the Exchange under the stock symbol "SEGN". The Resulting Issuer Shares will remain halted pending receipt and review of acceptable documentation regarding the Qualifying Transaction pursuant to the CPC Policy.

Kalron intends to complete a non-brokered private placement (the "Kalron Financing") of up to 5,000,000 subscription receipts (the "Subscription Receipts") at CAD$0.80 per Subscription Receipt for aggregate gross proceeds of up to CAD$4,000,000. Each Subscription Receipt will, following the completion of the Proposed Transaction and the satisfaction of certain escrow release conditions, entitle the holder to receive, without the payment of additional consideration or taking of further action, one unit of Kalron consisting (i) one post-Kalron share split common share of Kalron (a "Kalron Post-Split Share"), and (ii) one share (post-Kalron share split) purchase warrant of Kalron (a "Kalron Warrant" or "Kalron Warrants"), with each Kalron Warrant entitling the holder thereof to acquire one Kalron Post-Split Share at a price of CAD$1.20 until twenty-four (24) months following the completion of the Proposed Transaction. Each Kalron Post-Split Share and Kalron Warrant issued to holders of Subscription Receipts upon satisfaction of the escrow release conditions shall be exchanged for one common share of the Resulting Issuer (the "Resulting Issuer Share"), and one share purchase warrant of the Resulting Issuer (the "Resulting Issuer Warrant" or "Resulting Issuer Warrants") pursuant to the terms of the Definitive Agreement, with each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at a price of CAD$1.20 until twenty-four (24) months following the completion of the Proposed Transaction.

Proceeds of the Kalron Financing will be held in escrow pending satisfaction of customary escrow release conditions, including the completion, satisfaction or waiver of all conditions precedent to the Proposed Transaction and the receipt of all required shareholder and regulatory approvals, as applicable (including the conditional approval of the Exchange) in connection with the Proposed Transaction, all of which shall be set forth in a subscription receipt agreement to be entered into. In connection with the Kalron Financing, Kalron may pay certain finders (the "Finders") cash commission. 100% of the cash payable to the Finders shall be payable to such Finders upon release of the Kalron Financing proceeds from escrow.

e. Since its inception, the Company had invested majority of its funds in development of the Seegnal platform resulting in accumulated losses amounting to approximately $32 million and presented negative cash flows from its operating activities. The continuance of the Company's operations is subject to continued financing from its shareholders and other investors. These conditions indicate the existence of material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern. Management's plans in this regard include continued development, marketing and selling of its services as well as seeking additional financial arrangements. Management believes that these plans are appropriate and feasible and is confident that the entity will be able to meet its obligations as they fall due. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the entity will continue in operational existence for the foreseeable future.
However, if the entity is unable to achieve the expected outcomes of these initiatives, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Under these circumstances, adjustments may be required to reduce the carrying value of assets to their recoverable amounts, reclassify non-current assets and liabilities as current, and provide for additional liabilities.

NOTE 1 - GENERAL (continued)

f. On October 7, 2023, an unprecedented attack was launched against Israel by terrorists from the Hamas terrorist organization that infiltrated Israel's southern border from the Gaza Strip and in other areas within the State of Israel attacking civilians and military targets while simultaneously launching extensive rocket attacks on the Israeli population, which led to the declaration of the 'Iron Swords' War (the "War"). The War is on-going as of the issuance date of these financial statements., As of the date of issuance of these consolidated financial statements, the impact of the War on the Company was limited and the Company is not aware of any specific event or circumstance that would require an update to its estimates or judgments or an adjustment to the carrying value of the Company's assets or liabilities as of September 30, 2024. However, such impact can change and the extent to which the War may impact the Company's financial condition, results of operations, or liquidity is uncertain. The Company continues to monitor the situation.

NOTE 2 - MATERIAL ACCOUNTING POLICIES

a. Basis for preparation:

1) These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards applicable to interim reporting periods, including IAS 34, Interim financial reporting.

2) The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Actual results may differ materially from estimates and assumptions used by management. Significant accounting judgments and estimates applied in the periods presented were consistent with those described in note 2t. in the Company's annual financial statements for the year ended December 31, 2023.

3) Basis of consolidation - These condensed interim consolidated financial statements include the accounts of the Company and its directly and indirectly owned subsidiaries, including Seegnal eHealth Ltd, a company incorporated in Israel (100% owned) and Seegnal US Inc, a wholy owned subsidiary of Seegnal, which is incorporated in Delaware, US. Kalron holds all the voting shares issued by Seegnal. Non-controlling interest as presented in these consolidated financial statements represents options issued under Seegnal's share-based payment arrangements that were recorded in equity. See also note 10a.

b. Material Accounting Policies

The material accounting policies applied in the periods presented in these interim financial statements are consistent with those used in the preparation of the audited financial statements as of December 31, 2023. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements as of December 31, 2023.

NOTE 3 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company is exposed to a variety of financial risks such as: market risks (mainly currency risks), credit risks and liquidity risks. The Company's overall risk management plan focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Company's financial performance.

Risk management is performed by the finance department according to the policy authorized by the board of directors.

a) Market risk - Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign exchange risks due to exposure to foreign currencies. Foreign exchange risk arises from future commercial transactions, assets or liabilities denominated in foreign currency.

The Company's policy to reduce the exposure to changes in exchange rates is based on maintaining, where possible, the balances of current monetary assets, according to the currency of the current liabilities.

As of September 30, 2024, if the Company's functional currency (USD) had strengthened/ weakened by 5% against the Israeli Shekel (ILS), with all other variables held constant, the loss for the period would decrease /increase by approximately $(89).

b) Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company has long-term debt with variable interest rate and accordingly, any increase in interest rates could lead to higher interest payments and adversely affect its financial performance.

As of September 30, 2024, the impact on profit and loss and net assets of a 1% change in the interest rate would be approximately $13.

c) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period.

Credit risks are treated at the Company level. Credit risks arise typically from cash and cash equivalents, trade receivables and other current assets.

No credit limits were exceeded during the reported periods and Company's management does not expect any losses from non-performance of these parties.

NOTE 3 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

d) Liquidity risk

Liquidity risk exists where the Company might encounter difficulties in meeting its financial obligations as they become due. The Company monitors its liquidity in order to ensure that sufficient liquid resources are available to allow it to meet its obligations. See also note 1e regarding significant doubts about the Company's ability to continue as a going concern.

Cash flow forecasting is performed by the Company's finance department. The finance department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities, so that the Company does not breach any of its credit facilities. The table below presents the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Within 1 year
Accounts payables	$ 706	$ 706
Other accounts payable and royalty provisions	834	834
Lease liability	33	33
Convertible loans from shareholders	9,062	9,062
Convertible loans	6,036	6,036
Short-term portion of long term loan from bank	1,364	1,402
	$ 18,035	**$ 18,073**

e) Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

As at September 30, 2024, part of the Company's financial instruments consist of cash, current assets and accounts payables and other accounts payables and royalty provisions, which the fair values of these financial instruments approximate their carrying values because of their short-term nature. Other financial instruments consist of loans which their fair values approximates it carrying value because of their short-term nature and/or the existence of market related interest rates on the instruments. Additional financial instruments consist of convertible loans from shareholders and others, which are presented at fair value based on external valuation and are considered level 3 as they are not based on observable market data, see also notes 6 and 7.

NOTE 4 - CAPITAL MANAGEMENT

The Company's capital comprises share capital, additional paid in capital, warrant, and accumulated losses. The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company in order to support the Company's business activities. The Board of Directors does not establish quantitative return on capital criteria for management; it relies on the expertise of the Company's management to sustain future development of the business.

The intellectual property in which the Company currently has an interest is in the development stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned research and development and pay for administrative costs, the Company intends to raise additional amounts as needed (Note 1).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

NOTE 5 - LONG TERM LOANS FROM BANK

On June 8, 2023, Seegnal received a loan from an Israeli bank in the amount of $2,057. The loan bears variable interest rate of Prime rate plus 3.3% and is repayable on a monthly basis through to September 1, 2025.

On February 1, 2024, Seegnal received a loan from an Israeli bank in the amount of $88. The loan bears variable interest rate of Prime rate plus 4.57% and is repayable on a monthly basis through to September 1, 2025.

The interest expenses for the nine months ended September 30, 2024 were $119, of which $109 was paid in cash during the period.

As of September 30, 2024, the short-term portion of the loan is $1,364.

	September 30 2024	December 31 2023
Opening balance	$ 1,972	$ -
Receipt of bank loans	88	2,057
Interest paid during the period	(109)	(112)
Interest accrued during the period	119	158
Repayment of bank loans	(661)	(62)
Foreign exchange	(45)	(69)
Closing balance	$ 1,364	$ 1,972

NOTE 6 – CONVERTIBLE LOANS FROM SHAREHOLDERS

During the years ended December 31, 2023 and 2022 and the nine months ended September 30, 2024, the Company executed a series of convertible debenture agreements ("Convertible Shareholder Loans"), and ancillary agreements with two shareholders of the Company in the aggregate amounts of $3,359, $1,341 and $1,942, respectively. The Convertible Shareholders Loans that the Company received in 2022 had original maturity date of June 30, 2023. Such maturity date was extended several times during 2023 and 2024 to the current maturity date of June 30, 2025 ("Maturity Date"). The Convertible Shareholders Loans that the Company received in 2023 had original maturity date of December 31, 2024. Such maturity date was extended during 2024 to the current Maturity Date. The Convertible Shareholders Loans that the Company received in the nine months ended September 30, 2024 had original maturity date of June 30, 2025. The Convertible Shareholders Loans accrue annual interest at rates of between 0% to 15%.

Interest accrued on the Convertible Shareholder Loans during the three and nine months ended September 30, 2024, amounted to $154 and $460, respectively.

The Convertible Shareholder Loans, including the accrued interest, shall be automatically converted (i.e., the entire debenture sum), immediately prior to the completion of an Offering Event (as defined in the Agreements), into ordinary shares of the Company ("the Conversion Shares") according to the lower of a conversion price reflecting a discount of 25% (depending on the debenture amount)) or a conversion price of CAD$0.80 per share off the offering price of an ordinary share of the Company ("Offering Price") or a conversion price of CAD$0.60- CAD$0.80 per share. In addition, certain of the loan holders will receive warrants with an exercise price of 150% premium to the Offering Price for a period of 24 months. If the Offering Event's documents so require, the Conversion Shares shall be transferred on the completion date of the Offering Event to the Surviving Company against an allotment of securities of the Surviving Company.

Convertible Shareholder Loans are debt instruments that have embedded derivative which is the conversion feature that does not meet the fixed for fixed criteria under IAS 32. Hence, the Company has designated the entire Convertible Debentures at fair value through profit or loss.

Fair value determination

The fair value of the Convertible Shareholder Loans, including any adjustments thereto, has been determined using a third-party independent expert using the Black- Scholes option pricing model and the following assumptions: 2024: share price – $20.37; expected life – 0.75 year; annualized volatility – 52.81%; dividend yield – 0%; risk free rate – 4.19%, 2023: share price – $39.33; expected life – 1 year; annualized volatility – 65.21%; dividend yield – 0%; risk free rate – 4.79%.

The fair value of the Convertible Shareholder Loans was $6,546 at December 31, 2023 and $9,062 at September 30, 2024.

The following table summarizes the Convertible Shareholder Loans book values and fair values as of September 30, 2024 and December 31, 2023:

	September 30, 2024	December 31 2023
Opening balance	6,546	2,624
Convertible debenutres issued during the period	1,942	3,359
Closing balance	8,488	5,983
Fair value adjustment	574	563
Fair value, closing balance	9,062	6,546

NOTE 7 - CONVERTIBLE LOANS

During the year ended December 31, 2023 and 2022 and the nine months ended September 30, 2024, the Company executed a securities purchase agreements of convertible debentures and SAFE (Simple Agreement for Future Equity) (collectively "Convertible Debentures"), and ancillary agreements in the aggregate amount of $186, $3,074 and $284, respectively (the "Agreements"). Pursuant to the terms of the Agreements, The Convertible Debentures that the Company received in 2022 had original maturity date of June 30, 2023. Such maturity date was extended several times during 2023 and 2024 to the current maturity date of June 30, 2025 ("Maturity Date"). The Convertible Debentures that the Company received in 2023 had original maturity date of December 31, 2024. Such maturity date was extended during 2024 to the current Maturity Date. The Convertible Shareholders Debentures accrue annual interest at rates of between 0% to 8%.

Certain finders in respect to a capital amount of CAD$2,775 of Convertible Debentures are eligible to a 8% cash consideration and a 8% warrant coverage compensation upon the conversion of Convertible Debentures and a successful financing, as defined in the Agreements, ("Finder Warrants"). The fair value the Finder Warrants is $18 and was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free rate of 4.41%, expected life of 2 years, and volatility of 56.63%. The $18 has been recorded finance expense with a corresponding credit to the warrant reserve in the Consolidated Statements of Changes in Shareholders' Equity.

Interest accrued on the Convertible Debentures during the three and nine months ended September 30, 2024, amounted to $61 and $177, respectively.

The Convertible Debenture, including the accrued interest, shall be automatically converted (i.e., the entire debenture sum), immediately prior to the completion of an Offering Event (as defined in the Agreements), into ordinary shares of the Company ("the Conversion Shares") according to a conversion price reflecting a discount of 20%- 25% (depending on the debenture amount) per share off the offering price of an ordinary share of the Company or a conversion price of CAD$0.60-CAD$0.80 per share. In addition, certain of the debenture holders will receive warrants with an exercise price of 150% premium to the Offering Price for a period of 24 months. If the Offering Event's documents so require, the Conversion Shares shall be transferred on the completion date of the Offering Event to the Surviving Company against an allotment of securities of the Surviving Company.

The Convertible Debentures are debt instruments that have embedded derivative which is the conversion feature that does not meet the fixed for fixed criteria under IAS 32. Hence, the Company has designated the entire Convertible Debentures at fair value through profit or loss.

Fair value determination

The fair value of the Convertible Shareholder Loans, including any adjustments thereto, has been determined using a third-party independent expert using the Black- Scholes option pricing model and the following assumptions: 2024: share price – $20.37; expected life – 0.75 year; annualized volatility – 52.81%; dividend yield – 0%; risk free rate – 4.19%, 2023: share price – $39.33; expected life – 1 year; annualized volatility – 65.21%; dividend yield – 0%; risk free rate – 4.79%.

The fair value of the Convertible Debentures was $5,587 at December 31, 2023 and $6,036 at September 30, 2024.

The following table summarizes the Convertible Debentures book values and fair values as of September 30, 2024 and December 31, 2023:

	September 30, 2024	December 31 2023
Opening balance	$ 5,587	$ 4,930
Convertible debentures issued during the period	284	186
Closing balance	5,871	5,116
Fair value adjustment	165	471
Fair value, closing balance	$ 6,036	$ 5,587

NOTE 8 - COMMITMENTS AND CONTINGENCIES

a. Litigation

As of September 30, 2024, and December 31, 2023, the Company was not a party to any litigation or other legal proceedings that the Company believes could reasonably be expected to have a material adverse effect on the Company's business, results of operations and financial condition.

b. Israel Innovation Authority - funding participation plans

During 2019, the Israel Innovation Authority of the Israeli Ministry of Economy ("IIA") approved funding participation for three projects developed by the Company. The Company is committed to pay royalties to the IIA under certain circumstances. The royalties are computed based on the Company's net revenues arising from know-how in the research and development in which the IIA will participate by way of grants. Under the terms of the Company's funding from the IIA, royalties of 3%-5% payable on sales of products developed from a project so funded, up to 100% of the amount of the grant received by the Company (dollar linked with the addition of annual interest at SOFR rate). In the case of failure of a project that was partly financed by royalty-bearing Government grants, the Company is not obligated to pay any such royalties to the IIA. The Company received $1,014 in respect of this program. To date, no such qualifying sales of products are expected, and the funding is not expected to be repaid and therefore no liability has been recorded. The Company continues to provide the IIA with timely reports on revenues, as required.

c. Development and exclusive technology license agreement

In December 2015, a development and exclusive technology license agreement ("DLA") was signed between Teva and University of Washington ("the University"), which was transferred to Seegnal in November 2017 by virtue of the ASPA. The University developed a technology related to drug interaction DDIB Platform as defined in the DLA. Furthermore, the University extracted the data from the DDIB Platform into a new transmittal database for Seegnal's use ("Data"). Seegnal obtained certain exclusive rights for the commercial deployment of the University Data.

This agreement has been substituted with a new non-exclusive license agreement dated November 16, 2021 for the further utilization of the University's Technology, according to which Seegnal is required to pay on a quarterly basis an amount equal to 6% of the relevant quarterly Net Sales (as "Running Royalty Payments") with a minimum (non-cumulative basis) of $75 commitment to the University ("Minimum Quarterly Royalties"/"MQR") creditable against any royalty payment obligations of Seegnal to the University and to be increased by 2% per calendar year starting from 2022 and onwards. Notwithstanding, the deferred MQR shall become due and payable within 30 days from and if the Company closes a Qualifying Financing (defined therein as offerings of equity securities issued for cash/equivalents, the aggregate proceeds of which equals or exceeds $12,500 or if after the Execution Date Company achieves Net Sales in the US with actual received revenues of $1,500 or more, or after such aggregate Net Sales amount has been received by Company or Licensed Entity, or some combination of both Company and a Licensed Entity (i.e. each Seegnal and its Affiliates to which rights under said Agreement have been extended in accordance with the terms and conditions of the Agreement).

The Company has recorded a provision for the MQR payments in the amount of $500, being the amount invoiced by the University through to December 31, 2022. Since December 31, 2022, the University has not updated Data and such Data is no longer in use by Seegnal.

NOTE 8 - COMMITMENTS AND CONTINGENCIES (continued)

d. Royalty Payments and future consideration to Teva

On November 30, 2017 an ASPA was signed between Teva and Kalron, for the purchase of the Seegnal's assets and shares.

Pursuant to the ASPA, Teva will be entitled to receive from Kalron certain contingent one-time cash payment and royalties as summarized below. Furthermore, until the occurrence of certain milestones related to the Seegnal's operating results as defined in the ASPA, Kalron has a funding obligation towards Seegnal and should use reasonable commercial efforts to fund Seegnal (whether by way of equity, loans, guaranties to third parties or external financing).

Seegnal is committed to pay Teva royalties at a rate of 5% of revenues, until the earlier of (i) a maximum royalty payment of $7,500 or (ii) December 31, 2027.

The Company is further obligated to pay Teva between $350 and $3,000 upon the sale of the Seegnal business, as defined in the agreement, at a value between $3,000 and $50,000.

Royalty expenses due to Teva, for the nine months ended September 30, 2024 and 2023 were approximately $40 and $38, respectively. Royalty expenses to Teva, for the three months ended September 30, 2024 and 2023 were approximately $13 and $15, respectively. Royalty expenses to Teva are recorded in cost of revenues.

e. Royalty Payments and future consideration to the Israeli Ministry of Economy

During May 2019, the Israeli Ministry of Economy approved funding participation of the Company's USA marketing export expenses. The funding is for a period of 24 months therefrom and up to 50% of the approved budget and no more than NIS 200,000 (approximately $54). Under the terms of this funding, the Company shall pay royalties of 3%, if the Company increases its revenues in the United States by $332 in comparison to 2019, up to 100% of the funding amount (dollar linked with the addition of annual interest at SOFR rate). The royalties will be paid each year for five years or until the funding will be fully repaid. In case of failure of such increase, the Company is not obligated to pay any such royalties. The total budgeted participation amount is approximately $54 out of which the Company received $53 as of December 31, 2020. No increased export revenue of $332 to the United States has occurred nor is such an increase expected, and the funding is not expected to be repaid therefore no liability has been recorded.

NOTE 9 - SHARE CAPITAL

a. Composition of share capital:

	September 30, 2024		December 31, 2023	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares		Number of shares	
Ordinary shares of NIS 0.01 par value each ("Shares")	1,000,000	184,709	1,000,000	184,709

b. Rights attached to shares

Voting rights at the general meeting, right to dividend, rights upon liquidation and right to nominate the directors in the Company.

c. Issuance of ordinary shares

There were no issuances of Common Shares during the year ended December 31, 2023 and the nine months ended September 30, 2024.

NOTE 10- SHARE-BASED PAYMENT

a. In February 2019, Seegnal's Board of Directors approved Seegnal's 2019 Employee Stock Ownership Plan ("the Seegnal Option Plan"), pursuant to which options are to be granted to employees, consultants and directors of Seegnal ("Seegnal Options"). Each Seegnal Option can be exercised to one ordinary share of NIS 0.01 par value of Seegnal ("Seegnal Share"). The Seegnal Shares purchased upon exercise of the Seegnal Options will have the same rights as other Seegnal Shares. The share-based payment expense is recorded under non-controlling interest.

The Seegnal Options shall vest following the vesting dates and for the number of shares as shall be provided in the option agreement. Any option not exercised within 10 years from grant date or within 3 months from termination of employment (and in certain cases according to a resolution of the Board of Directors) will expire, unless extended by the Board of Directors.

The fair value of each Seegnal Option grant was estimated at the date of grant using Black- Scholes model.

b. The following are the grants of options to employees and other service providers of Seegnal:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	Number of options	Weighted average of exercise price per 1 ordinary share	Number of options	Weighted average of exercise price per 1 ordinary share
Outstanding at the beginning of period (Note d)	162,163	$ 13.85	178,808	$ 12.81
Granted	-	$ -	50,087	$ 16.62
Forfeited (Note e)	(41,130)	$ (12.74)	(66,732)	$ (10.56)
Outstanding at period end (Notes c, d)	121,033	$ 14.22	162,163	$ 13.85
Exercisable at period end (Notes c, d)	65,021	$ 13.35	68,672	$ 12.97

NOTE 10 - SHARE-BASED PAYMENT (continued):

c. As of September 30, 2024, the following options were outstanding**:**

Number of options	Exercise Price	Exercisable at September 30, 2024	Expiry Date
6,806	$ 9.50	6,806	26/02/2029
4,352	$ 17.20	4,352	06/04/2030
11,538	$ 17.86	8,654	05/11/2030
34,250	$ 11.20	25,688	13/09/2031
14,000	$ 11.20	7,000	17/05/2032
50,087	$ 16.62	12,522	04/09/2033
121,033		**65,021**	

d. As of December 31, 2023, the following Seegnal Options were outstanding:

Number of options	Exercise Price	Exercisable at December 31, 2023	Expiry Date
12,828	$ 9.50	12,828	26/02/2029
784	$ 12.39	784	26/02/2029
9,611	$ 17.20	8,273	06/04/2030
17,728	$ 17.86	13,912	05/11/2030
52,250	$ 11.20	27,875	13/09/2031
18,875	$ 11.20	5,000	17/05/2032
50,087	$ 16.62	-	04/09/2033
162,163		**68,672**	

e. During the nine months ended September 30, 2024, 41,130 Seegnal Options, with a fair value of $524, were canceled due to employees leaving Seegnal. The related amounts were charged to the non-controlling interest in the consolidated statements of changes in deficit.

f. The total share-based compensation expenses recognized in the consolidated statement of comprehensive loss were $719 and $264 for the nine months ended September 30, 2024 and 2023, respectively.

g. As of September 30, 2024, Seegnal Options outstanding have a weighted average remaining contractual life of 7.6 years (December 31, 2023: 8 years).

h. As to warrants granted to a finder in connection with convertible loans, see note 7.

NOTE 11- TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Key management personnel - included together with other entities in the said definition of "related parties" in IAS 24, include the members of the Board of Directors and senior executives. (for loan from shareholders see note 6).

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest	
			September 30 2024	December 31 2023
Mikal Ltd.	Parent Company and ultimate controlling party	Israel	71%	71%

Transactions with related parties:

a. Compensation to key management personnel

The compensation to key management personnel (CEO and CFO) for services they provide to the Company is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Chief Executive Officer	$ 41	$ 57	$ 120	$ 199
Chief Financial Officer	18	19	53	57
Share based payments- CEO	236	90	708	90
	$ 295	$ 166	$ 881	$ 346

b. Amounts owed to related parties

Amounts owed to related parties are as follows:

	September 30, 2024	December 31, 2023
Chief Executive Officer	$ 15	$ 18
Chief Financial Officer	23	28
	$ 38	$ 46

NOTE 12- GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA

a. Summary information about geographic areas:

The Company manages its business on a basis of one reportable segment. The following is a summary of revenues within geographic areas:

	Three months ended September 30,		Nine months ended September 30,	
Revenues based on customer location:	2024	2023	2024	2023
Israel	$ 296	$ 279	$ 888	$ 766
Abu-Dhabi	58	54	173	163
	$ 354	$ 333	$ 1,061	$ 929

Substantially all the Company's non-current assets are located in Israel.

b. Major customer data as a percentage of total revenues:

The following table sets forth the customers that represented 10% or more of the Company's total revenues in each of the periods set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Customer A	51%	54%	51%	51%
Customer B	25%	21%	25%	23%
Customer C	16%	16%	16%	18%

NOTE 13 – COST OF REVENUES

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Payroll and related expenses	**$ 195**	$ 245	**$ 577**	$ 766
Share based compensation	**23**	34	**16**	102
Databases and IT	**83**	122	**239**	408
Depreciation	**5**	7	**121**	24
Royalties	**13**	15	**40**	38
	$ 319	$ 423	**$ 993**	$ 1,338

NOTE 14 - RESEARCH AND DEVELOPMENT

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Payroll and related expenses	**$ 62**	$ 174	**$ 218**	$ 515
Share based compensation	**25**	21	**(28)**	63
Subcontractors	**7**	26	**45**	117
Databases and IT	**16**	34	**58**	103
Depreciation	**-**	5	**53**	17
Royalties	**-**	-	**-**	-
Other	**9**	5	**21**	21
	$ 119	$ 265	**$ 367**	$ 836

NOTE 15 – SALES AND MARKETING EXPENSES

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Payroll and related expenses	**$ 21**	$ 30	**$ 61**	$ 192
Share based compensation	**118**	45	**354**	46
Other	**43**	52	**139**	128
Depreciation	**1**	1	**12**	2
	$ 183	$ 128	**$ 566**	$ 368

NOTE 16 - GENERAL AND ADMINISTRATION COSTS

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Payroll and related expenses	**$ 42**	$ 82	**$ 133**	$ 301
Share based compensation	**125**	48	**377**	53
Professional fees	**97**	99	**231**	312
Office expenses and other related expenses	**84**	74	**241**	289
Depreciation	**13**	20	**71**	101
	$ 361	$ 323	**$ 1,053**	$ 1,056

NOTE 17 - SUBSEQUENT EVENTS

a. Subsequent to September 30, 2024, the Company received a further $854 in respect of additional Convertible Loans.

b. Proposed transaction

On September 23, 2023, REEM entered into a definitive agreement with Kalron, which was subsequently amended on January 27, 2025. See note 1d.

c. Subsequent to the balance sheet date, the Company received $31 in respect of Kalron Financing.

d. On February 3, 2025, the Company entered into an agreement for the lease of office space in Kiryat Ono, Israel. The rental period is from February 1, 2025, to January 31, 2026. The Company's average rent was ILS 21,750 per month ($6).

e. During 2025, the Company signed an agreement with two shareholders pursuant to which the Company will receive loans in the aggregate principal amount of up to $638. The first shareholder loan is between Kalron and Mikal Ltd. in the principal amount of up to $323 with an annual interest rate of 10%. The second shareholder loan is between Kalron and Edtom Ltd. in the principal amount of up to $315 with an annual interest rate of 10%. The shareholder loans mature and are repayable on June 1, 2027 and can be repaid in full, with any accrued unpaid interest, in advance of such maturity date with no penalty at the option of Kalron upon 14 days' notice provided that the principal amount and any unpaid accrued interest will be due immediately on demand of Kalron does not complete the Proposed Qualifying Transaction by June 1, 2026.

KALRON HOLDINGS LTD

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

KALRON HOLDINGS LTD

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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The amounts are stated in U.S. dollars ($) in thousands, except per share data.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Kalron Holdings Ltd.

Opinion

We have audited the consolidated financial statements of Kalron Holdingsl Ltd. and its subsidiaires (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive loss, consolidated statements of changes in deficit and consolidated statements of cash flows for each of the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1e in the consolidated financial statements, which indicates that the Company incurred accumulated losses of approximately $30 million at December 31, 2023 and presents negative cash flow from its operating activities. As stated in Note 1e, these events or conditions, along with other matters as set forth in Note 1e, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Tel-Aviv, Israel
, 2025

Kesselman & Kesselman
Certified Public Accountants (lsr.)
A member firm of PricewaterhouseCoopers International Limited

Kalron Holdings Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2023 and 2022

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

	Note	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash		**$ 41**	$ 141
Restricted deposits		**36**	94
Trade receivables		**-**	68
Other current assets	**6**	**205**	131
Total current assets		**282**	434
Non- current assets			
Property and equipment, net	**5**	**239**	304
Right of use assets	**9**	**59**	162
Total non- current assets		**298**	466
Total Assets		**$ 580**	$ 900
LIABILITIES AND DEFICIT			
Current liabilities			
Accounts payables		**$ 985**	$ 655
Other accounts payable and royalty provisions	**7**	**804**	1,058
Short-term loans from bank	**8**	**-**	2,151
Short-term portion of lease liabilities	**9**	**51**	111
Short-term portion of long term loan from bank	**10**	**1,068**	-
Convertible loans from shareholders	**11**	**6,546**	2,624
Convertible loans	**12**	**5,587**	4,930
Deferred revenues		**-**	569
Total current liabilities		**15,041**	12,098
Long term liabilities			
Long-term lease liabilities	**9**	**14**	65
Long-term loan from bank	**10**	**904**	-
Total non- current liabilities		**918**	65
Total liabilities		**$ 15,959**	$ 12,163
Deficit Attributable to Equity Holders of the Company			
Share Capital		**(*)**	(*)
Additional paid in capital	**14**	**12,490**	12,490
Warrants	**12**	**18**	**-**
Accumulated deficit		**(29,569)**	(24,899)
Total Kalron shareholders' deficit		**(17,061)**	(12,409)
Non-controlling interest	**15**	**1,682**	1,146
Total Deficit		**(15,379)**	(11,263)
Total liabilities and deficit		**$ 580**	$ 900

Nature and continuance of operations and going concern (Note 1)

Commitments and Contingencies (Note 13)

Subsequent Events (Note 23)

Chief Executive officer	**Director**
Eyal Schneid	**Nir Dor**

*Represent amounts less than $1 thousand
Date of approval of financial statements: _____, 2025.
The accompanying notes are an integral part of the financial statements.

Kalron Holdings Ltd.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

For the years ended December 31, 2023 and 2022

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

	Note	Year ended December 31,	
		2023	**2022**
Revenues	**17**	**$ 1,219**	$ 1,353
Cost of revenues	**19**	**(1,646)**	(1,626)
Gross loss		**(427)**	(273)
Research and development costs, net	**20**	**1,043**	2,570
Sales and marketing expenses	**21**	**557**	378
General and administration costs	**22**	**1,555**	1,683
Other income		**(96)**	-
Operating Loss		**(3,486)**	(4,904)
Change in fair value of convertible loans	**11, 12**	**(1,034)**	(1,382)
Interest expenses		**(256)**	(223)
Foreign exchange gain		**106**	279
		(1,184)	(1,326)
Net loss and comprehensive loss for the year		**$ (4,670)**	$ (6,230)
Basic and fully diluted loss per share		**$ (25.28)**	$ (33.73)
Weighted Average Number Of Shares Outstanding		**184,709**	184,709

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

Kalron Holdings Ltd.

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT

For the years ended December 31, 2023 and 2022

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

	Ordinary share capital		Additional paid in capital	Warrants	Accumulated deficit	Total Kalron shareholders' deficit	Non-controlling interest	Total deficit
	Ordinary shares	Amount						
Balance - December 31, 2021	**184,709**	**$ (*)**	**$ 12,490**	**$ -**	**$ (18,669)**	**$ (6,179)**	**$ 360**	**$ (5,819)**
Share based compensation	-	-	-	-	-	-	786	786
Net loss for the year	-	-	-	-	(6,230)	(6,230)	-	(6,230)
Balance - December 31, 2022	**184,709**	**$ -**	**$ 12,490**	**$ -**	**$ (24,899)**	**$ (12,409)**	**$ 1,146**	**$ (11,263)**
Share based compensation (Notes 12, 15)	-	-	-	18	-	18	536	554
Net loss for the year	-	-	-	-	(4,670)	(4,670)	-	(4,670)
Balance - December 31, 2023	**184,709**	**$ -**	**$ 12,490**	**$ 18**	**$ (29,569)**	**$ (17,061)**	**$ 1,682**	**$ (15,379)**

(*) Represent amounts less than $1 thousand.

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

Kalron Holdings Ltd.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

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

	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from operating activities		
Net loss for the year	**$ (4,670)**	$ (6,230)
Adjustments for		
Depreciation and amortization	**179**	285
Exchange rate differences on bank loans	**(77)**	(281)
Exchange rate differences and interest expenses on lease liabilities	**3**	(11)
Share based payment expenses	**554**	786
Interest expenses	**174**	130
Change in fair value of convertible loans	**1,034**	1,382
Exchange rate differences on balances of cash and restricted deposits	**(2)**	(43)
Changes in non-cash working capital:		
Decrease in trade receivables	**68**	564
Decrease (increase) in other current assets	**(74)**	162
Increase (decrease) in accounts payables	**330**	(485)
Decrease in deferred revenues	**(569)**	(578)
Increase (decrease) in other accounts payable and royalty provisions	**(254)**	607
Decrease in other long term liabilities	**-**	(333)
	(3,304)	(4,045)
Cash flows from investing activities		
Restricted deposits	**57**	(6)
Payments for property, plant and equipment	**(11)**	(30)
	46	(36)
Cash flows from financing activities		
Proceeds of long-term loans from bank	**2,057**	-
Proceeds of short-term loans from bank	**-**	1,746
Repayment of long-term loans from bank	**(62)**	(1,732)
Repayment of short-term loans from bank	**(2,143)**	-
Interest paid for loans	**(128)**	(114)
Payments of lease liabilities	**(101)**	(246)
Interest paid for lease liabilities	**(13)**	(32)
Proceeds from shareholders convertible loans	**3,359**	1,341
Receipt of convertible loans	**186**	3,074
Cash consideration of Convertible Debentures	**-**	(158)
	3,155	3,879
Net decrease in cash	**(103)**	(202)
Cash, beginning of year	**141**	295
Exchange rate differences on balances of cash	**3**	48
Cash, end of year	**$ 41**	$ 141
Supplementary disclosure of cash flow information:		
Significant non-cash transactions		
Right of use assets obtained in exchange for new lease liabilities	**-**	157
Termination of lease	**-**	(28)
	$ -	$ 129

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

NOTE 1 - GENERAL

a. Kalron Holdings Ltd. ("Kalron") was incorporated on December 7, 2017 in Israel. Kalron conducts its operations through its wholly owned subsidiary - Seegnal eHealth Ltd., a company incorporated in Israel ("Seegnal") (collectively the "Company"). Seegnal developed and owns the Seegnal platform – a patient-centric decision support system, designated for handling and mitigating risks of drug related problems (DPRs) by healthcare professionals making use of the platform for reference and decision support while treating and/or dispensing drugs/substances to patient. The Company's head office is located at Hashikma St 1, Savyon, Israel.

b. On November 30, 2017 an Asset and Share Purchase Agreement ("ASPA") was signed between Teva Pharmaceutical Industries Ltd. (the “Former Parent of Seegnal” or "Teva") and Kalron, for the purchase of the Seegnal’s shares (See note 13(d)).

c. On June 5, 2019, Seegnal established Seegnal US Inc, a wholly owned subsidiary ("Seegnal US") which is focusing on sales and marketing of the Company's products in North America. Subsequent to the balance sheet date, the operations of Seegnal US have been reduced significantly and at the date of approval of the financial statements, Seegnal US does not have active operations.

d. Proposed transaction

On September 23, 2023, Reem Capital Corp. (“REEM”) (TSXV:REEM.P) entered into a definitive agreement with Kalron, which was subsequently amended on January 27, 2025 (the “Definitive Agreement”) pursuant to which Reem and Kalron intend to complete the Transaction (as defined below), and whereby Reem as it exists upon completion of the Transaction (the “Resulting Issuer”) will continue the business of Kalron.

Pursuant to the Amended and Restated Definitive Agreement:

- immediately prior to closing of the proposed transaction, all outstanding convertible debentures and SAFE (simple agreement for future equity) instruments of Kalron will be converted, in accordance with their terms, into post-Kalron share split ordinary shares of Kalron ("Kalron Post-Split Shares");
- Reem shall acquire all of the issued and outstanding Kalron Post-Split Shares by way of a securities exchange; and
- certain holders of convertible debentures of Kalron shall receive, pursuant to the terms of the purchase agreements for such convertible debentures, warrants of Reem entitling the holder thereof to purchase one Resulting Issuer Share (as defined below) at an exercise price of CAD$1.20 per Resulting Issuer Share (as defined below) at any time on or before the 24-month anniversary from the date of issuance.

The above steps are referred to as the “Transaction” or the “Proposed Transaction” in these financial statements.

It is intended that the Proposed Transaction will constitute a reverse take-over of Reem by Kalron inasmuch as the former shareholders, debenture holders and other securityholders of Kalron will own approximately 78.64% of the outstanding shares of the resulting issuer (the “Resulting Issuer Shares”), which such calculation does not factor in the completion of the Kalron Financing (as defined below) nor any financial advisory services securities being issued at closing of the Transaction. Reem, following the completion of the Transaction is herein referred to as the "Resulting Issuer". The Resulting Issuer Shares to be issued to former shareholders, debenture holders and other securityholders of Kalron will be issued at a deemed price of CAD$0.80 per Resulting Issuer Share.

NOTE 1 - GENERAL (continued)

d. Proposed transaction (continued)

The Proposed Transaction will constitute the "Qualifying Transaction" of the Corporation as such term is defined in Policy 2.4 - Capital Pool Companies (the "CPC Policy") of TSX Venture Exchange (the "Exchange"). The Corporation expects to be classified as a Tier 2 Technology Issuer upon closing of the Proposed Transaction and it is anticipated that the Resulting Issuer Shares will trade on the Exchange under the stock symbol "SEGN". The Resulting Issuer Shares will remain halted pending receipt and review of acceptable documentation regarding the Qualifying Transaction pursuant to the CPC Policy.

Kalron intends to complete a non-brokered private placement (the "Kalron Financing") of up to 5,000,000 subscription receipts (the "Subscription Receipts") at CAD$0.80 per Subscription Receipt for aggregate gross proceeds of up to CAD$4,000,000. Each Subscription Receipt will, following the completion of the Proposed Transaction and the satisfaction of certain escrow release conditions, entitle the holder to receive, without the payment of additional consideration or taking of further action, one unit of Kalron consisting of (i) one post-Kalron share split common share of Kalron (a "Kalron Post-Split Share"), and (ii) one share (post-Kalron share split) purchase warrant of Kalron (a "Kalron Warrant" or "Kalron Warrants"), with each Kalron Warrant entitling the holder thereof to acquire one Kalron Post-Split Share at a price of CAD$1.20 until twenty-four (24) months following the completion of the Proposed Transaction. Each Kalron Post-Split Share and Kalron Warrant issued to holders of Subscription Receipts upon satisfaction of the escrow release conditions shall be exchanged for one common share of the Resulting Issuer (the "Resulting Issuer Share"), and one share purchase warrant of the Resulting Issuer (the "Resulting Issuer Warrant" or "Resulting Issuer Warrants") pursuant to the terms of the Definitive Agreement, with each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at a price of CAD$1.20 until twenty-four (24) months following the completion of the Proposed Transaction.

Proceeds of the Kalron Financing will be held in escrow pending satisfaction of customary escrow release conditions, including the completion, satisfaction or waiver of all conditions precedent to the Proposed Transaction and the receipt of all required shareholder and regulatory approvals, as applicable (including the conditional approval of the Exchange) in connection with the Proposed Transaction, all of which shall be set forth in a subscription receipt agreement to be entered into. In connection with the Kalron Financing, Kalron may pay certain finders (the "Finders") cash commission. 100% of the cash payable to the Finders shall be payable to such Finders upon release of the Kalron Financing proceeds from escrow.

e. Since its inception, the Company had invested majority of its funds in development of the Seegnal platform resulting in accumulated losses amounting to approximately $30 million and presented negative cash flows from its operating activities. The continuance of the Company's operations is subject to continued financing from its shareholders and other investors. These conditions indicate the existence of material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern. Management's plans in this regard include continued development, marketing and selling of its services as well as seeking additional financial arrangements. Management believes that these plans are appropriate and feasible and is confident that the entity will be able to meet its obligations as they fall due. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the entity will continue in operational existence for the foreseeable future. However, if the entity is unable to achieve the expected outcomes of these initiatives, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Under these circumstances, adjustments may be required to reduce the carrying value of assets to their recoverable amounts, reclassify non-current assets and liabilities as current, and provide for additional liabilities.

NOTE 1 - GENERAL (continued)

f. On October 7, 2023, an unprecedented attack was launched against Israel by terrorists from the Hamas terrorist organization that infiltrated Israel's southern border from the Gaza Strip and in other areas within the State of Israel attacking civilians and military targets while simultaneously launching extensive rocket attacks on the Israeli population, which led to the declaration of the 'Iron Swords' War (the "War"). The War is on-going as of the issuance date of these financial statements. As of the date of issuance of these consolidated financial statements, the impact of the War on the Company was limited and the Company is not aware of any specific event or circumstance that would require an update to its estimates or judgments or an adjustment to the carrying value of the Company's assets or liabilities as of December 31, 2023.

However, such impact can change and the extent to which the War may impact the Company's financial condition, results of operations, or liquidity is uncertain. The Company continues to monitor the situation. In connection with the War, the Company received government assistance amounting to $96, which is presented under other income in the consolidated statements of comprehensive loss.

NOTE 2 - MATERIAL ACCOUNTING POLICIES

a. Basis for preparation:

1) The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board.

2) In connection with the presentation of these financial statements, it is noted as follows:

   a) The material accounting policies described below have been applied consistently to all the years presented, unless otherwise stated.

   b) The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed under note t. below. Actual results may differ materially from estimates and assumptions used by management.

3) Basis of consolidation- These consolidated financial statements include the accounts of the Company and its directly and indirectly owned subsidiaries, including Seegnal eHealth Ltd, a company incorporated in Israel (100% owned) and Seegnal US Inc, a wholy owned subsidiary of Seegnal, which is incorporated in Delaware, US. Kalron holds all the voting shares issued by Seegnal. Non-controlling interest as presented in these consolidated financial statements represents options issued under Seegnal's share-based payment arrangements that were recorded in equity. See also note 15a.

NOTE 2 - MATERIAL ACCOUNTING POLICIES (continued)

b. Functional currency

Management concluded that the currency of the primary economic environment in which the Company and its subsidiaries conducts their operations is the U.S. dollar (hereafter - "dollar" or "$"). Accordingly, the Company uses the dollar as its functional and reporting currency. Canadian dollars are referred to as "CAD$" in these financial statements.

Transactions and balances originally denominated in dollars are presented at their original amounts. Balances in non-dollar currencies are translated into dollars using historical and current exchange rates for non-monetary and monetary balances, respectively. For non-dollar transactions reflected in the statement of operations, the transaction date exchange rates are used. Depreciation and other changes deriving from non-monetary items are based on historical exchange rates.

c. Cash and cash equivalents

The Company considers all highly liquid investments, which include short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal or use to be cash equivalents. As of December 31, 2023, and 2022, there were no cash equivalents.

d. Restricted deposits

Restricted deposits consist of short-term bank deposit.

e. Property and equipment

Property and equipment are initially recognized at cost.
Property and equipment are recognized at cost less accumulated depreciation and impairment.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset as follows:

Equipment	3 – 7 years (primarily 7)
Furniture	6 years
Computers	3 years

Leasehold improvements are depreciated using the straight-line method over the shorter of the term of the lease or the estimated useful lives of the assets.

f. Financial assets

1) Classification

The Company classifies its financial assets at amortized cost.

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company's financial assets at amortized cost are included "trade receivables", "other current assets," "restricted deposits" and "cash" in the statements of financial position.

NOTE 2 - MATERIAL ACCOUNTING POLICIES (continued)

f. Financial assets (continued)

2) Recognition and measurement

Financial assets at amortized cost, which are initially measured at fair value, including any transaction costs, are measured in subsequent periods at amortized cost using the effective interest method. Trade receivables that do not have a significant financing component are initially measured at their transaction price.

3) Impairment of financial assets - financial assets measured at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost. At each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition.

For trade receivables, the Company applies the simplified approach of IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

g. Financial liabilities

1) Classification

Financial liabilities are classified as current or non-current based on their maturity date.

2) Recognition and measurement

Financial liabilities are measured at amortized cost or at fair value through profit or loss.

Financial liabilities measured at amortized cost:

Upon initial recognition, the Company measures the financial liabilities at fair value, net of transaction costs. Any differences between the amount of initial recognition (net of transaction costs) and the redemption value are recognized in the statement of profit or loss over the term of the financial liability, in accordance with the effective interest method.
The Company's financial liabilities at amortized cost include "accounts payable", "other payables and royalty provisions", "short-term and long-term bank loans", and "lease liabilities".

Financial liabilities measured at fair value through profit or loss:

The Company measures these financial liabilities at fair value each reporting period. The component of fair value changes relating to the Company's own credit risk, if an is recognized in other comprehensive income. Fair value changes relating to market risk are recognized in profit or loss. Transaction costs are recognized in profit or loss. The Company's financial liabilities measured at fair value includes "convertible loans from shareholders" and " convertible loans".

h. Impairment of non-monetary assets

Non-monetary assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling costs and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels of identifiable cash flows (cash-generating units). Non-monetary assets that were impaired are reviewed for possible reversal of the impairment recognized at each balance sheet date.

NOTE 2 - MATERIAL ACCOUNTING POLICIES (continued)

i. Current and Deferred taxes

Current taxes are calculated based on the tax laws that have been enacted or substantively enacted at the balance sheet date, in countries in which the Company operates and generates taxable income.

The Company recognizes deferred taxes using the liability method, for temporary differences between the amounts of assets and liabilities included in the financial statements, and the amounts for tax purposes, with some exceptions. The amount of deferred taxes is determined using the tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities will be settled.

Deferred tax assets are recognized for accumulated losses and temporary differences that are tax deductible, up to the amount of the differences that are expected to be utilized in the future, against taxable income.

No deferred tax assets have been recorded in the Company's books and records with respect to accumulated losses and other temporary differences, since it is not probable that the Company will be able to utilize such losses in the foreseeable future against taxable income.

Deferred tax assets and liabilities are offset only if:

(1) There is a legally enforceable right to offset current tax assets against current tax liabilities; and

(2) Deferred income tax assets and liabilities relate to income taxes imposed by the same taxation authority on the same taxable entity.

j. Employee benefits

1) Pension and retirement benefit obligations

The Company operates a number of post-employment defined contribution plans.

A defined contribution plan is a program that benefits an employee after termination of employment, under which the Company regularly makes fixed payments to a separate and independent entity so that the Company has no legal or constructive obligation to pay additional contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The fund assets are not included in the Company's statement of financial position.

The Company operates pension and severance compensation plans subject to Section 14 of the Israeli Severance Pay Law. The Seegnal Pension Plans are funded through payments to insurance companies or pension funds administered by trustees. The expenses in respect of defined contribution plans in 2023 and 2022 were $122 and $183, respectively.

2) Vacation and recreation pay

Under Israeli law, each employee is entitled to vacation days and recreation pay, both computed on an annual basis. The entitlement is based on the period of employment. The Company records a liability and an expense for vacation and recreation pay, based on the benefit accumulated for each employee.

NOTE 2 - MATERIAL ACCOUNTING POLICIES (continued)

k. Research and development

Costs incurred in connection with the research of the Company's products are expensed as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognized if all of the following conditions are fulfilled:

- Technological feasibility exists for completing development of the intangible asset so that it will be available for use or sale.
- It is management's intention to complete development of the intangible asset for use or sale.
- The Company has the ability to use or sell the intangible asset.
- It is probable that the intangible asset will generate future economic benefits, including existence of a market for the output of the intangible asset or the intangible asset itself or, if the intangible asset is to be used internally, the usefulness of the intangible asset.
- Adequate technical, financial and other resources are available to complete development of the intangible asset, as well as the use or sale thereof.
- The Company has the ability to reliably measure the expenditure attributable to the intangible asset during its development.

Other development costs that do not meet the foregoing conditions are charged to profit or loss as incurred. Development costs previously expensed are not recognized as an asset in subsequent periods.

As of December 31, 2023, and December 31, 2022, the Company has not capitalized development costs since it does not meet the conditions for development costs capitalization.

l. Share based payments

The Company operates a number of equity-settled, share-based compensation plans to employees (as defined in IFRS 2 "Share-Based Payments"), directors and service providers. As part of the Seegnal Option Plans, Seegnal grants employees, directors and service providers, from time to time and at its discretion, options to purchase Seegnal's shares. The total amount recognized as an expense over the vesting period of the options (the period during which all vesting conditions are expected to be met) was determined as follows:

1) Share based payments to employees and directors by reference to the fair value of the options and RSU's granted at date of grant.

2) Share based payments to service providers (including finder fee) by reference to the fair value of the service provided, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the services received, the Company measures their value indirectly, by reference to the fair value of the equity instruments granted.

The Company uses the Black and Scholes option valuation model to estimate the grant date fair value. In estimating this fair value, there are certain assumptions that the Company uses, as disclosed in note 15, to determine the amount of share-based payments, consisting of the fair value of Company's Ordinary shares, expected life of the option, risk free interest rate, dividend yield, early exercise multiple and expected volatility. The use of a different estimate for any of these components could have a material impact on the amount of calculated compensation expense.

NOTE 2 - MATERIAL ACCOUNTING POLICIES (continued)

m. Leases

The Company's lease includes office space and a vehicle

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date Simultaneously, the Company recognizes a right-of-use ("ROU") asset in the amount of the lease liability.

The discount rate applied by the Company is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The lease term is the non-cancellable period for which the Company has the right to use an underlying asset, together with both, the periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

After the commencement date, the Company measures the ROU asset applying the cost model, less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Asset is depreciated by the straight-line method over the estimated useful lives of the right of use asset or the lease period, which is shorter.

Interest on the lease liability is recognized in profit or loss in each period during the lease term in an amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The Company applied the following practical expedients:

- Non-lease components: practical expedient to not separate non-lease components (services) from lease components and, instead, account for each lease component and any associated non lease components as a single lease component.

- The practical expedient for short-term leases is applied.

n. Revenue recognition

The Company generates revenue by providing access to its clinician-friendly point-of-care drug management cloud-based solution. Subscription to the product is sold to healthcare providers, such as hospitals, community care clinics, health management organizations and elderly care/nursing homes. The Company also provides implementation services for the initial integration into the health care provider electronic medical systems as well as the related configuration to meet the specific requirements, etc. Such implementation is generally provided as part of a pilot phase and represent a separate performance obligation because the contract is not enforceable beyond the pilot phase unless both the company and the customer agree to commence a subscription period, and a contractually determined transaction price specific to the pilot phase is paid by the customer irrespective of the decision to start a subscription period. Upon commencement of the subscription period, the customer pays recurring annual license usage fee, which is based on the number of users or per bed for hospitals and similar overnight admission institutions. These license fees generally include annual support and maintenance, which are not considered separate performance obligations. In addition, there might be specific professional fees charges for specific ad-hoc requests based on requests by specific customers.

NOTE 2 - MATERIAL ACCOUNTING POLICIES (continued)

n. Revenue recognition (continued)

Revenues are recognized in an amount that reflects the consideration that the Company expects to receive in exchange for the services. Accordingly, the license and support revenue are recognized over the period during which the services are provided. License fee is recognized over the contractual license period. The professional services revenues are recognized when services are provided and the implementation performed as part of the pilot phase are generally recognized when such pilot is completed, or based on specific milestones, depending on the specific terms of the different agreements.

The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

i. Identify the contract with a customer.
ii. Identify the performance obligations in the contract.
iii. Determine the transaction price.
iv. Allocate the transaction price to performance obligations in the contract.
v. Recognize revenue as the performance obligation is satisfied.

o. Government grants

The Company received participation in research and development expenses from the State of Israel through the Israeli Innovation Authority, ("IIA") (formerly known as the Office of the Chief Scientist of the Israeli Ministry of Economy and Industry), and participation in the financing of marketing and export expenses as part of the "Gateway to International Marketing" of the Israeli Ministry of Economy in the form of grants which qualify as “forgivable loans”, in accordance with IAS 20, “Accounting for Government Grants and Disclosure of Government Assistance,” since the grants are repayable only if the Company generates revenues related to the project that is the subject of the grant.

Since there is a reasonable assurance that the Company will meet the terms for forgiveness, the loan is accounted for as a government grant. Government grants relating to costs are recognized in the statement of comprehensive loss over the period necessary to match them with the costs that they are intended to compensate.

The Company recognizes each forgivable loan as a grant receivable and a reduction of expenses on a systematic basis at the same time the Company records, as an expense, the related development costs for which the loan is received, provided that there is reasonable assurance that (a) the Company complies with the conditions attached to the loan and (b) the loan will meet the terms for forgiveness. The amount of the forgivable loan is recognized based on the participation rate approved by the IIA.

At each reporting date, the Company evaluates whether there is reasonable assurance that the Company will meet the terms for forgiveness of the loan or whether a liability should be recognized.

NOTE 2 - MATERIAL ACCOUNTING POLICIES (continued)

p. Basic and diluted loss per share

Loss per share is based on the loss that is attributed to the shareholders holding ordinary shares divided by the weighted average number of ordinary shares in issue during the period. For purposes of the calculation of the diluted loss per share, the Company adjusts the loss that is attributed to the holders of the Company's ordinary shares, and the weighted average number of ordinary shares in issue, to assume conversion of all of the dilutive potential shares. The potential shares are taken into account only if their effect is dilutive (increases loss per share).

The dilutive effect of options and their equivalent is computed by application of the treasury stock method. Diluted amounts are not presented when the effect of the computations is anti-dilutive. Accordingly, the Company's convertible loans, warrants and options to employees are not included in the calculation of diluted loss per share for the years presented, because they are antidilutive. These instruments could potentially dilute basic earnings per share in the future.

q. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"), who is the Company's CEO, and responsible for allocating resources and assessing performance of the operating segments. Management concluded that the Company operates in one operating segment.

r. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are included in equity as a deduction from the proceeds.

s. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date.

t. Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. The critical judgments and significant estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are:

- The Company uses the Black- Scholes option pricing model to estimate the fair value of options. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the option.
- The Company uses the Black- Scholes option pricing model to estimate the fair value of the convertible loans. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the instrument.

NOTE 2 - MATERIAL ACCOUNTING POLICIES (continued)

u. New and revised IFRS Accounting Standards in issue but not yet effective

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements.

IFRS 18 introduces new requirements to:
● present specified categories and defined subtotals in the statement of profit or loss
● provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
● improve aggregation and disaggregation.
An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Company is currently assessing the new requirements of IFRS 18.

NOTE 3 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company is exposed to a variety of financial risks such as: market risks (mainly currency risks), credit risks and liquidity risks. The Company's overall risk management plan focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Company's financial performance.

Risk management is performed by the finance department according to the policy authorized by the board of directors.

a) Market risk - Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign exchange risks due to exposure to foreign currencies. Foreign exchange risk arises from future commercial transactions, assets or liabilities denominated in foreign currency.

The Company's policy to reduce the exposure to changes in exchange rates is based on maintaining, where possible, the balances of current monetary assets, according to the currency of the current liabilities.

As of December 31, 2023, if the Company's functional currency (USD) had strengthened/ weakened by 5% against the Israeli Shekel (ILS), with all other variables held constant, the loss for the year would decrease /increase by approximately $(86).

b) Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company has long-term debt with variable interest rate and accordingly, any increase in interest rates could lead to higher interest payments and adversely affect its financial performance.

As of December 31, 2023, the impact on profit and loss and net assets of a 1% change in the interest rate would be approximately $17.

NOTE 3 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

c) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting year.

Credit risks are treated at the Company level. Credit risks arise typically from cash and cash equivalents, trade receivables and other current assets.

No credit limits were exceeded during the reported periods and Company's management does not expect any losses from non-performance of these parties.

d) Liquidity risk

Liquidity risk exists where the Company might encounter difficulties in meeting its financial obligations as they become due. The Company monitors its liquidity in order to ensure that sufficient liquid resources are available to allow it to meet its obligations. See also note 1e regarding significant doubts about the Company's ability to continue as a going concern.

Cash flow forecasting is performed by the Company's finance department. The finance department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities, so that the Company does not breach any of its credit facilities. The table below presents the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Within 1 year	1-2 years
Accounts payables	$ 985	$ 985	$ -
Other accounts payable and royalty provisions	804	804	-
Lease liability	65	51	14
Convertible loans from shareholders	6,546	6,546	-
Convertible loans	5,587	5,587	-
Long-term loan from bank	1,972	1,236	940
	$ 15,959	**$ 15,209**	**$ 954**

e) Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

As at December 31, 2023, part of the Company's financial instruments consist of cash, current assets and accounts payables and other accounts payables and royalty provisions, which the fair values of these financial instruments approximate their carrying values because of their short-term nature.

NOTE 3 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

e) Fair Value Measurements (continued)

Other financial instruments consist of short- and long-term loans which their fair values approximates it carrying value because of their short-term nature and/or the existence of market related interest rates on the instruments. Additional financial instruments consist of convertible loans from shareholders and others, which are presented at fair value based on external valuation and are considered level 3 as they are not based on observable market data, see also notes 11 and 12.

NOTE 4 - CAPITAL MANAGEMENT

The Company's capital comprises share capital, additional paid in capital, warrant, and accumulated losses. The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company in order to support the Company's business activities. The Board of Directors does not establish quantitative return on capital criteria for management; it relies on the expertise of the Company's management to sustain future development of the business.

The intellectual property in which the Company currently has an interest is in the development stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the Seegnal Planned research and development and pay for administrative costs, the Company intends to raise additional amounts as needed (Note 1).

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

NOTE 5 - PROPERTY AND EQUIPMENT

Composition of assets, grouped by major classifications, is as follows:

a. Composition of property and equipment and accumulated depreciation thereon, grouped by major classifications and changes therein, and their movements during 2023:

	Cost			Accumulated Depreciation			
	Balance at beginning of year	Additions during the year	Balance at end of year	Balance at beginning Of year	Additions during the year	Balance at end of year	Depreciated balance December 31, 2023
	USD in thousands						
Property and equipment							
Computers	$ 210	$ 5	$ 215	$ 183	$ 17	$ 200	$ 15
Office furniture and equipment	85	2	87	47	14	61	26
Leasehold improvements	421	-	421	182	41	223	198
	$ 716	**$ 7**	**$ 723**	**$ 412**	**$ 72**	**$ 484**	**$ 239**

b. Composition of property and equipment and accumulated depreciation thereon, grouped by major classifications and changes therein, and their movements during 2022:

	Cost			Accumulated Depreciation			
	Balance at beginning of year	Additions during the year	Balance at end of year	Balance at beginning Of year	Additions during the year	Balance at end of year	Depreciated balance December 31, 2022
	USD in thousands						
Property and equipment							
Computers	$ 189	$ 21	$ 210	$ 148	$ 35	$ 183	$ 27
Office furniture and equipment	77	8	85	34	13	47	38
Leasehold improvements	420	1	421	140	42	182	239
	$ 686	**$ 30**	**$ 716**	**$ 322**	**$ 90**	**$ 412**	**$ 304**

NOTE 6 - OTHER CURRENT ASSETS

	December 31, 2023	December 31, 2022
Government authorities	**$ 106**	$ 68
Advance payment to suppliers	**37**	36
Prepaid expenses	**23**	20
Other	**39**	7
	$ 205	$ 131

NOTE 7 - OTHER ACCOUNTS PAYABLE AND ROYALTY PROVISIONS

	December 31, 2023	December 31, 2022
Employees and payroll accruals	**$ 175**	$ 476
Royalties (Note 13 (c, d))	**629**	582
	$ 804	$ 1,058

NOTE 8 - SHORT-TERM LOANS FROM BANK

At December 31, 2022, the Company had short term loans from Israeli banks, which are renewable upon approval of the lender on either monthly or quarterly basis, amounting to $2,151 and bearing annual interest of 7.05% to 7.55%.
During the year ended December 31, 2023, the Company repaid all the short-term loans.

	December 31 2023	December 31 2022
Opening balance	$ 2,151	$ 470
Receipt (repayment) of bank loans	(2,143)	1,746
Interest paid during the year	(16)	(26)
Interest accrued during the year	16	26
Foreign exchange	(8)	(65)
Closing balance	$ -	$ 2,151

NOTE 9 - LEASE

a. General

Seegnal leases office space in Israel and vehicles used by its employees. The lease period with respect to the office space and the vehicle ends on April 30, 2023, and July 31, 2025, respectively.

At the end of the rental agreement of the office space it was renewed for a further 12 months. The Company has elected to not recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less. Such expenses amounted to $78 and $nil in 2023 and 2022, respectively and are recorded under general & administration costs.

The lease payments under the agreements (including short-term lease, mentioned above) for the years ended December 31, 2023 and 2022 were $192 and $278, respectively.

b. Right-of-use assets

	Office space	Motor Vehicles	Total
Balance -December 31, 2021	**$ 122**	**$ 106**	**$ 228**
Additions during the year	38	119	157
Terminations during the year	-	(28)	(28)
Depreciation during the year	(124)	(71)	(195)
Balance -December 31, 2022	**$ 36**	**$ 126**	**$ 162**
Depreciation during the year	(36)	(67)	(103)
Balance -December 31, 2023	**$ -**	**$ 59**	**$ 59**

c. Lease liabilities

	Office space	Motor Vehicles	Total
Balance -December 31, 2021	**$ 215**	**$ 121**	**$ 336**
Additions during the year	38	119	157
Terminations during the year	-	(32)	(32)
Exchange rate differences	(21)	(18)	(39)
Interest expense	15	17	32
Lease payments	(198)	(80)	(278)
Balance -December 31, 2022	**$ 49**	**$ 127**	**$ 176**
Exchange rate differences	(5)	(5)	(10)
Interest expense	1	12	13
Lease payments	(45)	(69)	(114)
Balance -December 31, 2023	**$ -**	**$ 65**	**$ 65**

NOTE 10 - LONG TERM LOAN FROM BANK

On September 17, 2020, a shareholder of the Company provided a guarantee and indemnification of up to the amount of $2,000 in favor of Israeli bank for a period of two years and received a fee of 2.5%, which was recorded as finance expenses during the period using the effective interest method. On May 4, 2021, the same shareholder provided an unlimited guarantee and indemnification in favor of Israeli bank Ltd for no additional consideration.

On June 29, 2021, Seegnal received a loan from an Israeli bank in the amount of $1,930. The loan bore annual interest at 4.9% and was repayable by December 23, 2023. The loan was repaid early on March 2, 2022.

On June 8, 2023, Seegnal received a loan from an Israeli bank in the amount of $2,057. The loan bears variable interest rate of Prime rate plus 3.3% (at December 31, 2023 - 9.55%) and is repayable on a monthly basis through to September 1, 2025.

The interest expenses for the year ended December 31, 2023 were $158, of which $112 was paid in cash during the year.

As of December 31, 2023, the balance of the loan is $1,972, the short-term portion of the loan is $1,068 which includes interest to be paid of $46.

	December 31 2023	December 31 2022
Opening balance	$ -	$ 1,932
Receipt of bank loans	2,057	-
Interest paid during the year	(112)	(88)
Interest accrued during the year	158	104
Repayment of bank loans	(62)	(1,732)
Foreign exchange	(69)	(216)
Closing balance	$ 1,972	$ -

NOTE 11 - CONVERTIBLE LOANS FROM SHAREHOLDERS

During the years ended December 31, 2023 and 2022, the Company executed a series of convertible debenture agreements ("Convertible Shareholder Loans"), and ancillary agreements with two shareholders of the Company in the aggregate amounts of $3,359 and $1,341 respectively. The Convertible Shareholders Loans that the Company received in 2022 had original maturity date of June 30, 2023. Such maturity date was extended several times during 2023 and 2024 to the current maturity date of June 30, 2025 ("Maturity Date"). The Convertible Shareholders Loans that the Company received in 2023 had original maturity date of December 31, 2024. Such maturity date was extended during 2024 to the current Maturity Date. The Convertible Shareholders Loans accrue annual interest at rates of between 0% to 15%.

Interest accrued on the Convertible Shareholder Loans during the year ended December 31, 2023 amounted to $396 (year ended December 31, 2022 - $55).

The Convertible Shareholder Loans, including the accrued interest, shall be automatically converted (i.e., the entire debenture sum), immediately prior to the completion of an Offering Event (as defined in the Agreements), into ordinary shares of the Company ("the Conversion Shares") according to a conversion price reflecting a discount of 25% (depending on the debenture amount) off the offering price of an ordinary share of the Company ("Offering Price") or a conversion price of CAD$0.60-CAD$0.80 per share. In addition, certain of the loan holders will receive warrants with an exercise price of 150% premium to the Offering Price for a period of 24 months. If the Offering Event's documents so require, the Conversion Shares shall be transferred on the completion date of the Offering Event to the Surviving Company against an allotment of securities of the Surviving Company.

Convertible Shareholder Loans are debt instruments that have embedded derivative which is the conversion feature that does not meet the fixed for fixed criteria under IAS 32. Hence, the Company has designated the entire Convertible Debentures at fair value through profit or loss.

Fair value determination

The fair value of the Convertible Shareholder Loans, including any adjustments thereto, has been determined using a third-party independent expert using the Black- Scholes option pricing model and the following assumptions: 2023: share price – $39.33; expected life – 1 year; annualized volatility – 65.21%; dividend yield – 0%; risk free rate – 4.79%; 2022: share price – $52.70; expected life – 2 years; annualized volatility – 56.53%; dividend yield – 0%; risk free rate – 4.41%.

The fair value of the Convertible Shareholder Loans was $,6,546 at December 31, 2023 and $2,624 at December 31, 2022.

The following table summarizes the Convertible Shareholder Loans book values and fair values as of December 31, 2023 and 2022:

	December 31 2023	December 31 2022
Opening balance	2,624	792
Convertible debentures issued during the year	3,359	1,341
Closing balance	5,983	2,133
Fair value adjustment	563	491
Fair value, closing balance	6,546	2,624

NOTE 12 - CONVERTIBLE LOANS

During the years ended December 31, 2023 and 2022, the Company executed a securities purchase agreements of convertible debentures and SAFE (Simple Agreement for Future Equity) (collectively "Convertible Debentures"), and ancillary agreements in the aggregate amount of $186 and $3,074, respectively (the "Agreements"). Pursuant to the terms of the Agreements, The Convertible Debentures that the Company received in 2022 had original maturity date of June 30, 2023. Such maturity date was extended several times during 2023 and 2024 to the current maturity date of June 30, 2025 ("Maturity Date"). The Convertible Debentures that the Company received in 2023 had original maturity date of December 31, 2024. Such maturity date was extended during 2024 to the current Maturity Date. The Convertible Shareholders Debentures accrue annual interest at rates of between 0% to 8%.

Certain finders in respect to a capital amount of CAD$2,775 of Convertible Debentures are eligible to a 8% cash consideration and a 8% warrant coverage compensation upon the conversion of Convertible Debentures and a successful financing, as defined in the Agreements, ("Finder Warrants"). The fair value the Finder Warrants is $18 and was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free rate of 4.41%, expected life of 2 years, and volatility of 56.63%. The $18 has been recorded as finance expense with a corresponding credit to the warrant in the Consolidated Statements of Changes in Shareholders' Equity.

Interest accrued on the Convertible Debentures during the year ended December 31, 2023 and 2022 amounted to $241 and $209, respectively.

The Convertible Debenture, including the accrued interest, shall be automatically converted (i.e., the entire debenture sum), immediately prior to the completion of an Offering Event (as defined in the Agreements), into ordinary shares of the Company ("the Conversion Shares") according to a conversion price reflecting a discount of 20%- 25% (depending on the debenture amount) per share off the offering price of an ordinary share of the Company. In addition, certain of the debenture holders will receive warrants with an exercise price of 150% premium to the Offering Price for a period of 24 months. If the Offering Event's documents so require, the Conversion Shares shall be transferred on the completion date of the Offering Event to the Surviving Company against an allotment of securities of the Surviving Company.

The Convertible Debentures are debt instruments that have embedded derivative which is the conversion feature that does not meet the fixed for fixed criteria under IAS 32. Hence, the Company has designated the entire Convertible Debentures at fair value through profit or loss.

Fair value determination

The fair value of the Convertible Shareholder Loans, including any adjustments thereto, has been determined using a third-party independent expert using the Black- Scholes option pricing model and the following assumptions: 2023: share price – $39.33; expected life – 1 year; annualized volatility – 65.21%; dividend yield – 0%; risk free rate – 4.79%, 2022: share price – $52.70; expected life – 2 years; annualized volatility – 56.53%; dividend yield – 0%; risk free rate – 4.41%.

The fair value of the Convertible Debentures was $5,587 at December 31, 2023 and $4,930 at December 31, 2022.

NOTE 12 - CONVERTIBLE LOANS (continued)

The following table summarizes the Convertible Debentures book values and fair values as of December 31, 2023 and 2022:

	December 31 2023	December 31 2022
Opening balance	4,930	965
Convertible debentures issued during the year	186	3,074
Closing balance	5,116	4,039
Fair value adjustment	471	891
Fair value, closing balance	5,587	4,930

NOTE 13 - COMMITMENTS AND CONTINGENCIES

a. Litigation

As of December 31, 2023, and 2022, the Company was not a party to any litigation or other legal proceedings that the Company believes could reasonably be expected to have a material adverse effect on the Company's business, results of operations and financial condition.

b. Israel Innovation Authority - funding participation plans

During 2019, the Israel Innovation Authority of the Israeli Ministry of Economy ("IIA") approved funding participation for three projects developed by the Company. The Company is committed to pay royalties to the IIA under certain circumstances. The royalties are computed based on the Company's net revenues arising from know-how in the research and development in which the IIA will participate by way of grants. Under the terms of the Company's funding from the IIA, royalties of 3%-5% payable on sales of products developed from a project so funded, up to 100% of the amount of the grant received by the Company (dollar linked with the addition of annual interest at SOFR rate). In the case of failure of a project that was partly financed by royalty-bearing Government grants, the Company is not obligated to pay any such royalties to the IIA. The Company received $1,014 in respect of this program. To date, no such qualifying sales of products are expected, and the funding is not expected to be repaid and therefore no liability has been recorded. The Company continues to provide the IIA with timely reports on revenues, as required.

c. Development and exclusive technology license agreement

In December 2015, a development and exclusive technology license agreement ("DLA") was signed between Teva and University of Washington ("the University"), which was transferred to Seegnal in November 2017 by virtue of the ASPA. The University developed a technology related to drug interaction DDIB Platform as defined in the DLA. Furthermore, the University extracted the data from the DDIB Platform into a new transmittal database for Seegnal's use ("Data"). Seegnal obtained certain exclusive rights for the commercial deployment of the University Data.

NOTE 13 - COMMITMENTS AND CONTINGENCIES (continued)

c. Development and exclusive technology license agreement (continued)

This agreement has been substituted with a new non-exclusive license agreement dated November 16, 2021 for the further utilization of the University's Technology, according to which Seegnal is required to pay on a quarterly basis an amount equal to 6% of the relevant quarterly Net Sales (as "Running Royalty Payments") with a minimum (non-cumulative basis) of $75 commitment to the University ("Minimum Quarterly Royalties"/"MQR") creditable against any royalty payment obligations of Seegnal to the University and to be increased by 2% per calendar year starting from 2022 and onwards. Notwithstanding, the deferred MQR shall become due and payable within 30 days from and if the Company closes a Qualifying Financing (defined therein as offerings of equity securities issued for cash/equivalents, the aggregate proceeds of which equals or exceeds $12,500 or if after the Execution Date Company achieves Net Sales in the US with actual received revenues of $1,500 or more, or after such aggregate Net Sales amount has been received by Company or Licensed Entity, or some combination of both Company and a Licensed Entity (i.e. each Seegnal and its Affiliates to which rights under said Agreement have been extended in accordance with the terms and conditions of the Agreement).

The Company has recorded a provision for the MQR payments in the amount of $500, being the amount invoiced by the University through to December 31, 2022. Since December 31, 2022, the University has not updated Data and such Data is no longer in use by Seegnal. Royalty expenses resulting from the DLA, for the year ended December 31, 2022 were approximately $300.

d. Royalty Payments and future consideration to Teva

On November 30, 2017 an ASPA was signed between Teva and Kalron, for the purchase of the Seegnal's assets and shares.

Pursuant to the ASPA, Teva will be entitled to receive from Kalron certain contingent one-time cash payment and royalties as summarized below. Furthermore, until the occurrence of certain milestones related to the Seegnal's operating results as defined in the ASPA, Kalron has a funding obligation towards Seegnal and should use reasonable commercial efforts to fund Seegnal (whether by way of equity, loans, guaranties to third parties or external financing).

Seegnal is committed to pay Teva royalties at a rate of 5% of revenues, until the earlier of (i) a maximum royalty payment of $7,500 or (ii) December 31, 2027.

The Company is further obligated to pay Teva between $350 and $3,000 upon the sale of the Seegnal business, as defined in the agreement, at a value between $3,000 and $50,000.

Royalty expenses due to Teva, for the years ended December 31, 2023 and 2022 were approximately $47 and $82, respectively recorded in cost of revenues.

e. Royalty Payments and future consideration to the Israeli Ministry of Economy

During May 2019, the Israeli Ministry of Economy approved funding participation of the Company's USA marketing export expenses. The funding is for a period of 24 months therefrom and up to 50% of the approved budget and no more than NIS 200,000 (approximately $54). Under the terms of this funding, the Company shall pay royalties of 3%, if the Company increases its revenues in the United States by $332 in comparison to 2019, up to 100% of the funding amount (dollar linked with the addition of annual interest at SOFR rate). The royalties will be paid each year for five years or until the funding will be fully repaid. In case of failure of such increase, the Company is not obligated to pay any such royalties. The total budgeted participation amount is approximately $54 out of which the Company received $53 as of December 31, 2020. No increased export revenue of $332 to the United States has occurred nor is such an increase expected, and the funding is not expected to be repaid therefore no liability has been recorded.

NOTE 14 - SHARE CAPITAL

a. Composition of share capital:

	December 31, 2023		December 31, 2022	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares		Number of shares	
Ordinary shares of NIS 0.01 par value each ("Shares")	1,000,000	184,709	1,000,000	184,709

b. Rights attached to shares

Voting rights at the general meeting, right to dividend, rights upon liquidation and right to nominate the directors in the Company.

c. Issuance of ordinary shares

There were no issuances of Common Shares during the years ended December 31, 2023 and 2022.

NOTE 15 - SHARE-BASED PAYMENT

a. In February 2019, Seegnal's Board of Directors approved Seegnal's 2019 Employee Stock Ownership Plan ("the Seegnal Option Plan"), pursuant to which options are to be granted to employees, consultants and directors of Seegnal ("Seegnal Options"). Each Seegnal Option can be exercised to one ordinary share of NIS 0.01 par value of Seegnal ("Seegnal Share"). The Seegnal Shares purchased upon exercise of the Seegnal Options will have the same rights as other Seegnal Shares. The share based payment expense is recorded under non-controlling interest.

The Seegnal Options shall vest following the vesting dates and for the number of shares as shall be provided in the option agreement. Any option not exercised within 10 years from grant date or within 3 months from termination of employment (and in certain cases according to a resolution of the Board of Directors) will expire, unless extended by the Board of Directors.

The fair value of each Seegnal Option grant was estimated at the date of grant using Black- Scholes model.

b. The following are the grants of Seegnal Options to employees and other service providers of Seegnal:

	December 31, 2023		December 31, 2022	
	Number of options	Weighted average of exercise price per 1 ordinary share	Number of options	Weighted average of exercise price per 1 ordinary share
Outstanding at the beginning of year (Note d)	178,808	$ 12.81	158,558	$ 13.31
Granted (Notes e,f)	50,087	$ 16.62	30,500	$ 11.20
Forfeited (Note g)	(66,732)	$ (10.56)	(10,250)	$ 15.75
Outstanding at year end (Note c)	162,163	$ 13.85	178,808	$ 12.81
Exercisable at year end (Note c)	68,672	$ 12.97	63,252	$ 13.29

NOTE 15 - SHARE-BASED PAYMENT (continued):

c. As of December 31, 2023, the following Seegnal Options were outstanding:

Number of options	Exercise Price	Exercisable at December 31, 2023	Expiry Date
12,828	$ 9.50	12,828	26/02/2029
784	$ 12.39	784	26/02/2029
9,611	$ 17.20	8,273	06/04/2030
17,728	$ 17.86	13,912	05/11/2030
52,250	$ 11.20	27,875	13/09/2031
18,875	$ 11.20	5,000	17/05/2032
50,087	$ 16.62	-	04/09/2033
162,163		**68,672**	

d. As of December 31, 2022, the following Seegnal Options were outstanding:

Number of options	Exercise Price	Exercisable at December 31, 2022	Expiry Date
17,142	$ 9.50	17,142	26/02/2029
784	$ 12.39	588	26/02/2029
11,769	$ 17.20	6,277	06/04/2030
36,863	$ 17.86	18,432	05/11/2030
83,250	$ 11.20	20,813	13/09/2031
29,000	$ 11.20	-	17/05/2032
178,808		**63,252**	

e. On May 17, 2022, Seegnal granted 30,500 Seegnal Options to directors, officers and employees of Seegnal. The options are exercisable at $11.20 per share and vest in four equal installments over four years, with the first 25% vesting one year after the date of the grant. The options will expire on May 17, 2032. The fair value of the Seegnal Options issued are $1,607. The fair value was determined using the Black and Scholes option pricing model and the following assumptions: share price - $52.69; expected life – 10 years; annualized volatility – 56.53%; dividend yield – 0%; risk free rate – 4.41%.

f. On September 4, 2023, Seegnal granted 50,087 stock options to the CEO. The options are exercisable at $16.621 per share, vest over 4 years in four equal installments, with the first 25% vesting one year after the date of the grant and expire on September 4, 2033. The fair value of the Seegnal Options issued are $2,141. The fair value was determined using the Black and Scholes option pricing model and the following assumptions: share price - $51.14; expected life – 10 years; annualized volatility – 63.83%; dividend yield – 0%; risk free rate – 4.87%.

g. During the year ended December 31, 2023 and 2022, 66,732 and 10,250 Seegnal Options, respectively, with a fair value of $849 and $124, respectively, were canceled due to employees leaving Seegnal. The related amounts were charged to the non-controlling interest in the consolidated statements of changes in deficit against accumulated deficit.

h. The total share-based compensation expenses recognized in the consolidated statement of comprehensive loss were $536 and $786 for the years ended December 31, 2023 and 2022, respectively. See also note 12.

i. As of December 31, 2023, Seegnal Options outstanding have a weighted average remaining contractual life of 8 years (December 31, 2022: 8.3 years).

j. As to warrants granted to a finder in connection with convertible loans, see note 12.

NOTE 16 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

"Related Parties" – As defined in IAS 24 – 'Related Party Disclosures" (hereinafter- "IAS 24")

Key management personnel - included together with other entities in the said definition of "related parties" in IAS 24, include the members of the Board of Directors and senior executives (for loan from shareholders see note 11).

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest	
			Year Ended December 31	
			2023	2022
Mikal Ltd.	Parent Company and ultimate controlling party	Israel	71%	71%

Transactions with related parties:

a. Compensation to key management personnel

The compensation to key management personnel (CEO and CFO) for services they provide to the Company is as follows:

	Year ended December 31,	
	2023	2022
Chief Executive Officer	**$ 236**	$ 248
Chief Financial Officer	**75**	28
Share based payments- CEO	**361**	70
	$ 672	$ 346

b. Amounts owed to related parties

Amounts owed to related parties are as follows:

	December 31, 2023	December 31, 2022
Chief Executive Officer	**$ 12**	$ 18
Chief Financial Officer	**69**	28
	$ 81	$ 46

NOTE 17- GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA

a. Summary information about geographic areas:

The Company manages its business on a basis of one reportable segment. The following is a summary of revenues within geographic areas:

	Year ended December 31,	
Revenues based on customer location:	**2023**	**2022**
Israel	**$ 999**	$ 824
Abu-Dhabi	**220**	504
Other	**-**	25
	$ 1,219	$ 1,353

Substantially all the Company's non-current assets are located in Israel.

b. Major customer data as a percentage of total revenues:

The following table sets forth the customers that represented 10% or more of the Company's total revenues in each of the periods set forth below:

	Year ended December 31,	
	2023	**2022**
Customer A	54%	32%
Customer B	23%	21%
Customer C	18%	37%

NOTE 18 - TAXES ON INCOME

a. Corporate taxation in Israel

The Company is taxed under the laws of the State of Israel at a corporate tax rate of 23%.

b. Tax assessment

Neither the Company nor its subsidiary have received any tax assessment since incorporation.

c. Carry forward tax losses

As of December 31, 2023, the Company carry forward losses amounted to approximately $3,240. As of December 31, 2023, Seegnal carry forward losses amounted to approximately $33 million. Carry forward losses are available to reduce future taxable income with no limited period of use. Management believes that it is more likely than not that the deferred tax assets in respect of the carry forward losses will not be realized in the foreseeable future.

d. Taxes on income included in the Statements of Loss and Other Comprehensive Loss for the periods presented:

The following is reconciliation between the "theoretical" tax, which would apply to the Company if all of its income were taxed at the regular rate applicable to the Company in Israel and the amount of tax reflected in the Statements of Loss for the reported year:

	Year ended December 31,	
	2023	**2022**
Loss before taxes on income	**$ (4,670)**	$ (6,230)
Statutory tax rate in Israel	**23%**	23%
Theoretical tax benefit	**(1,074)**	(1,433)
Increase (decrease) in taxes resulting from:		
Unused tax losses for which no deferred tax asset has been recognized	**958**	1,332
Share based compensation	**(123)**	(181)
Other differences	**239**	282
Actual taxes on income	**$ -**	$ -

NOTE 19 – COST OF REVENUES

	Year ended December 31,	
	2023	**2022**
Payroll and related expenses	**$ 985**	$ 895
Share based compensation	**136**	61
Databases and IT	**446**	296
Depreciation	**32**	122
Royalties	**47**	252
	$ 1,646	$ 1,626

NOTE 20 - RESEARCH AND DEVELOPMENT, NET

	Year ended December 31,	
	2023	**2022**
Payroll and related expenses	**$ 657**	$ 1,591
Share based compensation	**73**	582
Subcontractors	**126**	265
Databases and IT	**116**	11
Depreciation	**23**	89
Royalties	**-**	42
Other	**48**	140
Total	**1,043**	2,720
IIA participation	**-**	(150)
Total net of of IIA participation	**$ 1,043**	$ 2,570

NOTE 21 – SALES AND MARKETING EXPENSES

	Year ended December 31,	
	2023	**2022**
Payroll and related expenses	**$ 214**	$ 163
Share based compensation	**177**	(10)
Other	**163**	209
Depreciation	**3**	16
	$ 557	$ 378

NOTE 22 - GENERAL AND ADMINISTRATION COSTS

	Year ended December 31,	
	2023	**2022**
Payroll and related expenses	**$ 379**	$ 503
Share based compensation	**150**	153
Professional fees	**478**	584
Office expenses and other related expenses	**427**	385
Depreciation	**121**	58
	$ 1,555	$ 1,683

NOTE 23 - SUBSEQUENT EVENTS

a. From January 1, 2024 through to the date of this report, the Company received a further $3,079 in respect of additional Convertible Loans.

b. On January 31, 2024, the Company agreed to terminate the lease office space agreement prior to the initial term of the lease.

On February 1, 2024, the Company entered into an agreement for the lease of office space in Kiryat Ono, Israel. The rental period is from February 1, 2024, to January 31, 2025. The Company's base rent was ILS 22,500 per month ($6).

On February 3, 2025, the Company entered into an agreement for the lease of office space in Kiryat Ono, Israel. The rental period is from February 1, 2025, to January 31, 2026. The Company's average rent was ILS 21,750 per month ($6).

c. Proposed transaction

On September 23, 2023, REEM entered into a definitive agreement with Kalron, which was subsequently amended on January 27, 2025. See note 1d.

d. Subsequent to the balance sheet date and through to the date of this report, the Company received $31 in respect of Kalron Financing.

e. During 2025, the Company signed an agreement with two shareholders pursuant to which the Company will receive loans in the aggregate principal amount of up to $638. The first shareholder loan is between Kalron and Mikal Ltd. in the principal amount of up to $323 with an annual interest rate of 10%. The second shareholder loan is between Kalron and Edtom Ltd. in the principal amount of up to $315 with an annual interest rate of 10%. The shareholder loans mature and are repayable on June 1, 2027 and can be repaid in full, with any accrued unpaid interest, in advance of such maturity date with no penalty at the option of Kalron upon 14 days' notice provided that the principal amount and any unpaid accrued interest will be due immediately on demand of Kalron does not complete the Proposed Qualifying Transaction by June 1, 2026.

Kalron Holdings Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three and nine month periods ended September 30, 2024

Management's Discussion and Analysis

The following Management's Discussion and Analysis (the "**MD&A**") of the financial condition and results of operations of ***Kalron Holdings Ltd.*** ("**Kalron**", "**we**", "**our**", "**us**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2024. This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2024, together with the notes thereto (the "**Financial Statements**"). These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS® Accounting Standards**") as issued by the International Accounting Standards Board. This MD&A contains forward-looking information that is subject to risk factors including those set out under "Forward Looking Information" below and elsewhere in this MD&A, including under "Risks and Uncertainties". All amounts are reported in US dollars, unless otherwise noted. This MD&A has been prepared as at March 31, 2025, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors of the Company (the "**Board**"), considers the materiality of information with reference to all relevant circumstances, including potential market sensitivity.

Certain information and discussion included in this MD&A constitutes forward-looking information. Readers are encouraged to refer to the cautionary notes contained in the section Forward-Looking Statements at the end of the MD&A.

Cautionary Note Regarding Forward-Looking Information

Statements contained in this MD&A that are not historical facts are forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to herein as "forward-looking statements") that involve risks and uncertainties. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

In making such forward-looking statements, the Company has made assumptions regarding, amongst other things, statements with respect to the future revenues; capital expenditures; costs, timing and future plans concerning the timing of signing new customers; currency fluctuations; requirements for additional capital; government regulation. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to operations; termination or amendment of existing contracts; labor disputes and other risks of the industry; as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those

anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A or as of the date specified in such statement and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required by law.

Description of Business

Corporate Structure and Business Description

Kalron is a privately held holding corporation established under Israel's laws in 2017. Kalron is the sole shareholder of Seegnal eHealth Ltd. ("Seegnal"), an Israeli based corporation incorporated under the Companies Law, 1999 (Israel) on September 25, 2005, as a wholly owned subsidiary of Teva Pharmaceuticals Industries Ltd. ("Teva"). Seegnal originally operated under the name "Teva Biogenetics Ltd.", as an empty shelf company until 2015, when the name was changed to "Mediseen eHealth Ltd." and the entity started operations. Mediseen eHealth Ltd. changed its name to "Seegnal eHealth Ltd." on December 4, 2019.

Seegnal has developed, owns, and is marketing software products for the provisioning of patient-tailored medication at the point of care, with the goal of safeguarding patients (and physicians) from adverse drug reactions, which, according to the World Health Organization, has been determined among the top six most common causes of death worldwide.1 In the relevant jurisdictions of its operations, Seegnal's products fall under the clinical decision support software ("CDSS") category and are classified as non-regulated medical devices and considered as excluded from the FDA's jurisdiction. Seegnal's platform incorporates certain drug databases licensed from prominent international databases, the current main one being First DataBank International Inc. ("FDB") The software as a service ("SaaS") common framework, which serves as the heart of Seegnal's products, encompasses a distinct patient-tailored (patient-centric) approach, patented single-screen glance, patented workflow, and over 1,500 proprietary algorithms.

The Company's head office is located at Hashikma St 1, Savyon, Israel.

On June 5, 2019, Seegnal established Seegnal US Inc, a wholly owned subsidiary ("Seegnal US") which is focusing on sales and marketing of the Company's products in North America. During 2024, the operations of Seegnal US have been reduced significantly and at the date of this MD&A, Seegnal US does not have active operations.

Significant developments during and subsequent to the nine months period ended September 30, 2024.

In January 2024, Seegnal signed a new SaaS license agreement with Leumit Health Services, a large health maintenance organization in the State of Israel, for a five year term. The agreement is based on usage rather than a periodic fixed fee and is expected to generate higher revenues for Seegnal.

In August 2024, Kalron entered into a non-exclusive distribution agreement with Digitals OYT Ltd. ("Digitals"), for Digitals to market and license Seegnal's clinical decision-support system in the UK. In November 2024, Digitals secured access for Seegnal's system to the UK Government's G-Cloud 14 framework which will allow UK public sector organizations, including NHS trusts, hospitals, and clinics, to procure Seegnal's "Virtual Digital Pharmacist" through a streamlined process. The UK's NHS is responsible for one of the largest public healthcare systems in Europe, which includes 515 hospitals and 390,000 doctors. The G-Cloud 14 framework, managed by the Crown Commercial Service, facilitates

[1] World Health Organization 2023: Global burden of preventable medication-related harm in health care: a systematic review. ISBN 978-92-4-008888-7 (electronic version).

public sector procurement of pre-approved cloud software and services, allowing organizations to bypass lengthy tender processes.

In 2024, Seegnal designed precision medication product capabilities to become a B2C stand-alone product, as further detailed below under “Products and Services”.

Seegnal primarily operates in Israel and the UAE, while actively pursuing business expansion opportunities in the United Kingdom and Poland. Two of Israel’s four health maintenance organizations are using the system by virtue of long-term licensing agreements in national deployment as well as one of the largest hospital facilities in the country pursuant to a public tender process win. The largest hospital in Tel Aviv is due to complete its onboarding of Seegnal by April 2025.

Kalron intends to continue its current business and operations in 2025.

Proposed Transaction

On September 23, 2023, Reem Capital Corp. (“REEM”) (TSXV:REEM.P) entered into a definitive agreement with Kalron, which was subsequently amended on January 27, 2025 (the “Definitive Agreement”) pursuant to which Reem and Kalron intend to complete the Transaction (as defined below), and whereby Reem as it exists upon completion of the Transaction (the “Resulting Issuer”) will continue the business of Kalron.

Pursuant to the Amended and Restated Definitive Agreement:

- immediately prior to closing of the proposed transaction, all outstanding convertible debentures and SAFE (simple agreement for future equity) instruments of Kalron will be converted, in accordance with their terms, into post-Kalron share split ordinary shares of Kalron ("Kalron Post-Split Shares");
- Reem shall acquire all of the issued and outstanding Kalron Post-Split Shares by way of a securities exchange; and
- certain holders of convertible debentures of Kalron shall receive, pursuant to the terms of the purchase agreements for such convertible debentures, warrants of Reem entitling the holder thereof to purchase one Resulting Issuer Share (as defined below) at an exercise price of CAD$1.20 per Resulting Issuer Share (as defined below) at any time on or before the 24-month anniversary from the date of issuance.

The above steps are referred to as the “Transaction” or the “Proposed Transaction” in this MD&A.

It is intended that the Proposed Transaction will constitute a reverse take-over of Reem by Kalron inasmuch as the former shareholders, debenture holders and other securityholders of Kalron will own approximately 78.64% of the outstanding shares of the resulting issuer (the “Resulting Issuer Shares”), which such calculation does not factor in the completion of the Kalron Financing (as defined below) nor any financial advisory services securities being issued at closing of the Transaction. Reem, following the completion of the Transaction is herein referred to as the "Resulting Issuer". The Resulting Issuer Shares to be issued to former shareholders, debenture holders and other securityholders of Kalron will be issued at a deemed price of CAD$0.80 per Resulting Issuer Share.

The Proposed Transaction will constitute the "Qualifying Transaction" as such term is defined in Policy 2.4 - Capital Pool Companies (the "CPC Policy") of TSX Venture Exchange (the “Exchange”). The Resulting Issuer expects to be classified as a Tier 2 Technology Issuer upon closing of the Proposed Transaction and it is anticipated that the Resulting Issuer Shares will trade on the Exchange under the stock symbol "SEGN". The Resulting Issuer Shares will remain halted pending receipt and review of acceptable documentation regarding the Qualifying Transaction pursuant to the CPC Policy.

To the knowledge of the directors and executive officers of Kalron, the following persons currently beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the ordinary shares of Kalron: (a) Mikal Ltd. ("**Mikal**"), an entity established under the laws of Israel and controlled by Gilat Management Services Ltd. ("**Gilat**") (an entity established under the laws of Israel and controlled by Mr. Avraham Gilat, a resident of Israel) and Edtom Ltd. ("**Edtom**") (an entity established under the laws of Israel and controlled by Mr. Ron Nafatli, a resident of Israel), which currently owns 71.0% of the outstanding ordinary shares of Kalron; (b) Roni Shiloh, which currently owns 13.5% of the outstanding ordinary shares of Kalron; and (c) Edtom, an entity controlled by Mr. Ron Nafatli, which currently owns 10.2% of the outstanding ordinary shares of Kalron. Gilat also owns 0.4% of the outstanding ordinary shares of Kalron.

Each of Mikal, Edtom and Gilat are expected to qualify as a Principal and Insider (as such terms are defined in the policies of the TSXV) of the Resulting Issuer following closing of the Proposed Transaction, as it is anticipated that they will each have beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the outstanding Resulting Issuer Shares (as defined below). Mikal and Edtom will hold, directly, 50.1% of the Resulting Issuer Shares following closing of the Proposed Transaction.

On or immediately prior to the closing of the Proposed Transaction, REEM will consolidate its outstanding share capital (the "**Reem Consolidation**") on the basis of one new common share of Reem for each 3.16 existing common share of Reem. There are currently 7,900,000 common shares of Reem outstanding which will result in approximately 2,500,000 post-Reem Consolidation common shares issued and outstanding. The Reem Consolidation will also affect the holders of REEM's outstanding options, as described below, on the same basis.

Prior to the closing of the Proposed Transaction, Kalron will complete the Kalron Share Split and will split its outstanding ordinary shares on the basis of approximately 35:52 new ordinary shares of Kalron for each one existing ordinary share of Kalron. The Kalron Share Split will not affect the holders of Kalron's outstanding convertible debentures or SAFE.

Following the completion of the Proposed Transaction, the Reem Consolidation and the Kalron Financing, there will be approximately 45,602,073 Resulting Issuer Shares outstanding, and approximately 30,951,308 Resulting Issuer Shares will be reserved for issuance pursuant to convertible securities of the Resulting Issuer.

The Proposed Transaction will not constitute a "Non-Arm's Length Qualifying Transaction" (as such term is defined by the Exchange). In addition, the Proposed Transaction is not a "related party transaction" as such term is defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders* and is not subject to Policy 5.9 of the Exchange. As a result, no meeting of the shareholders of REEM is required pursuant to the CPC Policy or applicable securities laws.

In connection with the Proposed Transaction, Seegnal has entered into an engagement letter with Exiteam Ltd. ("**Exiteam**") whereby Exiteam will be paid a financial advisory services fee of Resulting Issuer Shares equaling 2% of the issued and outstanding Resulting Issuer Shares following completion of the Proposed Transaction, calculated on a fully-diluted basis, upon closing of the Proposed Transaction (the "**Exiteam Financial Advisory Services Fees**"). Additionally, Seegnal has entered into an engagement letter with and Quarck Investments Ltd. ("**Quarck**") whereby Quarck will be paid a financial advisory services fee of Resulting Issuer Shares equaling 2% of the issued and outstanding Resulting Issuer Shares following completion of the Proposed Transaction, calculated on a non-diluted basis, upon closing of the Proposed Transaction (the "**Quarck Financial Advisory Services Fees**"). The Exiteam Financial Advisory Services Fees and the Quarck Financial Advisory Services Fees are subject to Exchange acceptance in accordance with the policies of the Exchange. Ronnie Jaegermann is a director, officer and shareholder of Exiteam and a director of REEM.

The following table summarizes the proposed pro forma capitalization of the Resulting Issuer following completion of the Proposed Transaction, the Reem Consolidation, the Kalron Share Split and the Kalron Financing:

Resulting Issuer Shares	Securities Outstanding After Giving Effect to the Proposed Transaction (% of fully diluted)	
Issued to shareholders of Kalron pursuant to the Proposed Transaction (excluding the convertible debenture and SAFE holders of Kalron)	6,560,310	8.64%
Issued to shareholders of Kalron upon conversion of the convertible debentures and SAFE of Kalron pursuant to the Proposed Transaction[(1)]	29,299,790	38.57%
Existing shareholders of Reem (post-Consolidation)	2,500,000	3.29%
Issued to investors in the Kalron Financing[(2)]	5,000,000	6.58%
Issued to Exiteam as the Exiteam Financial Advisory Services Fees	1,412,270	1.86%
Issued to Quarck as the Quarck Financial Advisory Services Fees	817,202	1.08%
Total Resulting Issuer Shares (basic)	**45,589,572**	
Reserved for issuance upon the exercise of Resulting Issuer Warrants (as defined below) to be issued in the Kalron Financing[(2)]	5,000,000	6.58%
Reserved for issuance upon the exercise of warrants of the Resulting Issuer to be issued upon conversion of the Kalron convertible debentures[(1)]	24,753,398	32.59%
Reserved for issuance upon exercise of outstanding Reem stock options (post-Consolidation)	250,000	0.33%
Reserved for issuance upon the exercise of warrants to be issued to Steckel Investments Inc [(3)]	368,958	0.49%
Total Resulting Issuer Shares (diluted)	**75,961,928**	**100%**

1. Certain convertible debentures accrue interest and such amounts factor in estimated interest to February 28, 2025. These amounts are subject to change as interest continues to accrue. The warrants of the Resulting Issuer shall be issued at an exercise price of CAD$1.20 per Resulting Issuer Share (post-Consolidation).
2. Assumes completion of the CAD$4,000,000 Kalron Financing.
3. To be issued pursuant to an engagement letter between Seegnal and Capital Canada Limited entitling Capital Canada Limited to warrants of the Resulting Issuer for services relating to prior financings of Kalron and Seegnal. Capital Canada instructed Kalron and Seegnal to issue the warrants to Steckel Investments Inc. pursuant to an amended letter of direction dated November 1, 2024.

UPDATES TO FINANCINGS IN CONNECTION WITH THE PROPOSED TRANSACTION

Instead of the previously announced Reem private placement of subscription receipts, Kalron intends to complete a non-brokered private placement (the "**Kalron Financing**") of up to 5,000,000 subscription receipts (the "**Subscription Receipts**") at CAD$0.80 per Subscription Receipt for aggregate gross proceeds of up to CAD$4,000,000 (or such greater amount as may be agreed to by Reem and Kalron). Each Subscription Receipt will, following the completion of the Proposed Transaction and the satisfaction of

certain escrow release conditions, entitle the holder to receive, without the payment of additional consideration or taking of further action, one unit of Kalron consisting of (i) one Kalron Post-Split Share, and (ii) one share (post-Kalron Share Split) purchase warrant of Kalron (a "**Kalron Warrant**" or "**Kalron Warrants**"), with each Kalron Warrant entitling the holder thereof to acquire one Kalron Post-Split Share at a price of CAD$1.20 until twenty-four (24) months following the completion of the Proposed Transaction. Each Kalron Post-Split Share and Kalron Warrant issued to holders of Subscription Receipts upon satisfaction of the escrow release conditions shall be exchanged for one common share of the Resulting Issuer (a "**Resulting Issuer Share**"), and one share purchase warrant of the Resulting Issuer (a "**Resulting Issuer Warrant**" or "**Resulting Issuer Warrants**") pursuant to the terms of the Definitive Agreement, with each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at a price of CAD$1.20 until twenty-four (24) months following the completion of the Proposed Transaction. Proceeds of the Kalron Financing will be held in escrow pending satisfaction of customary escrow release conditions, including the completion, satisfaction or waiver of all conditions precedent to the Proposed Transaction and the receipt of all required shareholder and regulatory approvals, as applicable (including the conditional approval of the Exchange) in connection with the Proposed Transaction, all of which shall be set forth in a subscription receipt agreement to be entered into. In connection with the Kalron Financing, Kalron may pay certain finders cash commission of up to 8% of the gross proceeds of the Kalron Financing. 100% of the cash payable to such finders shall be payable to such finders upon release of the Kalron Financing proceeds from escrow. Kalron anticipates that two of its existing shareholders, Mikal and Edtom, will invest a total of CAD$1,000,000 as lead investors in the Kalron Financing.

Business of Kalron

Seegnal was founded in 2015 as a wholly owned subsidiary of Teva Pharmaceuticals Industries Ltd. to develop a clinical decision support system software for clinicians at the point of care to improve patient care, experience, and outcomes, streamlining clinician prescription management workflow to substantially lower healthcare expenditures. Seegnal started by developing and marketing patient-tailored SAAS CDSS to reduce the “Alert Fatigue” phenomena that were perceived as the cause of ADRs. According to the World Health Organization, "Adverse drug reactions (ADRs) are estimated to be between the 4th and 6th most common cause of death worldwide, taking their place among other prevalent causes of mortality such as heart disease, cancer, and stroke. “

Over time, Seegnal identified that placing the individual patient at the center (instead of the medication) by tailoring logic specific to that same certain patient is the key to reducing adverse drug reactions. Currently, Seegnal’s base product is an electronic medical record add-on that allows physicians in a single-glance window to manage and mitigate any possible medication risks within seconds, only when needed. In a study done in Brigham’s Women’s Hospital, Seegnal stopped physicians only 4% of the time (once per patient) compared to Seegnal’s competitor, EPIC electronic medical record which they use (the electronic medical record market leader in the U.S. with 51.5% of the total number of hospitals beds in the U.S.) which stopped them 59.5% of the time, having much better sensitivity and specificity in comparison. The Seegnal software has been accredited as a Health Insurance Portability and Accountability Act (“HIPPAA”) compliant during 2022 purposely to market and deploy the system in the U.S.

In 2017, Seegnal was purchased from Teva by Kalron. As part of the acquisition, Kalron committed to continuing to employ Seegnal’s employees and paying Teva certain royalties on sales. Kalron, through its subsidiary Seegnal, has developed a vast intellectual property portfolio. The SaaS based technology contains over 1500 specific algorithms, and includes three registered patents in the United States, one registered patent in Canada, and one registered patent in the State of Israel, all in the areas of graphical user interface and workflow. The Seegnal system’s functional disruptive graphical user interface approach, on the one hand, and the technical capability to introduce the individual patient at the center when providing clinical recommendations, on the other hand, reduces the physicians’ workload by over 60% compared to EPIC’s system, while providing over 98% alert accuracy and automating alternative therapy resolution suggestions, saving physicians time from researching for alternatives manually.

In 2023, Seegnal finished an actual live proof of concept in a hospital, demonstrating the capability of its newest product (expansion of the base product), providing precision medication recommendations while reducing adverse drug reactions-. With that, Seegnal is one of the few companies worldwide that can provide end-to-end precision medication recommendations with significantly reduced adverse drug reactions, both because of contraindications and patient-to-medication interaction.

In December 2023, Kalron signed a pilot agreement with Supra Inwest for the piloting and subsequent further distribution of the Seegnal system in Poland. Poland has a substantial healthcare infrastructure with over 250,000 hospitalization beds, ranking it as one of the largest healthcare systems in Europe in terms of monetary value. The Seegnal platform is currently a "standard of care" system for over 10,000 clinicians who use it daily to prescribe medications to their patients. The product scans over one million therapies every day.

Selected Financial Information

The following is a discussion of the results of operations which have been derived from the unaudited condensed interim consolidated financial statements of the Company for the three and nine month periods ended September 30, 2024 (in Thousands of US dollars):

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Revenues	**$ 354**	$ 333	**$ 1,061**	$ 929
Cost of revenues	**(319)**	(423)	**(993)**	(1,338)
Gross profit (loss)	**35**	(90)	**68**	(409)
Research and development costs	**119**	265	**367**	836
Sales and marketing expenses	**183**	128	**566**	368
General and administration costs	**361**	323	**1,053**	1,056
Operating Loss	**(628)**	(806)	**(1,918)**	(2,669)
Change in fair value of convertible loans	**(141)**	(201)	**(739)**	(830)
Interest expenses	**(27)**	(44)	**(120)**	(181)
Foreign exchange gain (loss)	**(72)**	89	**30**	214
	(240)	(156)	**(829)**	(797)
Net loss and comprehensive loss for the period	**$ (868)**	$ (962)	**$ (2,747)**	$ (3,466)
Basic and fully diluted loss per share	**$ (4.70)**	$ (5.21)	**$ (14.87)**	$ (18.76)
Weighted Average Number Of Shares Outstanding	**184,709**	184,709	**184,709**	184,709

Nine-month period ended September 30, 2024, compared to the nine-month period ended September 30, 2023

Revenues

For the nine-month period ended September 30, 2024, revenues amounted to $1,061 thousand (nine-month period ended September 30, 2023- $929 thousand). The increase is due to increase in revenues from Israeli HMO's.

Cost of revenues

For the nine-month period ended September 30, 2024, cost of revenues amounted to $993 thousand (nine-month period ended September 30, 2023- $1,338 thousand). The decrease in cost of revenues during the nine-month period ended September 30, 2024 is as a result of decrease in databases and IT expenses, payroll and related expenses and share based compensation partially offset by increase in depreciation.

Research and development costs, net

For the nine-month period ended September 30, 2024, research and development costs amounted to $367 thousand (nine -month period ended September 30, 2023- $836 thousand). The decrease during the nine-month period ended September 30, 2024, relates to a decrease in payroll and related expenses, share-based compensation, subcontractors and databases and IT.

Sales and marketing expenses

For the nine-month period ended September 30, 2024, Sales and marketing expenses amounted to $566 thousand (nine -month period ended September 30, 2023- $368 thousand). The increase in marketing expenses during the nine-month period ended September 30, 2024, relates to an increase in share based compensation, partially offset by decrease in payroll and related expenses.

General and administrative expenses

For the nine-month period ended September 30, 2024, general and administrative expenses amounted to $1,053 thousand (nine -month period ended September 30, 2023- $1,056 thousand).

Finance expenses

For the nine-month period ended September 30, 2024, financial expenses amounted to $829 thousand (nine -month period ended September 30, 2023- $797 thousand). The financial expenses consist of change in fair value of convertible loans of $739 thousand, interest expenses of $120 thousand and foreign exchange gain of $(30) thousand (nine- month period ended September 30, 2023- change in fair value of convertible loans of $830 thousand, interest expenses of $181 thousand and foreign exchange gain of $(214) thousand).

Net losses

The Company reported a net and comprehensive loss for the nine-month period ended September 30, 2024 of $2,747 thousand (nine -month period ended September 30, 2023- $3,466 thousand).

Three-month period ended September 30, 2024, compared to the three-month period ended September 30, 2023

Revenues

For the three-month period ended September 30, 2024, revenues amounted to $354 thousand (three-month period ended September 30, 2023- $333 thousand).

Cost of revenues

For the three -month period ended September 30, 2024, cost of revenues amounted to $319 thousand (three -month period ended September 30, 2023- $423 thousand). The decrease in cost of revenues during the three -month period ended September 30, 2024 is as a result of decrease in databases and IT expenses, payroll and related expenses and share based compensation.

Research and development costs, net

For the three -month period ended September 30, 2024, research and development costs amounted to $119 thousand (three -month period ended September 30, 2023- $265 thousand). The decrease during the three-month period ended September 30, 2024, relates to a decrease in payroll and related expenses, subcontractors and databases and IT.

Sales and marketing expenses

For the three-month period ended September 30, 2024, Sales and marketing expenses amounted to $183 thousand (three-month period ended September 30, 2023- $128 thousand). The increase in marketing expenses during the three-month period ended September 30, 2024, relates to an increase in share based compensation.

General and administrative expenses

For the three -month period ended September 30, 2024, general and administrative expenses amounted to $361 thousand (three -month period ended September 30, 2023- $323 thousand).

Finance expenses

For the three -month period ended September 30, 2024, financial expenses amounted to $240 thousand (three -month period ended September 30, 2023- $156 thousand). The financial expenses consist of change in fair value of convertible loans of $141 thousand, interest expenses of $27 thousand and foreign exchange loss of $72 thousand (three -month period ended September 30, 2023– change in fair value of convertible loans of $201 thousand, interest expenses of $44 thousand and foreign exchange gain of $(89) thousand).

Net losses

The Company reported a net and comprehensive loss for the three -month period ended September 30, 2024 of $868 thousand (three -month period ended September 30, 2023- $962 thousand).

Inflation

During the nine-month period ended September 30, 2024 and 2023, inflation has not had a material impact on the Company's operations.

Liquidity

Liquidity is a measure of a company's ability to meet potential cash requirements. The Company has historically met its capital requirements through the issuance of common shares.

Since its inception, the Company had invested majority of its funds in development of the Seegnal platform resulting in accumulated losses amounting to approximately $32 million and presented negative cash flows from its operating activities. The continuance of the Company's operations is subject to continued financing from its shareholders and other investors. These conditions indicate the existence of material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern. Management's plans in this regard include continued development, marketing and selling of its services as well as seeking additional financial arrangements. Management believes that these plans are appropriate and feasible and is confident that the entity will be able to meet its obligations as they fall due. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the entity will continue in operational existence for the foreseeable future.

However, if the entity is unable to achieve the expected outcomes of these initiatives, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Under these circumstances, adjustments may be required to reduce the carrying value of assets to their recoverable amounts, reclassify non-current assets and liabilities as current, and provide for additional liabilities.

Financial position

As at September 30, 2024, the Company had total assets of $744 thousand and a net deficit position of $17,407 thousand. This compares with total assets of $580 thousand and a net deficit position of $15,379 thousand as at December 31, 2023. The Company had current liabilities of $18,151 thousand as at September 30, 2024, as compared with $15,041 thousand as at December 31, 2023.

As at September 30, 2024, the Company had negative working capital of $17,448 thousand compared to a negative working capital of $14,759 thousand as at December 31, 2023. The Company had cash on hand of $407 thousand as at September 30, 2024, compared with $41 thousand as at December 31, 2023.

As of September 30, 2024, the Company has an accumulated deficit of $32,316 thousand ($29,569 thousand as of December 31, 2023).

Nine -month period ended September 30, 2024 compared to the nine -month period September 30, 2023

During the nine-month period ended September 30, 2024, the Company's overall position of cash increased by $366 thousand. This increase can be attributed to the following activity:

Cash flows used in operating activities were $1,156 thousand.

Cash flow generated in investing activities for the nine -month period ended September 30, 2024 of $19 thousand was the result of change in restricted deposits.

Cash flow generated from financing activities for the nine -month period ended September 30, 2024 of $1,503 thousand was the result of repayment and proceeds of loans from bank, interest paid for lease liabilities and receipt of convertible loans.

During the nine -month period ended September 30, 2023, the Company's overall position of cash increased by $120 thousand. This increase can be attributed to the following activity:

Cash flows used in operating activities were $2,619 thousand.

Cash flow generated from investing activities for the nine -month period ended September 30, 2023 of $52 thousand was the result of payments for property, plant and equipment and change on restricted deposits.

Cash flow generated from financing activities for the nine -month period ended September 30, 2023 of $2,687 thousand was the result of repayment and proceeds of loans from bank, interest paid for lease liabilities and receipt of convertible loans.

Capital Resources

As of September 30, 2024, the Company has a negative working capital of $17,448 thousand (December 31, 2023 – negative working capital of $14,759 thousand).

Commitments

Litigation

As of September 30, 2024, and 2023, the Company was not a party to any litigation or other legal proceedings that the Company believes could reasonably be expected to have a material adverse effect on the Company's business, results of operations and financial condition.

Israel Innovation Authority - funding participation plan

During 2019, the Israel Innovation Authority of the Israeli Ministry of Economy ("IIA") approved funding participation for three projects developed by the Company. The Company is committed to pay royalties to the IIA under certain circumstances. The royalties are computed based on the Company's net revenues arising from know-how in the research and development in which the IIA will participate by way of grants. Under the terms of the Company's funding from the IIA, royalties of 3%-5% payable on sales of products developed from a project so funded, up to 100% of the amount of the grant received by the Company (dollar linked with the addition of annual interest at SOFR rate). In the case of failure of a project that was partly financed by royalty-bearing Government grants, the Company is not obligated to pay any such royalties to the IIA. The Company received $1,014 thousand in respect of this program. To date, no such qualifying sales of products are expected, and the funding is not expected to be repaid and therefore no liability has been recorded. The Company continues to provide the IIA with timely reports on revenues, as required.

Development and exclusive technology license agreement

In December 2015, a development and exclusive technology license agreement ("DLA") was signed between Teva and University of Washington ("the University"), which was transferred to Seegnal in November 2017 by virtue of the ASPA. The University developed a technology related to drug interaction DDIB Platform as defined in the DLA. Furthermore, the University extracted the data from the DDIB Platform into a new transmittal database for Seegnal's use ("Data"). Seegnal obtained certain exclusive rights for the commercial deployment of the University Data.

This agreement has been substituted with a new non-exclusive license agreement dated November 16, 2021 for the further utilization of the University's Technology, according to which Seegnal is required to pay on a quarterly basis an amount equal to 6% of the relevant quarterly Net Sales (as "Running Royalty Payments") with a minimum (non-cumulative basis) of $75 thousand commitment to the University ("Minimum Quarterly Royalties"/"MQR") creditable against any royalty payment obligations of Seegnal to the University and to be increased by 2% per calendar year starting from 2022 and onwards. Notwithstanding, the deferred MQR shall become due and payable within 30 days from and if the Company closes a Qualifying Financing (defined therein as offerings of equity securities issued for cash/equivalents, the aggregate proceeds of which equals or exceeds $12,500 thousand or if after the Execution Date Company achieves Net Sales in the US with actual received revenues of $1,500 thousand or more, or after such aggregate Net Sales amount has been received by Company or Licensed Entity, or some combination of both Company and a Licensed Entity (i.e. each Seegnal and its Affiliates to which rights under said Agreement have been extended in accordance with the terms and conditions of the Agreement).

The Company has recorded a provision for the MQR payments in the amount of $500 thousand, being the amount invoiced by the University through to December 31, 2022. Since December 31, 2022, the University has not updated Data and such Data is no longer in use by Seegnal.

Royalty Payments and future consideration to Teva

On November 30, 2017 an ASPA was signed between Teva and Kalron, for the purchase of the Seegnal’s assets and shares.

Pursuant to the ASPA, Teva will be entitled to receive from Kalron certain contingent one-time cash payment and royalties as summarized below. Furthermore, until the occurrence of certain milestones related to the Seegnal's operating results as defined in the ASPA, Kalron has a funding obligation towards Seegnal and should use reasonable commercial efforts to fund Seegnal (whether by way of equity, loans, guaranties to third parties or external financing).

Seegnal is committed to pay Teva royalties at a rate of 5% of revenues, until the earlier of (i) a maximum royalty payment of $7,500 thousand or (ii) December 31, 2027.

The Company is further obligated to pay Teva between $350 thousand and $3,000 thousand upon the sale of the Seegnal business, as defined in the agreement, at a value between $3,000 thousand and $50,000 thousand.

Royalty expenses due to Teva, for the nine months ended September 30, 2024 and 2023 were approximately $40 thousand and $38 thousand, respectively recorded in cost of revenues.

Royalty Payments and future consideration to the Israeli Ministry of Economy

During May 2019, the Israeli Ministry of Economy approved funding participation of the Company's USA marketing export expenses. The funding is for a period of 24 months therefrom and up to 50% of the approved budget and no more than NIS 200,000 (approximately $54 thousand). Under the terms of this funding, the Company shall pay royalties of 3%, if the Company increases its revenues in the United States by $332 thousand in comparison to 2019, up to 100% of the funding amount (dollar linked with the addition of annual interest at SOFR rate). The royalties will be paid each year for five years or until the funding will be fully repaid. In case of failure of such increase, the Company is not obligated to pay any such royalties. The total budgeted participation amount is approximately $54 thousand out of which the Company received $53 thousand as of December 31, 2020. No increased export revenue of $332 thousand to the United States has occurred nor is such an increase expected, and the funding is not expected to be repaid therefore no liability has been recorded.

Disclosure of Outstanding Share Data

As of the date of this report and as of September 30, 204, the Company has 184,709 ordinary shares outstanding and no options or warrants outstanding.

Management of Capital

The Company's capital comprises share capital, additional paid in capital, warrant, and accumulated losses. The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company in order to support the Company’s business activities. The Board of Directors does not establish quantitative return on capital criteria for management; it relies on the expertise of the Company's management to sustain future development of the business.

The intellectual property in which the Company currently has an interest is in the development stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the Seegnal Planned research and development and pay for administrative costs, the Company intends to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Off-Balance Sheet arrangements

See “Commitments” above.

Transactions with Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management, who are considered to be key management personnel by the Company.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following are the expenses incurred with related parties for the three and nine month periods ended September 30, 2024 and 2023, and the balances owing as of September 30, 2024 and December 31, 2023 (in Thousands of US dollars):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Chief Executive Officer	**$ 41**	$ 57	**$ 120**	$ 199
Chief Financial Officer	**18**	19	**53**	57
Share based payments- CEO	**236**	90	**708**	90
	$ 295	$ 166	**$ 881**	$ 346

Balances with related parties:

	September 30, 2024	December 31, 2023
Chief Executive Officer	**$ 15**	$ 18
Chief Financial Officer	**23**	28
	$ 38	$ 46

Change in Accounting Policies

There have been no changes in accounting policies for the nine-month ended September 30, 2024.

Significant Accounting Judgements and Estimates

Our results of operation and financial condition are based on our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards. Certain accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at that time. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the periods presented. To the extent there are material differences between these estimates, judgments or assumptions and actual results, our financial statements will be affected. The significant accounting policies and estimates that we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

- The Company uses the Black- Scholes option pricing model to estimate the fair value of options. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the option.

- The Company uses the Black- Scholes option pricing model to estimate the fair value of the convertible loans. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the instrument.

Risks and Uncertainties

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period.

Credit risks are treated at the Company level. Credit risks arise typically from cash and cash equivalents, trade receivables and other current assets.

No credit limits were exceeded during the reported periods and Company’s management does not expect any losses from non-performance of these parties.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet current obligations and future commitments. The Company's approach to managing liquidity risk is to forecast cash requirements to provide reasonable assurance that it will have sufficient funds to meet its liabilities when due. As of September 30, 2024, the Company had cash of $407 thousand to settle current liabilities in the amount of $18,151 thousand (December 31, 2023 – cash of $41 thousand to settle current liabilities in the amount of $15,041 thousand). The tables below present the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As of September 30, 2024 (in Thousands of US dollars):

	Carrying amount	Within 1 year
Accounts payables	$ 706	$ 706
Other accounts payable and royalty provisions	834	834
Lease liability	33	33
Convertible loans from shareholders	9,062	9,062
Convertible loans	6,036	6,036
Short-term portion of long term loan from bank	1,364	1,402
	$ 18,035	**$ 18,073**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of two types of risk: interest rate risk, and foreign currency risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company has long-term debt with variable interest rate and accordingly, any increase in interest rates could lead to higher interest payments and adversely affect its financial performance.

As of September 30, 2024, the impact on profit and loss and net assets of a 1% change in the interest rate would be approximately $13 thousand.

(ii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Company operates internationally and is exposed to foreign exchange risks due to exposure to foreign currencies. Foreign exchange risk arises from future commercial transactions, assets or liabilities denominated in foreign currency.

The Company's policy to reduce the exposure to changes in exchange rates is based on maintaining, where possible, the balances of current monetary assets, according to the currency of the current liabilities.

As of September 30, 2024, if the Company's functional (USD) had strengthened/ weakened by 5% against the ILS, with all other variables held constant, the loss for the period would decrease /increase by approximately $(89) thousand.

# # # #

Kalron Holdings Ltd.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the year ended December 31, 2023

Management's Discussion and Analysis

The following Management's Discussion and Analysis (the "**MD&A**") of the financial condition and results of operations of ***Kalron Holdings Ltd.*** ("**Kalron**", "**we**", "**our**", "**us**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2023. This discussion should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2023, together with the notes thereto (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS® Accounting Standards**") as issued by the International Accounting Standards Board.

This MD&A contains forward-looking information that is subject to risk factors including those set out under "Forward Looking Information" below and elsewhere in this MD&A, including under "Risks and Uncertainties". All amounts are reported in US dollars, unless otherwise noted. This MD&A has been prepared as at March 31, 2025, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors of the Company (the "**Board**"), considers the materiality of information with reference to all relevant circumstances, including potential market sensitivity.

Certain information and discussion included in this MD&A constitutes forward-looking information. Readers are encouraged to refer to the cautionary notes contained in the section Forward-Looking Statements at the end of the MD&A.

Cautionary Note Regarding Forward-Looking Information

Statements contained in this MD&A that are not historical facts are forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to herein as "forward-looking statements") that involve risks and uncertainties. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

In making such forward-looking statements, the Company has made assumptions regarding, amongst other things, statements with respect to the future revenues; capital expenditures; costs, timing and future plans concerning the timing of signing new customers; currency fluctuations; requirements for additional capital; government regulation. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to operations; termination or amendment of existing contracts; labor disputes and other risks of the industry; as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking

statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A or as of the date specified in such statement and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required by law.

Description of Business

Corporate Structure and Business Description

Kalron is a privately held holding corporation established under Israel's laws in 2017. Kalron is the sole shareholder of Seegnal eHealth Ltd. ("Seegnal"), an Israeli based corporation incorporated under the Companies Law, 1999 (Israel) on September 25, 2005, as a wholly owned subsidiary of Teva Pharmaceuticals Industries Ltd. ("Teva"). Seegnal originally operated under the name "Teva Biogenetics Ltd.", as an empty shelf company until 2015, when the name was changed to "Mediseen eHealth Ltd." and the entity started operations. Mediseen eHealth Ltd. changed its name to "Seegnal eHealth Ltd." on December 4, 2019.

Seegnal has developed, owns, and is marketing software products for the provisioning of patient-tailored medication at the point of care, with the goal of safeguarding patients (and physicians) from adverse drug reactions, which, according to the World Health Organization, has been determined among the top six most common causes of death worldwide.1 In the relevant jurisdictions of its operations, Seegnal's products fall under the clinical decision support software ("CDSS") category and are classified as non-regulated medical devices and considered as excluded from the FDA's jurisdiction. Seegnal's platform incorporates certain drug databases licensed from prominent international databases, the current main one being First DataBank International Inc. ("FDB") The software as a service ("SaaS") common framework, which serves as the heart of Seegnal's products, encompasses a distinct patient-tailored (patient-centric) approach, patented single-screen glance, patented workflow, and over 1,500 proprietary algorithms.

The Company's head office is located at Hashikma St 1, Savyon, Israel.

On June 5, 2019, Seegnal established Seegnal US Inc, a wholly owned subsidiary ("Seegnal US") which is focusing on sales and marketing of the Company's products in North America. Subsequent to 2023, the operations of Seegnal US have been reduced significantly and at the date of this MD&A, Seegnal US does not have active operations.

Significant developments during and subsequent to the year ended December 31, 2023

Towards the end of 2023, Seegnal successfully finished and piloted its instantaneous precision medication SAAS platform with live genetic profiling in hospitals (an expansion of Seegnal's base product). Seegnal anticipates making this capability available to all existing clients who choose to participate in the second quarter of 2025, offering for the first time physicians at the point of care, the ability to prescribe precision medication for patient-specific (up to DNA level) tailored medicine therapy to reduce the risk of adverse drug reactions.

In January 2024, Seegnal signed a new SaaS license agreement with Leumit Health Services, a large health maintenance organization in the State of Israel, for a five year term. The agreement is based on usage rather than a periodic fixed fee and is expected to generate higher revenues for Seegnal.

In August 2024, Kalron entered into a non-exclusive distribution agreement with Digitals OYT Ltd. ("Digitals"), for Digitals to market and license Seegnal's clinical decision-support system in the UK. In

[1] World Health Organization 2023: Global burden of preventable medication-related harm in health care: a systematic review. ISBN 978-92-4-008888-7 (electronic version).

November 2024, Digitals secured access for Seegnal's system to the UK Government's G-Cloud 14 framework which will allow UK public sector organizations, including NHS trusts, hospitals, and clinics, to procure Seegnal's "Virtual Digital Pharmacist" through a streamlined process. The UK's NHS is responsible for one of the largest public healthcare systems in Europe, which includes 515 hospitals and 390,000 doctors. The G-Cloud 14 framework, managed by the Crown Commercial Service, facilitates public sector procurement of pre-approved cloud software and services, allowing organizations to bypass lengthy tender processes.

In 2024, Seegnal designed precision medication product capabilities to become a B2C stand-alone product, as further detailed below under "Products and Services".

Seegnal primarily operates in Israel and the UAE, while actively pursuing business expansion opportunities in the United Kingdom and Poland. Two of Israel's four health maintenance organizations are using the system by virtue of long-term licensing agreements in national deployment as well as one of the largest hospital facilities in the country pursuant to a public tender process win. The largest hospital in Tel Aviv is due to complete its onboarding of Seegnal by April 2025.

Kalron intends to continue its current business and operations in 2025.

Proposed Transaction

On September 23, 2023, Reem Capital Corp. ("REEM") (TSXV:REEM.P) entered into a definitive agreement with Kalron, which was subsequently amended on January 27, 2025 (the "Definitive Agreement") pursuant to which Reem and Kalron intend to complete the Transaction (as defined below), and whereby Reem as it exists upon completion of the Transaction (the "Resulting Issuer") will continue the business of Kalron.

Pursuant to the Amended and Restated Definitive Agreement:

- immediately prior to closing of the proposed transaction, all outstanding convertible debentures and SAFE (simple agreement for future equity) instruments of Kalron will be converted, in accordance with their terms, into post-Kalron share split ordinary shares of Kalron ("Kalron Post-Split Shares");
- Reem shall acquire all of the issued and outstanding Kalron Post-Split Shares by way of a securities exchange; and
- certain holders of convertible debentures of Kalron shall receive, pursuant to the terms of the purchase agreements for such convertible debentures, warrants of Reem entitling the holder thereof to purchase one Resulting Issuer Share (as defined below) at an exercise price of CAD$1.20 per Resulting Issuer Share (as defined below) at any time on or before the 24-month anniversary from the date of issuance.

The above steps are referred to as the "Transaction" or the "Proposed Transaction" in this MD&A.

It is intended that the Proposed Transaction will constitute a reverse take-over of Reem by Kalron inasmuch as the former shareholders, debenture holders and other securityholders of Kalron will own approximately 78.64% of the outstanding shares of the resulting issuer (the "Resulting Issuer Shares"), which such calculation does not factor in the completion of the Kalron Financing (as defined below) nor any financial advisory services securities being issued at closing of the Transaction. Reem, following the completion of the Transaction is herein referred to as the "Resulting Issuer". The Resulting Issuer Shares to be issued to former shareholders, debenture holders and other securityholders of Kalron will be issued at a deemed price of CAD$0.80 per Resulting Issuer Share.

The Proposed Transaction will constitute the "Qualifying Transaction" as such term is defined in Policy 2.4 - Capital Pool Companies (the "**CPC Policy**") of TSX Venture Exchange (the "Exchange"). The Resulting

Issuer expects to be classified as a Tier 2 Technology Issuer upon closing of the Proposed Transaction and it is anticipated that the Resulting Issuer Shares will trade on the Exchange under the stock symbol "SEGN". The Resulting Issuer Shares will remain halted pending receipt and review of acceptable documentation regarding the Qualifying Transaction pursuant to the CPC Policy.

To the knowledge of the directors and executive officers of Kalron, the following persons currently beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the ordinary shares of Kalron: (a) Mikal Ltd. ("**Mikal**"), an entity established under the laws of Israel and controlled by Gilat Management Services Ltd. ("**Gilat**") (an entity established under the laws of Israel and controlled by Mr. Avraham Gilat, a resident of Israel) and Edtom Ltd. ("**Edtom**") (an entity established under the laws of Israel and controlled by Mr. Ron Nafatli, a resident of Israel), which currently owns 71.0% of the outstanding ordinary shares of Kalron; (b) Roni Shiloh, which currently owns 13.5% of the outstanding ordinary shares of Kalron; and (c) Edtom, an entity controlled by Mr. Ron Nafatli, which currently owns 10.2% of the outstanding ordinary shares of Kalron. Gilat also owns 0.4% of the outstanding ordinary shares of Kalron.

Each of Mikal, Edtom and Gilat are expected to qualify as a Principal and Insider (as such terms are defined in the policies of the TSXV) of the Resulting Issuer following closing of the Proposed Transaction, as it is anticipated that they will each have beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the outstanding Resulting Issuer Shares (as defined below). Mikal and Edtom will hold, directly, 50.1% of the Resulting Issuer Shares following closing of the Proposed Transaction.

On or immediately prior to the closing of the Proposed Transaction, REEM will consolidate its outstanding share capital (the "**Reem Consolidation**") on the basis of one new common share of Reem for each 3.16 existing common share of Reem. There are currently 7,900,000 common shares of Reem outstanding which will result in approximately 2,500,000 post-Reem Consolidation common shares issued and outstanding. The Reem Consolidation will also affect the holders of REEM's outstanding options, as described below, on the same basis.

Prior to the closing of the Proposed Transaction, Kalron will complete the Kalron Share Split and will split its outstanding ordinary shares on the basis of approximately 35:52 new ordinary shares of Kalron for each one existing ordinary share of Kalron. The Kalron Share Split will not affect the holders of Kalron's outstanding convertible debentures or SAFE.

Following the completion of the Proposed Transaction, the Reem Consolidation and the Kalron Financing, there will be approximately 45,602,073 Resulting Issuer Shares outstanding, and approximately 30,951,308 Resulting Issuer Shares will be reserved for issuance pursuant to convertible securities of the Resulting Issuer.

The Proposed Transaction will not constitute a "Non-Arm's Length Qualifying Transaction" (as such term is defined by the Exchange). In addition, the Proposed Transaction is not a "related party transaction" as such term is defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders* and is not subject to Policy 5.9 of the Exchange. As a result, no meeting of the shareholders of REEM is required pursuant to the CPC Policy or applicable securities laws.

In connection with the Proposed Transaction, Seegnal has entered into an engagement letter with Exiteam Ltd. ("**Exiteam**") whereby Exiteam will be paid a financial advisory services fee of Resulting Issuer Shares equaling 2% of the issued and outstanding Resulting Issuer Shares following completion of the Proposed Transaction, calculated on a fully-diluted basis, upon closing of the Proposed Transaction (the "**Exiteam Financial Advisory Services Fees**"). Additionally, Seegnal has entered into an engagement letter with and Quarck Investments Ltd. ("**Quarck**") whereby Quarck will be paid a financial advisory services fee of Resulting Issuer Shares equaling 2% of the issued and outstanding Resulting Issuer Shares following completion of the Proposed Transaction, calculated on a non-diluted basis, upon closing of the Proposed Transaction (the "**Quarck Financial Advisory Services Fees**"). The Exiteam Financial Advisory

Services Fees and the Quarck Financial Advisory Services Fees are subject to Exchange acceptance in accordance with the policies of the Exchange. Ronnie Jaegermann is a director, officer and shareholder of Exiteam and a director of REEM.

The following table summarizes the proposed pro forma capitalization of the Resulting Issuer following completion of the Proposed Transaction, the Reem Consolidation, the Kalron Share Split and the Kalron Financing:

Resulting Issuer Shares	**Securities Outstanding After Giving Effect to the Proposed Transaction (% of fully diluted)**	
Issued to shareholders of Kalron pursuant to the Proposed Transaction (excluding the convertible debenture and SAFE holders of Kalron)	6,560,310	8.64%
Issued to shareholders of Kalron upon conversion of the convertible debentures and SAFE of Kalron pursuant to the Proposed Transaction[(1)]	29,299,790	38.57%
Existing shareholders of Reem (post-Consolidation)	2,500,000	3.29%
Issued to investors in the Kalron Financing[(2)]	5,000,000	6.58%
Issued to Exiteam as the Exiteam Financial Advisory Services Fees	1,412,270	1.86%
Issued to Quarck as the Quarck Financial Advisory Services Fees	817,202	1.08%
Total Resulting Issuer Shares (basic)	**45,589,572**	
Reserved for issuance upon the exercise of Resulting Issuer Warrants (as defined below) to be issued in the Kalron Financing[(2)]	5,000,000	6.58%
Reserved for issuance upon the exercise of warrants of the Resulting Issuer to be issued upon conversion of the Kalron convertible debentures[(1)]	24,753,398	32.59%
Reserved for issuance upon exercise of outstanding Reem stock options (post-Consolidation)	250,000	0.33%
Reserved for issuance upon the exercise of warrants to be issued to Steckel Investments Inc [(3)]	368,958	0.49%
Total Resulting Issuer Shares (diluted)	**75,961,928**	**100%**

1. Certain convertible debentures accrue interest and such amounts factor in estimated interest to February 28, 2025. These amounts are subject to change as interest continues to accrue. The warrants of the Resulting Issuer shall be issued at an exercise price of CAD$1.20 per Resulting Issuer Share (post-Consolidation).
2. Assumes completion of the CAD$4,000,000 Kalron Financing.
3. To be issued pursuant to an engagement letter between Seegnal and Capital Canada Limited entitling Capital Canada Limited to warrants of the Resulting Issuer for services relating to prior financings of Kalron and Seegnal. Capital Canada instructed Kalron and Seegnal to issue the warrants to Steckel Investments Inc. pursuant to an amended letter of direction dated November 1, 2024.

UPDATES TO FINANCINGS IN CONNECTION WITH THE PROPOSED TRANSACTION

Instead of the previously announced Reem private placement of subscription receipts, Kalron intends to complete a non-brokered private placement (the "**Kalron Financing**") of up to 5,000,000 subscription receipts (the "**Subscription Receipts**") at CAD$0.80 per Subscription Receipt for aggregate gross proceeds of up to CAD$4,000,000 (or such greater amount as may be agreed to by Reem and Kalron). Each Subscription Receipt will, following the completion of the Proposed Transaction and the satisfaction of certain escrow release conditions, entitle the holder to receive, without the payment of additional consideration or taking of further action, one unit of Kalron consisting of (i) one Kalron Post-Split Share, and (ii) one share (post-Kalron Share Split) purchase warrant of Kalron (a "**Kalron Warrant**" or "**Kalron Warrants**"), with each Kalron Warrant entitling the holder thereof to acquire one Kalron Post-Split Share at a price of CAD$1.20 until twenty-four (24) months following the completion of the Proposed Transaction. Each Kalron Post-Split Share and Kalron Warrant issued to holders of Subscription Receipts upon satisfaction of the escrow release conditions shall be exchanged for one common share of the Resulting Issuer (a "**Resulting Issuer Share**"), and one share purchase warrant of the Resulting Issuer (a "**Resulting Issuer Warrant**" or "**Resulting Issuer Warrants**") pursuant to the terms of the Definitive Agreement, with each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at a price of CAD$1.20 until twenty-four (24) months following the completion of the Proposed Transaction. Proceeds of the Kalron Financing will be held in escrow pending satisfaction of customary escrow release conditions, including the completion, satisfaction or waiver of all conditions precedent to the Proposed Transaction and the receipt of all required shareholder and regulatory approvals, as applicable (including the conditional approval of the Exchange) in connection with the Proposed Transaction, all of which shall be set forth in a subscription receipt agreement to be entered into. In connection with the Kalron Financing, Kalron may pay certain finders cash commission of up to 8% of the gross proceeds of the Kalron Financing. 100% of the cash payable to such finders shall be payable to such finders upon release of the Kalron Financing proceeds from escrow. Kalron anticipates that two of its existing shareholders, Mikal and Edtom, will invest a total of CAD$1,000,000 as lead investors in the Kalron Financing.

Business of Kalron

Seegnal was founded in 2015 as a wholly owned subsidiary of Teva Pharmaceuticals Industries Ltd. to develop a clinical decision support system software for clinicians at the point of care to improve patient care, experience, and outcomes, streamlining clinician prescription management workflow to substantially lower healthcare expenditures. Seegnal started by developing and marketing patient-tailored SAAS CDSS to reduce the “Alert Fatigue” phenomena that were perceived as the cause of ADRs. According to the World Health Organization, "Adverse drug reactions (ADRs) are estimated to be between the 4th and 6th most common cause of death worldwide, taking their place among other prevalent causes of mortality such as heart disease, cancer, and stroke. “

Over time, Seegnal identified that placing the individual patient at the center (instead of the medication) by tailoring logic specific to that same certain patient is the key to reducing adverse drug reactions. Currently, Seegnal’s base product is an electronic medical record add-on that allows physicians in a single-glance window to manage and mitigate any possible medication risks within seconds, only when needed. In a study done in Brigham’s Women’s Hospital, Seegnal stopped physicians only 4% of the time (once per patient) compared to Seegnal’s competitor, EPIC electronic medical record which they use (the electronic medical record market leader in the U.S. with 51.5% of the total number of hospitals beds in the U.S.) which stopped them 59.5% of the time, having much better sensitivity and specificity in comparison. The Seegnal software has been accredited as a Health Insurance Portability and Accountability Act (“HIPPAA”) compliant during 2022 purposely to market and deploy the system in the U.S.

In 2017, Seegnal was purchased from Teva by Kalron. As part of the acquisition, Kalron committed to continuing to employ Seegnal’s employees and paying Teva certain royalties on sales. Kalron, through its subsidiary Seegnal, has developed a vast intellectual property portfolio. The SaaS based technology

contains over 1500 specific algorithms, and includes three registered patents in the United States, one registered patent in Canada, and one registered patent in the State of Israel, all in the areas of graphical user interface and workflow. The Seegnal system's functional disruptive graphical user interface approach, on the one hand, and the technical capability to introduce the individual patient at the center when providing clinical recommendations, on the other hand, reduces the physicians' workload by over 60% compared to EPIC's system, while providing over 98% alert accuracy and automating alternative therapy resolution suggestions, saving physicians time from researching for alternatives manually.

In 2023, Seegnal finished an actual live proof of concept in a hospital, demonstrating the capability of its newest product (expansion of the base product), providing precision medication recommendations while reducing adverse drug reactions-. With that, Seegnal is one of the few companies worldwide that can provide end-to-end precision medication recommendations with significantly reduced adverse drug reactions, both because of contraindications and patient-to-medication interaction.

In December 2023, Kalron signed a pilot agreement with Supra Inwest for the piloting and subsequent further distribution of the Seegnal system in Poland. Poland has a substantial healthcare infrastructure with over 250,000 hospitalization beds, ranking it as one of the largest healthcare systems in Europe in terms of monetary value. The Seegnal platform is currently a "standard of care" system for over 10,000 clinicians who use it daily to prescribe medications to their patients. The product scans over one million therapies every day.

Selected Financial Information

The following financial data prepared in accordance with IFRS Accounting Standards in thousands of US dollars is presented for the years ended December 31, 2023, and December 31, 2022.

	Year ended December 31,	
	2023	**2022**
Revenues	**$ 1,219**	$ 1,353
Cost of revenues	**(1,646)**	(1,626)
Gross loss	**(427)**	(273)
Research and development costs, net	**1,043**	2,570
Sales and marketing expenses	**557**	378
General and administration costs	**1,555**	1,683
Other income	**(96)**	-
Operating Loss	**(3,486)**	(4,904)
Change in fair value of convertible loans	**(1,034)**	(1,382)
Interest expenses	**(256)**	(223)
Foreign exchange gain	**106**	279
	(1,184)	(1,326)
Net loss and comprehensive loss for the year	**$ (4,670)**	$ (6,230)
Basic and fully diluted loss per share	**$ (25.28)**	$ (33.73)
Weighted Average Number Of Shares Outstanding	**184,709**	184,709

Year ended December 31, 2023, compared to the year ended December 31, 2022

Revenues

For the year ended December 31, 2023, revenues amounted to $1,219 thousand (year ended December 31, 2022- $1,353 thousand). Revenues decreased during the year ended December 31, 2023 is due primarily to a decrease in revenues from the UAE as a result of finishing the pilot and implementation phase and moving into the annual license phase. .

Cost of revenues

For the year ended December 31, 2023, cost of revenues amounted to $1,646 thousand (year ended December 31, 2022- $1,626 thousand). The increase in cost of revenues during the year ended December 31, 2023, despite the decrease in revenues is as a result of increase in databases and IT expenses, payroll and related expenses and share based compensation.

Research and development costs, net

For the year ended December 31, 2023, research and development costs amounted to $1,043 thousand (year ended December 31, 2022- $2,570 thousand). The decrease during the year ended December 31, 2023, relates to a decrease in payroll and related expenses and share-based compensation.

Sales and marketing expenses

For the year ended December 31, 2023, Sales and marketing expenses amounted to $557 thousand (year ended December 31, 2022- $378 thousand). The increase in marketing expenses during the year ended December 31, 2023 relates to an increase in share based compensation.

General and administrative expenses

For the year ended December 31, 2023, general and administrative expenses amounted to $1,555 thousand (year ended December 31, 2022- $1,683 thousand). The slight decrease in general and administrative expenses during the year ended December 31, 2023 relates to a decrease in payroll and related expenses.

Finance expenses

For the year ended December 31, 2023, financial expenses amounted to $1,184 thousand (year ended December 31, 2022- $1,326 thousand). The financial expenses consist of change in fair value of convertible loans of $1,034 thousand, interest expenses of $256 thousand and foreign exchange gain of $(106) thousand (year ended December 31, 2022 – change in fair value of convertible loans of $1,382 thousand, interest expenses of $223 thousand and foreign exchange gain of $(279) thousand).

Net losses

The Company reported a net and comprehensive loss for the year ended December 31, 2023 of $4,670 thousand (year ended December 31, 2022- $6,230 thousand).

Inflation

During the year ended December 31, 2023 and the year ended December 31, 2022, inflation has not had a material impact on the Company's operations.

Summary of Quarterly Results

The Company does not have quarterly results for the year ended December 31, 2023 as it is not a public issuer.

Liquidity

Liquidity is a measure of a company's ability to meet potential cash requirements. The Company has historically met its capital requirements through the issuance of common shares.

Since its inception, the Company had invested majority of its funds in development of the Seegnal platform resulting in accumulated losses amounting to approximately $30 million and presented negative cash flows from its operating activities. The continuance of the Company's operations is subject to continued financing from its shareholders and other investors. These conditions indicate the existence of material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern. Management's plans in this regard include continued development, marketing and selling of its services as well as seeking additional financial arrangements. Management believes that these plans are appropriate and feasible and is confident that the entity will be able to meet its obligations as they fall due. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the entity will continue in operational existence for the foreseeable future.

However, if the entity is unable to achieve the expected outcomes of these initiatives, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Under these circumstances, adjustments may be required to reduce the carrying value of assets to their recoverable amounts, reclassify non-current assets and liabilities as current, and provide for additional liabilities.

Financial position

As at December 31, 2023, the Company had total assets of $580 thousand and a net deficit position of $15,379 thousand. This compares with total assets of $900 thousand and a net deficit position of $11,263 thousand as at December 31, 2022. The Company had current liabilities of $15,041 thousand as at December 31, 2023, as compared with $12,098 thousand as at December 31, 2022.

As at December 31, 2023, the Company had negative working capital of $14,759 thousand compared to a negative working capital of $11,664 thousand as at December 31, 2022. The Company had cash on hand of $41 thousand as at December 31, 2023, compared with $141 thousand as at December 31, 2022.

As of December 31, 2023, the Company has an accumulated deficit of $29,569 thousand ($24,899 thousand as of December 31, 2022).

Year ended December 31, 2023

During the year ended December 31, 2023 the Company's overall position of cash decreased by $103 thousand. This decrease can be attributed to the following activity:

Cash flows used in operating activities were $3,304 thousand.

Cash flow generated in investing activities for the year ended December 31, 2023 of $46 thousand was the result of payments for property, plant and equipment and change in restricted deposits.

Cash flow generated from financing activities for the year ended December 31, 2023 of $3,155 thousand was the result of repayment and proceeds of loans from bank, interest paid for lease liabilities and receipt of proceeds from convertible loans.

Year ended December 31, 2022

During the year ended December 31, 2022 the Company's overall position of cash decreased by $202 thousand. This decrease can be attributed to the following activity:

Cash flows used in operating activities were $4045 thousand.

Cash flow used in investing activities for the year ended December 31, 2022 of $36 thousand was the result of payments for property, plant and equipment and change on restricted deposits.

Cash flow generated from financing activities for the year ended December 31, 2022 of $3,879 thousand was the result of repayment and proceeds of loans from bank, interest paid for lease liabilities and receipt of convertible loans.

Capital Resources

As of December 31, 2023, the Company has a negative working capital of $14,759 thousand (December 31, 2022 – negative working capital of $11,664 thousand).

Commitments

Litigation

As of December 31, 2023, and 2022, the Company was not a party to any litigation or other legal proceedings that the Company believes could reasonably be expected to have a material adverse effect on the Company's business, results of operations and financial condition.

Israel Innovation Authority - funding participation plans

During 2019, the Israel Innovation Authority of the Israeli Ministry of Economy ("IIA") approved funding participation for three projects developed by the Company. The Company is committed to pay royalties to the IIA under certain circumstances. The royalties are computed based on the Company's net revenues arising from know-how in the research and development in which the IIA will participate by way of grants. Under the terms of the Company's funding from the IIA, royalties of 3%-5% payable on sales of products developed from a project so funded, up to 100% of the amount of the grant received by the Company (dollar linked with the addition of annual interest at SOFR rate). In the case of failure of a project that was partly financed by royalty-bearing Government grants, the Company is not obligated to pay any such royalties to the IIA. The Company received $1,014 thousand in respect of this program. To date, no such qualifying sales of products are expected, and the funding is not expected to be repaid and therefore no liability has been recorded. The Company continues to provide the IIA with timely reports on revenues, as required.

Development and exclusive technology license agreement

In December 2015, a development and exclusive technology license agreement ("DLA") was signed between Teva and University of Washington ("the University"), which was transferred to Seegnal in November 2017 by virtue of the ASPA. The University developed a technology related to drug interaction DDIB Platform as defined in the DLA. Furthermore, the University extracted the data from the DDIB Platform into a new transmittal database for Seegnal's use ("Data"). Seegnal obtained certain exclusive rights for the commercial deployment of the University Data.

This agreement has been substituted with a new non-exclusive license agreement dated November 16, 2021 for the further utilization of the University's Technology, according to which Seegnal is required to pay on a quarterly basis an amount equal to 6% of the relevant quarterly Net Sales (as "Running Royalty Payments") with a minimum (non-cumulative basis) of $75 thousand commitment to the University ("Minimum Quarterly Royalties"/"MQR") creditable against any royalty payment obligations of Seegnal to the University and to be increased by 2% per calendar year starting from 2022 and onwards. Notwithstanding, the deferred MQR shall become due and payable within 30 days from and if the Company closes a Qualifying Financing (defined therein as offerings of equity securities issued for cash/equivalents, the aggregate proceeds of which equals or exceeds $12,500 thousand or if after the Execution Date Company achieves Net Sales in the US with actual received revenues of $1,500 thousand or more, or after such aggregate Net Sales amount has been received by Company or Licensed Entity, or some combination of both Company and a Licensed Entity (i.e. each Seegnal and its Affiliates to which rights under said Agreement have been extended in accordance with the terms and conditions of the Agreement).

The Company has recorded a provision for the MQR payments in the amount of $500 thousand, being the amount invoiced by the University through to December 31, 2022. Since December 31, 2022, the University has not updated Data and such Data is no longer in use by Seegnal.

Royalty Payments and future consideration to Teva

On November 30, 2017 an ASPA was signed between Teva and Kalron, for the purchase of the Seegnal’s assets and shares.

Pursuant to the ASPA, Teva will be entitled to receive from Kalron certain contingent one-time cash payment and royalties as summarized below. Furthermore, until the occurrence of certain milestones related to the Seegnal's operating results as defined in the ASPA, Kalron has a funding obligation towards Seegnal and should use reasonable commercial efforts to fund Seegnal (whether by way of equity, loans, guaranties to third parties or external financing).

Seegnal is committed to pay Teva royalties at a rate of 5% of revenues, until the earlier of (i) a maximum royalty payment of $7,500 thousand or (ii) December 31, 2027.

The Company is further obligated to pay Teva between $350 thousand and $3,000 thousand upon the sale of the Seegnal business, as defined in the agreement, at a value between $3,000 thousand and $50,000 thousand.

Royalty expenses due to Teva, for the years ended December 31, 2023 and 2022 were approximately $47 thousand and $82 thousand, respectively recorded in cost of revenues.

Royalty Payments and future consideration to the Israeli Ministry of Economy

During May 2019, the Israeli Ministry of Economy approved funding participation of the Company's USA marketing export expenses. The funding is for a period of 24 months therefrom and up to 50% of the approved budget and no more than NIS 200,000 (approximately $54 thousand). Under the terms of this funding, the Company shall pay royalties of 3%, if the Company increases its revenues in the United States

by $332 thousand in comparison to 2019, up to 100% of the funding amount (dollar linked with the addition of annual interest at SOFR rate). The royalties will be paid each year for five years or until the funding will be fully repaid. In case of failure of such increase, the Company is not obligated to pay any such royalties. The total budgeted participation amount is approximately $54 thousand out of which the Company received $53 thousand as of December 31, 2020. No increased export revenue of $332 thousand to the United States has occurred nor is such an increase expected, and the funding is not expected to be repaid therefore no liability has been recorded.

Disclosure of Outstanding Share Data

As of the date of this report, the Company has 184,709 ordinary shares outstanding and no options or warrants outstanding. (December 31, 2023 – 184,709 ordinary shares).

Management of Capital

The Company's capital comprises share capital, additional paid in capital, warrant, and accumulated losses. The Company manages its capital structure, and makes adjustments to it, based on the funds available to the Company in order to support the Company’s business activities. The Board of Directors does not establish quantitative return on capital criteria for management; it relies on the expertise of the Company's management to sustain future development of the business.

The intellectual property in which the Company currently has an interest is in the development stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the Seegnal Planned research and development and pay for administrative costs, the Company intends to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Off-Balance Sheet arrangements

See “Commitments” above.

Transactions with Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management, who are considered to be key management personnel by the Company.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following are the expenses incurred with related parties for the year ended December 31, 2023 and for the year ended December 31, 2022, and the balances owing as of December 31, 2023 and December 31, 2022 (in Thousands of US dollars):

	Year ended December 31,	
	2023	**2022**
Chief Executive Officer	**$ 236**	$ 248
Chief Financial Officer	**75**	28
Share based payments- CEO	**361**	70
	$ 672	$ 346

Balances with related parties:

	December 31, 2023	**December 31, 2022**
Chief Executive Officer	**$ 12**	$ 18
Chief Financial Officer	**69**	28
	$ 81	$ 46

Change in Accounting Policies

There have been no changes in accounting policies year ended December 31, 2023.

Significant Accounting Judgments and Estimates

Our results of operation and financial condition are based on our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards. Certain accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at that time. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenues and expenses during the periods presented. To the extent there are material differences between these estimates, judgments or assumptions and actual results, our financial statements will be affected. The significant accounting policies and estimates that we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

- The Company uses the Black- Scholes option pricing model to estimate the fair value of options. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the option.

- The Company uses the Black- Scholes option pricing model to estimate the fair value of the convertible loans. The key assumptions used in the model are the expected future volatility in the price of the Company's shares and the expected life of the instrument.

Risks and Uncertainties

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting year.

Credit risks are treated at the Company level. Credit risks arise typically from cash and cash equivalents, trade receivables and other current assets.

No credit limits were exceeded during the reported periods and Company's management does not expect any losses from non-performance of these parties.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet current obligations and future commitments. The Company's approach to managing liquidity risk is to forecast cash requirements to provide reasonable assurance that it will have sufficient funds to meet its liabilities when due. As of December 31, 2023, the Company had cash of $41 thousand to settle current liabilities in the amount of $15,041 thousand (December 31, 2022 – cash of $141 thousand to settle current liabilities in the amount of $12,098 thousand). The tables below present the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As of December 31, 2023 (in Thousands of US dollars):

	Carrying amount	**Within 1 year**	**1-2 years**
Accounts payables	$ 985	$ 985	**$** -
Other accounts payable and royalty provisions	804	804	-
Lease liability	65	51	14
Convertible loans from shareholders	6,546	6,546	-
Convertible loans	5,587	5,587	-
Long-term loan from bank	1,972	1,236	940
	$ 15,959	**$ 15,209**	**$ 954**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of two types of risk: interest rate risk, and foreign currency risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company has long-term debt with variable interest rate and accordingly, any increase in interest rates could lead to higher interest payments and adversely affect its financial performance.

As of December 31, 2023, the impact on profit and loss and net assets of a 1% change in the interest rate would be approximately $17 thousand.

(ii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Company operates internationally and is exposed to foreign exchange risks due to exposure to foreign currencies. Foreign exchange risk arises from future commercial transactions, assets or liabilities denominated in foreign currency.

The Company's policy to reduce the exposure to changes in exchange rates is based on maintaining, where possible, the balances of current monetary assets, according to the currency of the current liabilities.

As of December 31, 2023, if the Company's functional currency (USD) had strengthened/ weakened by 5% against the NIS with all other variables held constant, the loss for the year would decrease /increase by approximately $(86) thousand.

# # # #

SCHEDULE C

PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

Reem Capital Corp.

Unaudited pro forma consolidated statement of financial position
(Expressed in US Dollars)

	Reem Capital Corp.	Reem Capital Corp.	Kalron Holdings Ltd.	Note 5	Adjustments	Total
	November 30, 2024	November 30, 2024	September 30, 2024			
Assets	$ CAD	$	$		$	$
Current assets						
Cash and equivalents	265,309	189,371	407,000	(e)	2,855,103	3,451,474
Restricted deposits	-	-	16,000			16,000
Trade receivables	-	-	175,000			175,000
Other current assets	-	-	105,000			105,000
Total current assets	265,309	189,371	703,000		2,855,103	3,747,474
Non-current assets						
Property and equipment	-	-	23,000			23,000
Right of use assets	-	-	18,000			18,000
Total assets	265,309	189,371	744,000		2,855,103	3,788,474
Liabilities						
Current liabilities						
Accounts payable	8,048	5,744	706,000			711,744
Other accounts payable and royalty provisions	10,350	7,388	834,000			841,388
Short-term portion of lease liabilities	-	-	33,000			33,000
Short-term portion of long-term loan from bank	-	-	1,364,000			1,364,000
Convertible loans from shareholders	-	-	9,062,000	(h)	(9,062,000)	-
Convertible loans	-	-	6,036,000	(h)	(6,036,000)	-
Warrant liability	-	-	-	(i)	7,420,573	7,420,573
Deferred revenue	-	-	116,000			116,000
Total current liabilities	18,398	13,132	18,151,000		(7,677,427)	10,486,705
Non-current liabilities						
Long-term lease liabilities	-	-	-			-
Long-term loan from bank	-	-	-			-
Total liabilities	18,398	13,132	18,151,000		(7,677,427)	10,486,705
Shareholders' Equity						
Share capital	472,737	337,428	12,490,000	(a)	(337,428)	
				(d)	1,425,000	
				(e)	1,608,090	
				(f)	806,435	
				(g)	466,639	
				(h)	8,924,440	25,720,604
Non-controlling interest	-	-	2,401,000		-	2,401,000
Share-based payment reserve	77,587	55,380	-	(c)	(55,380)	
				(d)	128,640	128,640
Warrant reserve	-	-	18,000	(e)	1,247,013	
				(h)	6,173,560	
				(i)	(7,420,573)	18,000
Deficit	(303,413)	(216,569)	(32,316,000)	(b)	216,569	
				(d)	(1,377,401)	
				(f)	(806,435)	
				(g)	(466,639)	(34,966,475)
Total shareholders' equity	246,911	176,239	(17,407,000)		10,532,530	(6,698,231)
Total liabilities and shareholders' equity	265,309	189,371	744,000		2,855,103	3,788,474

See accompanying notes to the unaudited pro forma financial statements

Reem Capital Corp.

Notes to the unaudited pro forma statement of financial position

1. Basis of presentation

The unaudited pro forma consolidated statement of financial position of Reem Capital Corp. (the "Company") as at November 30, 2024 (the "Pro Forma Financial Statements"), have been prepared by management based on historical financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the proposed transaction between the Company and Kalron Holdings Ltd. ("Kalron" or the "Target") on the basis of the assumptions and adjustments described in notes 2, 3, 4 and 5.

The unaudited Pro Forma Financial Statements have been derived from:

(a) the unaudited condensed interim financial statements of the Company for the three months ended November 30, 2024;
(b) the unaudited condensed interim consolidated financial statements of Kalron for the three and nine months ended September 30, 2024; and
(c) unless otherwise noted, the unaudited pro forma consolidated statements of financial position and its accompanying notes are presented in US Dollars.

It is management's opinion that the unaudited Pro Forma Financial Statements, include all adjustments necessary for the fair presentation, in all material respects, of the transactions described in notes 3 and 4, applied on a basis consistent with Kalron's accounting policies, except as otherwise noted. The unaudited Pro Forma Financial Statements are not necessarily indicative of the financial position that would have resulted if the combination had actually occurred on November 30, 2024.

The unaudited Pro Forma Financial Statements should be read in conjunction with the historical financial statements and notes thereto of the Company and Kalron, included elsewhere in this document.

2. Material accounting policies

The unaudited Pro Forma Financial Statements have been compiled using the material accounting policies, used in the preparation of the audited financial statements as of December 31, 2023 ("2023 annual financial statements") and the unaudited condensed interim consolidated financial statements of Kalron for the period ended September 30, 2024 as described in note 2 of the 2023 annual financial statements.

3. The transaction

(a) On January 27, 2025, the Company and Kalron entered into an amended and restated definitive agreement pursuant to which the Company will acquire all of the issued and outstanding common shares in the capital of Kalron in consideration for securities of the Company.

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 majority of the outstanding common shares in the capital of the Company.

The proposed transaction will constitute the Qualifying Transaction of the Company and anticipates the Company's shares will trade on the TSX Venture Exchange Inc. under the stock symbol "SEGN".

Pursuant to the amended and restated definitive agreement:

- immediately prior to closing the proposed transaction, all outstanding convertible debentures of Kalron will be converted into common shares of Kalron.
- the Company will acquire all of the issued and outstanding Kalron shares by way of a securities exchange;
- certain holders of convertible debentures of Kalron will receive warrants of the Company entitling the holder to purchase one common share of the Company at an exercise price of CAD$1.20 at any time on or before the 24-month anniversary from the date of issuance;

Kalron intends to complete a non-brokered private placement in connection with the proposed transaction of up to 5,000,000 subscription receipts at $0.80 per subscription receipt for aggregate proceeds of up to CAD$4,000,000. Each subscription receipt will consist of (i) one post-Kalron split share (see note 3(c)); and (ii) one share (post-Kalron split) purchase warrant of Kalron entitling the holder to purchase one post-Kalron split share of the Company at an exercise price of CAD$1.20 at any time on or before the 24-month following the completion of the proposed transaction.

(b) The Company will consolidate its shares capital on the basis of 3.16 to 1. Following completion of the share consolidation, the Company will have 2,500,000 common shares issued and outstanding and 250,000 post-consolidation share options outstanding.

Reem Capital Corp.

Notes to the unaudited pro forma statement of financial position

(c) Kalron will complete a share split of its outstanding shares on the basis of 1 to 35.517. Following completion of the share split, Kalron will have 6,560,310 common shares issued and outstanding.

(d) Upon completion of the transaction, the former shareholders of Kalron will become the controlling shareholders of the Company. This type of share exchange, referred to as a reverse acquisition ("RTO"), deems Kalron to be the acquirer for accounting purposes.

4. Accounting for RTO

The Transaction has been accounted for as follows:

- **o** Kalron is deemed to be the acquirer and the Company is deemed to be the acquiree for accounting purposes;
- **o** accordingly, Kalron's balances are accounted for at carrying values derived from Kalron's financial statements and the Company is accounted for at fair value;
- **o** since the Company's operations do not constitute a business, the transaction has been accounted for as a reverse acquisition that is not a business combination;
- **o** therefore, the Company's share capital, deficit and warrant reserve will be eliminated, the consideration transferred by the Company will be allocated to share capital and transaction costs will be expensed;
- **o** the capital structure recognized in the consolidated financial statements will be that of the Company, but the dollar amount of the issued share capital in the unaudited pro forma consolidated statement of financial position immediately prior to acquisition will be that of the Target, plus any shares issued by the Company prior to or as part of the transaction.

5. Pro forma assumptions and adjustments

The unaudited pro forma consolidated statement of financial position reflects the following assumptions and adjustments:

(a) A reduction in share capital of $337,428 to eliminate the Company's historical share capital.

(b) An adjustment of $216,569 to eliminate the Company's historical deficit.

(c) An adjustment of $55,380 to eliminate the Company's share-based payment reserve.

(d) Since the Company's operations do not constitute a business, the consideration transferred to the former owners of the Company, which is comprised by 2,500,000 shares and 128,640 share options, is allocated between assets and liabilities identified and the difference between fair value of consideration paid by Kalron and net assets of the Company acquired is included in transaction cost expense expense as follows:

Consideration transferred (2,500,000 shares at a price of $0.57, or CAD$0.80 per share)	$ 1,425,000
Fair value of replacement options	128,640
	1,553,640
Cash	189,371
Accounts receivable	-
Deposits and prepaid expenses	-
Accounts payable and accruals	(13,132)
Transaction costs	1,377,401
	$ 1,553,640

(e) An increase in cash of $2,855,103 as a result of Kalron completing a non-brokered private placement consisting of an issuance of 5,000,000 units at a price of CAD$0.80 per unit. Each unit consists of one Kalron share and one Kalron Warrant. $1,608,090 of the net proceeds were allocated to share capital. As part of the financing, Kalron issued 5,000,000 warrants valued at $1,247,013. The warrants were valued using the Black-Scholes Option Pricing Model with a volatility of 100%, risk free rate of 2.95%, expected life of 2 years and dividend yield of nil%.

(f) An increase in share capital of $806,435 and a corresponding increase in retained earnings, representing transaction costs, as a result of the issuance of 1,412,270 common shares to Exiteam Ltd. for a financial advisory services fee equaling 2% of the issued and outstanding Company Share following the completion of the transaction, calculated on a fully-diluted basis.

Reem Capital Corp.

Notes to the unaudited pro forma statement of financial position

(g) An increase in share capital of $466,639 and a corresponding increase in retained earnings, representing transaction costs, as a result of the issuance of 817,202 common shares to Quarck Investment Ltd. for a financial advisory services fee equaling 2% of the issued and outstanding Company Share following the completion of the transaction, calculated on a non-diluted basis.

(h) An increase in share capital of $8,924,440 and warrant reserve of $6,173,560 to reflect the issuance of 29,299,790 common shares and 24,753,398 warrants from the conversion of $15,098,000 of convertible debentures, at a conversion price of CAD$0.80. Each warrant is exercisable into one common share at a price of CAD$1.20 for a period of 2 years from the conversion date. The warrants were valued using the Black-Scholes Option Pricing Model with a volatility of 100%, risk free rate of 2.95%, expected life of 2 years and dividend yield of nil%.

(i) All warrants other than those issued as consideration for goods and services have been reclassified to liabilities as their exercise price in denominated in CAD$ when functional currency of the Company is expected to be USD following completion of the transaction.

6. Pro forma share capital

	Number	Amount
Common shares issued and outstanding to Kalron shareholders	184,709	$ 12,490,000
post 1:35.517 share split	6,375,601	
Consideration transferred to shareholders of the Company (note 5(d))	2,500,000	1,425,000
Issuance of shares as described in note 5(e)	5,000,000	1,608,090
Issuance of shares as described in note 5(f)	1,412,270	806,435
Issuance of shares as described in note 5(g)	817,202	466,639
Conversion of debentures as described in note 5(h)	29,299,790	8,924,440
Pro forma share capital	**45,589,572**	**$ 25,720,604**

7. Pro forma share-based payment reserve

	Amount
The Company's share-based payment reserve	$ 55,380
The Target's share-based payment reserve	-
Elimination of the Company's share-based payment reserve (note 5(d))	(55,380)
Issuance of replacement options as described in note 5(d)	128,640
Pro forma share-based payment reserve	**$ 128,640**

Reem Capital Corp.

Notes to the unaudited pro forma statement of financial position

8. Pro forma warrant reserve

The Company's warrant reserve	$ -
The Target's warrant reserve	18,000
Pro forma warrant reserve	**$ 18,000**

9. Pro forma deficit

	Amount
The Company's deficit	$ 216,569
The Target's deficit	32,316,000
Elimination of the Company's deficit (note 5(b))	(216,569)
Additional transaction costs in note 5(d)	1,377,401
Financial advisory services fee in note 5(f)	806,435
Financial advisory services fee in note 5(g)	466,639
Pro forma deficit	**$ 34,966,475**

10. Pro forma income taxes

The Company expects to have a pro forma income tax rate of 23%.

11. Foreign exchange rates

The Company applied a foreign exchange rate of 1.401 to convert the balances of Reem Capital Corp. to US dollars as at November 30, 2024.

SCHEDULE D

AUDIT COMMITTEE CHARTER

SCHEDULE "D"

AUDIT COMMITTEE CHARTER

1. **Mandate**

The primary function of the audit committee (the "**Committee**") is to assist the board of directors (the "**Board**") of Seegnal Inc. (the "**Company**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

(a) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;

(b) review and appraise the performance of the Company's external auditor;

(c) provide an open avenue of communication among the Company's auditor, financial and senior management and the Board; and

(d) report regularly to the Board the results of its activities.

2. **Composition**

The Committee shall be comprised of a minimum three directors as determined by the Board, a majority of whom shall not be officers or employees of the Company or any of its affiliates. If the Company ceases to be a "venture issuer" (as that term is defined in Multilateral Instrument 52 - 110 – *Audit Committees),* then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Committee should have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting or until their successors are duly elected. Unless a chairperson ("**Chair**") is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

3. **Meetings**

The Committee shall meet a least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer of the Company and the external auditor of the Company in separate sessions.

4. **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

A. <u>Documents/Reports Review</u>

(a) review and update this Audit Committee Charter annually;

(b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor; and

(c) review regular summary reports of directors and officers expense account claims at least annually, establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chair of the Committee will be responsible for approving the expense reports of the President and the Chief Executive Officer of

the Company, and the Chief Executive Officer of the Company will be responsible for approving the expense reports of the directors and officers of the Company.

B. External Auditor

(a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;

(b) obtain annually, a formal written statement of the external auditor setting forth all relationships between the external auditor and the Company;

(c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;

(d) take, or recommend that the Board, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;

(f) recommend to the Board the compensation to be paid to the external auditor;

(g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

(h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

(i) review with management and the external auditor the audit plan for the year-end financial statements; and

(j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:

i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,

ii. such services were not recognized by the Company at the time of the engagement to be non-audit services, and

iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

C. Financial Reporting Processes

(a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;

(b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

(c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;

(d) review significant judgments made by management in the preparation of the financial statements

and the view of the external auditor as to appropriateness of such judgments;

(e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;

(g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;

(h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;

(i) review certification process;

(j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;

(k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

(l) on at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

D. Authority

(a) The Committee will have the authority to:

i. review any related-party transactions;

ii. engage independent counsel and other advisors as it determines necessary to carry out its duties;

iii. set and pay compensation for any independent counsel and other advisors employed by the Committee;

iv. communicate directly with the auditors; and

v. conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.