Milan, 02 July 2024

Italian Equity Research – New Coverage

CUBE LABS

BUY

Sector: Pharma & Medtech

Price: Eu2.16 - **Target: Eu3.25**

The winning team to back Italian medtech and biopharma

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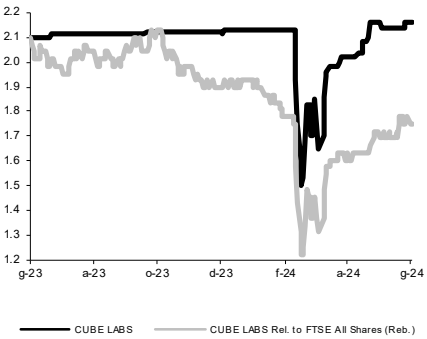
Stock Rating	
Rating:	BUY (New Coverage)
Target Price (Eu):	3.25 (New Coverage)

Next Event
24H1 Results Out September 30th

CUBE LABS - 12M Performance



Stock Data			
Reuters code:			CUBE.MI
Bloomberg code:			CUBE IM
Performance	**1M**	**3M**	**12M**
Absolute	0.0%	23.4%	2.9%
Relative	2.7%	26.6%	-19.1%
12M (H/L)			2.16/1.50
3M Average Volume (th):			8.53

Shareholder Data	
No. of Ord shares (mn):	18
Total no. of shares (mn):	18
Mkt Cap Ord (Eu mn):	39
Total Mkt Cap (Eu mn):	39
Mkt Float - Ord (Eu mn):	6
Mkt Float (in %):	16.0%
Main Shareholder:	
Filippo Surace	71.4%

- **Innovation and growth for health startups:** Cube Labs is an Italian company that specialises in accelerating and developing innovative startups in the life sciences sector. Founded with the aim of transforming promising ideas from academia into successful commercial undertakings, Cube Labs is a science company that operates in areas such as biotechnology, diagnostics, pharmaceuticals and nutraceutics. It offers them financial, strategic and operational support, accompanying their development towards major markets for their products and services. What sets Cube Labs apart is its integrated approach combining scientific and managerial skills, enabling startups to grow quickly and take advanced solutions to market.
- **Capital increases to accelerate growth:** the Cube Labs EGM has approved a capital increase of **up to €5mn** to be completed by 31 December 2025 through the issuance of new ordinary shares at a minimum price per share of €2.20. At the same time, the Board of Directors has been granted the option to increase the share capital by a **further €5mn**, a move to be completed by 31 March 2026. As Cube Labs is an innovative startup, there are tax benefits for those subscribing to the capital increase. The move will put the company on a fully operational footing, accelerating the activities of subsidiaries and removing the need for further liquidity.
- **Explosive growth potential:** positive newsflow on the progress of various products could give the first potential boost to the value of investments within **12-18 months**, acting as a significant catalyst to grow the value of the company. Cube Labs currently controls 14 firms and when fully up and running aims to increase its portfolio to around 30 units, with the promise of creating further value over time. An additional potent driver of growth is the recent MoU signed with the Modi Science Foundation of New Delhi. This amounts to a significant step in the internationalisation of Cube Labs, which aims to expand into the growing Indian biotech market.
- **BUY, target price €3.25:** at the current market price, the stock is trading at a 25% discount to its 2023 NAV-based book value**.** In the short term (2025) we estimate a **NAV of €78mn** (€4.34 per share), to which we apply a 25% discount to reach our target price. Our figure is based on value creation once various product milestones are reached. Based on a favourable long-term scenario, in which all the various milestones are reached as planned, we estimate that the Cube Labs **long-term NAV (2030+) could be €387mn** (€21.63 per share). This implies a long-term multiplier of about **10x** compared to current market prices. Investing in Cube Labs means backing a team of innovators and leaders in the Life Science sector, and a strategic, diversified portfolio of companies that is set to double in size.

	2023	2024	2025	2026	2030+
Asset Value (Eu Mn)	53.03	70.35	85.19	120.58	412.09
NFP (Eu Mn)	-1.57	-4.57	-7.57	-10.57	-25.00
NAV (Eu Mn)	51.46	65.78	77.62	110.01	387.09
Book Value (Eu Mn)	57.44				
NAV / Share (Eu)	2.87	3.67	4.34	6.15	21.63
BV / Share (Eu)	3.21				
P / NAV	0.75	0.59	0.50	0.35	0.10
P / BV	0.67				

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Company Description

Overview of Cube Labs

Cube Labs S.p.A. is an Italian Venture Builder that is specialised in developing innovative projects in the health technology sector. Founded with the aim of supporting and accelerating technological innovation in the healthcare sector, Cube Labs stands out for its strategic approach aimed at unlocking the value of research and transforming its output into successful commercial solutions. The company has been listed since 21 March 2023 on Euronext Growth Milan, Professional segment. With three operating locations in Milan, Rome and Lecce, Cube Labs manages a team of 29 professionals with deep experience in the healthcare industry. Since 2018, it has built up a portfolio of equity investments in 15 companies worth €53mn in aggregate, and developed 52 patents and 9 exclusive licenses related to healthcare sector technologies.

As a Venture Builder, the Company provides financial, strategic, and operational assistance to the selected projects from the outset. Cube Labs ensures immediate and continuous access to sources of financing, provides managerial support, and actively participates in running its investees, guiding them on their growth paths through the right know-how and resources. Cube Labs manages the entire product development cycle up to commercialisation over a period of time that varies according to market opportunities and the maturity and advancement of the technology being developed.

Cube Labs' mission is to support the growth of healthcare technologies through extraordinary operating finance, such as outlicensing individual assets, mergers and acquisitions (M&A), and IPOs. The Company has contacts with important institutional investors, who provide support during both the scouting and exit phases. The Company also aims to expand the number of its equity investments by exploiting its scientific network, giving it preferential access to Italian academic excellence, including 24 universities, 88 research centres, and 700 researchers. Cube Labs has a partnership with the National Institute for Biostructures and Biosystems (INBB), as well as direct contacts with leading research institutes, such as the CNR (National Research Centre).

Struttura societaria

Cube Labs has stakes in 15 companies in Pharmaceuticals, BioTech, MedTech, Nutraceuticals, and Artificial Intelligence applied to health. The Company has majority stakes in 14 of them, and uses an organisational structure aimed at ensuring high control over investee companies, according to the typical Venture Builder model.

Given the peculiarity of Cube Labs' business, we highlight the focal points of each of these companies in the **Portfolio of Subsidiaries** section. We delve into the technological innovations that these firms propose to bring to market, analysing in detail their main activities, what has been achieved to date, and the next steps for the future, enabling us to fully understand the impact and future outlook for the Group.

Cube Labs Portfolio

Source: Company presentation

Management Team

Governance of Cube Labs is structured to ensure operational effectiveness and transparency in decisions. The board of directors is led by **Filippo Surace**, a surgeon and physiatrist, who is the chairman and CEO. Supporting him are **Renato Del Grosso**, co-founder and director of strategy, and **Massimo Fiocchi**, co-founder and CFO.

The company also relies on a Strategic Advisory Board composed of 12 experts with extensive business experience in healthcare at leading sector companies and at prominent academic and scientific institutions, including Harvard Medical School and MIT.

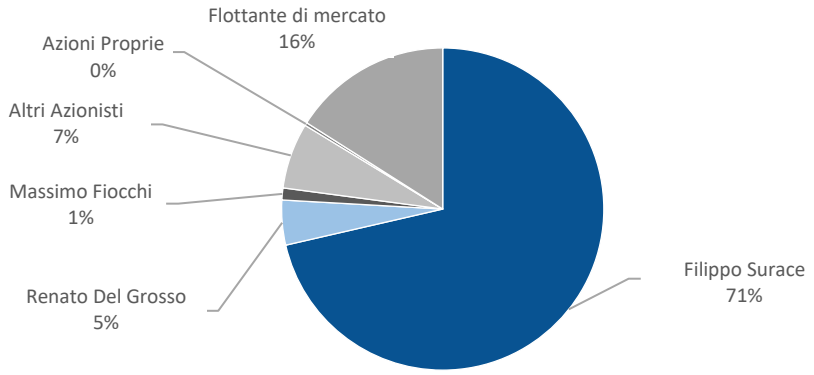
Considering the crucial importance of the human factor in the selection and effective management of the various projects, we provide in-depth analysis of the Company's key officers in the Key People chapter. We examine their skills, experience, and responsibilities, and underline their fundamental contribution to the success and growth of subsidiaries.

Shareholding

The total number of Cube Labs shares is currently 17,852,500, held as follows:

- **71.4%** Filippo Surace
- **4.5%** Renato Del Grosso
- **1.2%** Massimo Fiocchi
- **6.6%** Altri Azionisti
- **0.3%** Azioni Proprie
- **16.0%** Flottante di mercato

Shareholding structure



Source: Company data

Business Model

Cube Labs operates in the fields of MedTech, BioPharma, Nutraceuticals, and Artificial Intelligence applied to health. It takes a proactive approach in controlling and managing projects, with a focus on financial sustainability and the long-term growth potential of its initiatives. Thanks to a robust business model and a network of strategic partnerships, Cube Labs is able to drive development in the health technology sector, transforming academic R&D projects into advanced and commercially viable technological solutions, with a preference for B2B.

The Cube Labs business model is based on taking investment stakes in academic research projects that have passed the proof of concept (PoC) phase. The company offers financial, strategic and operational support, guiding subsidiaries from the scientific discovery phase to the commercialisation of technologies.

The Company takes stakes, including jointly with other partners, at the pre-seed or seed rounds of selected targets. Shareholdings in investee companies are divided into three components:

- **Business:** Cube Labs holds majority stakes in its investee companies, ensuring significant influence on strategic and operational decisions.
- **Scientific**: researchers, the promoters of academic start-ups, hold minority stakes.
- **Academic**: INBB holds minority stakes in the companies controlled by Cube Labs.

On the financial front, Cube Labs guarantees investee companies immediate and ongoing access to financial resources that are crucial for supporting research into and development of new technologies. This includes initial funding and support at further fundraising rounds, also leveraging Cube Labs' own network of institutional investors.

Strategically, Cube Labs provides essential managerial support, helping companies draw up and implement effective strategies for market penetration, commercialisation of technology, and long-term growth.

Cube Labs' operational support involves taking part in the management of the investee, providing it with various services, and ensuring that it has access to the skills and resources needed to thrive.

Cube Labs takes stakes at specific phases of project development:

- **BioTech and MedTech:** phases between TRL 3 and TRL 7[1]
- **Pharmaceutical:** preclinical or clinical phase 1[2]
- **Nutraceutical:** product synthesis and/or clinical evaluation phase
- **AI:** research and development on AI applied to health

Revenue model

The short-term strategy of the Venture Builder is to increase the value of the investees by intensifying research and development on selected initiatives, progressing certain technologies in portfolio. The company expects to bring lines of research to maturity: towards phase 1 in BioPharma, TRL 8-9 in MedTech, and gaining market access in nutraceuticals. Cube Labs also intends to increase strategic, operational, and financial consultancy through IPO fundraising.

In the medium to long term, the Company intends to optimise its equity investments through extraordinary operating finance, outlicensing individual assets, or through operating M&A and IPOs, expanding the number of investees and building new companies through successive fundraising rounds.

Investees pay Cube Labs a fee for strategic, operational, and financial support services, and Cube Labs also benefits from a capital gain on realisation of the increase in value of the investee. Fees can be of various types:

- **Service fee** for facilities, consultancy, tutoring
- **Royalty fees** for commercial agreements entered into with global stakeholders
- **Fundraising fees** for fundraising on the private capital market
- **Exit fee** for advisory services during the exit phase

Adamas Biotech product pipeline

Source: Cube Labs Company Presentation, 2024

[1]TRL (Technology Readiness Level) is a scale used to assess the maturity of a technology during the development process, from initial research to implementation and operational use. Levels go from TRL 1 to TRL 9, which is market-ready technology.
[2]The preclinical phase tests the safety and efficacy of the drug on cells and animals, while clinical phase 1 evaluates the safety on humans.

Key People

Filippo Surace

Founder & Chief Executive Officer

Filippo Surace, MD, MBA-EMMAS, EMPHA, is a serial entrepreneur and physiatrist, founder and CEO of Cube Labs. The Company has seen rapid growth under his leadership, focusing on an innovative public-private technology transfer model that facilitates the commercial development of scientific research projects in markets with high growth potential. Surace is an expert in the healthcare and pharmaceutical businesses, including research, acquisitions, incubation, and value enhancement of technology companies on the main markets of developed and emerging countries, having advised over 50 R&D companies in the healthcare and environmental sectors worldwide.

Before founding Cube Labs, Surace gained extensive experience in the healthcare industry. He is CEO of the Surace Group, a leader in the field of rehabilitation in the Puglia region, and has been chairman of the Health and Pharmaceutical section of Confindustria Lecce, deputy chairman of the Health Commission of Confindustria Puglia, and Sole Coordinator of the Credit and Finance Desk of Confindustria Lecce. His academic career includes positions as an adjunct associate professor at Temple University (USA) and the Medical University of Łódź (Poland).

Surace has been a keynote speaker on numerous global panels on technological innovation, disruptive business models and entrepreneurship, speaking at major events, including in Silicon Valley. The holder of 3 international patents in different areas of the life sciences sector, he has won several competitive innovation awards, and been recognized by renowned organizations internationally such as the China Awards and the Le Fonti Awards, as CEO of the Year in Innovation in Life Science 2022, and 4 times for Excellence of the Year Innovation & Leadership in Life Science (2023, 2022, 2021, 2018).

Surace has been cited by major publications such as *Forbes* (Best CEO of the year in Life Science 2023 and 2022, Top 100 Italian Managers 2023), *Fortune*, *Millionaire*, and *Milano Finanza*. His leadership has made Cube Labs a leading light in the life sciences industry, contributing significantly to the advancement of the sector in Italy and around the world.

Renato del Grosso

Co-Founder & Chief Strategy Officer

Renato Del Grosso is an Italian entrepreneur. As co-founder of Cube Labs, he holds the role of Chief Strategy Officer. His career features wide-ranging experience in the pharmaceutical and medtech sector, with almost twenty years at international majors such as Merck & Co., Abbott Laboratories, AbbVie and Intercept Pharma. At these companies, Del Grosso held senior roles as head of government relations and market access for Italy, consolidating his expertise in health policy management and market access.

Del Grosso has a degree in International Law from the University of Napoli Federico II, followed by an Executive Master's in Healthcare & Pharmaceutical Administration at Luiss Guido Carli University and an Executive Master's in Finance at SDA Bocconi Business School.

As well as his role at Cube Labs, Del Grosso is involved in the innovation ecosystem in various countries, as an advisor to various accelerators, incubators and technology parks. In recent years, he has mentored academic spin-offs directly or through accelerators in Italy, Switzerland, the United Kingdom, Poland, Finland, Norway, and Austria. In Switzerland, he is actively involved in the Italian business community as a board member of the Italian Chamber of Commerce for Switzerland in Lausanne and former deputy chairman of the Group of Italians in Geneva (GEI), a member of the Association of Italian Executives Abroad (ADIE) in Geneva.

Massimo Fiocchi

Co-Founder & Chief Financial Officer

Massimo Fiocchi, a chartered accountant and statutory auditor, took a degree in Economics and Commerce at the Luigi Bocconi Commercial University in Milano in 1998.

His professional career began at the legal and tax practice of Cocco, D'Andria, Lattanzi, Taverna in Rome, where he worked from 1998 to 1999. He then held roles of increasing responsibility at various firms, including K-Legal (part of the international KPMG network) and Di Tanno e Associati, accumulating huge experience in corporate finance and management. He was a founder and partner in Fiocchi Tirrito, a law and tax firm based in Rome, and helped set up the Juridicum network.

Fiocchi has worked with local and foreign companies, some of which listed on primary markets and operating in diverse sectors including pharmaceuticals, banking, finance, distribution, entertainment and energy. He has been a consultant for banking foundations and non-profit organizations. He has worked extensively with innovative startups and Italian startups. His specialisms are national and international tax issues, corporate reorganisation, M&A, commercial law and corporate governance, application of national accounting standards, and international and corporate valuations.

He has served as chairman, director and statutory auditor for limited and joint stock companies, as well as an external auditor for public bodies and as a liquidator of special purpose vehicles (SPVs) in securitisations.

Neil Thomas

Chief Business Officer

Neil Thomas, Ph.D., is an expert of long standing in life sciences, and serves as Chief Business Officer at Cube Labs. In this role, Thomas is responsible for the company's business development and partnership strategy, as well as overseeing the company's intellectual property strategy. He has extensive management experience of ventures in life sciences, having worked with major companies such as Ventac Partners, Genetrix and Bioxell, and has specific expertise in technology transfer from academia to early stage companies.

Thomas has a solid academic background, with a PhD and extensive experience in the protection and commercial exploitation of intellectual property in the biotechnology sector. Prior to joining Cube Labs, he contributed to company formation, patent drafting and intellectual property management in legal and corporate realms.

His presence at Cube Labs is key for the company's ability to attract and manage strategic collaborations with industrial and academic partners, promoting innovation and development of new health technologies, and he contributes a combination of technical skills, practical experience, and a deep understanding of the life sciences market.

Chris Hentschel

Chief Scientific Officer

Chris Hentschel, Ph.D., is the Chief Scientific Officer of Cube Labs and co-founder of The Ulysses Advisory Group. He is a molecular biologist with a wealth of experience ranging from academic research to public-private collaborations, and from the private sector to innovative start-ups.

His career began in the United Kingdom at MRC Technology Transfer, followed by major biotechnology companies such as Celltech in the United Kingdom and Centocor in the United States, and contributions to the Medicines for Malaria Venture in Switzerland, working to accelerate R&D on new therapies to combat malaria. He was a partner and chief scientist at Bio Istanbul.

At Cube Labs, Hentschel is responsible for leading the company's scientific strategy, overseeing the development of emerging technologies and their transfer from the lab to the market. His vast experience and expertise make him a key figure for Cube Labs.

Isil Guney

Chief Communication Officer

Isil Guney is a molecular biologist with extensive experience in biotechnologies. She is co-founder of The Ulysses Advisory Group and has worked with startups in the life sciences field since 2014, helping them develop and bring promising technologies to the global market. Prior to her current role, she was Director of Research and Development at Bio Istanbul and worked as an associate researcher at the Dana-Farber Cancer Institute, Harvard Medical School, and the Broad Institute of Harvard and MIT. Here, she has helped identify new therapeutic targets for treating prostate cancer.

Isil Guney holds a Ph.D. from Brown University and is the author of numerous publications in high-impact scientific journals. She has also been a founder member and director of the MIT Enterprise Forum Turkey, demonstrating her commitment to promoting innovation and entrepreneurship in life sciences.

Natalie Pankova

Chief Operating Officer

Natalie Pankova, Ph.D., is the Chief Operating Officer of Cube Labs. She has expertise in biotechnology and digital health, having worked with biotechnology and health technology startups in Canada, the United Kingdom, Europe and globally. Before joining Cube Labs, Natalie held key roles at several organizations, including as Chief Operating Officer at Metadvice, a digital health startup, and as Director of R&D at Bio Istanbul.

Pankova completed her PhD in medical sciences at the University of Toronto, where she studied inflammatory responses in age-related macular degeneration. She also boasts patents and publications on the use of imaging technology in macular degeneration models. Her career includes development of drugs for macular degeneration and the creation of diagnostic solutions based on artificial intelligence.

In addition to her role at Cube Labs, Natalie is a Digital Health Expert for the World Health Organization (WHO) and regularly contributes as a consultant, mentor and speaker in the field of advanced healthcare technologies. She has also collaborated with bodies such as the European Innovation Council and the United Kingdom Parliament.

Paolo Occhialini

Portfolio Manager

Paolo Occhialini is the Portfolio Manager of Cube Labs. In this role, Occhialini is head of management and development of the portfolio of projects and start-ups in the field of biotechnology and digital health.

An honours graduate in Medicine and Surgery, he took a master's degree in "Organisation and Management of Public Services" at the Bocconi University of Milano (1989). Since 1979 he has held important institutional and professional positions in life sciences as general director of the INBB Consortium and other bio-parks in Lazio.

Before joining Cube Labs, Occhialini was director of the National Bioelectronics Hub, and then of the National Institute of Biostructures and Biosystems.

Daria Brambilla

Scientific Head of Venture Companies

Daria Brambilla is a biologist with expertise in research and in pharmacological preparation. She has a PhD in Preclinical and Clinical Pharmacology and experience in biochemistry, molecular biology, immunology and cell biology.

Among her activities, Daria has been a reviewer for the American Cancer Research Association and was Italian group leader on the Erasmus+ Bio All project (2019-2021). At Cube Labs, she manages relationships with the portfolio's partner researchers and professors and monitors progress on the science roadmap.

The Healthcare & Life Sciences Market in Italy

The Cube Labs portfolio operates in the Life Sciences sector, particularly in the Biotech, Pharma, Nutraceutical, MedTech (medical devices and diagnostics), and Health-Specific Artificial Intelligence markets.

Life Sciences Market[3]

In Italy, as in other European countries, **68% of total output of sector companies comprises pharmaceutical products**, which play a decisive role in the overall performance of the sector. Production by Italian pharma firms is expected to grow strongly in 2023 (+5.7%) and in 2024 (+2%), with a slowdown expected from 2025 when average quarterly growth will be +0.1% (+0.4% per year).

At the same time, the national economy is expected to grow by +0.8% in 2023 and +0.9% in 2024, with the pharmaceutical sector contributing significantly to this growth. Demand for medicines is less sensitive to the economic cycle, encouraging more optimistic forecasts.

The ageing of the Italian population (16.6mn over 65 years' old expected by 2032) will fuel demand for goods and services in the pharmaceutical sector in the next decade. Private healthcare spending has increased by an average of 2.1% per year over the last ten years, with expected 9% growth for medical products over the next ten years, further supporting the sector.

Life Science will be a main driver of the country's economic growth, thanks in part to Italian universities, which are a lodestar for scientific research. Italian universities contribute 9% of citations in works on medical sciences and 2.4% of Italian scientific publications are among the 1% most cited globally.

BioTech Market[4]

The sector is growing and healthy. In 2022, the Italian biotech sector had 822 companies, of which 312 dedicated to research and 292 under Italian control. Almost 30% of these companies are considered innovative startups. These companies employ around 13,700 people and generated turnover of **over €13bn**.

Biotechnology for health dominates the sector, accounting for 74% of the total. In addition, applications for the bio-economy, particularly in industry and agriculture, are booming, with growth rates exceeding 30% in the 2021-2022 two-year period, amounting to over 25% of Italian biotech turnover.

Despite a slight contraction in 2020 due to the pandemic, the number of enterprises grew in 2021 and the number of companies of all sizes was expected to grow in 2022 to reach 823 enterprises. Micro and small enterprises account for more than 82% of the total, while large enterprises make up less than 8%.

By region, Lombardy, Lazio, Tuscany and Piedmont generate more than 90% of turnover, 80% of R&D investments and have 80% of employees. Lombardy is the leader, followed by Lazio and Tuscany, which are specialized in health applications, while the northern regions generally stand out for biotechnological applications for industrial processes. In the South, Campania and Puglia are the most important regions, accounting respectively for just under 8% and just over 4% of the total number of companies.

The Pharmaceutical Market[5]

The Italian pharmaceutical industry reached production of **€49bn** in 2022, of which exports of €47.6bn (the third country in Europe), and investments in production and R&D amounted to €3.3bn.

The Italian pharmaceutical manufacturing industry is a developmental asset for the country and its regions as confirmed by forecasts on R&D investments, which between 2023 and 2028 will reach $1,600bn globally.

Europe must reverse the trend of losing investment share to the US and China by attracting investment and innovation. The proposed revision of European pharmaceutical legislation, according to Farmindustria, could weaken European competitiveness by reducing data protection and market exclusivity for medicines.

To maintain competitiveness, it is crucial to complete the reform of the Italian Medicines Agency (AIFA), overcome EU state aid constraints, and raise incentives for research and manufacturing. Human resources are a strength of the sector, with 68,600 employees in 2022, of which 6,900 in R&D, and growing numbers of female and young employees.

Italy is among the EU leaders in pharmaceutical production by value, and exports have grown by 176% in ten years. The sector is the first for Open Innovation with R&D in partnership growing by 95% in ten years.

[3]Source: Qbe Insurance, Oxford Economics and Control Risks
[4]Source: Assobiotec: Bio in Italy, 2023
[5]Pharmaceutical Indicators 2023, Farmindustria

Food Supplements[6]

Over the last ten years, the Italian food supplements market has grown by 60%, from 125mn packs sold in 2013 to around 200mn in 2023. The Italian market is the largest in Europe, accounting for over 29% of the total European food supplement market by value, which exceeds €13bn. The market is expected to reach **€5bn in Italy** by 2025.

About 8 out of 10 Italians have a proper perception of food supplements, seeing them as an aid to compensate for nutritional deficiencies and maintain a healthy lifestyle. Most consumers rely on the advice of doctors and pharmacists for the use of supplements

Food supplements are also seen as a valuable tool for the sustainability of national health systems. For example, regular intake of Omega-3 could reduce hospitalisations for cardiovascular disease, with a potential saving of €1.3bn per year for the Italian healthcare system.

The global growth outlook for the food supplements market is highly favourable, with an expected annual growth rate of nearly 8% to 2027, taking the global market close to **$240bn**.

Data shows that the food supplements sector in Italy is continuously expanding, supported by growing consumer awareness of health and wellbeing.

Medical and Diagnostic Devices[7]

The medical device market in Italy is worth **€16.2bn**, including exports and the domestic market. The sector is characterised by high innovation and specialisation, with a heterogeneous industrial fabric that includes 4,546 companies and 112,534 employees.

The sector is divided into 13 main sub-sectors, including *in vitro* diagnostics, biomedical, electromedical, and others. SMEs make up about 94% of total enterprises in the sector. The export value of Italian medical devices has reached €5.7bn, up 3.5% on the previous year.

Generic medical devices account for more than 68% of total spending and feature smaller cyclical variation than other product types. Between 2015 and 2022, spending on generic medical devices grew at an average annual rate of 1.8%, from €716.5mn to €1,234mn. By contrast, spending on active implantable medical devices is down both from the previous quarter and the same period last year. In the 2015-2022 period, growth was much lower than for generics and *in vitro* diagnostics, at only 16.7%. In-vitro diagnostics, despite being down for three consecutive quarters, recorded almost no change compared to the first three quarters of 2021, but an increase of 35% compared to the pre-pandemic period of 2019.

[6]Source: Supplements and Health, 2023
[7]Source: Confindustria Medical Devices Report, 2023

2021 – 2023 Results

Summary of Recent Events

March '23

- IPO on Euronext Growth Milano Professional Segment raising **€4.1mn**.

April '23

- Alliance with IBI for the development and commercialisation of health technologies.

July '23

- Placement of 250,000 shares, raising **€0.5mn**. The placement closed ahead of schedule.

September '23

- **Cube Labs signs an MoU[8] with the Modi Science Foundation in India**. The foundation, recognized for promoting pioneering research, is led by Satish Kumar Modi, an internationally prominent figure. This event marks a very important step in the company's internationalization; the agreement envisages evaluation on setting-up a lasting collaborative tie by outlining a plan for long-term development of health technology in India. This scientific and commercial bridge could help Cube Labs to leverage India's expertise in high-quality, low-cost healthcare solutions while bringing European advances in biotechnology and medical technology to the Indian market, fostering mutual growth and innovation.

October '23

- Cube Labs is a finalist for the Prix Galien USA in the "Incubators, Accelerators, Equity" category.
- Conversion of 250,000 warrants raising **€0.6mn**.
- Launch of Master's Degree in Life Science Venturing Innovation in collaboration with the Rome Bio-Medical Campus Rome and Marzotto Venture Accelerator.

November '23

- Cube Labs participates in "Promoting innovation in Life Sciences. Friuli-Venezia Giulia, The place to be".
- Cube Labs wins the "CEO Italian Awards 2023" in the Life Science category.

December '23

- Expansion of the company portfolio: two new startups founded in the nutraceutical and MedTech sectors: Myrtoviva and Regenerabioma, both 65% owned.
- Placement of a further 250,000 shares, raising **€0.5mn**.

January '24

- The Company reopens to submissions of further new Life Science projects.

March '24

- Collaboration agreement with FTherapeutics to accelerate early-stage drugs discovery.

June '24

- Further capital increases for a total of **€10mn** approved.
- Cube Labs is a flagship partner of Prix Galien International 2024 Rome, considered the equivalent of the Nobel for the pharmaceutical and life sciences sector.
- Cube Labs was selected by the Hi-tech Startup Observatory of the Polytechnic University of Milano among the most significant companies of 2023 in the Top Exit category

[8]The Memorandum of Understanding (MoU) is an agreement signed to formalise collaboration between the parties, usually with the relevant cosmetics sector association, aimed at promoting the exchange of information on the cosmetics sector, regulations, and market trends.

Income Statement and Balance Sheet

Here we summarise historical results for 2021 – 2023, highlighting the following key points:

- **Revenues are mainly attributable to fundraising fees**, as service fees paid by subsidiaries to Cube Labs for services provided by the holding company are not monetised immediately. Instead, these add to trade receivables, which are converted only when the subsidiary goes standalone and is able to shoulder the debt.
- Costs incurred for listing were capitalised as intangible fixed assets

Cube Labs Income Statement 2021 – 2023 (€ k)

	2021	2022	2023
Total Revenues	**1,109**	**1,001**	**1,558**
g%	-	*-10%*	*+56%*
Value of Production	1,127	1,143	1,637
Operating Expenses	(651)	(999)	(1,918)
Added Value	**476**	**144**	**(281)**
Personnel	(64)	(90)	(142)
EBITDA	**412**	**54**	**(423)**
EBITDA Margin	*37%*	*5%*	*-27%*
D&A and Provisions	(6)	(6)	(225)
EBIT	**406**	**48**	**(649)**
EBIT Margin	*37%*	*5%*	*-42%*
Financial Income (Expenses)	(71)	(139)	(267)
EBT	**335**	**(91)**	**(916)**
Tax Expenses	(12)	2	22
Net Income	**215**	**(73)**	**(695)**
Net Profit Margin	19%	-7%	-45%

Source: Company data

Cube Labs Balance Sheet 2021 – 2023 (€ k)

	2021	2022	2023
Subsidiaries and Affiliates	52,091	52,278	53,064
Fixed Assets	**52,126**	**52,657**	**54,266**
Operating Working Capital	2,160	3,116	4,224
Net Working Capital	**1,925**	**3,069**	**4,836**
Provisions	**(13)**	**(12)**	**(4)**
Capital Employed	**54,039**	**55,732**	**59,014**
Long-Term NFP	(1,680)	(3,294)	(2,016)
Short-Term NFP	(91)	21	447
o/w Cash & Cash Equivalents	*461*	*924*	*1,905*
Net Financial Position	**(1,771)**	**(3,272)**	**(1,569)**
Net Equity	**52,267**	**52,460**	**57,444**
Total Sources	**54,039**	**55,732**	**59,014**

Source: Company data

Revenues show a slight decrease followed by a sharp rise of +56% in 2023. Operating costs have risen sharply, along with personnel costs, leading to negative EBITDA for the first time. Rising financial expenses contributed to negative net profit.

The book value of the health subsidiaries is slightly increasing, **net working capital is expanding** over time as a result of the receivables that Cube Labs is owed by its subsidiaries and which will be collected when the subsidiaries are more mature. The net financial position income is improving, and cash increased substantially, partly thanks to the success of the listing, which yielded **€4.1mn**, to the following two capital increases for a total value of **€1mn**, and to the exercise of warrants 2023 – 2025 for **€0.6mn**.

Biotech companies, especially those at early-stage, often face significant losses and need regular injections of financing to sustain their growth. This is especially true for companies that are building their product pipeline, a process that requires considerable investments and long lead times to bring products to market. As such, a biotech company's pipeline takes on a central role in determining its overall value.

Given the atypical nature of the company, we therefore do not provide specific estimates on the accounting documents, focusing instead in the next paragraphs on the potential value of the health subsidiaries.

Summary of the Portfolio of Subsidiaries

The total 2023 book value of the portfolio is **€53mn**.

Cube Labs Portfolio value and control shares

	Settore	Valore a bilancio	Quote partecipative			
			Cube Labs	Trust Cube Labs	Altri	INBB
Total Portfolio Value		**53,028,806 €**				
Cartilago	Pharmaceuticals	12,034,210 €	51%	12%	32%	5%
Orpha Biotech	Pharmaceuticals	2,962,522 €	51%	44%	0%	5%
Molecular Research	Pharmaceuticals	2,326,530 €	51%	14%	30%	5%
Adamas Biotech	Nutraceuticals	8,026,234 €	51%	4%	40%	5%
Bio Aurum	Nutraceuticals/MedTech	4,956,708 €	51%	9%	35%	5%
MyrtoViva	Nutraceuticals	6,500 €	65%	0%	30%	5%
DTech	MedTech	4,882,394 €	51%	9%	35%	5%
Biodiapers	MedTech	4,294,580 €	50%	33%	11%	5%
Lumina NanoBiotech	MedTech	4,294,414 €	51%	4%	40%	5%
Skin Plastic Lab	MedTech	3,159,932 €	51%	4%	40%	5%
Rescue Code	MedTech	1,686,880 €	51%	9%	35%	5%
CRV Medical Systems	MedTech	8,880 €	55%	0%	40%	5%
Regenerabioma	BioTech	6,500 €	65%	0%	30%	5%
HiPerforming Research	Artificial Intelligence	4,262,351 €	51%	9%	40%	0%
G-Gravity	Accelerator	120,171 €	14%	0%	86%	0%

Source: Company data

For several subsidiaries (MyrtoViva, CRV Medical Systems, Regenerabioma), the revaluation on the financial statements has not yet taken place and the book value is not representative of the real value of the company.

The Company does not produce consolidated financial statements, therefore the values in the financial statements show Cube Labs' controlling interest, without considering the shares held by the Trust.

Cube Labs Portfolio description

	Descrizione
Cartilago	Tecnologie rigenerative contro l'osteoartrite e le malattie correlate. Hanno sviluppato una molecola che stimola la formazione di nuovo tessuto cartilagineo.
Orpha Biotech	Soluzioni per il trattamento delle malattie rare, che si verificano raramente e per le quali attualmente non ci sono terapie (es. malattie autoimmuni come la sclerosi sistemica).
Molecular Research	Ricerca e sviluppo di molecole terapeutiche, con particolare attenzione a quelle utilizzate nel trattamento della neuropatia diabetica e dell'Alzheimer.
Adamas Biotech	Sviluppo di molecole bio-attive derivate dalle catechine del tè verde con effetti antiossidanti e antinfiammatori. Applicazioni: Cancro, Diabete, Cura delle Ferite e Medicina Sportiva.
Bio Aurum	Trattamenti a base di estratti di zafferano contro le malattie neurodegenerative, con un focus su Parkinson e Alzheimer e nel campo dell'oftalmologia.
MyrtoViva	Myrtoviva mira a innovare il campo degli integratori alimentari e dei prodotti cosmetici attraverso la combinazione di fitoestratti mediterranei tradizionali e l'uso di nanotecnologie.
DTech	Sviluppo di idrogel biocompatibili per applicazioni dentali, dermatologiche e oncologiche.
Biodiapers	Tecnologie per migliorare i prodotti assorbenti (es. pannolini), con l'obiettivo di ridurre l'impatto ambientale attraverso un processo brevettato.
Lumina NanoBiotech	Sviluppo di bio-sensori per test diagnostici, veterinari, ambientali e agroalimentari.
Skin Plastic Lab	Nanotecnologie per monitorare la temperatura e la vascolarizzazione della pelle in caso di eventi come incidenti traumatici, ustioni, cancro della pelle, ecc.
Rescue Code	Tecnologie per migliorare la visibilità durante le procedure cardiache e sviluppo di protocolli e tecnologie per il trattamento dell'infarto refrattario.
CRV Medical System	Sviluppo di tecnologie per la robotica endovascolare.
Regenerabioma	Soluzioni per il trattamento di ferite complesse o croniche causate dal diabete.
HiPerforming Research	Sviluppo di applicazioni di Intelligenza Artificiale per il settore bio-sanitario/sanitario.
G-Gravity	Società che supporta le start-up nello sviluppo del business fornendo servizi professionali (definizione della strategia, analisi di mercato, mentorship, ecc.).

Source: Company data

Cartilago

Company Description

Pharmaceuticals – Founded 2018

The subsidiary, booked with a value of **€12mn** on the company's financial statements, is involved in researching regenerative technologies to combat **osteoarthritis** (OA) and related diseases. Cartilago has **2 patented technologies.**

Cartilago's main objective is to treat conditions affecting joints, especially osteoarthritis, through advanced tissue regeneration technologies. The company aims to provide treatments that not only relieve pain and improve joint function, but also stop or reverse the cartilage degeneration process. The start-up is developing a product line focused on the beneficial properties of bioactive glucosamine peptides, showing excellent properties in stimulating the endogenous regeneration of new tissues and hyaluronic acid.

Cartilago develops peptide derivatives with unique properties:

- **Stimulation of Cartilage Production**: these peptides can stimulate the endogenous production of new cartilage tissue.
- **Extracellular Matrix Repair**: peptides aid in the repair and regeneration of the extracellular matrix and aged tissues.
- **Hyaluronic Acid Production**: peptide derivatives also promote the endogenous production of hyaluronic acid, a key component for joint health.
- **Long-Term Effectiveness**: the proposed solutions are not only palliative but offer long-term therapeutic benefits without the need for invasive surgery.

In addition to osteoarthritis, Cartilago is expanding the applications of its technologies to other areas, including:

- **Anti-Ageing:** counteracting the signs of skin ageing and improving skin quality.
- **Wound treatment**: products that promote tissue regeneration and accelerate the healing process.
- **Anti-Metastatic therapies**: innovative strategies to combat cancer metastases, especially in bone tumours.

Cartilago product pipeline

Product	Therapeutic area	Application	Discovery	Pre-clinical	Phase I	Phase II
Regen Napa	Orthopaedics	Osteoarthritis				
Regen Longevity	Dermatology	Anti-Aging				
NCPA	Oncology	Bone tumors				
LT Coating	Orthopaedics	Implantology				

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

Regen Longevity

In the fourth quarter of 2021 and the second quarter of 2022 a clinical cosmetology study was conducted on 30 female subjects (mean age 55 years), 21 of whom completed the study. The analysis focused on medium and fine wrinkles around the eyes, comparing the product containing NAPA (1%) with a control product for 30 days.

The pre-industrial chemical synthesis of NAPA was carried out through a new and effective chemical synthesis strategy developed through the work of Professor Giancarlo Cravotto of the University of Turin and Professor Roberto Scandurra of Rome's La Sapienza University.

U.S. Patent No. 11,685,760 for NAPA compositions and tissue regeneration methods was granted on 27 June 2023 and expires on 19 September 2039. Patent applications are underway in Europe, China and Japan.

During the second half of 2023 and the first quarter of 2024, the NAPA molecule was successfully synthesised by C4T and FTherapeutics/Synthelia. Analytical characterisation of the NAPA molecule from a pre-industrial batch has been completed, with the determination of a formulation that will enable large-scale production. Production partnerships have been established with Synthelia Organics in Madrid and C4T in Rome.

The results of the tests conducted by Cartilago on the NAPA anti-wrinkle cream were deemed adequate, negating the need for a further follow-up with 10 patients. After presenting the initial results of the tests on 30 subjects, the next trial scheduled for the third quarter of 2024 is awaiting further feedback before proceeding.

The clinical trial (phase I) is designed to test the efficacy and safety of the cosmetic product. The clinical trial will probably be conducted in collaboration with the Università Statale di Milano as a randomised, double-blind, placebo-controlled clinical trial with 40 subjects for a period of 12 weeks. This trial is scheduled to begin in the third/fourth quarter of 2024 but is currently on hold while the company seeks agreements with potential partners. The trial is expected to end in the second quarter of 2025.

It is assumed that Cartilago will develop the product to market readiness, then license its marketing and sale out to a partner. The company is not expected to bring the product to market under its own brand at this point. However, it is already in discussions with multinationals, so an early licence remains a possibility.

Talks are ongoing with an important potential licensing partner (to engage with cosmetics companies). The partner is conducting some in-house testing of the product and may be involved in the upcoming clinical trial. It has also conducted its own internal testing with NAPA and is interested in continuing talks with Cartilago for a potential partnership.

Regen Longevity product timeline

Study Phase	Timeline
Clinical cosmetology study	Q4 2021 – Q1 2022
Phase I	Q3 2024 – Q2 2025
Market ready study	Q3 2025 – Q2 2026
Market entry	2028

Source: Asset Valuation Report, Venture Valuation

Regen NAPA

In 2017, Cartilago conducted *in vitro* studies and two *in vivo* studies (OA models in mice and rabbits). The mouse study was completed with 26 mice divided into three groups: (1) destabilisation of medial meniscus (DMM) surgery without treatment; (2) DMM surgery treated after 2 weeks with an intra-articular injection of NAPA (2.5mM); (3) no DMM surgery. The injection of NAPA significantly improved: the physical structure of articular cartilage by reducing catabolic enzymes, the remodelling of extracellular matrix (ECM), and IKKα expression, demonstrating *in vivo* chondroprotective activity.

Cartilago is looking for a partner for ongoing pre-clinical pharmacological studies. The characterisation of NAPA, completed in conjunction with FTherapeutics in Madrid, is critical for *in vivo* pre-clinical experiments and represents a key milestone in the development process. Production partnerships have been established with Synthelia Organics in Madrid and C4T in Rome, ensuring the supply of quality products for both current studies and future trials.

Phase I studies, originally scheduled to begin in the third quarter of 2024, have been delayed. Preliminary Phase I activities have now been rescheduled for the first half of 2024.The gap analysis in the first half of 2024 will mark the start of Phase I, with full implementation expected in the second half of 2024. Regulatory procedures are underway to ensure the compliance and safety of new chemical entities, crucial for bringing development projects to fruition.

Cartilago is in the process of identifying suitable partners for ongoing pre-clinical pharmacological trials. In the first half of 2024, the company plans to conduct a gap analysis to form the basis of Phase I clinical trials, which should begin in the fourth quarter of 2024, based on a roadmap provided by FTherapeutics or other third-party specialists. At the same time, Cartilago is navigating ongoing regulatory procedures for the progression of new chemical entities, a critical step in ensuring regulatory compliance and safety.

These partnerships will enable the company to ensure the supply of quality products both for pre-clinical studies and future clinical trials.

Regen NAPA product timeline

Study Phase	Timeline
Pre-clinical	2024
Phase I	Q4 2024 – Q4 2025
Phase II	Q1 2026 – Q4 2027
Phase III	Q1 2028 – Q4 2030
Approval	Q1 2031 – Q4 2031
Market entry	Q1 2032

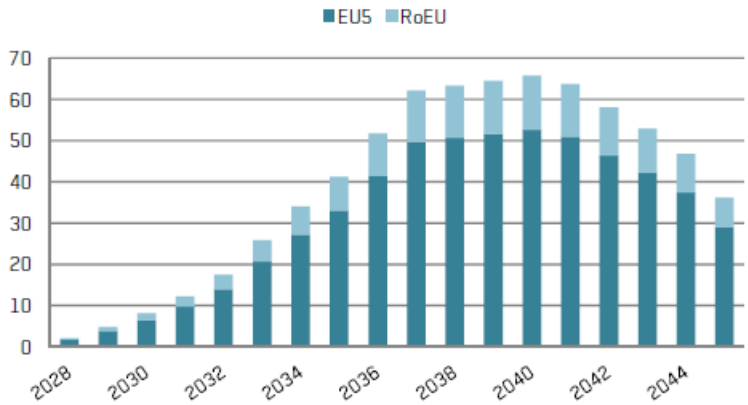
Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

Regen Longevity

Regen Longevity sales forecast

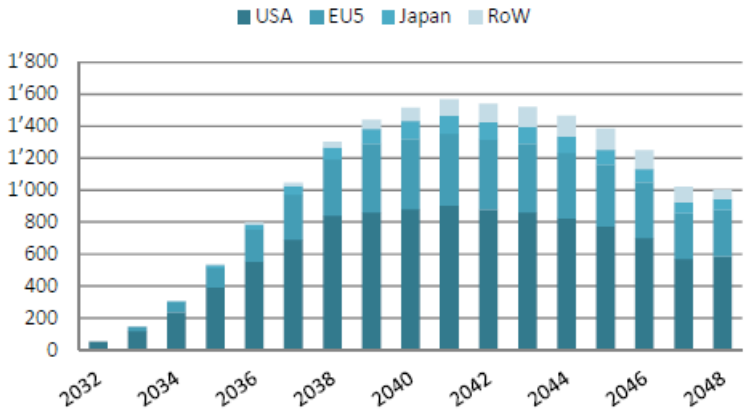


Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues in 2040, at **US$66mn**.

Regen NAPA

Regen NAPA sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **US$1.5bn** in 2041.

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

Regen Longevity probability of success

	Clinical Studies (phase I and market ready study)	CE Approval
Probability of Success (PoS)	75.00%	98.00%
Cumulative PoS	**75.00%**	**73.50%**

Source: Asset Valuation Report, Venture Valuation

Regen Longevity is currently valued at **€5.7mn**, with a PoS of **73.50%**.

Regen NAPA probability of success

	Prec.	Phase I	Ph IIa	Phase IIb	Phase III	Approval
Probability of Success (PoS)	85.00%	58.00%	80.00%	38.00%	68.00%	92.00%
Cumulative PoS	**85.00%**	**49.30%**	**39.44%**	**14.99%**	**10.19%**	**9.38%**

Source: Asset Valuation Report, Venture Valuation

Regen Longevity is currently valued at **€10.3mn**, with a PoS of **9.38%**

The full value of the subsidiary in the Cube Labs financial statements is **€23.9mn**, so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€7.5mn**. Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

Cartilago product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Cartilago	**24,086,962 €**	**27,225,635 €**	**40,531,000 €**	**49,120,641 €**	**98,517,447 €**	**99,993,369 €**	**160,209,852 €**
Regen Napa	10,706,382 €	12,063,529 €	20,799,189 €	25,998,986 €	68,418,384 €	68,418,384 €	109,364,424 €
Regen Longevity	5,711,000 €	6,186,917 €	6,900,792 €	7,614,667 €	7,614,667 €	7,770,068 €	7,770,068 €
Residual value	*7,669,580 €*	*8,975,189 €*	*12,831,020 €*	*15,506,988 €*	*22,484,397 €*	*23,804,918 €*	*43,075,360 €*

Source: Websim Corporate elaborations

Orpha Biotech

Company Description

Pharmaceuticals – Founded 2019

The subsidiary, booked with a value of **€3mn** on the company's financial statements, develops innovative solutions for the treatment of **rare diseases**, also known as orphan diseases. These conditions are very infrequent in the overall population, meaning they are of little interest to pharmaceutical majors. Orpha Biotech's mission is to ensure that no patient is overlooked. To achieve this, it develops effective treatments through an advanced scientific approach.

The company uses advanced virtual screening methods based on molecular structure to identify new chemical compounds with therapeutic potential. Working with Molecular Research Pharma CT, the company employs docking simulations to develop molecules that can act as agonists or antagonists for a variety of diseases.

Orpha Biotech's research and development is at the heart of the company's innovation. Experts in biotechnology and pharmacology work to discover new treatments for rare diseases, taking advantage of the latest biomedical technologies. Research is focused on central biological mechanisms of disease pathogenesis, with a particular focus on orphan autoimmune diseases.

Orpha Biotech product pipeline

Product	Therapeutic area	Application	Discovery	Pre-clinical	Phase I	Phase II
SMC19C21	Rare diseases	Systemic Sclerosis				
SMONC-a	Oncology	Anti-metastatic				
SMPF	Respirology	Pulmonitis Fibrosis				
HS 2-20	Dermatology	Tissue Regeneration				

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

The company is in talks to engage a contract development and manufacturing organisation (CDMO) to conduct crucial pharmacokinetic and pharmacodynamic trials, with a specific focus on metabolism.

Orpha Biotech has entered a strategic partnership with FTherapeutics. This change is with a view to making use of new computational tests to predict drug efficacy, as well as absorption, distribution, metabolism and excretion (ADME), and toxicity, reducing dependence on animal testing, saving costs and reallocating resources towards the development of small molecules to comply with the clinical trial application (CTA) timeline.

SMC19C21

At the time of writing, the company has identified the pathway for chemical synthesis and production of the drug and conducted the first *in vitro* efficacy studies.

The company is currently in talks to engage a CDMO to conduct *in vitro* pharmacokinetic trials with a focus on metabolism, as well as pharmacodynamic studies. It is in the process of expanding research and development efforts on a panel of 27 small molecules. In a parallel process, it is developing a complete dossier for *ex vivo* and *in vivo* studies, with a focus on processes for administration and dosage optimisation.

Orpha Biotech has secured a strategic partnership with FTherapeutics in Spain, ending its previous partnership with Biogem. New computational model-based trials will help predict efficacy (drug binding to target), ADME and toxicity. The goal is to reach submit Investigational New Drug (IND) application /CTA in 2026.

SMC19C21 product timeline

Study Phase	Timeline
Pre-clinical	Q3 2024 – Q2 2026
Phase I	Q3 2026 – Q2 2027
Phase II / III	Q3 2027 – Q2 2029
Approval	Q3 2029 – Q2 2030
Market entry	Q3 2030

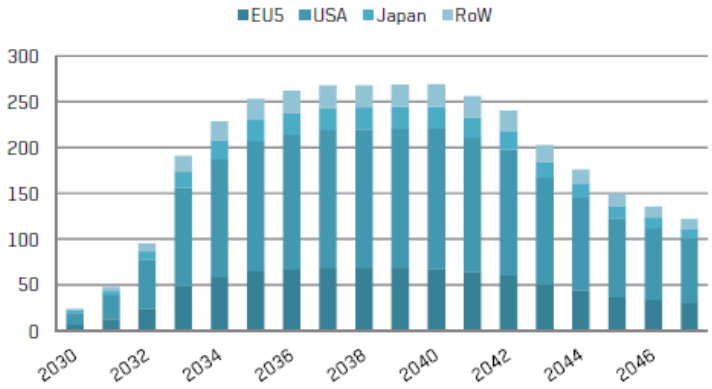
Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

SMC19C21

SMC19C21 sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€268mn** in 2040.

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

SMC19C21 probability of success

	Preclinical	Phase I/II	Phase II/III	Approval
Probability of Success (PoS)	70.00%	62.00%	42.00%	89.00%
Cumulative PoS	**70.00%**	**43.40%**	**18.23%**	**16.22%**

Source: Asset Valuation Report, Venture Valuation

SMC19C21 is currently valued at **€6.0mn**, with a PoS of **16.22%**.

We have cautiously assigned a valuation of **€1mn** to each of the company's remaining products, with growth projections based on the CAGR for the product portfolio as a whole. Orpha Biotech product portfolio at 100% control

Orpha Biotech product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Orpha Biotech	**6,008,875 €**	**9,519,696 €**	**12,315,570 €**	**17,280,601 €**	**22,640,522 €**	**32,717,124 €**	**53,889,360 €**
SMC19C21	6,009,000 €	6,009,000 €	7,296,643 €	11,214,954 €	13,845,622 €	23,405,695 €	37,040,188 €
Residual value	*3,000,000 €*	*3,510,696 €*	*5,018,927 €*	*6,065,647 €*	*8,794,900 €*	*9,311,429 €*	*16,849,173 €*

Source: Websim Corporate elaborations

Molecular Research

Company Description

Pharmaceuticals – Founded 2018

The subsidiary, booked with a value of **€2.3mn** on the company's financial statements, is a **contract research organisation** (CRO) specialising in the development and profiling of new drugs. Rooted in pharmaceutical chemistry and life sciences, MRC (Molecular Research Pharma CT) was born out of decades of research and development in the design and synthesis of drugs.

MRC uses advanced technologies for drug design and synthesis, the repurposing and repositioning of existing molecules, and computational and biochemical chemistry, including molecular dynamics. Within the Cube Labs portfolio, MRC provides added value by predicting molecular interactions and characterising signal transduction pathways, providing these services to other investee companies.

MRC also develops its own products and solutions:

- **Development of new molecules**: new molecules are discovered and selected in order to create innovative therapeutic applications.
- **Ligand and structure based drug design**: advanced simulations are used to design effective molecules.
- **Repositioning of existing drugs**: exploration of new therapeutic uses for drugs already on the radar.

MRC engages in pre-clinical pharmacology and toxicology studies, producing quality product data. The subsidiary boasts an extensive network of international collaborations for the development of new ligands applicable in fields such as diabetes, Alzheimer's and cancer. Its flagship product is an NCE for the treatment of Alzheimer's.

Molecular Research product pipeline

Product	Therapeutic area	Application	Discovery	Pre-clinical	Phase I	Phase II
MRC DN	Diabetic neuropathy	Diabetic neuropathy				
MRC AD	Neurodegenerative	Alzheimer				
MRC DPOL	Oncology	DNA pol-B inhibition				

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

MRC received an initial investment of c.€215k from its seed investors, to which another €100k was added in 2023. The proceeds were used for:

- Presentation of the PCT patent on a therapeutic molecule for diabetic neuropathy.
- *In vivo* pre-clinical implementation on mouse models of diabetic neuropathy and knockout mice.
- Research and Development: conclusion of the *in vitro* pre-clinical phase with toxicity tests and determination of the formulation and synthesis of the target molecule on a pre-industrial scale.

Initial developments also included the separation of enantiomers and the initiation of *in vitro* tests. However, these enantiomers have been found to lack stability, necessitating the exploration of alternative approaches.

MRC AD

Due to technological challenges in diabetic neuropathy, the intellectual property (IP) and research and development (R&D) units, in collaboration with the scientific team, are moving towards a project focused on neurodegenerative diseases, specifically for the treatment of Alzheimer's. This decision includes initial efforts on enantiomer separation and *in vitro* testing, despite the discovery of stability issues with these enantiomers.

To address stability challenges, new *in silico* studies have been initiated to identify a stable active molecule for the treatment of Alzheimer's and, potentially, cancer, along with efforts to secure intellectual property rights through patent filing. Ongoing *in vitro* studies aim to validate the efficacy of the new solutions, with a potential partnership with FTherapeutics to improve the formulation and analytical characterisation of the molecule.

An Italian patent has been granted for a benzomorphan derivative for the treatment of diabetic neuropathy, which has also entered the international PCT system and been published as WO2022208375A1. National/regional applications were subsequently filed in the USA (not yet published).

To advance MCR AD to clinical development, the company plans to initiate the following pre-clinical studies, which should be completed within 24 months:

- *In silico* computational studies of the molecule.
- *In vitro* studies
- *In vivo* studies.
- *In vivo* pharmacokinetic and ADME studies.
- Pre-clinical trials
- IND application for the presentation of the CTA.

The project is still at an early stage of development, it is expected to come onto the market by 2036.

MRC AD product timeline

Study Phase	Timeline
Pre-clinical	Q3 2024 – Q4 2025
Phase I	Q1 2026 – Q4 2027
Phase II	Q1 2028 – Q1 2031
Phase III	Q2 2031 – Q3 2035
Approval	Q4 2035 – Q3 2036
Market entry	Q4 2036

Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

MRC AD

MRC AD sales forecast

Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€8.9bn** in 2044.

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

MRC AD probability of success

	Preclinical	Phase I	Phase II	Phase III	Approval
Probability of Success (PoS)	60.00%	53.30%	24.40%	54.50%	84.10%
Cumulative PoS	**60.00%**	**31.98%**	**7.80%**	**4.25%**	**3.58%**

Source: Asset Valuation Report, Venture Valuation

MRC AD is currently valued at **€4.5mn**, with a PoS of **3.58%**.

The full value of the subsidiary in the Cube Labs financial statements is **€4.5mn,** so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€0.1mn.** Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

Molecular Research product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Molecular Research	**4,561,824 €**	**4,580,519 €**	**7,603,732 €**	**7,642,050 €**	**14,243,163 €**	**14,262,072 €**	**125,095,319 €**
MRC AD	4,452,000 €	4,452,000 €	7,420,000 €	7,420,000 €	13,921,201 €	13,921,201 €	124,478,507 €
Residual value	*109,824 €*	*128,519 €*	*183,732 €*	*222,050 €*	*321,962 €*	*340,871 €*	*616,812 €*

Source: Websim Corporate elaborations

Adamas Biotech

adamas biotech

Company Description

Nutraceuticals – Founded 2019

The subsidiary, booked with a value of **€8mn** on the company's financial statements, creates preventative wellbeing solutions based on natural ingredients, with a particular focus on **nutraceuticals** derived from green tea extracts. The company's mission is to improve health and wellbeing through natural, sustainable and clinically validated solutions.

Adamas Biotech develops natural formulations, identified through high-performance liquid chromatography (HPLC), based on purified green tea compounds. Patented technology allows catechins to be extracted from green tea, ensuring high bioavailability and minimal levels of alkaloids, including caffeine. This enables consumption even in the evening, as well as use in combination therapies.

The company offers a range of products with different clinical indications:

- **Lower Urinary Tract Symptoms (LUTS)**: formulations that promote prostate and urinary tract health through anti-inflammatory, antioxidant, and antimicrobial activities.
- **Gastrointestinal Health**: products to improve the intestinal barrier and regulate intestinal immune balance, useful for conditions such as inflammatory bowel disease (IBD).
- **Wound Care**: specific creams for the treatment of burns.
- **Psoriasis**: creams to relieve the symptoms of psoriasis.
- **Alopecia**: lotions to combat hair loss.
- **Sports Medicine**: products to improve physical endurance and performance during sporting activity.

Green tea extracts (GTE) have well documented antibacterial, antifungal, anti-inflammatory, anticancer, analgesic and anti-ageing properties. Green tea catechins, and particularly epigallocatechin-3-gallate (EGCG), are known to suppress gene and/or protein expression of inflammatory cytokines and inflammation-related enzymes.

The company extracts catechins from green tea leaves and is working on the genetic modification of a suitable host for the production and purification of catechins, thus reducing dependence on the original plant and allowing complete control of the process in a BIO-Farm.

One of the distinctive features of Adamas Biotech is the rigorous scientific validation supporting its products. Many supplements and nutraceuticals on the market do not offer standardised concentrations of bioactive compounds, and their efficacy has not been clinically validated. Adamas Biotech, on the other hand, develops scientifically-validated products, featuring high levels of efficacy, absorption and metabolism, with a long shelf life. These products are supported by data that could enable the European Food Safety Authority (EFSA) to approve nutritional or health claims.

Adamas Biotech product pipeline

Product	Therapeutic Area	Application	Discovery	Pre-clinical	PoC	Market Entry
Biokine Advance IBS	Gastrointestinal	Irritable Bowel Syndrome (IBS)				
Biokine Advance LUTS	Urology	Lower urinary track symptoms				
Biokine Cardio	Cardiology	Diabetic cardiomyopathy				
Biokine EC	Dermatology	Erythema care				
Biokine Longevity	Dermatology	Anti-Aging				
Biokine WC	Dermatology	Wound Care				
Biokine Oral health	Oral health	Periodontal disease				

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

In May 2023 Adamas Biotech obtained €470k in financing, including €350k of loans from Banco BPM.

Biokine Advance[9]

Adamas is seeking to register the product with EFSA as a nutraceutical, initially in Italy, within 12 months. According to the company, it has already signed NDAs with companies for potential licensing. Furthermore, Adamas has obtained exclusive access to API (a green tea catechin blend) from Tea Solutions, Hara Office Inc., Japan.

According to Adamas, Biokine Advance was validated for the prevention of the development of PCa in High-Grade Prostatic Intraepithelial Neoplasia (HG-PIN) patients through a randomised, placebo-controlled, double-blind clinical trial, performed by Prof. Saverio Bettuzzi of the University of Parma before 2006. However, the intent to create a new therapy for the treatment of HG-PIN patients, with the ultimate goal of moving most men away from radical treatments such as prostatectomy, was not feasible with the regulations governing nutraceuticals, and the focus of the product was shifted towards LUTS and IBS.

According to the company, the following new milestones have been achieved:

- Accelerated stability studies completed. The ongoing long-term stability study will assess the product's shelf life, with the 12-month point already reached (out of 36 months).
- Preparation and filing of a technical dossier that refutes categorisation of catechins as a novel food, which should help speed up registration of the nutraceutical.
- Path to FSC sustainable packaging certification identified.

Agreements have been finalised with partners Salix Group S.r.l. and IBI Lorenzini S.p.A. for the development and marketing of the supplement. Specifically, Salix Group S.r.l. will manage industrial development, preparing nutraceuticals based on green tea extract and probiotics. IBI Lorenzini will be the commercial partner, helping Adamas enter the market.

The company is planning the release of a pilot batch in 2024, followed by microbiological testing and certification of raw materials, ensuring that all components meet safety and quality standards. A long-term stability study will assess the product's shelf life. A technical dossier has been prepared for presentation to EFSA. The company is also considering clinical trials using a combination of catechins and probiotics.

After approval, focus will shift to notifying regulatory bodies about the food supplement, producing an industrial batch and finalising packaging, labelling and data sheets. This simplified plan covers the essential steps from initial production to market readiness, while meeting regulatory and consumer expectations.

The strategy includes expanding the pipeline with a second formulation for a nutraceutical that targets irritable bowel syndrome (IBS), in partnership with IBI Lorenzini S.p.A.

Biokine Advance product timeline

Study Phase	Timeline
Regulatory & Mkt. Access	2025
Market Entry	2026

Source: Asset Valuation Report, Venture Valuation

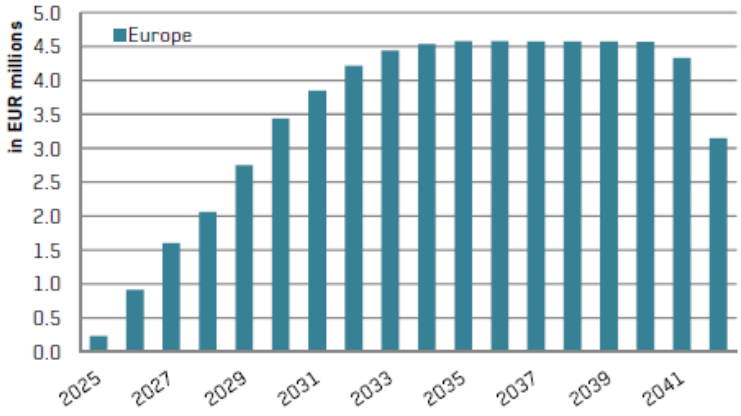
Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

[9]Product name subject to change, pending trademark submission

Biokine Advance

Biokine Advance sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€4.6mn** in 2035.

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

Biokine Advance probability of success

	Approval
Probability of Success (PoS)	75.00%
Cumulative PoS	**75.00%**

Source: Asset Valuation Report, Venture Valuation

Biokine Advance is currently valued at **€2.1mn**, with a PoS of **75.00%**.

The value of Adamas Biotech's product portfolio includes 50% of Biogel Spray, produced in partnership with **DTech**, for **€0.7mn**.

The full value of the subsidiary in the Cube Labs financial statements is **€15.5mn**, so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€12.5mn**. Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

Adamas Biotech product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Adamas Biotech	**15,737,714 €**	**18,056,307 €**	**25,772,781 €**	**30,802,549 €**	**42,460,748 €**	**44,667,139 €**	**76,865,147 €**
Biokine Advance	2,146,000 €	2,146,000 €	2,861,333 €	2,861,333 €	2,861,333 €	2,861,333 €	2,861,333 €
BioGel Spray	777,000 €	914,118 €	1,472,745 €	2,031,373 €	2,031,373 €	2,031,373 €	2,031,373 €
Residual value	*12,814,714 €*	*14,996,189 €*	*21,438,703 €*	*25,909,843 €*	*37,568,042 €*	*39,774,433 €*	*71,972,441 €*

Source: Websim Corporate elaborations

Bio Aurum

BIO AURUM

Company Description

Nutraceuticals and MedTech – Founded 2018

The subsidiary, booked with a value of **€5mn** on the company's financial statements, is involved with the development of natural treatments for **neurodegenerative diseases** such as Alzheimer's and Parkinson's. Founded by a team of experts in biotechnology and neuroscience, Bio Aurum uses cutting-edge technologies to harness the bioactive properties of saffron.

Thanks to an advanced scientific approach, Bio Aurum is able to isolate neuroprotective molecules from saffron with 100% purity. This process guarantees obtaining an extract with a high therapeutic ratio, essential for the creation of effective products in the prevention and treatment of neurodegenerative diseases.

The subsidiary is also committed to the development of innovative diagnostic tools to detect early onset Alzheimer's. These kits can identify the first signs of the disease, allowing timely targeted intervention.

Bio Aurum product pipeline

Product	Therapeutic area	Application	Discovery	Pre-clinical	Phase I	Phase II
Zoikos	Neurodegenerative	Alzheimer, Parkinson				
NeuRetina Kit	Neurodegenerative	Alzheimer's diagnostic				

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

NeuRetina Kit[10]

In line with the company's strategy, a strategic partnership was formed with an Italian operator for the production and marketing of the medical device.

The possibility of a device/product that enables early diagnosis of Alzheimer's (AD) has been tested on animal models, and a preparatory roadmap is being drawn up for a proof of concept trial. The €0.19mn of funding provided by the Seed per il Sud (Seed for the South) fund was used for *in vivo* pre-clinical studies and the patent application.

The Italian Patent and Trademark Office published the patent application for the analysis kit on 18 April 2023 Development of both the software and hardware for the medical device is in progress, with a prototype expected to be completed by 2024.

The development plan envisages completion of the development of the prototype in 2Q 2024. Experimental tests, restricted to healthy volunteers for the definition of a baseline comparison, are planned shortly. The regulatory process is underway to request Ministry of Health authorisation for a class 1M medical device (for the measurement of eye movement) to conduct clinical trials on the adult population.

An *in vivo* AD model was set up to test for early-onset disease conditions through electrophysiology studies to assess ocular tissue response to onset and progression of the disease. The plan is to initially test the product in 3 centres with an existing CE-marked medical device, which it is hoped can be supplied by an industrial partner.

The product will be a combination of the device (which Bio Aurum hopes to obtain on the market by using an existing CE-marked device) and the proprietary software/algorithm. Prototype development (combining the existing device with new software) will take about 6 months and cost about €0.24mn. It is estimated that the clinical trial with 30 patients, together with the development of an industrial prototype, will take another 12 months and cost about €0.46mn. With a further period of c.6-12 months required for regulatory approval, we assume market entry in 2027.

NeuRetina Kit product timeline

Study Phase	Timeline
Proof of Concept	H2 2024
Clinical Trial	H1 2025
Industrial Prototype	H2 2025
Regulatory & Mkt. Access	2026
Market entry	2027

Source: Asset Valuation Report, Venture Valuation

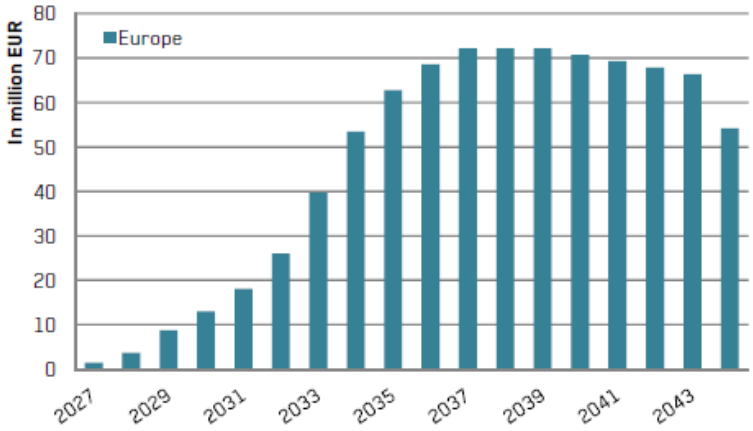
[10] Product name subject to change, pending trademark submission

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

NeuRetina Kit

NeuRetina Kit sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€72mn** in 2039**.**

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

NeuRetina Kit probability of success

	Clinical trial	CE Mark
Probability of Success (PoS)	40.00%	80.00%
Cumulative PoS	**40.00%**	**32.00%**

Source: Asset Valuation Report, Venture Valuation

NeuRetina Kit is currently valued at **€5.9mn**, with a PoS of **32.00%.**

The full value of the subsidiary in the Cube Labs financial statements is **€9.7mn**, so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€3.8mn**. Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

Bio Aurum product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Bio Aurum	**9,719,035 €**	**10,373,584 €**	**21,117,650 €**	**24,294,834 €**	**29,628,484 €**	**30,290,508 €**	**39,951,471 €**
NeuRetina Kit	5,874,000 €	5,874,000 €	14,685,000 €	16,520,625 €	18,356,250 €	18,356,250 €	18,356,250 €
Residual value	*3,845,035 €*	*4,499,584 €*	*6,432,650 €*	*7,774,209 €*	*11,272,234 €*	*11,934,258 €*	*21,595,221 €*

Source: Websim Corporate elaborations

MyrtoViva

Company Description

Nutraceuticals – Founded 2023

The subsidiary is involved in the development of nutraceutical and cosmetic products based on extract of Myrtus Communis L., a plant known for its beneficial properties. The goal is to combat premature cellular senescence of the skin caused by oxidative stress, maintaining the physiological state of stem cells and reversing the skin ageing process.

Myrtoviva uses hybrid compounds of myrtle extracts and nano-fibres as an on-site delivery system, aimed at combating the ageing of skin stem and fibroblast cells. The company also aims to create innovative new products that maintain the physiological state of tissue-resident stem cells, as well as to create innovative cosmetic products capable of reversing the ageing process that occurs in the stem cell and somatic populations in human skin.

MyrtoViva product pipeline

Product	Therapeutic area	Application	Discovery	Pre-clinical	PoC	Market entry
Myrtoviva	LUTS	LUTS				

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

Myrtoviva aims to develop a nutraceutical product to prevent premature skin ageing, caused by oxidative stress, and to expand the product line with cosmetic products that can reverse the skin ageing process.

Valuation

The company is newly established and has not yet been valued in the financial statements, nor are any appraisals of its product portfolio available.

Prudentially, and in line with the average value of academic spin-offs, we attribute a value of **€2mn** to the subsidiary. Growth projections will be based on the CAGR for the product portfolio as a whole.

MyrtoViva value at 100% control

	2024	2025	2026	2027	2028	2029	2030+
MyrtoViva	2,000,000 €	2,340,464 €	3,345,951 €	4,043,765 €	5,863,267 €	6,207,620 €	11,232,782 €

Source: Websim Corporate elaborations

DTech

Company Description

MedTech – Founded 2017

The subsidiary, booked with a value of **€4.9mn** on the company's financial statements, develops biocompatible and adaptable **hydrogels** for the controlled release of medicinal substances. These hydrogels, which can be used in various fields such as dentistry, dermatology and oncology, allow the *in situ* release of active molecules directly to the affected tissues.

The hydrogels are pre-packaged in two disposable syringes: one containing the biocompatible hydrogel with the active substances and the other the cross-linking agent that transforms the hydrogel into an elastic compound, adhering robustly to soft and hard tissue. Once cross-linked, such hydrogels form a bacteriostatic barrier and effectively seal the target area, allowing the release of the active substance only where necessary, while protecting from infection.

The release rate of the active substances can be calibrated from several days up to two weeks. The hydrogel itself can remain intact for several months for wound care applications. Different combinations of gels and active substances allow for "personalised medicine" for patient-specific therapeutic preparations.

Applications range from the treatment of oral and dental infections, through the prevention of osteo-articular infections, the reconstruction of cartilage, protection from and repair of complex wounds and bedsores, to *in situ* release of oncological and chemotherapy drugs.

DTech product pipeline

Product	Therapeutic area	Application	TRL 1-3	TRL 4-6	TRL 7-9
NuvaGel	Dentistry	Infection control			
NuvaGel T	Oncology	Dental tumors			
NuvaGel WM	Personalised medicine	Wound care			
NuvaGel W	Dermatology	Wound care			

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

Nuvagel

Currently, the company is evaluating the selection of an active ingredient to be combined with Nuvagel. One of the possibilities under consideration is chlorhexidine, a generic antiseptic used in dentistry.

The product has already passed proof of concept (PoC) at an unaffiliated site. It has also successfully passed safety and biocompatibility assessments. A partnership has been formed with Ibi Lorenzini, which will become a strategic industrial partner for some Cube Labs companies following detailed feasibility studies and commercial agreements. There are further product-related partnerships with Salix, on the manufacturing side, and Isemed, on the regulatory side.

After completion and formulation of the combination product, DTech envisages a clinical trial involving 10-20 patients. The company aims to obtain the CE mark as a class III device by the end of 2024, with market entry expected in 2026 or early 2027.

Nuvagel product timeline

Study Phase	Timeline
Manifacturing set-up	2024
Finalization (TRL 8)	2025
Clinical Trial	2025
Regulatory	2026
Market Entry	2026 / 2027

Source: Asset Valuation Report, Venture Valuation

Biogel Spray

DTech is currently looking for CMO partners who already have a CE-marked nasal spray on the market. The company hopes that a partnership can shorten the regulatory process for getting a product on the market.

Alongside the market launch, DTech plans to conduct further studies to add indications for antiviral and preventative product uses. Discussions on the terms of such partnership agreements are ongoing with Pharmascience (Canada) and Eminence Financial Holding Co. (China, with ties to Sinovac).

Efficacy tests on the Biogel spray showed positive results, confirming its antiviral capabilities, but the initial formulation of the gel did not achieve the desired barrier effect. Efforts are now focused on developing a new gel formula with modified porosity to improve this aspect.

It is estimated that obtaining early market access and CE marking will cost €1.7mn. A clinical trial will probably be needed to expand the claims of the potential patent, at an estimated cost of €5mn. Efforts are underway to secure a partnership for batch production of the new gel formulation.

Biogel Spray product timeline

Study Phase	Timeline
In Vivo Studies, Regulatory, Market Access	2024
Clinical trials	H1 2025 – H1 2026
Market entry	H2 2026

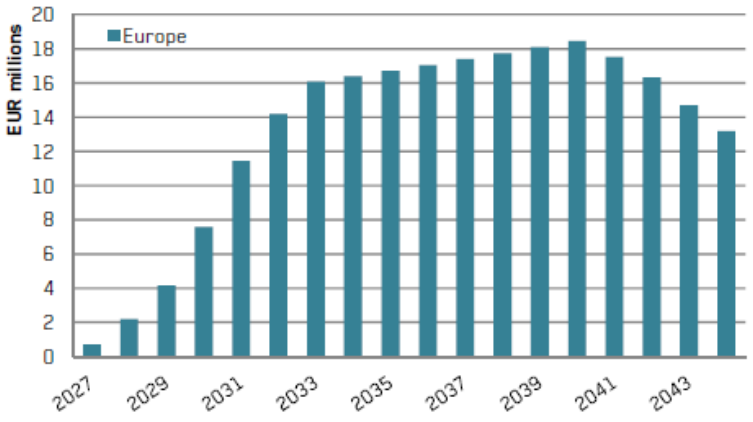
Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

Nuvagel

Nuvagel sales forecast

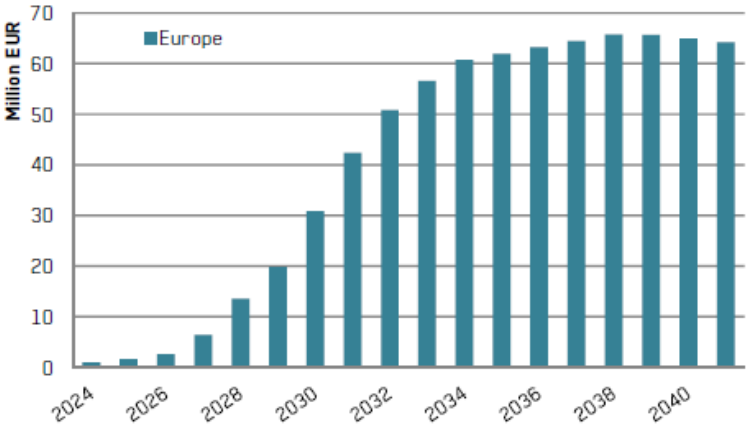


Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€19mn** in 2040**.**

Biogel Spray

Biogel Spray sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€66mn** in 2038**.**

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

Nuvagel probability of success

	Formulation	Clinical trial	CE Mark
Probability of Success (PoS)	90.00%	70.00%	90.00%
Cumulative PoS	**90.00%**	**63.00%**	**56.70%**

Source: Asset Valuation Report, Venture Valuation

Nuvagel is currently valued at **€4.5mn**, with a PoS of **56.70%**.

Biogel Spray probability of success

	Formulation	CE Mark & Health Claims
Probability of Success (PoS)	85.00%	45.00%
Cumulative PoS	**85.00%**	**38.25%**

Source: Asset Valuation Report, Venture Valuation

The share of the Biogel Spray product controlled by DTech (50%) is now valued at **€0.7mn**, with a probability of success of **38.25%**

The full value of the subsidiary in the Cube Labs financial statements is **€8.9mn**, so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€3.6mn**. Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

DTech product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
DTech	**9,573,322 €**	**10,938,855 €**	**15,798,959 €**	**18,641,626 €**	**22,504,722 €**	**23,235,838 €**	**33,905,065 €**
NuvaGel	4,550,000 €	5,055,556 €	7,222,222 €	8,024,691 €	8,024,691 €	8,024,691 €	8,024,691 €
BioGel Spray	777,000 €	914,118 €	1,472,745 €	2,031,373 €	2,031,373 €	2,031,373 €	2,031,373 €
Residual value	*4,246,322 €*	*4,969,182 €*	*7,103,992 €*	*8,585,562 €*	*12,448,658 €*	*13,179,774 €*	*23,849,002 €*

Source: Websim Corporate elaborations

Biodiapers

Company Description

MedTech – Founded 2018

The subsidiary, booked with a value of **€4.3mn** on the company's financial statements, develops **biodegradable and hypoallergenic absorbent products** for infants, women and the elderly. The mission is to raise the standard of absorbent products, using natural materials and superabsorbent technology based on nanoclay particles, while reducing the environmental impact of conventional diapers, which take hundreds of years to decompose.

The company's biodegradable products decompose completely in a few years, drastically reducing the environmental impact compared to traditional diapers, which can take hundreds of years to decompose. Sustainable and biodegradable materials are used, reducing the use of harmful chemicals.

BioDiapers products are patented, organic, completely hypoallergenic, antibacterial, free of chemicals and dyes, leak-proof, low-cost and biodegradable. The key innovation involves micro-granular clay bonded to natural fabrics through BioDiapers' patented formulation process. The result is a sanitary product that allows greater absorbency, eliminating the adverse skin reactions that frequently occur with standard products, and curbing and reducing the incidence of urinary tract infections (UTIs) experienced with traditional products.

Biodiapers is also developing diagnostic absorbent products, with biosensors to detect blood loss, pH, salinity, urea and glucose levels. The product would be of particular benefit to the elderly, who are often susceptible to infections due to their weakened immunity.

Biodiapers product pipeline

Product	Therapeutic area	Application	TRL 1-3	TRL 4-6	TRL 7-9
Bioclay	Consumer Healthcare	Absorbents			
Bioadvance	Consumer Healthcare	Diagnostic absorbents			

Source: www.biodiapers.it

Recent History and Next Steps

Bioclay

Currently, Biodiapers is planning the production of Bio-Clay with a major industrial partner. The partner will market the product and be responsible for regulatory registration. In general, it is assumed that Biodiapers will develop the product to market readiness and rely on the partner for marketing and sales. The company is not expected to bring the product to market under its own brand at this point.

The absorbent product has been developed as far as the prototype phase and must now be integrated into a viable, marketable product. According to Cube-Labs, Bio-Clay has achieved TRL 5, indicating that the basic technological components are integrated with reasonably realistic support elements, so that they can be tested in a simulated environment.

In May 2023, BioDiapers established a crucial industrial partnership with SICAM S.r.l. to develop a core product line using 100% natural nano-clay particles, aimed at innovation in absorbency solutions for infants, women and the elderly. The agreement includes the preliminary design of products with key components for different lines: absorbents for daily protection (panty liners), sanitary towels and babies' diapers, to be tested in configurations that mix superabsorbent powder with clay.

The Bio-Clay development plan foresees an advance from TRL 5 to TRL 6, focusing on the assembly and testing of a non-woven fabric (NWF) prototype to assess absorbency and scalability.

The main objective during this phase is to evaluate the absorbency of the Bio-Clay material and explore the feasibility of scaling the technology up to create an industrial prototype.

Preliminary product design was planned through the partnership with SICAM S.r.l. The agreement will now focus on the future industrial production of the core components, including technology identification, pilot plant development and subsequent marketing of the finished industrial prototype. This agreement prepares the way for the definition of a potential subsequent trade agreement.

The core components will be tested in two configurations: the first will be a mixture of superabsorbent powder and clay, while the second will see the separation and layering of clay and superabsorbent

applications, with the clay portion in contact with the liquid/faeces acquisition layer. According to the company, the core components were developed with an eye to replicating the performance of the main products on the market, specifically P&G and J&J for panty liners, J&J and TZMO for sanitary towels, and P&G for babies' diapers. This benchmarking serves to ensure that the Bio-Clay product meets or exceeds current market standards.

Bioclay product timeline

Study Phase	Timeline
Product development	2024
Regulatory	2025
Industrial prototype	2025
Market entry	2026

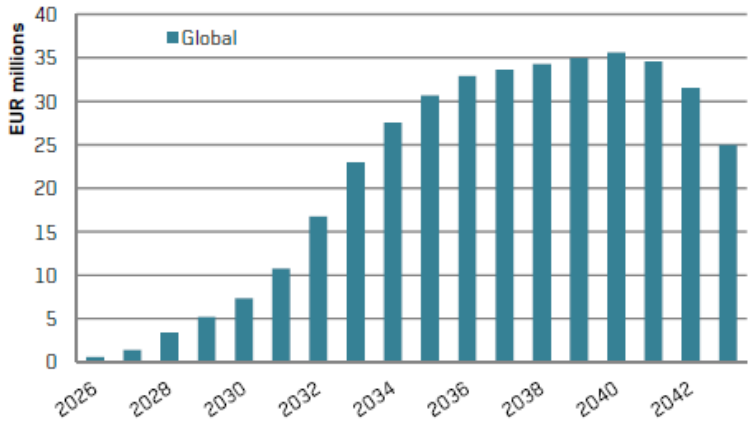
Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

Bioclay

Bioclay sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€36mn** in 2040**.**

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

Bioclay probability of success

	Development	CE Mark
Probability of Success (PoS)	80.00%	95.00%
Cumulative PoS	**80.00%**	**76.00%**

Source: Asset Valuation Report, Venture Valuation

Bioclay is currently valued at **€7.0mn**, with a PoS of **76.00%**

The full value of the subsidiary in the Cube Labs financial statements is **€8.4mn**, so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€1.4mn**. Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

Biodiapers product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Biodiapers	**8,520,992 €**	**10,531,589 €**	**11,516,654 €**	**12,270,965 €**	**13,635,585 €**	**13,893,848 €**	**17,662,700 €**
Bioclay	7,021,000 €	8,776,250 €	9,007,204 €	9,238,158 €	9,238,158 €	9,238,158 €	9,238,158 €
Residual value	*1,499,992 €*	*1,755,339 €*	*2,509,450 €*	*3,032,807 €*	*4,397,427 €*	*4,655,690 €*	*8,424,542 €*

Source: Websim Corporate elaborations

Lumina NanoBiotech

LUMiNA NANOBIOTECH

Company Description

MedTech – Founded 2019

The subsidiary, booked with a value of **€4.3mn** on the company's financial statements, deals with the development of innovative point-of-care (POC) **diagnostic devices** for remote and real-time monitoring of vital clinical biomarkers. These portable devices offer superior sensitivity, specificity and speed, without the need for experienced medical staff to monitor vital signs. Miniaturised microfluidic biosensors are in fact highly cost-effective and require minimal training for professional use.

The subsidiary offers nanobiological sensors optimised to perform diagnostic and theranostic tests outside a laboratory setting. The technology developed by Lumina is based on bio-chemiluminescence and colour reflectometry, allowing precise and rapid chemical and biological analyses.

Biosensors are based on paper-based microfluidic cartridges that link to a connected device (e.g. a mobile phone) for data processing and storage. The biosensors developed are small in size for monitoring clinical biomarkers in biological samples such as blood, urine, saliva and sweat, with plans to enable connection with any type of smartphone, using the camera and showing the results on screen.

Two products are currently under development: PON2, dedicated to the measurement of bioparameters, and PON1, dedicated to the measurement of levels of cellular toxins and poisons.

Lumina NanoBiotech product pipeline

Product	Therapeutic area	Application	TRL 1-3	TRL 4-6	TRL 7-9
PON 2	PoC diagnostics	Portable Assay Device			
PON 1	PoC diagnostics	Cell Toxin measurement			

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

The technology's versatility enables multiple application strategies. It is assumed that it will be brought to market through a B2B strategy that involves licensing through a large player. Recently, the company secured a partnership with Consonant S.r.l. and an Italian studio specialising in cross-media interaction and communication design.

PON2

Proof of concept has already been successfully demonstrated. The system was analysed under extreme environmental conditions, with Lumina NanoBiotech's technology successfully used aboard the International Space Station (ISS) by Italian astronaut Paolo Nespoli during the recent ASI-NASA VITA mission. In this context, the device proved capable of functioning even in extreme conditions, such as microgravity.

The minimum viable product (MVP) has already been tested for cortisol, ochratoxin and valproic acid. A partnership with the University of Turin, represented by Luca Prodi, was secured to scale up the prototype. This partnership led to the synthesis of molecules for thermochemiluminescence (TCL), which according to the company is a patent-protected technology. The product is now in development for cell toxicity screening (PON1).

Work is underway with the University of Bologna to improve the MVP prototype of TCL technology. This includes the successful synthesis of molecules crucial for TCL detection, a patent-protected and market-disrupting approach thanks to its unique application in miniaturised devices.

Biomarkers currently in the development phase include cortisol and lactate in saliva, serum albumin in urine, and blood in stools, as screening for cancer.

The next steps include finalising the product development strategy, obtaining additional support from partners and investors, and detailed planning for the application of TCL technology in healthcare.

A proposal is underway to develop a biosensor that can monitor chemotherapeutics, which could revolutionise the monitoring and administration of these treatments.

The decision on whether to move towards a versatile platform or focus on a specific product will dictate the trajectory of product development and market strategy. The next steps involve the development of a

prototype in 2024/25, before starting industrial production and studies for the CE mark in 2025. Lumina estimates market entry in 2028.

PON2 product timeline

Study Phase	Timeline
Pre-industrial prototype & Clinical Trial	2024 – H1 2025
Industrial production & CE Mark	H2 2025 – Q1 2028
Market Access	Q3 2028

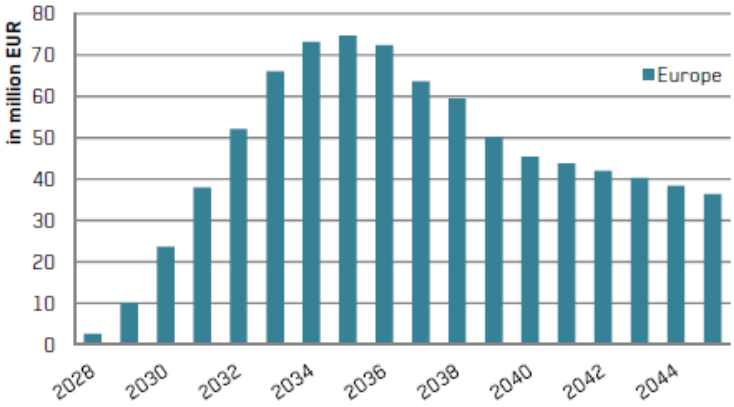
Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

PON2

PON2 sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€75mn** in 2035**.**

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

	Prototype & Clinical Trial	CE Mark
Probability of Success (PoS)	30.00%	70.00%
Cumulative PoS	**30.00%**	**21.00%**

Source: Asset Valuation Report, Venture Valuation

PON2 is currently valued at **€4.5mn**, with a PoS of **21.00%.**

The full value of the subsidiary in the Cube Labs financial statements is **€8.3mn**, so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€3.8mn**. Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

Lumina NanoBiotech product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Lumina NanoBiotech	**8,420,420 €**	**14,319,865 €**	**21,528,880 €**	**22,903,021 €**	**31,288,145 €**	**33,566,962 €**	**43,462,561 €**
PON 2	4,482,000 €	9,711,000 €	14,940,000 €	14,940,000 €	19,742,143 €	21,342,857 €	21,342,857 €
Residual value	*3,938,420 €*	*4,608,865 €*	*6,588,880 €*	*7,963,021 €*	*11,546,002 €*	*12,224,105 €*	*22,119,704 €*

Source: Websim Corporate elaborations

Skin Plastic Lab

Skin Plastic Lab

Company Description

MedTech – Founded 2019

The subsidiary, booked with a value of **€3.2mn** on the company's financial statements, has decades of experience in electrical engineering and product development for the semiconductor industry. Boasting numerous patents, the subsidiary applies its know-how to medical technologies, developing **bio-sensors** using nanotechnology.

Skin Plastic Lab's main product is Thermal Matrix technology, an advanced biosensor that creates instantaneous digital thermal images of a contact area that are accurate to 0.01 degrees Celsius. This device can be used as a portable or medical tool for various dermatological and surgical applications, enabling a non-invasive thermographic image of the skin, with skin temperature and vascularisation metrics and images, to be viewed in clinical situations at close to real time.

The technology can easily be integrated with computer-assisted IT and AI imaging systems that are rapidly becoming the standard in global healthcare settings, and applications range from measuring blood perfusion in skin implants, to studying the evolution of chronic wounds, infected areas, inflammation and postural imbalances.

Skin Plastic Lab product pipeline

Product	Therapeutic area	Application	TRL 1-3	TRL 4-6	TRL 7-9
Thermal matrix	Dermatology	Skin diagnosis in plastic surgery			

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

Thermal Matrix

An Italian patent (IT202000011881A1) was filed for the technology in May 2020, leading to a PCT application in May 2021, published as WO2021234484A1. Applications were filed at national/regional stage in Europe, USA, India and China (details not yet published), significant steps towards the global protection of the intellectual property.

The solution reached TRL 5 and was validated, demonstrating the required degree of accuracy. A functional prototype has been developed and the proof of concept has been completed.

R&D efforts are ongoing to incorporate sensor array technology into medical products, such as medications and bandages, with the goal of customising sensor density for specific medical applications. This enhances the technology's versatility and potential in various medical settings.

In July 2023, a strategic partnership was formed with Omnidermal, a spin-off of the University of Turin, with the aim of combining expertise for the technological advancement and marketing of sensor array technology. This partnership aims to combine the strengths of the two entities, improving technological development and facilitating the marketing of innovative sensor array technology.

The goal for the near future is to obtain certification for the medical device and start a clinical trial to refine the operating procedure and achieve statistical validation. It is assumed that the product will be sold/licensed to a third-party medical device company once Skin Plastic Lab has demonstrated its viability in real-world applications.

The company's development plan involves starting with the initial pre-clinical and clinical activity, then continuing with the implementation of a Quality Management System (QMS), concluding with gaining the CE mark.

Prototype development is envisaged in 2024/25, before starting industrial production. Trials to obtain the CE mark are scheduled to begin in 2025. Lumina estimates market entry in 2028.

Thermal Matrix product timeline

Study Phase	Timeline
Prototype (TRL 6&7)	H2 2024 – H2 2025
Clinical Trial (TRL 8)	H1 2026 – H2 2026
Regulatory & Mkt. Access	2027

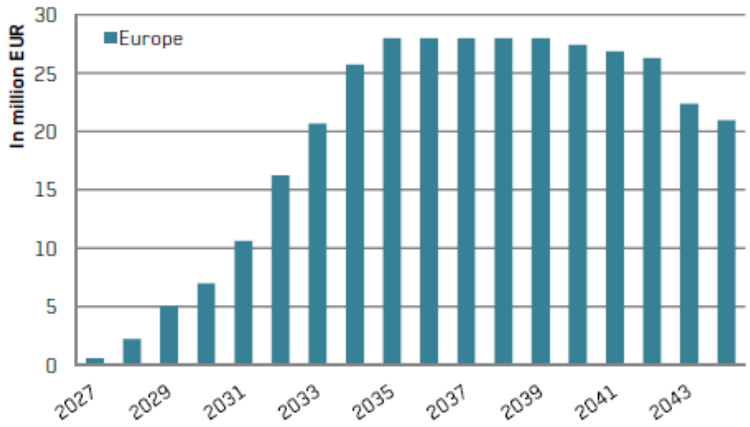
Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

Thermal Matrix

Thermal Matrix sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€28mn** in 2039**.**

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

Thermal Matrix probability of success

	Prototyping	Clinical Trial	Regulatory + Market Access
Probability of Success (PoS)	85.00%	60.00%	90.00%
Cumulative PoS	**85.00%**	**51.00%**	**45.90%**

Source: Asset Valuation Report, Venture Valuation

Therman Matrix is currently valued at **€4.5mn**, with a PoS of **45.90%.**

The full value of the subsidiary in the Cube Labs financial statements is **€6.1mn**, so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€1.6mn**. Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

Skin Plastic Lab product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Skin Plastic Lab	**6,195,945 €**	**6,479,713 €**	**8,116,994 €**	**12,250,759 €**	**14,753,974 €**	**15,040,983 €**	**19,229,318 €**
Thermal matrix	4,529,000 €	4,529,000 €	5,328,235 €	8,880,392 €	9,867,102 €	9,867,102 €	9,867,102 €
Residual value	*1,666,945 €*	*1,950,713 €*	*2,788,758 €*	*3,370,367 €*	*4,886,872 €*	*5,173,880 €*	*9,362,215 €*

Source: Websim Corporate elaborations

Rescue Code

Company Description

MedTech – Founded 2018

The subsidiary, booked with a value of **€1.7mn** on the company's financial statements, develops technological solutions in **interventional cardiology**, which facilitate the work of cardiac surgeons, reduce complications for patients and improve the success and survival rates of cardiac procedures.

Their flagship product is Hybrid Scalpel, which combines a water-jet dissector with a standard monopolar electric scalpel. This innovative tool uses a fluid composed of sterile water and carbon dioxide to gently separate tissues and cool the tip of the scalpel, improving visibility during surgery and reducing tissue charring. This leads to better tissue separation, greater exposure of the target area and faster and safer surgical procedures.

Rescue Code product pipeline

Product	Therapeutic area	Application	TRL 1-3	TRL 4-6	TRL 7-9
Hybrid Scalpel	Cardiology	Cardiac surgery			

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

Hybrid Scalpel

Rescue Code has developed a laparoscopic instrument for interventions, which is already in the functional prototype phase. The technology offers greater visibility and accelerates procedures (preliminary *in vivo* data), facilitating tissue separation.

The engineering phase for the hybrid scalpel, a critical milestone, has been successfully completed. The project has now moved to the design freeze phase, with finalisation of the scalpel specifications ready for production.

The company plans to develop the product until it is market-ready, including CE marking (active class IIb device). Before the device is brought to market, it is assumed that a marketing and sales partner will need to be found.

An international patent WO2023031893A1 was filed on 6 September 2022. If the patent is granted, it would potentially expire in September 2042.

The next steps for the development plan include implementing and certifying a Quality Management System (QMS), implementing the Technical Dossier (TD) of the scalpel, starting the phase III study and proceeding with the CE marking process.

A complete documentation process for the product has been initiated. This initiative aims to thoroughly analyse the design, functionality, and impact on surgical procedures.

Hybrid Scalpel product timeline

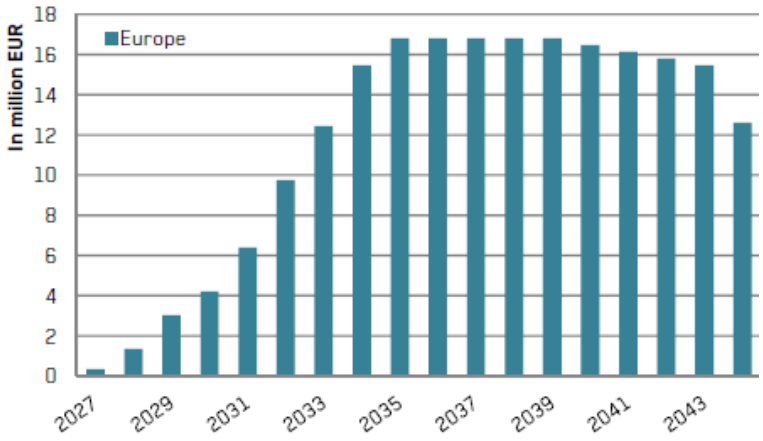
Study Phase	Timeline
Prototype Optimization & Pilot Study	H2 2024
Clinical Trial (TRL 7)	2025 / 2026
Regulatory & Mkt. Access	2027

Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

Hybrid Scalpel sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues of **€16.8mn** in 2039.

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

Hybrid Scalpel probability of success

	Prototype & Phase I	Clinical trial & Pivotal study	CE mark
Probability of Success (PoS)	75.00%	60.00%	90.00%
Cumulative PoS	**75.00%**	**45.00%**	**40.50%**

Source: Asset Valuation Report, Venture Valuation

Hybrid Scalpel is currently valued at **€2.1mn**, with a PoS of **40.50%.**

The full value of the subsidiary in the Cube Labs financial statements is **€3.3mn**, so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€1.2mn**. Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

Rescue Code product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Rescue Code	**3,307,608 €**	**4,209,267 €**	**4,828,450 €**	**7,359,796 €**	**8,736,549 €**	**8,948,602 €**	**12,043,117 €**
Hybrid Scalpel	2,076,000 €	2,768,000 €	2,768,000 €	4,869,630 €	5,125,926 €	5,125,926 €	5,125,926 €
Residual value	*1,231,608 €*	*1,441,267 €*	*2,060,450 €*	*2,490,166 €*	*3,610,623 €*	*3,822,676 €*	*6,917,191 €*

Source: Websim Corporate elaborations

CRV Medical System

Company Profile

MedTech – Incorporated in 2020

The subsidiary is involved in the development of technologies and devices for cardiovascular and neurological surgery. The most advanced technology in the portfolio is ROSES (Robotic System for Endovascular Surgery), a patented technology to measure the forces exerted by blood vessels against the catheter during insertion, which is essential to improve the precision of the procedure and patient safety.

One of the key features of ROSES is its ability to measure and visualize the force exerted on the catheter or guidewire as it navigates through blood vessels. This is shown on a monitor, providing real-time feedback to the surgeon and helping prevent excessive use of force that could damage blood vessels. The technology uses a colour scale: green indicates low force, changing to red as the force increases, highlighting potential risk. ROSES allows remote surgery with continuous fluoroscopic control using a joystick. A specialized trolley near the patient houses Robotic Actuators (RA) that act on up to six parameters, allowing precise manipulation of the catheter and guidewire during complex procedures such as TAVI.

Using the auxiliary unit (which is a simplified primary unit), and a new interface between the fibrescope and the auxiliary mechanism, a robot to guide the introduction of fibrescopes into remote intubation has been developed, named ROSINA.

CRV product pipeline

Product	Therapeutic area	Application	TRL 1-3	TRL 4-6	TRL 7-9
Roses	Surgery	Guided endo-vascular surgery			
Rosina	Surgery	Fiberscope intubation			

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

ROSES

CRV's strategy is to involve several key centres in Europe and interact with key opinion leaders so that they use and promote ROSES. For marketing and sales, the ultimate goal is to complete a series of agreements with international partners, such as Philips, Siemens or GE.

The marketing will be left to the partners, while CVR will keep production of ROSES in house.

The technical dossier for CE marking is being prepared, the patent on measuring the forces exerted by the body to resist catheter insertion has been filed, and clinical trials on patients for angioplasty have begun.

To achieve these goals, CRV will begin with initial preclinical and clinical procedures, finalize the prototype, and launch a pivotal clinical trial. The device will be tested on appropriate animal subjects (sheep or pig) before entering the clinical phase. The pilot study will support the CE marking process, focusing on initial safety and on efficacy. The pivotal study will provide additional efficacy and safety data to extend the patent claims.

The product is currently undergoing development enhancements to expand its applications, specifically including transcatheter aortic valve implantation (TAVI).

ROSES product timeline

Study Phase	Timeline
Clinical Trial & Regulatory	2024 / 2025
TRL 8 Trial Multicentre	2026
Market Access	2027 / 2028

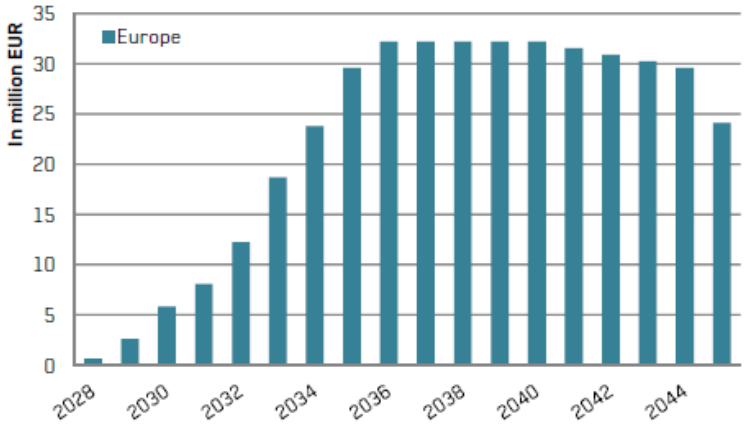
Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

ROSES

ROSES sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues in 2036, with sales of **€32.2mn**.

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

ROSES probability of success

	Prototype & Phase I	Clinical trial & Pivotal study	CE mark
Probability of Success (PoS)	85.00%	55.00%	90.00%
Cumulative PoS	**85.00%**	**46.75%**	**42.08%**

Source: Asset Valuation Report, Venture Valuation

ROSES is currently valued at **€1.5mn**, with a PoS of **42.08%**.

We have cautiously assigned a valuation of **€1mn** to each of the company's remaining products, with growth projections based on the CAGR for the product portfolio as a whole.

CRV Medical System product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
CRV Medical System	**2,518,000 €**	**2,688,232 €**	**3,458,858 €**	**5,268,941 €**	**6,539,476 €**	**6,711,653 €**	**9,224,234 €**
Roses	1,518,000 €	1,518,000 €	1,785,882 €	3,247,059 €	3,607,843 €	3,607,843 €	3,607,843 €
Residual value	*1,000,000 €*	*1,170,232 €*	*1,672,976 €*	*2,021,882 €*	*2,931,633 €*	*3,103,810 €*	*5,616,391 €*

Source: Websim Corporate elaborations

Regenerabioma

Company Profile

BioTech – Incorporated in 2023

The subsidiary deals with the treatment of chronic wounds, developing an innovative dual-component medical device: an advanced carrier and a unique microbiomic formulation. This device is designed to address unmet needs in the treatment of chronic wounds, offering a new and more effective approach to wound care through a selected bacterial formulation.

Regenerabioma is at the forefront of harnessing the potential of the microbiome, the complex ecosystem of trillions of microorganisms that live in and on our bodies. The company focuses on the insight that varied and beneficial microorganisms play a crucial role in maintaining bodily health, especially in skin defences. For the treatment of complex wounds, the company is developing an innovative system based on biocompatible materials (patented hydrogel) and a bacterial formulation. The identified bacterial strain will be administered via a biocompatible hydrogel.

Regenerabioma product pipeline

Product	Therapeutic area	Application	TRL 1-3	TRL 4-6	TRL 7-9
TBD	Wound care	Healing			

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

Regenerabioma is focusing on a medical device for wound care that combines a biogel with a specific microbiome. The product innovation lies in attempting topical targeting of the skin microbiome using a selected bacterial strain that aims to restore the original physiological state of the skin.

The efficacy of the formulation has been successfully demonstrated on four patients, treating wounds such as venous ulcers. Such wounds typically follow a complex course and become chronic, while the product in development showed improvements over a course of treatment lasting just four months.

Valuation

The company is newly established and has yet to be valued on financial statements, nor are appraisals available on its product portfolio.

Prudentially, and in line with the average value of the academic spin-offs, we attribute a value of **€2mn** to the subsidiary, with growth projections based on the CAGR for the product portfolio as a whole.

Regnerabioma value at 100% control

	2024	2025	2026	2027	2028	2029	2030+
Regenerabioma	2,000,000 €	2,340,464 €	3,345,951 €	4,043,765 €	5,863,267 €	6,207,620 €	11,232,782 €

Source: Websim Corporate elaborations

HiPerforming Research

Company Profile

Artificial Intelligence – Incorporated in 2017

The subsidiary, recorded on the balance sheet at **€4.3mn**, deals with the development of solutions based on **artificial intelligence** for various sectors, including industry, marketing, and research. Deep learning and edge computing technologies are used to create low-cost, energy-efficient applications. Its cutting-edge deep learning and computing technologies were initially adapted for quantitative analysis of microscopic images, but the range of end-uses is far wider. Products developed:

- **HiTrace:** automation of microscope imaging to identify, count and measure relevant particles. It reduces research costs by improving studies on therapeutic targets, which usually include *in vitro* studies and expensive and long-term *in vivo*. Currently, most microscopic imaging research and diagnostics involves finding, measuring, and understanding specific particles or models. The process of particle identification and classification is mainly manual, which means that finding, identifying, measuring and classifying each particle in each image is done by human operators. Even automated technologies such as cellular sorters require parameters to be set manually.
- **HiSales:** automation for sales to create presentations, offers and documents in minutes. HiSales is an AI system that enables commercial companies to adopt a smart and innovative sales method. Sales agents on the HiSales network are facilitators who are constantly updating the entire system, making all business sales operations much more accurate thanks to built-in error prevention and, not least, saving time for other business development activities. HiSales comprises 5 software modules.

Last but not least, HiPerforming Research's growth potential is relevant for investors in Cube Labs, as it provides a unique, synergistic technology for many of the current and future portfolio companies.

HiPerforming Research product pipeline

Product	Therapeutic area	Application	TRL 1-3	TRL 4-6	TRL 7-9
HiSales	Sales	Process management			
HiTrace	e-Healthcare	Cell recognition			

Source: Cube Labs Investor Report, 2024

Recent History and Next Steps

HiTrace

Checking the accuracy of the AI imaging procedure was done by analysis of over 2,000 images and comparing this to manual measurements performed by specialized personnel. A proof of concept was also carried out on the intended use of checking the state of preservation of meat stored at different temperatures.

A new patent is ready for filing on HiTrace, a system and method for the automatic and collaborative recognition and classification of analogue or digital representations of organic tissues and other matter. Three more patents are under development.

HiPerforming Research dedicated 2023 to developing its technology, in particular by updating the HiTrace system's software architecture with new artificial intelligence technologies and methods. This aims to improve the system engine and adapt to new market trends through cloud-based services and a cross-platform application model for customers.

Strategic partnerships are being formed to extend HiTrace technology into the internet of things (IoT) and the industrial IoT (IIoT). Through a partnership with B4 S.r.l., the product can be enriched with proprietary IoT devices and a new edge-computing architecture.

IoT devices will be used for continuous and real-time monitoring of specific conditions of human patients and/or for automatic monitoring of patterns and phenomena in the field of research.

The company expects to enter the market in 2027.

HiTrace product timeline

Study Phase	Timeline
MVP Validation & Beta	2023
TRL 7 + Test in R&D Lab	2025
TRL 8 + Cloud + M. Access	2027

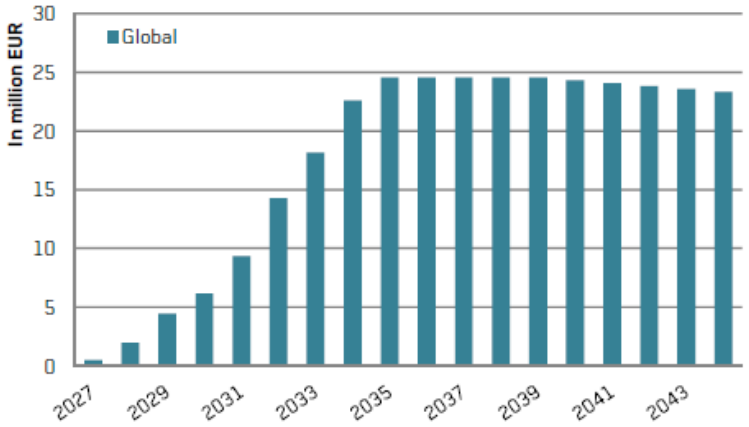
Source: Asset Valuation Report, Venture Valuation

Sales Forecasts

The product sales curve and resulting estimates were calculated by Venture Valuation, a company specialising in assessing products and companies in the biotech, pharma and medtech sectors.

HiTrace

HiTrace sales forecast



Source: Asset Valuation Report, Venture Valuation

The model projects peak revenues in 2035 on **€25mn** in sales.

Valuation

Venture Valuation provides an evaluation of the company's main products, based on a discount rate of **23%** and expressing the probabilities of success (PoS) for each milestone yet to be reached on the product timeline. The cumulative probability of project success at time t is the product of the probabilities of the individual milestones yet to be achieved.

We want to highlight the potential growth in product value over time, in the event that these milestones are successfully reached. This can be done by plotting the various PoS against the individual product timeline, obtaining a cumulative probability of increasing success over time.

Taking the evaluation performed by Venture Valuation to be valid and impartial, we affirm that a product currently valued at **€x**, with a probability of success of **y%**, is only expressing **y%** of its value, and that this will grow according to the number and identity of the milestones reached, consequently modifying the cumulative probability of the success of the project at time t+n, and therefore expressing a value greater than **€x**.

The sum of the values for the different products will enable us to calculate changes in the company's value over time in a best-case scenario in which every project is successfully completed without encountering any obstacles.

HiTrace probability of success

	Test in R&D Lab	Market ready and approved product
Probability of Success (PoS)	85.00%	75.00%
Cumulative PoS	**85.00%**	**63.75%**

Source: Asset Valuation Report, Venture Valuation

HiTrace is currently valued at **€5.1 mn**, with a **63.75%** chance of success.

The full value of the subsidiary in the Cube Labs financial statements is **€8.2mn**, so we assume that the remaining products, technologies, and synergies within the subsidiary are valued at **€3.1mn**. Growth projections for this figure are based on the CAGR for the product portfolio as a whole.

HiPerforming Research product portfolio at 100% control

	2024	2025	2026	2027	2028	2029	2030+
HiPerforming Research	**8,357,551 €**	**9,812,066 €**	**11,451,789 €**	**14,588,198 €**	**17,555,397 €**	**18,116,959 €**	**26,311,871 €**
HiTrace	5,096,000 €	5,995,294 €	5,995,294 €	7,993,725 €	7,993,725 €	7,993,725 €	7,993,725 €
Residual value	*3,261,551 €*	*3,816,772 €*	*5,456,495 €*	*6,594,472 €*	*9,561,672 €*	*10,123,234 €*	*18,318,145 €*

Source: Websim Corporate elaborations

G-Gravity

Company Profile

Accelerator – Incorporated in 2021

The investee (minority stake of 14.4%) is a **startup accelerator** and a hybrid innovation centre (phygital), founded in Milan, which combines physical and digital spaces to promote innovation and entrepreneurship, dedicated to imagining, designing and building a better future through innovation.

G-Gravity runs a coworking hub in the heart of Milan, where companies, startups and professionals can collaborate to build an active innovation platform in Italy and Europe. The Hub offers a space to work, meet people and exchange ideas through physical spaces of over 1,000 square meters, and a digital platform called X-Know, creating a collaborative environment to develop innovative ideas and projects.

The accelerator offers innovative skills in different areas, from strategy to the modelling of business ecosystems, with integrated support for the development of innovation models and projects.

Activities include:

- Innovation Labs
- Open Innovation Support and Implementation
- Digital Transformation projects
- Incubation and Acceleration Programs
- Events and training

G-Gravity has developed a specific positioning in innovation for the **healthcare and life science** sectors, offering insights, approaches and services on health. Through a profound understanding of clinical and patient needs, G-Gravity advances the digital transformation of healthcare, proposing cutting-edge solutions to improve service efficiency and the patient experience.

G-Gravity's mission is to support companies and startups through Open Innovation and Venture Building services, offering strategic advice and developing business ecosystems. The hub focuses on verticals such as Healthcare, Open Finance and Green Economy. One of the main initiatives is the “Digital Healthcare Sandbox”, a permanent laboratory to experiment with digital health solutions and improve the patient journey.

G-Gravity aims to create a system of telemedicine and telediagnostics services involving public and private companies, startups and other key players in the health sector in order to innovate and improve health management.

Valuation

For our projection, we use the value of the investee (which is not strategic for Cube Labs) as shown on the balance sheet and the 2021 – 2023 growth trend.

G-Gravity value at 100% control

	2024	2025	2026	2027	2028	2029	2030+
G-Gravity	840,076 €	845,632 €	851,188 €	856,743 €	862,299 €	867,854 €	873,410 €

Source: Websim Corporate elaborations

Valuation

Portfolio Valuation

Having shown the possible evolution of the value over time of the individual subsidiaries, we proceed by sum of the parts to express the value of the entire portfolio of Cube Labs subsidiaries.

Cube Labs company portfolio value at 100%

	2024	2025	2026	2027	2028	2029	2030+
Total Portfolio Value	**111,848,324 €**	**134,261,887 €**	**191,584,407 €**	**231,368,253 €**	**335,093,044 €**	**354,728,151 €**	**641,188,987 €**
Cartilago	24,086,962 €	27,225,635 €	40,531,000 €	49,120,641 €	98,517,447 €	99,993,369 €	160,209,852 €
Orpha Biotech	6,008,875 €	9,519,696 €	12,315,570 €	17,280,601 €	22,640,522 €	32,717,124 €	53,889,360 €
Molecular Research	4,561,824 €	4,580,519 €	7,603,732 €	7,642,050 €	14,243,163 €	14,262,072 €	125,095,319 €
Adamas Biotech	15,737,714 €	18,056,307 €	25,772,781 €	30,802,549 €	42,460,748 €	44,667,139 €	76,865,147 €
Bio Aurum	9,719,035 €	10,373,584 €	21,117,650 €	24,294,834 €	29,628,484 €	30,290,508 €	39,951,471 €
MyrtoViva	2,000,000 €	2,340,464 €	3,345,951 €	4,043,765 €	5,863,267 €	6,207,620 €	11,232,782 €
DTech	9,573,322 €	10,938,855 €	15,798,959 €	18,641,626 €	22,504,722 €	23,235,838 €	33,905,065 €
Biodiapers	8,520,992 €	10,531,589 €	11,516,654 €	12,270,965 €	13,635,585 €	13,893,848 €	17,662,700 €
Lumina NanoBiotech	8,420,420 €	14,319,865 €	21,528,880 €	22,903,021 €	31,288,145 €	33,566,962 €	43,462,561 €
Skin Plastic Lab	6,195,945 €	6,479,713 €	8,116,994 €	12,250,759 €	14,753,974 €	15,040,983 €	19,229,318 €
Rescue Code	3,307,608 €	4,209,267 €	4,828,450 €	7,359,796 €	8,736,549 €	8,948,602 €	12,043,117 €
CRV Medical System	2,518,000 €	2,688,232 €	3,458,858 €	5,268,941 €	6,539,476 €	6,711,653 €	9,224,234 €
Regenerabioma	2,000,000 €	2,340,464 €	3,345,951 €	4,043,765 €	5,863,267 €	6,207,620 €	11,232,782 €
HiPerforming Research	8,357,551 €	9,812,066 €	11,451,789 €	14,588,198 €	17,555,397 €	18,116,959 €	26,311,871 €
G-Gravity	840,076 €	845,632 €	851,188 €	856,743 €	862,299 €	867,854 €	873,410 €

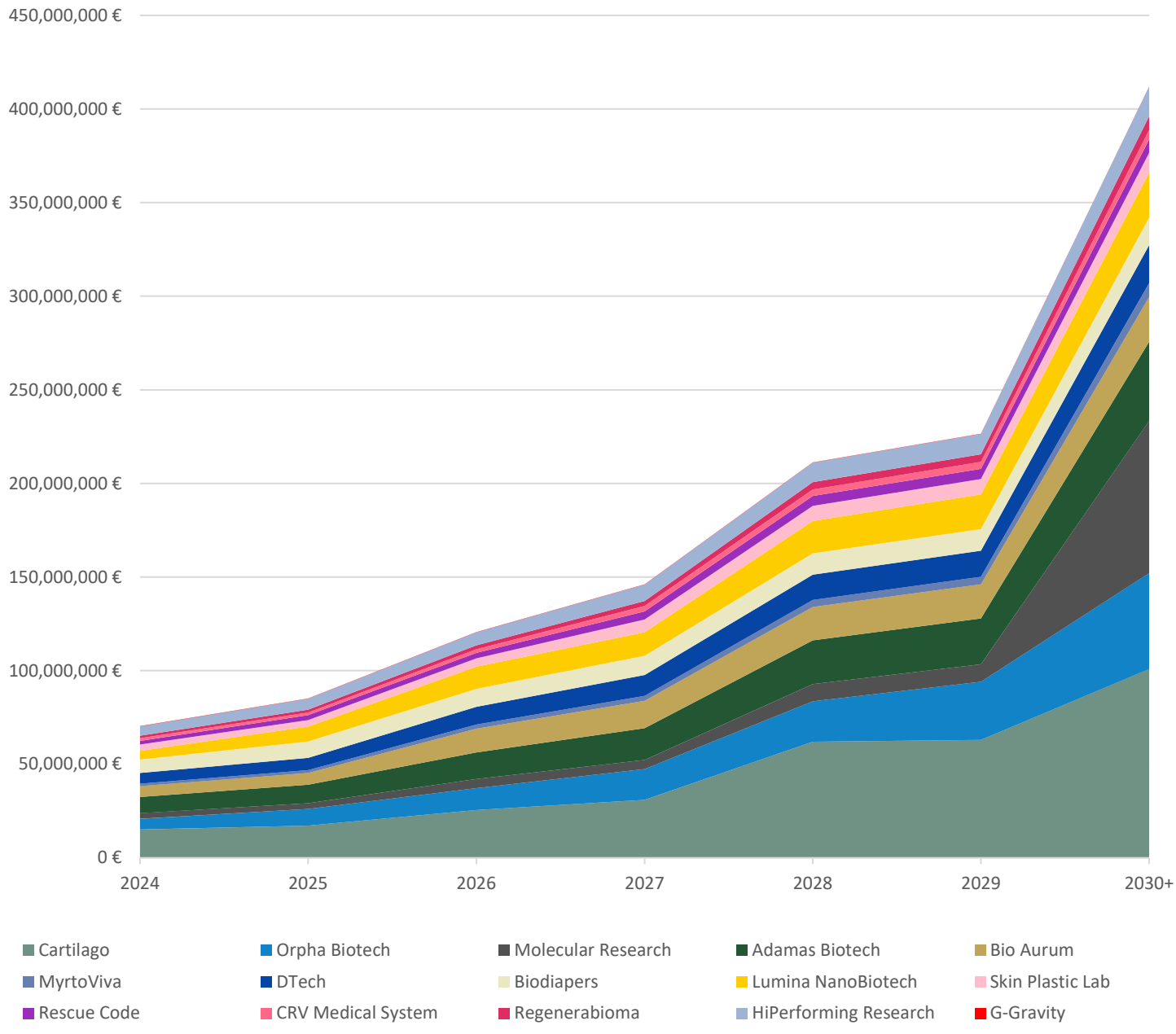
Source: Websim Corporate elaborations

Cube Labs company portfolio value at control %

	2023 Book	2024	2025	2026	2027	2028	2029	2030+	*% ctrl.*
Cube Labs Ptf. Value	**53,028,806 €**	**70,348,780 €**	**85,193,615 €**	**120,580,022 €**	**146,075,724 €**	**211,309,417 €**	**226,508,199 €**	**412,093,599 €**	
Cartilago	12,034,210 €	15,174,786 €	17,152,150 €	25,534,530 €	30,946,004 €	62,065,992 €	62,995,823 €	100,932,207 €	*63.00%*
Orpha Biotech	2,962,522 €	5,708,431 €	9,043,711 €	11,699,791 €	16,416,571 €	21,508,496 €	31,081,268 €	51,194,892 €	*95.00%*
Molecular Research	2,326,530 €	2,965,185 €	2,977,337 €	4,942,426 €	4,967,333 €	9,258,056 €	9,270,347 €	81,311,957 €	*65.00%*
Adamas Biotech	8,026,234 €	8,655,743 €	9,930,969 €	14,175,030 €	16,941,402 €	23,353,411 €	24,566,927 €	42,275,831 €	*55.00%*
Bio Aurum	4,956,708 €	5,831,421 €	6,224,150 €	12,670,590 €	14,576,900 €	17,777,090 €	18,174,305 €	23,970,883 €	*60.00%*
MyrtoViva	6,500 €	1,300,000 €	1,521,302 €	2,174,868 €	2,628,447 €	3,811,123 €	4,034,953 €	7,301,308 €	*65.00%*
DTech	4,882,394 €	5,743,993 €	6,563,313 €	9,479,376 €	11,184,976 €	13,502,833 €	13,941,503 €	20,343,039 €	*60.00%*
Biodiapers	4,294,580 €	7,125,254 €	8,806,515 €	9,630,226 €	10,260,981 €	11,402,076 €	11,618,036 €	14,769,549 €	*83.62%*
Lumina NanoBiotech	4,294,414 €	4,631,231 €	7,875,926 €	11,840,884 €	12,596,661 €	17,208,480 €	18,461,829 €	23,904,409 €	*55.00%*
Skin Plastic Lab	3,159,932 €	3,407,770 €	3,563,842 €	4,464,347 €	6,737,917 €	8,114,686 €	8,272,541 €	10,576,125 €	*55.00%*
Rescue Code	1,686,880 €	1,984,565 €	2,525,560 €	2,897,070 €	4,415,877 €	5,241,929 €	5,369,161 €	7,225,870 €	*60.00%*
CRV Medical System	8,880 €	1,384,900 €	1,478,528 €	1,902,372 €	2,897,918 €	3,596,712 €	3,691,409 €	5,073,329 €	*55.00%*
Regenerabioma	6,500 €	1,300,000 €	1,521,302 €	2,174,868 €	2,628,447 €	3,811,123 €	4,034,953 €	7,301,308 €	*65.00%*
HiPerforming Research	4,262,351 €	5,014,531 €	5,887,239 €	6,871,073 €	8,752,919 €	10,533,238 €	10,870,176 €	15,787,122 €	*60.00%*
G-Gravity	120,171 €	120,971 €	121,771 €	122,571 €	123,371 €	124,171 €	124,971 €	125,771 €	*14.40%*

Source: Websim Corporate elaborations

Cube Labs company portfolio value breakdown at control %



Source: Websim Corporate elaborations

This favourable scenario would take the value of subsidiaries (compared to 2024 estimates) up to **3.2x** by 2029, and up to **5.9x** from 2030 and beyond.

This calculation of the portfolio value attributes a sufficiently prudent extra value to the unvalued products of each company; this is because Cube Labs has decided not to include the **entire estimated value** of the investee on the financial statements, but only 50%. Considering a larger residual value would further increase these multipliers.

We also note that using **a lower discount rate** would further increase the value of products. We have not considered possible variations in discount rates over time and/or different from 23%, which would further raise these multipliers.

Finally, it should be noted that it is Cube Labs' intention that the number of subsidiaries, currently increasing, should settle at around 30 units, with the number being updated at periodic intervals following exits by the oldest projects. The value of these **new subsidiaries**, not currently considered in any way, would further increase these multipliers.

Cube Labs Valuation

The following conservative assumptions are considered in arriving at a fair value for Cube Labs:

- Asset value corresponds to the value of the Company's subsidiaries without considering working capital or other intangibles.
- Net financial position at €3mn in debt per year due to maintaining operating costs and providing liquidity to the portfolio subsidiaries.
- Evolution of the portfolio of subsidiaries without exits or new entries.
- Holding discount at 25% of the total value of Cube Labs.

Cube Labs Valuation

	Market	2023 Book	2024	2025	2026	2027	2028	2029	2030+
Asset Value	40,233,214 €	53,028,806 €	70,348,780 €	85,193,615 €	120,580,022 €	146,075,724 €	211,309,417 €	226,508,199 €	412,093,599 €
NFP	-1,569,214 €	-1,569,214 €	-4,569,214 €	-7,569,214 €	-10,569,214 €	-13,569,214 €	-16,569,214 €	-19,569,214 €	-25,000,000 €
NAV	38,664,000 €	51,459,592 €	65,779,566 €	77,624,401 €	110,010,808 €	132,506,510 €	194,740,203 €	206,938,985 €	387,093,599 €
# of shares	17,900,000	17,900,000	17,900,000	17,900,000	17,900,000	17,900,000	17,900,000	17,900,000	17,900,000
NAV / Share		2.87 €	3.67 €	4.34 €	6.15 €	7.40 €	10.88 €	11.56 €	21.63 €
Holding Disc.		*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
Fair Value	**2.16 €**	**2.16 €**	**2.76 €**	**3.25 €**	**4.61 €**	**5.55 €**	**8.16 €**	**8.67 €**	**16.22 €**
Multiplier		1.00x	1.28x	1.51x	2.13x	2.57x	3.78x	4.01x	7.51x

Source: Websim Corporate elaborations

The current market price is at a **25% discount to the 2023 book value**.

We expect a steady increase in value in future years as various project milestones are achieved, leading in the most optimistic scenario to a **NAV of €77.6mn** for 2025, the short-term benchmark year, with a NAV per share of €4.34 and a **fair value per share of €3.25** on application of a 25% holding discount.

In the long term, in 2030 and beyond, we can assume a NAV of €387mn, corresponding to a **10x multiplier** of the implicit NAV expressed by the market today. The fair value per share is around €16.22, with a 7.51x multiplier compared to current market prices.

Investing in Cube Labs amounts to a significant opportunity for several key reasons, which clearly emerge from the information at our disposal:

- **Attractive valuation**: Cube Labs currently trades at a 25% discount to the NAV, a discount that in 2025, on achievement of all milestones, could reach about **50%**. The market price, partly due to low trading volume on the EGM Pro segment, is out of line with the value of the stock.
- **Growth potential**: the Company is projected to grow significantly over time. Cube Labs has enormous potential for value creation and thus for considerable appreciation in the long term, with a **potential NAV 10 times the current figure**, supported by the achievement of project milestones and with further room to grow thanks to expansion of the portfolio of subsidiaries.
- **Managerial quality**: the management team, which brings the various products to market, is renowned for its scientific background and excellent track record, which are crucial for guiding the company through the growth phases.
- **Positive newsflow**: Cube Labs stands out for its innovation in the scientific sector and for its strategy focused on achieving crucial stages in the development of the various products. The expected positive news and **potential first exits** from investments (**within 12-18 months**) could serve as significant catalysts for the increase in corporate value.
- **Strategic structure of the portfolio**: Cube Labs manages a diversified portfolio of companies, operating in different sectors of the life science area, and adopting a market-driven approach, where the discovery of a single molecule can be reused across multiple products depending on market requirements (Pharmaceutical/Nutraceutical/Cosmetics...). The final size of the portfolio of subsidiaries, expected at around 30 units, will further reduce overall risk, amplifying opportunities for success through targeted and strategic investments.

Comparable companies

On the international Venture Building scene, Cube Labs is an emerging player: the first systematic venture builder in healthcare technologies in Italy. This means that it not only funds start-ups, but builds them from scratch, transforming cutting-edge academic research into commercially promising companies. The approach is already well known abroad. By way of comparison, we offer brief descriptions below of leading companies in Venture Building: IP Group, Syncona, and Xlife Sciences.

IP Group

IP Group is a **British** company focused on supporting and developing innovative companies in the life science sectors of life, deeptech and cleantech. Founded in **2001**, its mission is to transform scientific and technological research into successful enterprises. IP Group provides capital, experience, and infrastructure to accelerate the growth of start-ups, working closely with universities and research institutes to commercialize intellectual property, providing business skills, capital, and the networks needed to turn ideas into successful ventures.

IP Group stands out for its business model, similar to that of Cube Labs, which integrates funding, a management portfolio, and operational support for the growth of innovative start-ups. Portfolio diversification and sector expertise help mitigate risk and maximize returns.

IP Group gives investors privileged access to emerging innovations, supporting the development of technologies that could have a significant impact on society.

IP Group Key Data	
Capitalization	429M £
Price	0.42 £
Performance 1M	-23.13%
Performance 12M	-26.91%
Operating Income 2023	-180.50M £
NAV	1.19B £
NAV / Share	1.15 £
Price / Book	0.37

Source: Company data

Syncona

Syncona is a **British** investment fund specialising in biotechnology and the life sciences. Founded in **2012**, Syncona stands out for its long-term approach aimed at creating world-leading companies in biotechnology.

The fund focuses on companies operating in biotechnology, genomics, gene therapy and cell therapies. These areas offer opportunities for the development of innovative treatments for serious and rare diseases. In addition to financial capital, Syncona provides strong operational support to the companies it invests in. This includes strategic advice, access to networks of sector experts, and support for clinical and commercial development of products.

Syncona Key Data	
Capitalization	711M £
Price	1.10 £
Performance 1M	-0.26%
Performance 12M	-26.86%
Operating Income 2023	-56.02M £
NAV	1.20B £
NAV / Share	1.89 £
Price / Book	n.a.

Source: Company data

Xlife Sciences is a **Swiss** company founded in **2019** which focuses on promoting and developing innovative technologies in life sciences. Xlife Sciences operates as a start-up incubator and accelerator, providing financial, strategic, and operational support to start-ups developing new solutions in the fields of biotechnology, pharmaceuticals, medtech, and diagnostics. Xlife Sciences works on selected projects in four areas: technology platforms, biotechnology/therapies, medical technology, and artificial intelligence in life sciences.

The company focuses on providing solutions to unmet medical needs, with the aim of building a bridge between research and development and healthcare markets. Xlife Sciences collaborates with various entities, including technology companies and research institutes, to develop and progress innovative projects. It has established partnerships with organisations such as the Abu Dhabi Department of Health and Thermo Fisher Scientific to expand its activities.

Xlife Sciences Key Data	
Capitalization	169M CHF
Price	29.7 CHF
Performance 1M	-12.13%
Performance 12M	-23.45%
Operating Income 2023	-20.41M CHF
NAV	n.a.
NAV / Share	n.a.
Price / Book	0.63

Source: Company data

Concluding Comments

As can be seen from the financial data, it is quite common for these types of companies to report highly negative operating income, and rather low price/book and NAV/SHARE values.

For these very reasons, we do not consider a valuation based on peers' comparison to be accurate. We have mentioned these very similar firms as examples of the success of this business model in foreign markets and a source of inspiration, in order to take a look at the international best practices.

Cube Labs' success hinges on management's ability to recognise and optimise the value of cutting-edge academic research, transforming it into commercially promising companies and actively and effectively responding to the needs of local and global markets.

The ability of the market to understand this innovative vision and to create a solid support ecosystem, providing adequate financial support, is what will determine the success of Cube Labs, regardless of comparisons with international peers.

For this to happen, it is essential that investors, institutions and stakeholders recognize the value and potential of the Cube Labs model, which has been in play abroad for several years, and understand that Venture Building in life sciences requires patience and long-term vision, often decoupled from financial results.

Investment Conclusions

We initiate coverage of Cube Labs with a **BUY rating and a target price of €3.25**.

This target price expresses the 12-month view on 2025, with a NAV that is double current market prices. We expect steady growth in value in future years as the various project milestones are achieved, leading in the most optimistic scenario to a **NAV of €77.6mn** (€4.34 per share).

The long-term view (2030+), assumes a NAV of €387mn, corresponding to a **10x multiplier** compared to the implicit NAV expressed by the market today. The fair value per share is around 16.22€, with a 7.51x multiplier compared to current market prices.

These values are subject to the additional growth drivers mentioned above, among which the most important is undoubtedly further new technologies entering the portfolio.

The low visibility on financial data, typical of Venture Building, is more than compensated by the positive newsflow on the various projects, well described in the chapters dedicated to the various companies, and by the professionalism of management, dedicated to creating a centre of excellence in the Italian Venture Capital landscape, demonstrating an unparalleled ability to identify and develop emerging technologies across the life sciences, and strengthening investor confidence with their strategic vision and executive skills.

At current prices Cube Labs represents an excellent investment opportunity, offering investors access to a company of excellence with remarkably high growth prospects. Cube Labs represents not only the opportunity to benefit from a discounted value compared to current asset values, but also to actively participate in growth and development in a sector with high potential such as research and development in biotechnology, benefiting from the lower cost of research in Italy compared to more advanced markets like the US, and from the vast network of academic contacts and strategic partnerships that the Company brings with it as an intangible value.

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	**CUBE LABS**		
Current Recomm:	BUY	Previous Recomm:	--
Current Target (Eu):	3.25	Previous Target (Eu):	--
Current Price (Eu):	2.16	Previous Price (Eu):	--
Date of report:	02/07/2024	Date of last report:	--

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&PMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and – 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 March 2024 Intermonte's Research Department covered 116 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	23.97 %
OUTPERFORM:	49.59 %
NEUTRAL:	25.61 %
UNDERPERFORM	00.83 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (50 in total) is as follows:

BUY:	38.78 %
OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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In order to disclose its possible conflicts of interest Intermonte SIM states that:

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Emittente	%	Long/Short

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Further information is available