

Ulisse BioMed

Sector: Health Care



Analysts

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FY24 in line, in FY25 leaner costs and rising sales

Ulisse BioMed (UBM) is active in development of real time-PCR molecular diagnostic assays and other innovative technologies. Listed on EGM in 2021, after the merger with Hyris Ltd it became also provider of an integrated PCR system via a flexible, portable and connected platform for medical purposes and many other verticals.

FY24 Results in line and sizeable recapitalization completed

UBM released its FY24 results, including i) Revenues of €768k and VoP of €1,243k compared to €648k and €1,100k respectively in FY23PF, broadly in line with our expectations; ii) EBITDA loss of €3.0mn vs €2.8mn expected and iii) Group EBIT and bottom line affected by €2.3mn annual goodwill amortization. Also, UBM completed a €1.5mn recapitalization in Dec 2024 and issued in 1Q25 further 540k free shares in favor of top management as part of the "Stock Option Plan 2024-2028". Dec 2024 Net cash was at €1.2mn, well above our expectations but including the recapitalization described, while net of Dec 2024 recap, net cash was ca. €500k below our forecasts.

Management guidance and financial outlook

On the positive side i) management provided top line and EBITDA guidance for 2025-2028, a bit light for FY25E but overall supportive for FY26E; ii) given the cash position reported at the end of FY24, operations appear mostly funded for the current fiscal year; iii) UBM plans further recaps in the next quarters to secure a longer funding horizon and pursue additional business opportunity. We updated our model, which now sees FY26E VoP at €2.2mn, EBITDA break-even in 2H26E, and FCF break-even beyond our forecast horizon.

Fair value at €0.82 p.s., including dilutive recapitalizations

Based on our revised earnings model, new number of shares and updated sector ratings (peers at avg. 8.9x FY1 EV/Sales vs 9.6x of Oct 2024), we cut fair value to €0.82 p/s (from €0.98) and remind that investments in UBM equity are entitled to the Innovative PMI fiscal benefits, if new shares are issued, as from management strategy. That said, our valuation continues to blend a penalized relative multiples approach, heavily affected by sector de-rating and poor earnings visibility, and an "optionality component" linked to new verticals and representing €0.22/share of our fair equity value.

Fair Value (€) 0.82
Market Price (€) 0.75
Market Cap. (€m) 18.4

KEY FINANCIALS (€mn)	2023PF	2024E	2025E
VALUE OF PRODUCTION	1.2	1.8	2.2
EBITDA	-3.0	-0.7	-0.5
EBIT	-5.9	-3.5	-3.3
NET PROFIT Adj.	-5.9	-3.5	-3.4
OPFCF a.t.	-3.4	-1.4	0.1
NET INV. CAP.	22.5	20.4	17.1
EQUITY	23.7	20.1	16.8
NET FIN. POS.	1.2	-0.3	-0.3

Source: Ulisse BioMed SpA (historical figures), Value Track (estimates)

KEY RATIOS	2023A	2024E	2025E
GROSS MARGIN (%)	nm	44.8	48.9
EBITDA MARGIN (%)	nm	nm	nm
EBIT MARGIN (%)	nm	nm	nm
NET PROFIT MARGIN (%)	nm	nm	nm
EV/SALES (x)	nm	10.5	8.7
EV/EBITDA (x)	nm	nm	nm
P/E (x)	nm	nm	nm

Source: Ulisse BioMed SpA (historical figures), Value Track (estimates)

STOCK DATA	
FAIR VALUE (€)	0.82
MARKET PRICE (€)	0.75
SHS. OUT. (m), primary	24.5
MARKET CAP. (€m)	18.4
FREE FLOAT (%)	27.8(*)
AVG. -20D VOL. (#)	23,450
RIC / BBG	UBM.MI / UBM IM
52 WK RANGE (€)	0.68 – 1.43

Source: Stock Market Data, (*) excludes those part of the shareholder agreement



Business Description

Ulisse Biomed (UBM) is a small healthcare biotech company, specialized in the development of innovative, cost-effective and rapid in-vitro diagnostics (Molecular Diagnostics), personalized medicine products and innovative therapeutic solutions. The company announced in December 2023 the reverse merger with the UK company Hyris Ltd, completed on 28 December 2023. The combined entity is a much stronger player, thanks to an innovative integrated PCR platform, an attractive assay menu and a combination of hardware, software and diagnostic expertise.

Key Financials

(€'000)	2023PF	2024	2025E	2026E
Value of Production	1,150	1,243	1,784	2,160
Chg. % YoY	nm	nm	43.5%	21.1%
EBITDA	-4,700	-2,988	-650	-475
EBITDA Margin (%)	nm	-240.3%	-36.4%	-22.0%
EBIT	-7,354	-5,911	-3,491	-3,320
EBIT Margin (%)	nm	-475.5%	-195.6%	-153.7%
Net Profit	-7,353	-5,940	-3,524	-3,366
Chg. % YoY	nm	23.8%	-40.7%	-4.5%
Adjusted Net Profit	-5,029	-5,940	-3,524	-3,366
Chg. % YoY	nm	23.8%	-40.7%	-4.5%
Net Fin. Position	2,291	1,171	-300	-290
Net Fin. Pos. / EBITDA (x)	nm	nm	nm	nm
Capex	nm	-36	-82	-40
OpFCF b.t.	nm	-3,357	-1,437	56
OpFCF b.t. as % of EBITDA	nm	nm	nm	-11.8%

Source: UBM (historical data), Value Track (estimates)

Investment case

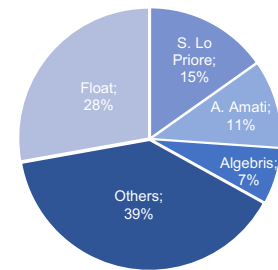
Strengths / Opportunities

- ◆ Strong positioning, with comprehensive commercial offering;
- ◆ HW Rental and SaaS business model allow a more stable revenue stream;
- ◆ Highly innovative and fast-growing technologies and applications;
- ◆ Potential for further strengthening of assay panel menu (incl. M&A).

Weaknesses / Risks

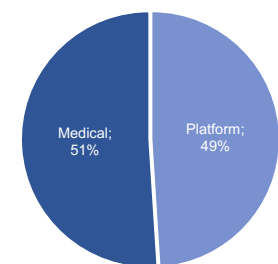
- ◆ Necessity to keep cash burn under control and address actual funding needs in the next quarters;
- ◆ Market response to combined offer positive but yet to be really tested on large volumes, execution risk slightly improved but still high.

Shareholders Structure



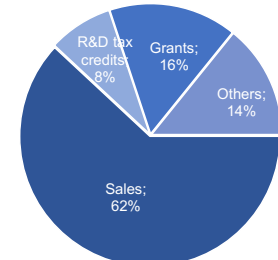
Source: UBM

Revenues by Business segment



Source: UBM, Value Track estimates

VoP by Revenues Stream



Source: Value Track estimates

Stock multiples @ €0.82 Fair Value

	2025E	2026E
EV / SALES (x)	11.4	9.4
EV / EBITDA (x)	nm	nm
EV / EBIT (x)	nm	nm
EV / CAP.EMP. (x)	1.0	1.2
OpFCF Yield (%)	nm	nm
P / E (x)	nm	nm
P / BV (x)	nm	nm
Div. Yield. (%)	0.0	0.0

Source: Value Track

Recent events and update on strategy

Since our last October 2024 update, UBM management has focused on the following urgent matters:

- ◆ existing or “ready to market” products in the **medical segment**, i.e. optimize the launch and maximise the penetration of the assays already in the market (HPV test and Sexually Transmitted Diseases, STDs) and validate the new assays (Respiratory and Tropical panels);
- ◆ **open platform** potential, i.e. exploit all the possible combinations and utilization of Hyris System hardware, software and third party’s assays beyond its initial applications and beyond UBM legacy medical segment (e.g. veterinary, agro-tech, food related, etc.), including securing nice **custom contracts**, with good short-term revenues and profitability and potentially recurring business in medium term;
- ◆ **cost base** of the combined entity, considering also that the deal added a ca. €1.5mn burden to FY24E cash flow and cost cutting measures have required additional one-off cash charges in the short term. The integration process required to streamline R&D, manufacturing and commercial procedures and to introduce a certain “industrialization” to the medical segment;
- ◆ **funding needs**, related to a short-term factor (the seasonally demanding cash flow requirements of 3Q, especially in 3Q24) and to the medium-term needs, as UBM operations do not see free cash flow generation in sight and as we highlighted in our last report, management had to secure additional funding before mid-FY25.

1. Medical Segment – now two assays available, and another two by end of 2025

As of early FY25, **UBM’s offering includes HPV and STD panels** (the latter launched in July 2024), with Respiratory and Tropical tests to follow in 2Q25 and 4Q25 respectively —both now being developed directly on Hyris System rather than on Sagitta platform, as initially planned. This shift required a complete redesign of the assays, contributing to development delays. Sagitta will remain in use for HPV/STD applications only.

New distribution agreements have been signed in the Nordics and South Africa:

- ◆ On 20 January 2025, UBM signed a distribution agreement with **Montebello Diagnostics (Norway)** for the commercialization of its proprietary HPV screening and genotyping solutions, as well as the Hyris System. The agreement grants Montebello exclusive distribution rights in Norway and non-exclusive rights in Sweden, Denmark, and Finland;
- ◆ On 29 January 2025, UBM announced a new partnership with **CapeBIO (South Africa)** for the exclusive distribution of its HPV diagnostics and Hyris System in the South African market.

In the short term, UBM key focus in this segment remains to maximize the commercial potential of the platforms by:

- ◆ accelerating the adoption of current assays (HPV and STDs) on Sagitta technology;
- ◆ ensuring timely validation / launch of upcoming panels (Respiratory and Tropical) on Hyris System;
- ◆ generating revenues supported by third-party kit distribution, e.g. Biomol, with at least €50k expected in FY25 from Genetics, Oncohematology, and Pharmacogenetic kits;
- ◆ leveraging on a few partnerships and agreements signed in the past year or so (as Mediline d.o.o., Elettrobiochimica Srl, Ikonysis SA).

Over the medium term, the company also intends to expand its pipeline with new assays and new solutions in areas such as drug resistance, wellness and infectious diseases.

2. Open platforms – new verticals and custom projects

Over past months UBM announced a large custom project and a few potential deals on new verticals:

- ◆ **Gates Foundation:** Following the successful completion of the 1st phase of the project in February 2024, the 2nd phase of the malaria surveillance project in remote and underserved regions was launched on 12 March 2025. The 3-year initiative, funded by the Gates Foundation for a total of \$2.0mn, includes **\$540k specifically allocated to UBM's** technological development via Hyris. The agreement also entails the **supply of 30 bCube units per year** over the same period, to be deployed in Cameroon. Revenue recognition is expected to amount to ~\$200k/yr in FY25E-26E and ~\$140k in FY27E (split evenly across the two halves of each year);
- ◆ **Microbiota:** In May, UBM partnered with Gutsy, a North American qPCR specialist, to co-develop a proprietary version of the Hyris System for gut microbiota diagnostics. The deal enhances UBM's positioning in this high-growth vertical and is expected to generate both development and production-related revenues in FY25;
- ◆ **Agro-food:** In March 2024 UBM announced the partnership between Hyris and **Generon** Spa, a small Italian player active in agro-food quality control systems. Generon will use Hyris System platform (device + cloud software) for an initial period of 5 years (renewable) with a formula of a) subscription (or purchase), with a minimum granted of €243k over the 5-year period (€450k for the following 5 years) and b) an additional royalty to be paid on actual platform usage;
- ◆ **Planth health & cannabis:** In May, Hyris signed an agreement with the Californian company **GrowBIGogh** to distribute the Hyris System, combined with their test kits, to US private labs, clinics and public bodies operating in the cannabis and plant health sector.

3. Cost base – integration completed, FY25 will show the new cost base

The cost optimization plan - centered on reducing redundancies across personnel, facilities, and outsourced services - was completed between 4Q24/1Q25. Management confirmed no further structural savings are currently achievable, with the organization now operating at its “maximum efficiency” base. Key actions included elimination of overlapping roles (at least 10/12 units), rationalization of contracts, downsizing of rented areas (-320sqm) in Trieste and reorganization of some advisory functions. **Monthly Operating Costs** should now hover between **€150k-€200k** (COGS + Opex).

4. Funding needs - €1.5mn recap in Q424 (and 2.45mn total new shares issued)

In December 2024 UBM secured sizeable equity funding via a few issues of new shares, and in February it issued free shares, as retention rights for top management (part of the Stock Grant 2024-2028). In more details:

- 20 Dec 2024 – A total of 210,790 new shares were issued at a price of € 1.13 /share, in favour of i) Mr. Lo Priore (Hyris founder) – 120,790 shares, in order to compensate for a credit and ii) other shareholders representing potential partners for the Group (Endless Wave Investments and IBS Moulding S.r.l.) – 90,000 shares in total. The total impact on the net financial position was equal to **€238k**;
- 30 Dec 2024 - 1,700,000 new shares were issued at €0.77/share with total gross proceeds of **€1,309k** in favour of an Institutional Investor (HI Algebris PMI innovative Eltif);
- **Free issue** of 540,000 new shares in favour of four key people of Group management, as 30% of the Retention rights (part of the 2024-2028 Stock Grants approved by the 17 Dec 2024 General Shareholders Meeting) had matured.

As a result of the above issues, the Share Capital is currently split into 24.482mn shares, compared to 22.031mn shares of October 2024 (+11%).

UBM: Group Shareholder Structure

Shareholder	Shares Number (#)	Share Capital (%)	Voting Rights (%)
Stefano Lo Priore	3,717,968	15.2%	15.2%
Alberto Amati	2,672,537	10.9%	10.9%
Algebris Investments Limited	1,700,000	6.9%	6.9%
Good Harvest Ventures	1,549,154	6.3%	6.3%
Lorenzo Colombo	883,703	3.6%	3.6%
Copernico Innovazione S.r.l.	826,597	3.4%	3.4%
Nicola Basile	334,451	1.4%	1.4%
Bruna Marini	231,438	1.0%	1.0%
Matteo Petti	1,409	0.6%	0.6%
Others with lock-up	5,615,293	22.9%	22.9%
Free-float	6,809,893	27.8%	27.8%
Total	24,481,934	100.0%	100.0%

Source: UBM, Value Track analysis

R&D focus in next quarters on Hyris System full automation and IVDR validations

Management indicated that R&D efforts will remain extremely focused in the next future, and will concentrate on two major targets, i.e. the development of a fully automated process for the Hyris System and the IVDR validation of the Medical unit assays, starting from core Sagitta tests. However, additional investments are also required in FY25 to expand the R&D capabilities in Milan.

- ◆ **Fully automated platform under development, with long-term horizon:** UBM is progressing with the development of a proprietary fully automated platform to complement the Hyris System™ with a new hardware (liquid handler), aiming to enhance its usability and expand access across a broader range of laboratories. While the first prototype release is expected in 2026, management expect full functionality will only materialize in 2027, as 2026 will still mark an early-stage release.
- ◆ **Costly validation efforts required in next quarters:** in FY25, UBM will engage in an intense clinical validation effort to certify its HPV panel and STD will follow in 2026, with official audits scheduled starting for 4Q25. These activities-covering regulatory submissions, validation trials, and audits-are expected to cost ~€250k per panel. Commercial rollout is expected to prioritize the first panel certified for those still to be launched under the Hyris System platform. We do not currently include in our revised forecasts the validation of all the four panels expected in the market by the end of 2026, i.e. the deadline for the IVDR regulation to become fully applicable. Yet, pending more visibility of timing and costs (net of potential grants), at this stage we include in our revised model ca.200k extra cost per year, over FY25-26, to factor these validation activities, as discussed in the next sections.
- ◆ **Larger laboratories in Milan:** management has indicated that in Hyris premises in Milan there are currently works in progress in order to increase the footage of the R&D laboratories, which should expand by 200sqm and be ready by end of year. The total financial effort we assume for this project is around €100k, equally split between opex and capex.

FY24 results

Following the first full-year consolidation of both Ulisse and Hyris operations, the Company reported a solid sales ramp-up alongside effective operating cost containment. More specifically, we highlight:

- ◆ **Value of Production reached €1.2mn** (+4.4x y/y; +12% vs. FY23 pro-forma), despite FY23 pro-forma included also ~€400k of non-industrial revenues (Covid-related and a one-off project). Growth was driven by core business traction, with product and service sales up to €768k (vs. €647k in FY23) supported by the industrialization of the HPV product and the commercial launch of new panel solutions across the company's target markets;
- ◆ **Operating costs declined to €4.2mn** (-25.0% y/y PF), reflecting cost-saving measures implemented by management following the integration of the two legacy companies;
- ◆ **EBITDA loss at €2.9mn** compared to €4.5mn of 2023PF, with further cost synergies expected to fully materialize in FY25. It is worth noting that FY24 included €287k of extraordinaries related to the reverse merger; excluding these, **Adj. EBITDA loss stood at €2.7mn**;
- ◆ **Net Loss was €5.9mn** (€7.4mn in FY23PF), after €2.9mn D&A and €29k Financial Charges.

UBM: Key Financials FY23PF - FY24

(€, '000)	2023PF	2024	Δ y/y
Revenues from Sales	647.9	767.9	18.5%
<i>of which "Core Sales"</i>	246.9	767.9	211.1%
<i>of which One-off Revenues</i>	401.0	0.0	-100.0%
Value of Production	1,110.4	1,243.2	12.0%
Op. Costs (including COGS)	-5,638.9	-4,231.2	-25.0%
<i>Monthly Op. Cost (Incl. COGS)</i>	-469.9	-352.6	-25.0%
EBITDA	-4,528.5	-2,987.9	-34.0%
EBITDA Adj.	-4,528.5	-2,700.4	-40.0%
Net Profit	-7,478.1	-5,939.8	-20.6%

Source: UBM, Value Track analysis

UBM: P&L FY23 – FY24

(€, 000)	2023	2024	Δ y/y
Value of Production	263.2	1,243.2	372.4%
Raw Materials, Δ Inventory	-317.0	-538.9	70.0%
Gross Profit	-53.9	704.4	-1407.8%
Gross Margin (%)	<0	56.7%	nm
Costs of Services	-1,300.0	-1,301.5	0.1%
Costs of Rent	-112.4	-298.0	nm
G&A	-178.6	-320.7	79.6%
Labour Costs	-497.3	-1,772.2	256.4%
EBITDA	-2,142.2	-2,987.9	39.5%
D&A (incl. Goodwill)	-2,654.3	-2,923.2	10.1%
Provisions	0.0	0.0	nm
EBIT	-4,796.5	-5,911.1	23.2%
Interest Expenses	-0.3	-28.7	nm
Taxes	0.0	0.0	nm
Net Profit	-4,796.8	-5,939.8	23.8%

Source: UBM, Value Track analysis

Cash burn higher than expected, fully offset by equity injection

The Dec 2024 net cash came well below Dec 2023 level and the FY24 burn rate was worse than we expected, despite a better NWC management. In fact:

- ◆ **Net Financial Position** as of December 2024 was positive for €1.2mn compared to Dec 2023 cash of €2.3mn. This figure was ca. €1mn above our forecasts, which however did not include the €1.5mn recap of Dec 2024, while excluding this impact, net cash was ca. €500k below our expectations. Considering that €2.3mn were raised via the capital increases completed over 2024, we estimate a **€3.4mn cash absorption** in the year, driven by the €3.0mn EBITDA loss;
- ◆ We expected a relatively high cash absorption in FY24 from **NWC “normalization”** (debt to suppliers in primis), which partially materialized (-€333k y/y). However, some liabilities - such as those related to the Hyris transaction - were still outstanding as of December 2024 and are likely to result in further working capital absorption in the coming quarters;
- ◆ As for **Balance Sheet**, we remind that FY23 UBM data already included Hyris Group as of 31 December 2023 in terms of both assets (mostly inventories and goodwill) and net debt (virtually none). As a result, the changes relative to Dec 2023 are marginal and summarized below.

UBM: Balance Sheet FY23 – FY24

(€, '000)	2023	2024	Notes
Net Fixed Assets	24,806.9	21,919.3	€18mn goodwill amortized @ €2.3mn/yr.
Net Working Capital	478.1	820.7	Partial normalization of suppliers' debt
Provisions	232.0	241.2	
Total Capital Employed	25,053.0	22,498.7	€36k capex in FY24
Group Net Equity	27,350.2	23,669.9	Includes €2.3mn recap
Net Cash	2,297.2	1,171.1	Excluding recap cash burn close to €3.4mn

Source: UBM, Value Track analysis

As for Cash Flow, we just include FY24, i.e. the first meaningful year post-merger.

UBM: Cash Flow FY24

(€, 000)	2024
EBITDA	-2,987.9
Δ NWC	-333.3
Capex (excl. Financial Inv.)	-35.8
OpFCF b.t.	-3,357.2
As a % of EBITDA	112.4%
Cash Taxes	0.0
OpFCF a.t.	-3,357.0
Capital Injections	2,264.9
Others (incl. Financial Inv.)	-5.2
Net Financial Charges	-28.7
Dividends Paid	0.0
Δ Net Financial Position	-1,126.0
Cash Burn (Ex-Cap. Inj.) (*)	-3,103.4
Monthly Cash Burn (*)	-258.6

Source: UBM, Value Track analysis, (*)Adjusted for €287k UBM-Hyris deal-related extraordinaries

Revised estimates

FY24 marks a turning point in delivery vs expectations

In terms of communication and increased transparency, in December 2024 UBM released provisional FY24 KPIs and a medium-term guidance. Both were broadly consistent with our expectations:

- ◆ As for FY24P Revenues including grants were indicated at €950k vs. our €995k forecast and EBITDA loss at ~€2.2mn (net of one-offs and stocks' year-end adjustments) vs. our €2.8mn reported €2.5mn adjusted EBITDA loss estimates;
- ◆ As for FY25E our sales and EBITDA projections were aligned with the lower end of UBM's range.

At the end of March, FY24 results came reasonably close to expectations across all major metrics, providing a more solid base for forecasting than in prior periods. Revenues from sales were 5% below our estimates (as anticipated), EBITDA missed by ~€100k (considering the Dec 2024 recap costs were not included neither in guidance or in our Oct 2024 forecasts), while Net Financial Position was ~€500k below our expectations (net of the €1.5mn capital increase completed at year-end, which clearly was also not included in our October estimates).

Main changes to estimates

Against this backdrop, we revise our model to incorporate the following adjustments:

- ◆ **Top Line.** We adopt a slightly more cautious view on revenue ramp-up, mainly due to the delay in launching Respiratory and Tropical panels. Originally planned for late 2024, these have been rescheduled to 2Q25 and 4Q25 respectively, as development shifted from the Sagitta platform to the more stable Hyris System, requiring revalidation and extending go-to-market timelines;
- ◆ **"New" Opex and R&D Costs.** We include newly identified cost items not previously factored in, namely i) the planned costs for IVDR validation activities – these could require up to ~€250k for each panel, but UBM is applying for grants that could offset up to 70% of these costs. Pending more details also on timing – validation activities for products not in the market yet, will depend on their respective commercial strategies – we factor ca. €200k of additional costs per year for these activities in FY25E-26E, and ii) a €100k investment for the expansion of the Milan lab in FY25E, assumed to be split evenly between Opex and Capex;
- ◆ **Higher Cash Burn.** Cash burn expectations increase by ~€280k/year on average, over FY25E-26E, driven by the above cost items, delayed revenue contribution from new assays, and a more gradual inventory reduction. We also expect further NWC absorption in FY25E from outstanding payables linked to the Hyris transaction and slower inventory turnover.

The table below reports the guidance provided in December 2024 compared to actual FY24 results and to our updated forecasts.

UBM: Group Guidance vs. Estimates 2024-2028

Guidance (€, '000)	2024P	2025E	2028E	CAGR 25-28
Revenues from Sales & Grants	-950	1,400 / 1,600	2,800 / 3,500	26-30%
EBITDA (adj.) (*)	-2,200	-600 / -400	450 / -800	nm

Actual & VT Estimates (€, '000)	2024A	2025E	2028E	CAGR 25-28
Revenues from Sales	768	1,400	Not provided	Not provided
Revenues from Sales & Grants	980	1,400		
EBITDA (reported)	-2,988	-650	Not provided	Not provided

Source: UBM, VT (*) Dec '24 EBITDA guidance did not include €287k one-offs, €234k Δ stocks and €94k Dec 2024 recap charges

Top Line – Core Sales more than double by FY26E

We forecast FY25E revenues at €1.7mn, with a 50/50 contribution from both BUs. Medical segment is expected to benefit from the ramp-up of HPV and STD assays, a marginal contribution from Tropical tests, and ~€50k from third-party kit distribution (e.g. Biomol). The Platform division should continue to scale gradually through existing contracts and early-stage partnerships in microbiota and industrial diagnostics. Revenues from sales are seen to keep growing fast in FY26E (+40% y/y), albeit at a pace halved compared to current year (+82% y/y).

Additionally, we expect ~€380k in FY25E other revenues, including R&D tax credits, grants, UK R&D/refunds, and the final tranche of the IPO tax credit recognition (€99k), which are seen to fall to ca. €200k per year from FY26E.

UBM: Revenues from Sales Breakdown 2023-2026E

(€ '000)	2023	2024	2025E	2026E
Platform	0.0	376.2	700.0	980.0
Medical	66.2	391.8	700.0	980.0
Revenues from Sales	66.2	767.9	1,400.0	1,960.0
R&D tax credits	196	100.3	0.0	100.0
Grants (incl. fiscal credits)	143.4	198.2	149.3	100.0
Other revenues	1.8	176.8	235.0	0.0
Value of Production	263.2	1,243.2	1,784.3	2,160.0

Source: Value Track analysis

- ◆ **EBITDA** is expected to remain negative over the forecast horizon, though the **loss should narrow significantly** from €3.0mn in FY24E to **€475k in FY26E**, supported by the full impact of the completed restructuring, which should reduce **annual Opex to <€2.5mn** (vs. €3.8mn in FY24E and €5.9mn in FY23PF);
- ◆ **EBIT and Net Income** will remain **negative due to substantial D&A charges**, including ~€2.3mn for goodwill and ~€200k for IPO-related costs, and weigh heavily on reported results.

UBM: Profit & Loss 2023-2026E

(€, 000)	2023	2024	2025E	2026E
Value of Production	263.2	1,243.2	1,784.3	2,160.0
Raw Materials, Δ Inventory (Finished Goods)	-317.0	-538.9	-332.7	-432.0
Gross Profit	-53.9	704.4	1,451.6	1,728.0
Gross Margin (%)	<0	56.7%	81.4%	80.0%
Costs of Services	-1,300.0	-1,301.5	-300.0	-309.0
Costs of Rent	-112.4	-298.0	-200.0	-206.0
G&A	-178.6	-320.7	-152.5	-157.1
Labour Costs	-497.3	-1,772.2	-1,449.1	-1,530.9
EBITDA	-2,142.2	-2,987.9	-650.0	-474.9
D&A (incl. Goodwill)	-2,654.3	-2,923.2	-2,840.7	-2,845.3
Provisions	0.0	0.0	0.0	0.0
EBIT	-4,796.5	-5,911.1	-3,490.7	-3,320.2
Interest Expenses	-0.3	-28.7	-33.8	-46.1
Taxes	0.0	0.0	0.0	0.0
Net Profit	-4,796.8	-5,939.8	-3,524.5	-3,366.4

Source: Value Track analysis

Balance Sheet / Cash Flow

As for Balance Sheet and Cash Flow we highlight the following considerations.

- ◆ **Working Capital.** Our forecasts assume overall manageable working capital dynamics, with a peak in 2025 due to delayed inventory turnover (~€2mn stock) and residual liabilities from the Hyris transaction and other outstanding suppliers, which will weigh on cash absorption in FY25E. A favorable trend is expected in '26E, as inventory is seen to reduce and payables are normalized;
- ◆ **Capital Expenditures.** Capex needs remain modest at ~€30–40k p.a., plus an additional €50k (half of the €100k lab expansion investment in Milan) included in FY25E;
- ◆ **Net Financial Position.** Despite a marginal return to FCF generation in 2026E, net cash is expected to hover around breakeven through the forecast horizon, assuming no further recaps, which however remain in the cards, according to management strategy, as described below.

UBM: Balance sheet 2023-2026E

(€, '000)	2023	2024	2025E	2026E
Net Fixed Assets	24,806.9	21,919.3	19,160.6	16,355.3
Net Working Capital	478.1	820.7	1,534.8	972.8
Provisions	232.0	241.2	249.9	259.1
Total Capital Employed	25,053.0	22,498.7	20,445.5	17,069.0
Group Net Equity	27,350.2	23,669.9	20,145.4	16,779.0
Net Financial Position	2,297.2	1,171.1	-300.1	-290.0

Source: Value Track analysis

UBM: Cash flow Statement 2024-2026E

(€, 000)	2024	2025E	2026E
EBITDA	-2,987.9	-650.0	-474.9
Δ NWC	-333.3	-705.4	571.2
Capex (excl. Financial Inv.)	-35.8	-82.0	-40.0
OpFCF b.t.	-3,357.2	-1,437.5	56.3
As a % of EBITDA	112.4%	221.1%	<0
Cash Taxes	0.0	0.0	0.0
OpFCF a.t.	-3,357.0	-1,437.5	56.3
Capital Injections	2,264.9	0.0	0.0
Others (incl. Financial Inv.)	-5.2	0.0	0.0
Net Financial Charges	-28.7	-33.8	-46.1
Dividends Paid	0.0	0.0	0.0
Δ Net Financial Position	-1,126.0	-1,471.2	10.1

Source: Value Track analysis

Funding risk significantly mitigated, but fundraising still on the table

The funding profile has improved materially following the **cumulative €2.3mn capital increase executed in 2024**, providing UBM with substantially greater flexibility. That said, management intend to seek additional capital to further strengthen its funding runway-particularly to bridge the gap until revenues exceed the €2mn threshold, a level at which recurring business could provide more meaningful support, but this scenario is visible only by end-2026 according to our forecasts.

In this respect the coming General Shareholders' Meeting (29 April 2025) will be called to decide upon the assignment to the Board of Directors of **a new 5-year proxy** to increase the share capital for a maximum amount of €10mn (incl. share premium, in one or more tranches and potentially with exclusion of option rights), subject to revocation, for the unexecuted part of the proxy assigned in 2021.

Valuation Update

We stick to the same valuation framework adopted in our previous update, structured around two key methodologies:

1. **Relative market multiples (EV/Sales)**; despite the limitations of peer comparables in the current environment (limited consensus coverage and recent updates), this remains the only applicable market-based metric for early-stage companies in this segment. This methodology gives a value of **€0.60/share**;
2. **Valuation as a Scale-Up company**; based on the average absolute value of EVs of similar peers (scale-up/pre-revenues firms) and leading to an average equity value of **€0.60/share**.

On top of these, we also include a risk-adjusted component linked to potential upside from the entry in fast-growing verticals with strong potential. We estimate this optionality at **€0.22/share**.

By averaging the methodologies and adding the optionality value we get to a **€0.82/share fair equity value**.

Peers' Analysis

We retained most of the prior peers, expanding the panel slightly to include companies aligned with UBM's focus and stage, and selecting market caps above €5mn. Since our last update, the peer group has de-rated sharply (>30% on average), with equity prices falling and estimates yet to fully adjust.

As a result, average **EV/Sales for FY25E now stands at 8.9x** (vs. 9.6 x in our last update). Using the average EV/Sales of peers (FY25E-FY26E), this methodology yields a fair equity value of **€0.60 per share**.

UBM: Scale-up Peers' trading multiples

Company	Listing market	Market Cap (€mn)	Enterprise Value (€mn)	EV/Sales (x)	
				2025E	2026E
Active Biotech AB	Sweden	10.1	9.1	10.7	7.3
Magnasense AB	Sweden	22.4	24.9	15.6	12.3
Alligator Bioscience AB	Sweden	8.0	<0	<0	<0
Attana AB	Sweden	2.9	2.9	4.4	4.4
BioMark Diagnostics, Inc.	US	13.7	13.9	13.9	9.2
Biovica International AB Class B	Sweden	4.8	1.7	0.3	0.3
Co-Diagnostics, Inc.	US	11.9	<0	<0	3.0
Genedrive Plc	UK	10.8	7.8	13.3	15.9
Ikonisys SA	France	20.1	21.7	7.2	3.0
Genetic Analysis AS	Sweden	3.5	3.2	6.5	6.7
SenzaGen AB	Sweden	13.7	10.8	1.5	1.1
Genomtec SA	Poland	26.4	26.1	>25	>25
Novacyt SAS	France	33.5	16.0	1.2	1.9
IntegraGen SA	France	3.6	2.8	0.2	0.3
Spago Nanomedical AB	Sweden	6.6	3.4	7.5	3.9
Average Selected (>5mn Mkt Cap)		16.1	14.9	8.9	6.4
Median Selected (>5mn Mkt Cap)		13.7	13.9	9.1	13.9

Source: Consensus Estimates, Value Track Analysis

UBM: Fair value based on peers' EV/Sales

(€mn)	2025E	2026E
UBM Sales	1.8	2.2
Average Peers EV/Sales (x)	8.9x	6.4x
Fair Enterprise Value	15.8	13.8
UBM Net Cash (+) Debt (-)	-0.3	-0.3
Fair Equity Value	15.5	13.5
Shares total (mn)	24.5	24.5
Fair Equity Value p/s (€) - Range	0.63	0.55
Fair Equity Value p/s (€) - Average	0.60	

Source: Value Track Analysis

Scale-up companies' absolute values

We focus on how public markets value the potential of early-stage companies, particularly based on their R&D pipeline and initial commercial traction, rather than on near-term revenues. Hence, we limit the analysis to current market capitalizations and FY24 and FY25E net cash/debt figures, in order to reduce as much as possible forecasted data. We rely on the same peer group used for relative multiples, applying the same filter of minimum market cap of €5mn. By doing so, we get to a cluster with Enterprise Values ranging between €10-30mn (vs. €10-50mn in our previous update), with a high concentration in the €15–20mn bracket.

This revised dataset implies a fair equity value for UBM of approximately **€0.60 per share**.

UBM: Scale Up Peers' Key Data

(€mn)	Revenues	Net debt (Cash)	Market Cap	EV	EV
	2024	2024	Actual	2024	2025E
Active Biotech AB	0.0	-3.4	10.1	1.9	9.1
Magnasense AB	1.3	-4.3	22.4	4.1	24.9
Alligator Bioscience AB	5.1	-20.5	8.0	14.1	<0
Attana AB	0.7	-1.1	2.9	nm	nm
BioMark Diagnostics, Inc.	0.1	-1.0	13.7	17.9	13.9
Biovica International AB Class B	0.6	-10.8	4.8	nm	nm
Co-Diagnostics, Inc.	0.7	-34.8	11.9	<0	<0
Genedrive Plc	0.6	-8.2	10.8	nm	7.8
Ikonisys SA	0.4	-2.3	20.1	18.6	21.7
Genetic Analysis AS	1.4	-1.3	3.5	nm	nm
SenzaGen AB	5.0	-1.6	13.7	14.5	10.8
Genomtec SA	0.0	-2.0	26.4	30.1	26.1
Novacyt SAS	13.3	-32.0	33.5	15.3	16.0
IntegraGen SA	12.5	-0.2	3.6	nm	nm
Spago Nanomedical AB	0.2	-2.8	6.6	2.2	3.4
Average Selected (>5mn Mkt Cap)	2.4	-10.3	16.1	13.2	14.9
Median Selected (>5mn Mkt Cap)	0.6	-3.4	13.7	14.5	13.9

Source: Value Track Analysis

UBM: Fair value based on Scale Up companies' absolute market value

(€mn)	2024	2025E
Enterprise Value of peers (average)	13.2	14.9
UBM Net Cash	1.2	-0.3
Fair Equity Value UBM	14.4	14.6
Shares total (mn)	24.5	24.5
Fair Equity Value p/s (€)	0.59	0.60
Fair Equity Value p/s (€) – Average	0.60	

Source: Value Track Analysis

Additional value may come from new partnerships in fast-growing verticals

Hyris System platform and the Group fully integrated expertise, are increasingly finding application in adjacent, fast-growing verticals such as microbiota, agri-food, and environmental testing. Recent partnerships (e.g. Gutsy, Generon, GrowBIGogh) confirm both technological fit and commercial traction. While revenues remain limited for now, these verticals represent a promising source of future growth.

We estimate that UBM's potential entry into adjacent verticals could unlock **€1.2-2.5mn in additional revenues** over the next 12-18 months, depending on the number and scale of new commercial partnerships. As in our past simulations for evaluating this “optionality”, the model is based on 1) expected gross margin conversion into free cash flow of the new business/activities and 2) the rising EV, using sector EV/Sales multiples on additional turnover.

In the current simulation we apply no discount to sector EV/Sales, reflecting the more recurring nature of these verticals vs. the custom contracts we factored in the past exercises but, on the other hand here we apply a 70% risk factor (higher than in our previous report) to reflect the early-stage of current negotiations and lower visibility on execution. We remind, as a reference, that broadly half of the optionality component we included in our Oct 2024 valuation - though tied to a different set of opportunities (i.e. custom contracts) – is seen to materialize in FY25 and is now included in our financial model. Our updated model (simplified below) indicates this component could translate into an **additional equity value of €0.22/share**.

UBM: Potential value related to new large contracts in custom projects

(€, 000)		Base Case	Bull Case
Potential additional revenues		1,250	2,500
Estimated margin		40%	60%
Free Cash Flow	A	500	1,500
Potential additional revenues		1,250	2,500
FY1 EV/Sales		8.9	8.9
EV	B	11,125	22,250
Additional Equity from new business	A+B	11,625	23,750
Shares total (mn)		24.5	24.5
Risk factor		70%	70%
Additional Equity from new business/share	Risk Adjusted	0.14	0.29
Additional Equity from new business/share	Average	0.22	

Source: Value Track Analysis

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