INITIATION OF COVERAGE

EQUITY RESEARCH

# Predict

**Euronext Growth Milan | Healthcare | Italy**

**Production** 04/10/2024, h. 06:30 pm
**Publication** 07/10/2024, h. 07:00 am

Rating
**BUY**

Target Price
**€ 1,90**

Risk
Medium

Upside potential
**144,5%**

## Stocks performance relative to FTSE Italia Growth


| Key Financials (€/mln) | FY23A | FY24E | FY25E | FY26E |
|---|---|---|---|---|
| Value of Production | 8,02 | 9,05 | 11,45 | 15,25 |
| EBITDA | 0,80 | 0,90 | 1,55 | 2,35 |
| EBIT | 0,33 | 0,60 | 1,15 | 1,55 |
| Net Income | 0,19 | 0,35 | 0,75 | 1,05 |
| NFP | (1,29) | (3,66) | (3,61) | (3,91) |
| *EBITDA margin* | *11,2%* | *10,6%* | *13,8%* | *15,5%* |
| *EBIT margin* | *4,6%* | *7,1%* | *10,2%* | *10,2%* |
| *Net Income margin* | *2,7%* | *4,1%* | *6,7%* | *6,9%* |

| Stock Data | |
|---|---|
| Price | € 0,78 |
| Target price | € 1,90 |
| Upside/(Downside) potential | 144,5% |
| Ticker | PRE IM |
| Market Cap (€/mln) | € 5,62 |
| EV (€/mln) | € 1,95 |
| Free Float (% on Ordinary Shares) | 28,04% |
| Share Outstanding | 7.219.500 |
| 52-week high | € 0,92 |
| 52-week low | € 0,74 |
| IPO Price (30/09/2024) | € 0,92 |

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# 1. Company Overview

## 1.1 The business

Predict SpA ("Predict", or the "Company") is an innovative Italian SME based in Bari, Southern Italy, and operating in the healthcare sector, mainly in development and marketing of equipment for non-invasive in vivo diagnostics. Founded in 2008, Predict began its activity as an agent and then, since 2015, as a distributor of diagnostic imaging systems for GE HealthCare in the Puglia Region. Over time, the Company expanded its offerings to include technical assistance services and began to develop innovative technologies for screening via breath analysis, cutting-edge augmented reality and collaborative and social robotics solutions.

The Company is divided into four different strategic business units (SBUs), two considered traditional (Imaging and People Support), and two considered innovative, (Mistral and Digital Healthcare). The dichotomy of Predict's business model guarantees the Company can efficiently carry out commercial activities in its Imaging and People Support SBUs, while developing added value and in-depth knowledge in pioneering technologies in its Mistral and Digital Healthcare SBUs.

The Imaging SBU deals with the sale of medical imaging equipment, such as ultrasound and x-ray systems, and the marketing of GE HealthCare machinery and equipment. The People Support SBU, on the other hand, provides technical assistance for the equipment supplied by the Imaging SBU, in addition to selling spare parts and add-ons. The Mistral SBU is focused on breath analysis for the screening and monitoring of oncological pathologies, while the Digital Healthcare SBU develops augmented reality and collaborative and social robotics technologies for applications in the healthcare and education sectors. Predict is a pioneer in the Digital Healthcare market that strongly promotes innovation, invests in research and development, to continuously improve its products and services, and collaborates with leading university hospitals, universities, research institutes and public and private institutions. The Company stands out for its ability to adapt to the needs of the market and for the flexibility of its organizational structure, which favors rapid decision-making processes and wide-ranging skills at all hierarchical levels. Its compartmentalized organizational structure in no way compromises the possibility of cross-fertilization between Predict's SBUs, but rather favors a transversal integration of the Company's skills and innovations, with a view to strengthening Predict's market positioning and offering the most advanced solutions to its customers. In other words, the integration and customization of Predict products allow the Company's customers to benefit from a complete offering, ranging from the

sale of diagnostic equipment and their maintenance through to the development of new screening and healthcare technologies.

Predict stands out on the market thanks to its constant innovation, with its significant investments in research and development, amounting to approximately € 1.00 million in 2023, aimed at the development of advanced technologies and innovative services that respond to the emerging needs of the healthcare sector. Furthermore, the Company benefits from long-lasting collaborations with universities, research institutes, university hospitals, and public and private institutions, and can therefore guarantee a high level of professionalism and reliability in the solutions offered.

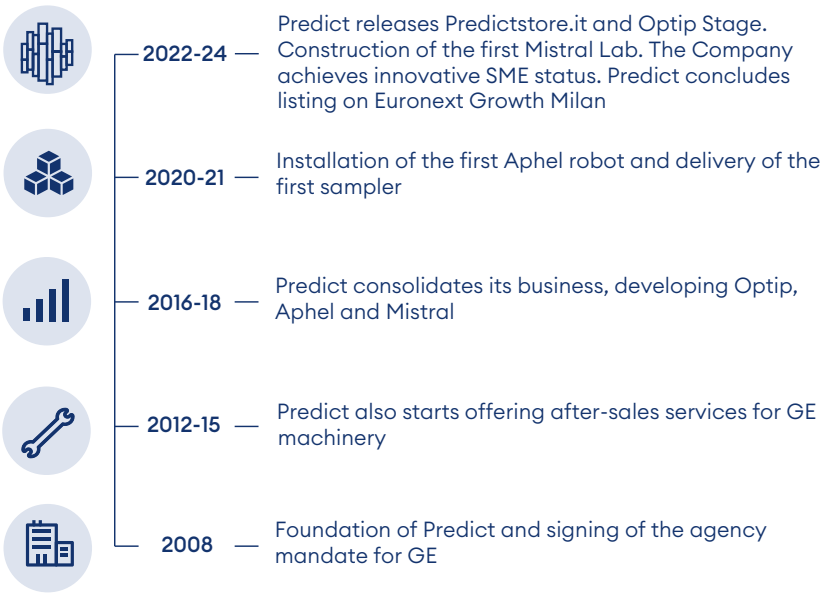
In conclusion, Predict responds to emerging needs in the fields of preventive medicine, personalized and digitalized healthcare, and non-invasive screening methodologies, through continuous innovation and attention to new medical sector technologies.

CHART 1 – PREDICT


*Source: Predict*

## 1.2 Company Story

CHART 2 – COMPANY STORY




*Source: Predict*

- **2008:** Predict is founded as an innovative company in the healthcare sector. The Company acquires an agency mandate for GE HealthCare's large equipment products in Puglia;
- **2012-2015:** The product offerings are enriched with ultrasound and x-ray systems. Sales activities are complemented by post-sales training for GE HealthCare ultrasound equipment. After-sales activities are consolidated in 2014, when the Company becomes a partner of GE HealthCare in providing maintenance services in Southern Italy. The Services branch is established, in order to provide technical assistance to healthcare personnel. In 2015, the Educational branch is then established, in order to provide training to medical staff. The SonoStore is inaugurated as a showroom to help customers discover the world of diagnostic imaging;
- **2016-2018:** Thanks to the award of a regional cluster tender, together with the University of Bari, Predict begins to design the prototype of breath analysis sampling equipment. In 2017, the Company's engineers develop Optip, an innovative holopresence tool for remote communication and collaboration. In 2018, Predict released Aphel, a platform that uses artificial intelligence and integra-

tes the use of collaborative robots to support patients and healthcare workers in hospitals, as well as Mistral, a diagnostic breath analysis technology;

- **2020-2021:** The first Aphel robot arrives in the Pediatrics and Oncology Department of Santissima Annunziata Hospital in Taranto. In 2021, the first sampler is delivered and the first esternal samples are collected thanks to the support of the IRCCS Istituto Tumori Giovanni Paolo II of Bari;

- **2022-2024:** In 2022, Predict moves to its new headquarters, which guarantees more space to grow, develop and innovate. Predict launches the Predictstore.it e-commerce platform, offering the online purchase and pre-ordering of portable and wheeled ultrasound machines, thermoscanners and robot assistants. Predict also structures its business into SBUs. In 2023, the Company launches Optip Stage, a holographic stage for the educational sector that uses augmented reality technology. In the same year, Predict builds and tests its first turnkey Mistral Lab, a breath analysis laboratory commissioned by the Polytechnic University of Bari, via a European public tender. Furthermore, the Company begins the process for its listing on the Euronext Growth Milan market. The Company also began the process of listing on Euronext Growth Milan, which was completed on **September 30, 2024**.

## 1.3 Shareholder Structure

TABLE 1 – SHAREHOLDERS

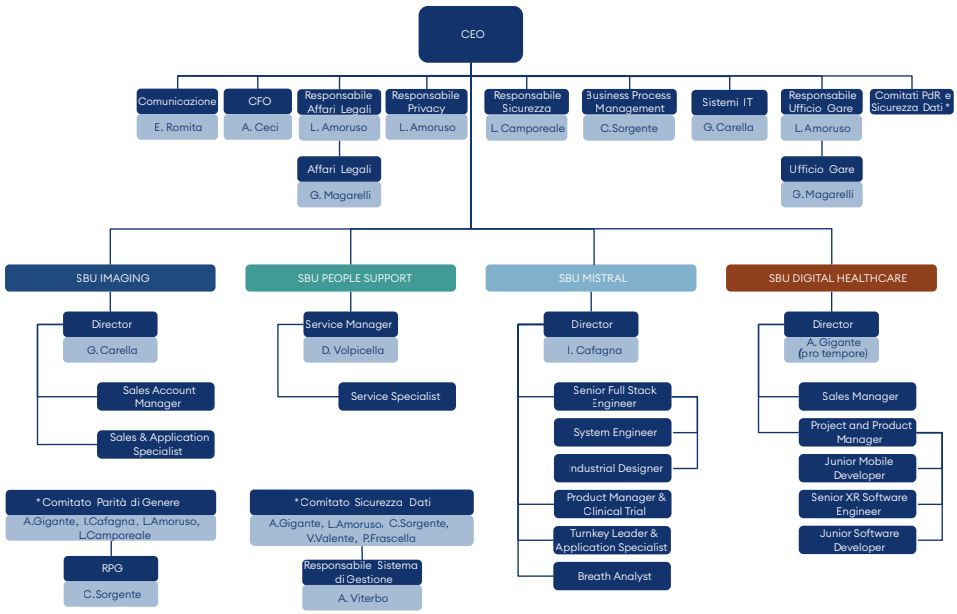
| Shareholders | # Ordinary Shares | # PAS Shares | Multiple Voting Shares | % on Ordinary Shares | % on Voting Share Capital | % on Total Share Capital |
|---|---|---|---|---|---|---|
| Qo3 Srl | 3.900.000 | 300.000 | 1.800.000 | 71,96% | 86,33% | 79,79% |
| Free Float | 1.519.500 | - | - | 28,04% | 13,67% | 20,21% |
| **Total** | **5.419.500** | **300.000** | **1.800.000** | **100,0%** | **100,0%** | **100,0%** |

*Source: Predict*

Following its listing on the stock market, which involved the placement of 1,519,050 ordinary shares, Predict's share capital is composed of 7,219,500 shares, of which 1,800,000 are multiple voting shares, granting 3 votes each. Qo3 Srl, a company 51.0% owned by Angelo Gigante and 49.0% by Paola Rosa Sciancalepore, holds the majority of the share capital with a 79.79% stake. The remaining shares constitute the free float, amounting to 20.21%. Predict also has a wholly owned interest in Evholo Srl, which, however, is excluded from the consolidation perimeter, as it is still inactive and used solely as a vehicle for designing custom augmented reality and holography solutions for large corporations, SMEs, and start-ups in sectors outside of Healthcare.

# 1.4 Corporate Governance

CHART 3 – CORPORATE GOVERNANCE




*Source: Predict*

In 2022, Predict reorganized its business model into 4 SBUs, in order to focus on the development of its various products more efficiently. The organizational structure is therefore composed by the Imaging, People Support, Mistral and Digital Healthcare SBUs. In particular:

- The Imaging SBU deals with the sale of medical imaging equipment and the marketing of products and mobile solutions for the field of in vivo diagnostic imaging, including CT, MRI and PET scanning. The SBU boasts distribution contracts with leading companies in the imaging device manufacturing market, including, in particular, GE HealthCare;

- The People Support SBU is dedicated to providing technical assistance services relating to the devices marketed by the Imaging SBU, supplies official spare parts, and performs checks on the correct functioning of the equipment;

- The Mistral SBU develops, designs and markets proprietary screening solutions for the volatile organic compound breath analysis technology named Mistral, for which Predict holds the European Patent and CE Marking.

- The Digital Healthcare SBU develops, designs and markets healthcare products and services that make use of augmented reality, with its product Optip,

patented in Italy and the USA, and CE-marked, and of robotics, with its product Aphel, which remote facilitates collaboration and communication.

The Board of Directors is made up of 7 Directors, who will remain in office until approval of the financial statements as of December 31, 2026.

- Angelo Gigante is President of the Board of Directors and CEO;
- Isabella Cafagna holds the position of Vice President and Managing Director;
- Loredana Amoruso holds the position of Managing Director;
- Giuseppe Carella holds the position of Managing Director;
- Rocco Dichio and Valeria Stucci hold the position of Director;
- Vito Anelli acts as an Independent Director.

The Board of Statutory Auditors is made up of 3 Standing Auditors and 2 Alternate Auditors, who will remain in office until approval of the financial statements as of December 31, 2026. In particular:

- Francesca Sanseverino holds the position of Chair of the Board of Statutory Auditors;
- Riccardo Pierno and Maria Teresa Rizzi hold the position of Statutory Auditor;
- Massimiliano Secchi and Vito Virzi are the Alternate Auditors.

## 1.5 Key People

**Angelo Gigante** – President of the Board of Directors and CEO

Having graduated in Electronic Engineering from the Polytechnic University of Bari, he founded Predict in 2008, dealing with the organization and development of the Company, and drawing on his experience in research and development, and in product sales for GE HealthCare, from 2003 to 2007. Since May 23, 2012, he has held the role of President of the Board of Directors of Predict.

**Isabella Cafagna** - Vice-President of the Board of Directors and Managing Director, Mistral SBU Director

Having graduated in Chemistry from the University of Bari, she then obtained a PhD in Environmental Engineering and Chemistry at the Polytechnic University of Bari. She joined Predict in 2015, and has held various strategic roles, including Sales Account Manager, Sales Manager, and Mistral SBU Director. As Mistral SBU Director, she is responsible for the management of the unit, supervising P&L, and coordinating processes and resources involved in the technical side of the business, commercial assistance, after-sales assistance, production, and research and development.

**Loredana Amoruso** – Director of the Board of Directors and Managing Director

Having obtained a Master's Degree in Law from the University of Bari and registered in the Official Register of Lawyers, she practiced law for several years. Subsequently, she worked for 3 years in an office specialized in the drafting of documentation for public tenders. She joined Predict in 2015, and has held various roles covering areas such as public tenders and legal affairs, up to the overall management of the legal office, the tender office, and documentation relating to trademarks and patents. She therefore plays a fundamental role in the management of the Company's legal affairs, as well as of relationships with credit institutions. She also coordinates the updating of the Company's certifications and the processes for acquiring trademarks and patents. Furthermore, she is responsible for the office that deals with participation in public tenders and funded projects.

**Rocco Dichio** – Director of the Board of Directors

Having graduated in Economics and Business from the university Università Cattolica del Sacro Cuore, in Milan, and having gained years of experience as a management, industrial planning and management control consultant in the same city, he returned to Bari to start a corporate consultancy firm. He joined Predict in 2013 to take care of management control, budgeting, and the multi-year business plan.

**Valeria Stucci** – Director of the Board of Directors

Having graduated as a Technical and Commercial Expert, she gained experience with the Antonio Manfredi accounting firm from 1993 onwards. She has been registered with the Order of Chartered Accountants and Accounting Experts since 1998. He has been a director member of Predict's Board of Directors since 2018.

**Vito Anelli** – Independent Director

Having accumulated, from 1982, over 25 years of experience in various managerial roles in General Electric Group, he was then GE Medical Systems President & CEO for Italy, Israel and Malta, from February 2008 to May 2012. Subsequently, thanks to his thirty years of

experience in the healthcare sector, he has worked independently as a healthcare business development consultant for various Italian companies.

**Giuseppe Carella** – Director of the Board of Directors and Imaging SBU Director

Having graduated in Chemistry from the University of Bari, he worked for various years as an IT specialist at other companies, before joining Predict in 2014. He has held various roles, including Technical Assistance Field Technician, Services Sales Manager, and Service Manager for the People Support SBU, before taking up the strategic role of Sales Director for the Imaging SBU. At Predict, he manages and coordinates the sales team dedicated to the sale of GE HealthCare ultrasound and mammography products, as well as interfacing with the parent company for the purchasing of these products.

**Daniele Volpicella** – People Support SBU Service Manager

Having graduated as an Industrial and Technical Expert specialized in Electrotechnics and Automation from the Higher Technical Institute G. Ferraris of Molfetta, he worked as a Technical Manager at various companies in the medical sector, before joining Predict in 2016, as Area Sales Manager for the Imaging SBU. He currently supervises P&L at the People Support SBU, coordinating processes and people for the delivery and sale of technical assistance services for the products marketed by the Imaging SBU, as well as for a series of ancillary products and services. Since January 2024, he has managed the People Support SBU in the role of Service Manager.

**Monica Carella** – Digital Healthcare SBU Sales Manager

Having obtained a Master's Degree in Management Engineering from the Polytechnic University of Bari, she gained experience in Scotland before joining Predict in 2016, first taking on the role of Logistics Management and Business Process Manager, then a commercial role in the sales of Optip and Aphel products, and, finally, her current position as Sales Manager in the Digital Healthcare SBU. In particular, she supervises the revenues of the Digital Healthcare SBU, and coordinates demo processes, the preparation of offers, and the closing of the commercial negotiations of the SBU.

**Angelo Ceci** – CFO

Having graduated in Economics and Management from the University of Trento, he joined Predict in 2023. At Predict, he is responsible for Finance & Control processes, financial planning, management control, accounting and the preparation of financial statements.

## 1.6 Certifications

CHART 4 – RECOGNITIONS


*Source: Predict*

Predict is a company committed to the principles of sustainability and the quality of its activities, and has, over the years, in this regard, obtained the following certifications:

- **ISO 9001:2015:** certification defining the minimum requirements that a Quality Management System (QMS) of an organization must satisfy to guarantee product and service quality and its commitments to the market;
- **ISO 13485:2016:** certification defining the minimum requirements for a QMS for the medical device industry, applied by the organization in the design, manufacturing, installation and maintenance of medical devices and related services;
- **ISO 14001:2015:** certification defining a management structure for the integration of environmental management practices that pursue environmental protection, pollution prevention, and reductions in energy and resource consumption;
- **UNI PdR 125:2022:** certification concerning Gender Equality, outlining a systemic path for cultural change in an organization aimed at achieving gender equality;
- **ISO 27001:2017:** certification defining the minimum requirements for an internal information security management system, also covering the management of data in the cloud, and extending the scope of the guidelines of the certifications ISO/IEC 27017:2015 and ISO/IEC 27018:2019.

# 2. Business Model

## 2.1 Industry Business System

Predict is a company active in the healthcare sector through the distribution of in vivo diagnostic imaging systems, the provision of technical assistance regarding these systems, the development of new innovative technologies for screening various pathologies through breath analysis, and the implementation of digital healthcare solutions involving augmented reality, holography and collaborative and social robotics.

Considering its industrial supply chain and the various activities of the 4 SBUs, Predict interacts directly and indirectly with multiple stakeholders. In particular, the Company interacts directly with 3 main types of actors: suppliers of the systems and equipment that form the Company's offering of products and services; customers, including universities, research institutes, clinics and hospitals that play an important role in research and development, clinical trials, and technical validation. On the other hand, the Company interacts indirectly with citizens, that is, the end-patients that Predict's solutions ultimately serve.

CHART 5 – INDUSTRY BUSINESS SYSTEM


*Source: Predict*

Upstream in Predict's supply chain are manufacturers of devices, imaging service providers, gas chromatography and mass spectrometer laboratory analysis companies, and suppliers of augmented reality headsets, humanoid and collaborative robots, and software. Then, Predict carries out its activities both as a distribution company marketing diagnostic devices, and as a developer of highly technological and innovative breath analysis and digital healthcare solutions, which it sells on to customers.

The Company's customers can be of two types: public, including university polyclinics, research institutes, treatment clinics, hospitals, universities, and primary and secondary schools; or private, including private polyclinics, clinics, hospitals, specialist medical practices, insurance companies, freelance healthcare professionals, analysis laboratories, and high-tech healthcare sector companies. Among these, we highlight the dual role of univer-

sities, research institutes, treatment clinics and hospitals, which contribute in the development and validation of new preventive and predictive medicine techniques, new non-invasive screening and monitoring techniques, new molecular diagnostics, the integration of new tests into diagnosis pathways, their validation through clinical trials, and the enabling of new diagnostic protocols for non-critical patients using telemedicine technologies.

Downstream of the supply chain, on the other hand, are citizens, that is, patients who benefit from the products distributed by Predict for ultrasound exams, mammograms, radiological exams and oncological screening tests, and from a greater availability of specialist skills, a higher quality of services, and shorter lab and diagnosis turnaround times.

## 2.2 Business Model

Predict has strengthened its business over the years, consolidating its two more traditional strategic business units, Imaging and People Support, and expanding its areas of expertise into two more innovative strategic business units, namely Mistral and Digital Healthcare. By managing each SBU as a single entity, the Company is able to separately evaluate the profit margin of each, and plan investments accordingly, based on their ability to generate or absorb the margins, and therefore mitigate the risks associated with innovation and ensure sustainable business growth, while offering cutting-edge products.

### 2.2.1 Imaging SBU

Through its Imaging SBU, Predict sells and markets exclusive medical imaging equipment for in vivo diagnostic imaging, including ultrasound, x-ray and magnetic resonance systems. The Company works principally with the sectors leading players, such as GE HealthCare, Fora SpA, and Sago Medica Srl.

The Imaging SBU, therefore, offers a selection of highly qualified products and services, designed to satisfy the needs of different specific customers with a consultancy approach that allows it to best respond to individual needs.

Regarding the supply of radiological equipment, the Imaging SBU offers tailor-made radiography products and solutions that improve the medical services offered to patients. Complementing these, Predict offers Sago Medica Srl solutions and services for monitoring and the providing protection from x-rays. In addition, the Company's product portfolio includes mobile diagnostic services from Fora SpA, including CT, MRI and PET scans. Through the completeness of its offerings, Predict aims to satisfy the growing demand for advanced medical equipment that is accompanying the increase in doctors who are beginning to use ultrasound as a diagnosis support technique.

However, the activities of the Company include not only the supply of medical equipment, but also the provision of training courses in the clinical use of ultrasound machines produced by GE HealthCare, in obstetric, gynecological, cardiological, radiological and internal medicine fields, with a view to developing the loyalty of healthcare personnel in relation to the technologies offered. Indeed, alongside the sale of products, the SBU organizes quarterly on-site courses, with practical demonstrations and dedicated hands-on sessions, aimed at informing and educating young doctors on advanced technologies and related diagnostic software.

The Imaging SBU guarantees the effectiveness of its activities through a team of specialist technicians that maintain continuous relations with customers, constantly evaluate their needs, and offer the right technologically advanced products to meet them. Predict, therefore, maintains ongoing relationships, aimed at improving the performance of its customers, and regularly organizes new product events.

Furthermore, Predict guarantees continuous support in the management of orders and financing procedures, reliability and compliance with deadlines, and constant updates on technological developments, helping customers keep pace and remain competitive in their fields.

CHART 6 – IMAGING SBU PRODUCTS

*Source: Predict*

## 2.2.2 People Support SBU

The People Support SBU is one of Predict's main strengths. Thanks to its highly qualified technical staff, it offers ad hoc after-sales assistance services and official spare parts relating to equipment sold, but not exclusively, by the Imaging SBU. Through the strategic business unit, Predict provides for the installation, testing and maintenance of ultrasound equipment produced by GE HealthCare, for most of the Southern Italy Region, including Puglia, Campania, Molise and Basilicata, guaranteeing professional services thanks to expert personnel certified directly by the parent company.

In particular, the SBU offers the sale and delivery of highly technical assistance services, and the marketing and installation of spare parts and accessories. Regardless of maintenance contracts in vigor, Predict supplies probes, software, data printing and storage systems, sterilization systems for the entire portfolio of products, particularly ultrasound equipment, sold over the years by the Imaging SBU. The profound knowledge of technologies and operational excellence of the SBU's technicians allows them to offer a reliable and rapid service, within a few hours of the customer reporting any issue. The assistance offered by Predict takes the form of customizable formulas, tailored to the specific needs of each customer.

The SBU also offers installation, assistance and repair services for the products supplied and marketed by the innovative Digital Healthcare and Mistral SBUs, guaranteeing efficient intervention services for Aphel robots and Optip augmented reality solutions, and repair and support technicians for Mistral breath analysis samplers.

Predict identifies specific and customizable solutions that meet the needs of customers using an agile approach and leveraging the most innovative technologies for the detection and resolution of faults, remotely or in person. The technical assistance is carried out rapidly by specialist experts, minimizing time to value for calibration and maintenance activities. The People Support SBU uses advanced technologies to guarantee timely interventions and optimize costs, also by exploiting opportunities to provide assistance remotely. Additionally, the Company continuously updates GE HealthCare software, to ensure that equipment is always up-to-date with the latest technological developments.

Finally, the Company improves the integration and operational efficiency of its customers' infrastructures through customizations and the connection of the equipment to all of the customers' information systems, such as Radiology Information Systems (RIS) and Picture Archiving and Communication Systems (PACS). The People Support SBU therefore offers customized solutions through modular assistance packages, allowing customers to choose the options that best suit their specific needs. In this way, Predict guarantees a comprehensive, flexible technical support service, aimed at keeping equipment in perfect working order and fully optimizing the customer experience.

### 2.2.3 Mistral SBU

Through its Mistral SBU, Predict designs, develops and markets proprietary solutions that leverage cutting-edge technologies for the analysis of volatile organic compounds (VOCs) in breath. This "gas biopsy" technique involves the analysis of molecules originating from the alveolar exchange of metabolites transported by the blood into the lungs, deriving from biological processes within the organism, and therefore allows the screening of a wide spectrum of pathologies, oncological and otherwise.

The Mistral SBU is thus offers advanced services and products for the analysis of human breath, which has come to be considered the fourth biological fluid. It is possible to extract from breath

a detailed metabolic fingerprint, unique for every individual, that allows us to monitor the health status of populations, and facilitate non-invasive screening for numerous pathologies, including tumors. The Company's use of cutting-edge technology allows for reliable and repeatable analyses, also carried out thanks to strategic partnerships with companies, hospitals and research institutes.

One of the main products manufactured and sold by the Mistral SBU is the Mistral Sampler, an automatic breath analysis sampling system, for which Predict manufactures and markets all the necessary single-use consumables. Predict, thus, with its Mistral Lab analysis laboratories, performs breath analysis for customers who collect breath samples using the systems regenerable cartridges. The SBU also coordinates and supports breath sampling and analysis services in clinical trials promoted by Key Opinion Leaders for the validation of the Mistral method for specific pathologies.

Furthermore, Predict can supply turnkey breath analysis laboratories to universities, university hospitals, hospitals, clinics, research centers and public and private institutions, to allow them to become autonomous in carrying out their breath analysis activities. To facilitate this, the company takes care of the building, assembling, connecting, calibrating and commissioning of the equipment, and the training of the operators of the new laboratories, in order to guarantee a complete and perfectly functional implementation.

The research and development activities of the Mistral SBU is supported by close collaborations with universities and polytechnics. This synergy favors industrial research aimed at identifying and industrializing new analysis techniques and technologies, including optical sensors and detectors, and the development of artificial intelligence and machine learning algorithms to integrate into future products. This collaborative approach with academic institutions allows the SBU to remain at the forefront of technological innovation, accelerating the development of innovative technologies and their practical applications in the healthcare sector. The implementation of these advanced technologies and the ability to provide detailed metabolic analyses allow Predict's Mistral SBU to position itself as a leader in the field of innovative non-invasive screening, offering solutions that significantly improve prevention and monitoring capabilities regarding the most critical pathologies.

CHART 7 – MISTRAL SBU PRODUCTS


*Source: Predict*

### 2.2.4 Digital Healthcare SBU

Predict's Digital Healthcare SBU stands out for its pioneering application of advanced technologies in the healthcare and education sectors. The strategic business unit aims to improve the quality of services offered to users and the operational efficiency of customers through the use of augmented reality (AR), artificial intelligence (AI), robotics and holography. The main goal is to expand and improve healthcare processes with innovative technological solutions. In particular, combining AR, AI and robotics allows Predict to offer complete, innovative solutions to respond to customers' current and future needs, and significantly improve the quality of healthcare services.

One of the main solutions offered by this SBU is Optip, a tele-ultrasound system that enables holopresence interactions between two users, using AR, VR and MR technologies. Optip allows an expert doctor to conduct ultrasound examinations remotely, using an AR headset and a stream-box connected to an ultrasound machine that can be used by non-expert healthcare personnel. This system is particularly useful when access to specialist doctors is limited and accurate diagnoses are required in remote areas.

The SBU provides further AR tele-assistance solutions, allowing surgeons to manage diagnostic imaging and carry out live consultations during operations, while maintaining the sterility of the operating environment. This approach not only improves surgical precision, but enables collaboration and assistance between doctors in real time.

Training and education are other key areas to which the Digital Healthcare SBU applies its technologies. Indeed, Predict offers a range of solutions for medical training and education in primary and secondary schools, using AR headsets and holographic stages to display educational content in an innovative way. These tools allow the visualization of holograms of objects and people, making learning more engaging and effective.

The SBU also offers collaborative and social robots for patient management in pediatric and non-pediatric hospital departments. These collaborative robots are used for digital check-ins at hospital analysis laboratories, improving efficiency of processes and reducing the workload for medical staff, and as recreational and educational support for children with autism spectrum disorders.

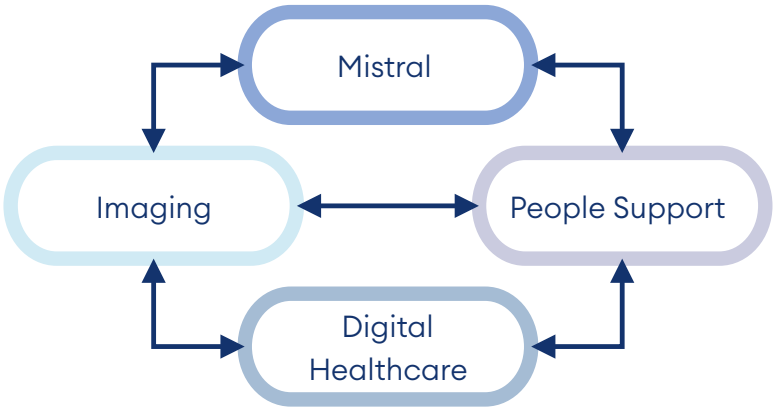
On the research and development front, the Digital Healthcare SBU collaborates closely with universities and polytechnics in carrying out industrial research projects. The main goal is to identify and industrialize new analysis techniques, technologies and artificial intelligence algorithms integrating advanced sensors and optical detectors, for future solutions. Such collaborations allow us to maintain a continuous flow of innovations that can be quickly applied to products, ensuring that Predict remains at the forefront of digital healthcare.

CHART 8 – DIGITAL HEALTHCARE SBU PRODUCTS

*Source: Predict*

### 2.2.5 Synergies between the SBUs

CHART 9 – SBU SYNERGIES




*Source: Predict*

Predict's ability to innovate and grow in the healthcare sector is strongly enhanced by cross-fertilization between its various strategic business units. Having adopted an organizational structure made up of 4 strategic business units (SBUs), the Company is able to leverage different skills, resources and technologies in a complementary way, creating a virtuous cycle that allows each SBU to fuel the business of the others, to ultimately provide integrated solutions that respond completely and effectively to the needs of their customers.

In particular, considering the different activities of the various SBUs, synergies are generated in the following areas:

- Between the Imaging SBU and the People Support SBU: by attracting new customers, the Imaging SBU fuels the business of the People Support SBU,

which, for the products marketed, provides after-sales support, technical assistance, repair and maintenance services, and the sale of official spare parts. At the same time, the People Support SBU plays a fundamental role in managing the customer satisfaction of the Imaging SBU's customers, and, by managing GE HealthCare equipment maintenance services, it can also generate new business for the Imaging SBU when customers need to renew their equipment;

- Between the Imaging SBU and the Mistral SBU: an important synergy lies in the study and validation of breast cancer screening, combining traditional imaging techniques, such as ultrasound and mammography from GE HealthCare, with non-invasive breath analysis methodologies developed by the Mistral SBU;

- Between the Digital Healthcare SBU and the Imaging SBU: the SBUs collaborate through the Optip product family that provides tele-ultrasound solutions that connect to the ultrasound machines of the GE HealthCare product family;

- Between the Mistral SBU and the People Support SBU: with its advanced breath analysis technology, the Mistral SBU makes use of the after-sales technical support and distribution network of the People Support SBU, to guarantee high quality assistance services;

- Between the People Support SBU and the Digital Healthcare SBU: after-sales support offered by the People Support SBU guarantees assistance and repair services for the products marketed by the Digital Healthcare SBU.

## 2.3 Value Chain

As already mentioned, Predict operates in the healthcare sector through two more traditional and two more innovative strategic business units, which transversally enhance the activities carried and the products offered. In this regard, Predict has structured its value chain in a very precise and specific way, covering all the necessary processes that lead up to the marketing of the products offered and the provision of support in the implementation of solutions. In addition, the organization of the Company's value chain allows it to interface with different customers and stakeholders in an effective manner, leveraging the transversal skills and experience acquired in the individual SBUs.

### 2.3.1 Value Chain – Imaging and People Support SBUs

Regarding the Imaging and People Support SBUs, Predict markets its products through both direct orders from private customers and through tenders involving both public and private entities. Consequently, the Company has established two specific value chains that facilitate effective interactions in both cases.

**Orders from private customers**

CHART 10 – VALUE CHAIN - IMAGING AND PEOPLE SUPPORT SBUS


*Source: Predict*

- Pre-sales

Pre-sales activities for the Imaging SBU are performed by a network of Agents, SBU Directors, Sales Account Managers and Sales & Application Specialists, and for the People Support SBU, in addition to the network of Agents, by a Service Specialist and a Service Manager. For the Imaging SBU, the process begins with educational activities, involving events and meetings organized by Predict to disseminate ultrasound techniques and allow participants to try them out in personalized demos. This launch phase is divided up into a whole series of events proposed by the Company to present the new products. For the People Support SBU, on the other hand, the process begins with the research phase, involving meetings and presentations of the solutions to private customers, and then the taking-on phase, involving the taking charge of direct interventions requested by customers, through a CRM ticketing process and on-site technical visits.

- Offers

The following step, common to both units, involves the presentation by Predict of the customized offer, based on the specific needs of the customer, which leads to the development of the solution identified and proposed to the customer, and, finally, its implementation. In particular, in the Imaging SBU, the SBU Director and Sales Account Manager use support materials, including brochures and videos for effective communications, while, in the People Support SBU, the Service Manager works with the network of specialized agents to formulate the offer relating to the services requested by the individual customer.

- Sales

The sales phase is structured differently depending on the SBU involved, based on the core services of each SBU. For the Imaging SBU, this phase involves procurement and sales activities, leading to delivery, installation, testing and training for clinical use, supported by the Sales Account Manager, the OTR Specialist, and the Sales & Applications Specialist. Predict guarantees the professionalism of all the figures involved in the sales and procurement phase through certifications acquired directly from the GE HealthCare parent company. For the People Support SBU, the sales phase involves the development and specific implementation of the proposed solution, and clinical engineering services for large public or private customers. The activities are managed by the Service Specialist using dedicated service tools for diagnostics, spare parts and advanced remote technical support.

- Post-sales

Following the sales phase, the Imaging SBU verifies the level of customer satisfaction, maintaining constant relations through a network of Agents and Sales & Applications Specialists, through tools such as review meetings, calls and survey campaigns.

**Private and public tenders**

CHART 11 – VALUE CHAIN - IMAGING AND PEOPLE SUPPORT SBUS


*Source: Predict*

- Pre-sales

The organization of the pre-sales phase in the case of public and private tenders for the SBUs under analysis is similar, and falls under the supervision of the Tender Office, which makes use of public administration portals, such as the Electronic Public Administration Market, MEPA, and other tender reporting services. The value chain therefore starts with a research and scouting phase of public and private tenders, to identify relevant tenders in which to participate, and leads up to the development of a solution to propose to the customer, according to the brief set out in the selected tender.

- Sales

Predict then proceeds to the sales phase, involving, eventually, a review of the proposal developed in the preliminary phase, and re-adaptation of the initial offer to the specific needs of the customer. The value chain ends with the implementation of the agreed solution, which in the case of the Imaging SBU results in the placing of an order, delivery, installation, and final testing of the equipment. The substantial difference in across the activities performed by the Imaging SBU and the People Support SBU lies in the fact that the Imaging SBU has a more commercial orientation, relying on the collaboration of a network of Specialist Agents, the SBU Director, the Sales Account Manager, Sales & Applications Specialists, and the Tender Office. In the case of the People Support SBU, the process is more streamlined, with management and coordination led by the Service Manager and the Tender Office. The entire sales process relies on a large amount of technical data concerning the tender, which is organized into administrative, technical and budgeting documentation, including spreadsheets for scaling the offered project.

### 2.3.2 Value Chain – Mistral and Digital Healthcare SBUs

Given the highly innovative nature of the Mistral and Digital Healthcare SBUs, they share a value chain with a similar structure. Predict has therefore organized both strategic business units along two main lines, one referring to product development and the other referring to participation in tenders, favorable to a greater cross-fertilization of technical skills that are essential in such highly innovative sectors.

**Product development**

CHART 12 – VALUE CHAIN - MISTRAL AND DIGITAL HEALTHCARE SBUS


*Source: Predict*

- Product marketing

Initial product marketing efforts are focused on market analysis, product positioning, channel development and lead generation, which develops a comprehensive understanding of customer markets and needs. In particular, the Project and Product Manager and the Sales Manager for the Digital Healthcare SBU and the SBU Director and Product & Clinical Trial Manager for the Mistral SBU are in charge of reporting on market analysis, in addition to organizing meetings with Key Opinion Leaders in the SBU reference markets.

- Development

The core activities of the strategic business units are focused on the development of new products, involving the development and implementation of proprietary technologies and services related to Mistral products for the Mistral SBU and Optip and Aphel products for the Digital Healthcare SBU. The complexity of the technologies developed demands significant resources, including the Project and Product Manager, supported by three other resources and two software consultants for the Digital Healthcare SBU, and a Senior Full Stack Engineer, supported by two technical resources and a software consultant for the Mistral SBU. The resources are responsible for the optimization and maintenance of project and design software and product lifecycle management (PLM).

- Offers

The offer phase involves the development of the project defined together with the customer, and perfected through the work of the Mistral SBU Director and the sales network in the case of the Mistral breath analysis SBU, and of the SBU Director, Sales Manager and the dedicated sales network of the Digital Healthcare SBU. The activities of the offer phase include demos of Mistral Lab and at the company headquarters, and meetings with customers that are already users and can therefore provide direct feedback.

- Sales

The sales process is structured in a slightly different way for the two SBUs under analysis, as the offer of the Mistral SBU is more verticalized, being specifically dedicated to breath analysis, while the Digital Healthcare SBU develops applications in various fields, in addition to the medical one. For the Mistral SBU, the supply of proprietary breath analysis technologies and services are managed by the SBU Director and the Senior Full Stack Engineer, supported by the analysis laboratory staff. Sales, in the case of the Digital Healthcare SBU, proceed from lead acquisition through an in-depth analysis of customer needs to the proposal of solutions, supervised and coordinated by the Project and Product Manager and Sales Managers.

- Post-sales

Following the conclusion of a sale, Predict offers post-sales services, following on from installation, testing and training, including highly specialized support for the customer, complete with the maintenance and renewal of software licenses in the case of the Digital Healthcare SBU. Predict maintains contact with its customers on a continuous basis, through periodic customer satisfaction checks and surveys, guaranteeing that the Company stays up-to-date on any problems encountered by its customers and can resolve them promptly. The post-sales phase is supervised by the Turnkey Leader & Applications Specialist, together with the specialized commercial network, in the case of the Mistral SBU, and the Sales Manager, with the active involvement of the sales network, in the case of Digital Healthcare SBU.

CHART 13 – VALUE CHAIN - MISTRAL AND DIGITAL HEALTHCARE SBUS


*Source: Predict*

- Pre-sales

The pre-sales phase takes the form of market analysis and scouting for both public and private tenders, also considering strategic partners with which to participate in joint venture tenders. The necessary administrative and organizational functions are preformed by the Tender Office, using dedicated public administration portals, such as the Electronic Public Administration Market, MEPA, and other tender reporting services, identifying new and interesting opportunities for Predict, and presenting solutions identified by the Company for the selected tenders.

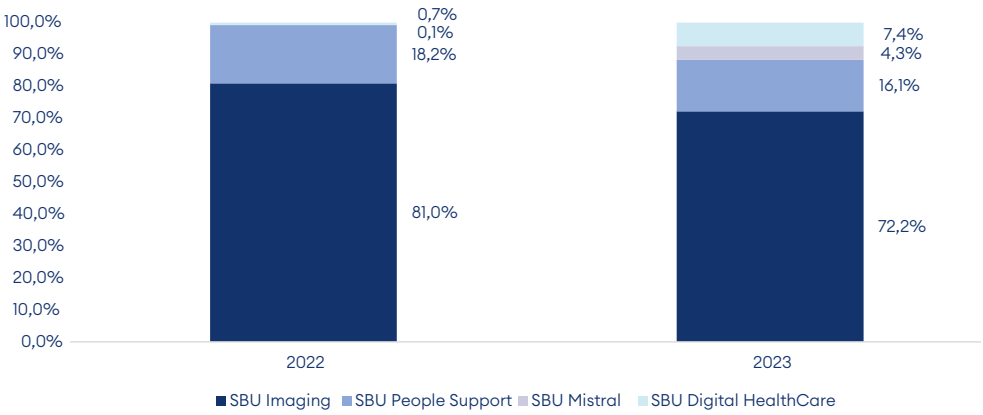
- Sales

The conclusion of the value chain for both SBUs proceeds with the sales phase, leading from the presentation of the solution to the customer, according to the criteria of the tender, to the final realization of the order. This phase may require modifications to be made to the previously defined proposal. The activities are supervised and coordinated by the Mistral SBU Director, the Turnkey Leader & Applications Specialist and the Tender Office, in the case of the Mistral SBU, and by the Sales Manager and the Tender Office, in the case of the Digital Healthcare SBU. In both cases, these figures deal with the drafting of technical tender questionnaires, and all the necessary tender administrative, technical and budgeting documentation, including spreadsheets for scaling the project developed for the tender.

## 2.4 Revenue Model

Predict's revenue sources are the four strategic business units previously described, that is, Imaging, People Support, Mistral, and Digital Healthcare. The breakdown of Predict's business into SBUs allows the Company to focus specialist resources on current and future business developments. The following graph shows the contribution of each business line in terms of turnover.

CHART 14 – REVENUES BY SBU




*Source: Predict*

It is evident that the Imaging SBU has been responsible for the majority of revenues over the years, representing 81.0% of turnover in 2022, amounting to € 4.44 million, and 72.2% in 2023, amounting to € 5.19 million. This is followed by the People Support SBU, which generated € 1.16 million, or 16.1% of turnover in 2023, compared to € 1.00 million, or 18.2% of turnover in 2022. It is clear that the two more traditional SBUs are currently the main drivers of the Company's revenues, thanks to Predict establishing itself as a reliable player in the Imaging market over the years, by leveraging its technical skills and know-how, also in the maintenance and repair of the marketed equipment. The residual portion of turnover comes from the two more innovative strategic business units, which, however, represent strong growth potential for the coming years. For example, in 2023, the Mistral SBU represented as much as 4.3% of the total turnover, generating € 0.31 million, whereas the contribution had been almost nil (0.1%) in the previous year. As for the Digital Healthcare SBU, its contribution in 2023 was 7.4% of turnover, generating € 0.53 million, up from the previous year in which it represented 0.7% of Predict's total revenues. These two strategic business units, therefore, currently make a marginal contribution to Predict's revenues, mainly due to their innovative orientation, but, at the same time, allow the Company to boast the status of a first mover in the reference markets with a high competitive potential.

## 2.5 Research & Development

R&D are fundamental to Predict's activities, particularly in the two innovative Mistral and Digital Healthcare SBUs. Predict has developed a solid organizational structure that allows it to channel investments efficiently, demonstrated by the fact that, in the years between 2019 and 2021, approximately 8.0% of the value of production was used in research and development, amounting to the allocation of approximately € 1.20 million over the three-year period. The Company's

strong commitment to research and development has also grown over the years, for example, totaling € 0.85 million in 2022, and then approximately € 1.00 million in 2023.

In particular, in the Mistral SBU, from 2016 to 2021, the Company actively worked on completing the breath sample collection system named Mistral Sampler, which culminated in the acquisition of a CE marking for the product. Subsequently, from the last quarter of 2021 through to the first half of 2022, Predict focused on the construction and start-up of its first complete analysis laboratory, Mistral Lab, at its Fiera del Levante headquarters, in Bari. From the third quarter of 2022, Predict took steps to automate the analysis laboratory's processes. Furthermore, from the beginning of 2023, the Company began to develop Mistral AI artificial intelligence algorithms for the automation of Mistral Lab breath sample analyses. Finally, in 2023, Predict launched multi-center clinical trials and procedures to validate breath analyses for the diagnosis of prostate cancer.

As for the Digital Healthcare SBU, R&D investments, from 2017 to 2019, were focused on the development of Optip, and the testing of various AR headsets, in order to find the best solution offered by the market, which was identified as Hololens. Simultaneously, from 2018 to 2019, the Company dedicated itself to the integration of an AI platform with the hardware of the Cruzr robot made by Ubtech, which gave life to the product Aphel Elios. This proprietary platform was then developed and integrated with the Temi robot, giving life to the product Aphel Hermes. These developments have allowed Predict to select, configure and implement the first collaborative robot system developed on ABB hardware, called Aphel Kronos, as part of the Aphel product family. In recent years, Predict has also been active in the augmented reality (AR) market, perfecting in 2023 a technique for displaying holograms without a headset, and therefore expanding the package of solutions offered, including the product Optip Stage. With the launch of two new industrial doctorates in collaboration with the University of Bari and the Polytechnic University of Bari, in 2023, Predict started a project leveraging artificial intelligence to guide a remote ultrasound technician in performing an exam.

It is clear, from Predict's numerous research and development activities, that its business relating to the Mistral and Digital Healthcare SBUs is inherently innovative. This demands attention from Predict to adequately protect its innovative products through the filing of patents for proprietary technologies, and their CE marking for the marketing of medical products. In particular:

- **Mistral:** in December 2018, Predict filed its international PCT patent application, followed by European Patent No. EP3873347, in relation to the international patent application. The Company therefore obtained the patent in February 2022, with its validity extended across countries most active in oncological screening through their national health services, namely Spain, Switzerland, Austria, the United Kingdom, Germany, the Netherlands, France, and Italy;

- **Optip:** in August 2017, Predict filed its European patent for Optip, followed in August 2018 by the international PCT patent application. In September 2021, Predict was granted US Patent No. 111,122,164 B2, following the international patent application. Subsequently, in March 2023, Predict obtained Patent No. 202023000000231 for Italy, deriving from the European Patent Application No. 17425085.2 of 08/01/2017, as per Article 58, Paragraph 2, of Legislative Decree No. 30/2005, in March 2023.

## 2.6 Sales network

Predict has structured its sales network into separate compartments, in order to deploy its resources efficiently, and have a greater focus on specialist skills. For this reason, the different sales channels are divided according to the division of the business into more traditional and more innovative strategic business units, with a sales network dedicated to the traditional Imaging and People Support SBUs, and another dedicated to the innovative Mistral and Digital Healthcare SBUs.

### 2.6.1 Sales network – Imaging and People Support SBUs

For the sales channels of the Imaging and People Support SBUs, Predict relies on the collaboration of two agents with expertise in exclusive territorial areas of the Puglia Region. The agents of the Imaging SBU are supported by the Sales Account Manager, and coordinated by the SBU Director. For the People Support SBU, on the other hand, the organizational structure is more streamlined, with the agents coordinated by the Service Manager.

The agents have a multi-firm agency contract, covering not only for the supply and installation of the Imaging SBU's products, but also after-sales services, which may include maintenance and repair services carried out by the People Support SBU. Indeed, thanks to the complementary nature of the two strategic business units, their target customers overlap, since customers of the Imaging SBU often also need the ancillary services offered by the People Support SBU.

Predict expands its customer base through various activities, including:

- Participation in trade fairs and sector events;
- Dissemination of information via social channels;
- Online stores;
- Referrals by distribution companies;
- Word of mouth from existing and loyal private customers.

### 2.6.2 Sales network – Mistral and Digital Healthcare SBUs

For the Mistral family of products, the sales network focuses on the dissemination of methods and technologies, with a view to raising awareness about new screening technologies in key opinion leaders of the medical sector, including urologists, breast specialists, radiologists, gastroenterologists, pulmonologists, and oncologists. In the Digital Healthcare SBU, on the other hand, Predict focuses on raising awareness in the medical market on the potential of its products, in order to make the wider community aware of new needs and solutions.

The promotional and sales activities of the SBUs are supervised by the Mistral SBU Director and the President of the Board of Directors in a business development role. In collaboration with the specialist personnel of the innovative SBUs, the Imaging SBU connects new customers with both SBUs. Digital Healthcare sales also take place in territories not directly under the control of Predict, through agents and distributors. In addition, in the education market, Digital Healthcare sales mainly take place indirectly through commercial consultancy contracts with specialized schools sector agents.

Mistral SBU customers are acquired through in-person meetings, via the mistral-breath.it website, and social channels. Furthermore, Predict organizes demonstrations of Mistral products in its Mistral Lab showroom laboratory, in order to put potential customers in the medical sector in direct contact with the innovative solutions offered. Sales to public entities, such as hospitals, universities, clinic and research institutes, takes place through public tenders, as previously described. The Digital Healthcare SBU, on the other hand, makes use of both meeting opportunities and the optip.it and aphel.it websites, as well as social channels. Furthermore, for both the Mistral and Digital Healthcare SBUs, Predict organizes demos of its products, both in person and via video-calls.

For both SBUs, in order to reach as wide an audience of potential customers as possible, Predict relies on:

- Its participation in trade fairs and sector events;
- The dissemination of information through its websites and social channels, which are constantly updated to guarantee a reliable online presence that takes full advantage of Google's search rankings;
- Key Opinion Leaders (KOL), that is, leading medical professionals who can present Mistral as well as Digital Healthcare technologies, such as Optip and Aphel, to potential customers at sector scientific conferences.

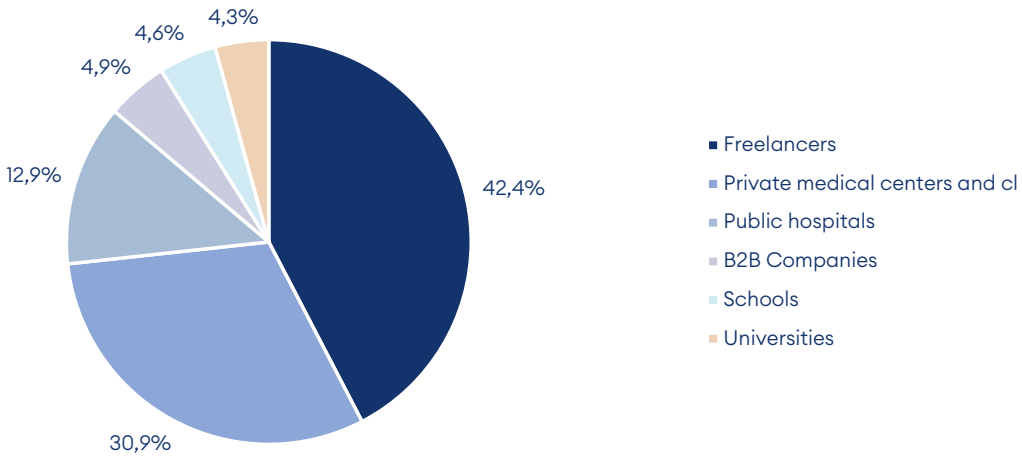
## 2.7 Customers and suppliers

### 2.7.1 Customers

Regarding the customer base, one of Predict's main strengths lies in a high degree of customer type diversification. Indeed, at the end of 2023, the Company had 192 customers, a majority of which pertinent to the Imaging and People Support SBUs, and broken down as follows in terms of customer type:

- 114 freelance professionals, responsible for 42.4% of the Company's turnover;
- 43 health centers and private clinics, which generated 30.9% of revenues;
- 19 public hospitals, accounting for 12.9% of turnover;
- 7 B2B companies, bringing in 4.9% of revenues;
- 8 schools, generating 4.6% of turnover;
- 1 university, which, with the purchase of a Mistral Lab, generated 4.3% of Predict's turnover.

CHART 15 – REVENUES BY CUSTOMER TYPE



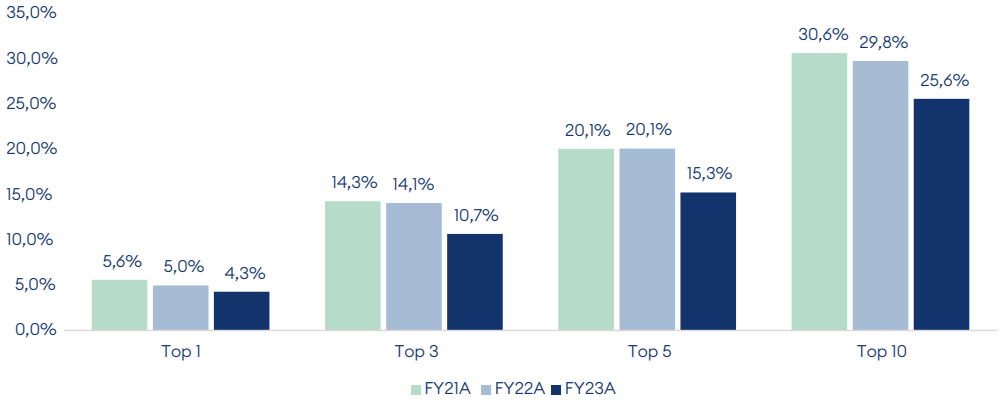

*Source: Predict*

Average revenues per customer type, net of the case of the university that purchased a Mistral Lab generating a revenue of € 0.31 million, are fairly similar. Indeed, health centers, private clinics, public hospitals and B2B companies brought in average revenues per custo-

mer of € 0.05 million, while schools generated on average € 0.04 million per customer, and freelancers € 0.03 million.

As a result, Predict has a low degree of dependency on specific customers. The following figure, in particular, shows the evolution of customer concentration over the three-year period 2021-2023. As illustrated, while, at the beginning of the three-year period, the Company had a low dependence on specific customers, at the end of 2023, this risk was even more insignificant. Indeed, there was a reduction in the contribution to turnover from both the top customer, and the top 3, 5 and 10 customers. In particular, no customer had a weight greater than 5.0% from 2022 onwards, and, overall, the Company managed to reduce its dependence on its top 10 customers from 30.6% in 2021 down to 25.6% at the end of 2023.

CHART 16 – CUSTOMER CONCENTRATION BY YEAR



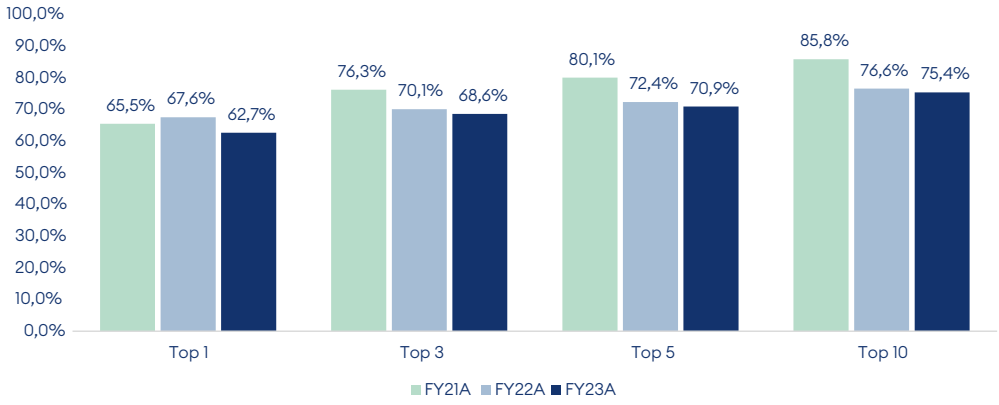

*Source: Predict*

## 2.7.2 Suppliers

As described in previous chapters, while carrying out the developmental activities of the innovative Mistral and Digital Health SBUs, Predict generates the majority of its revenues from the activities of the more traditional Imaging and People Support SBUs, which see the Company acting as a reseller of imaging solutions and medical and diagnostic equipment, and after-sales support, repair and official spare parts services for the same equipment. These activities, given their nature, have a certain level of dependence on Predict's suppliers.

Analyzing the incidence of the top 10 suppliers on total production costs, net of labor costs, the following figure shows that the top supplier plays a major role, accounting for on average 65.3% of costs. However, there is an evident positive reduction in the concentration of the top 10 suppliers, going from accounting for 85.8% of total costs in 2021 down to 75.4%.

CHART 17 – SUPPLIER CONCENTRATION BY YEAR




*Source: Predict*

# 3. The Market

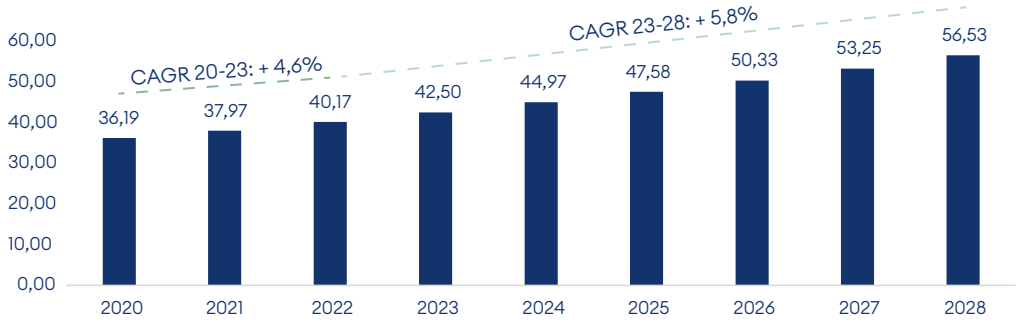
Predict is an innovative Italian SME simultaneously active in three reference markets: Imaging, Breath Analysis, and Digital Health Tech. The Company operates in the in vivo diagnostic imaging market through the distribution of mainly GE HealthCare products, as well as providing technical assistance services relating to these products through its People Support SBU. Furthermore, the Company is developing its specialism in the Breath Analysis market, by developing and marketing its Mistral proprietary breath analysis solutions. At the same time, since 2017, Predict, through its Digital Healthcare SBU, has been developing innovative solutions in the fields of augmented reality with its Optip product family, and holography and collaborative robotics with its Aphel product family.

## 3.1 The Imaging Market – Global Context

The Diagnostic Imaging market is a centrally important and continually growing sector within the healthcare industry. Diagnostic imaging refers to the application of techniques and tools to obtain images of the human body, with the aim of identifying, monitoring and treating a wide range of pathologies. Such techniques include radiography, computed tomography (CT), computed axial tomography (CAT), magnetic resonance imaging (MRI), ultrasound, mammography, and other similarly advanced imaging methods. The continuous growth of the market relates to the growth in knowledge of chronic diseases, the increase in the number of elderly people in the general population, and the greater effectiveness that advanced imaging technologies offer.

The reference market is highly concentrated, allowing just a few large players to dominate the entire market. These big players not only sell devices, but also enter into contracts for their installation and maintenance. However, post-manufacturing activities can also be carried out by companies that do not directly manufacture medical imaging equipment. Therefore, although the development and manufacture of such devices is highly concentrated in the sector, the market for additional services, including data processing and analysis software, is far more fragmented, allowing specialized companies to carve out their own share of the market.

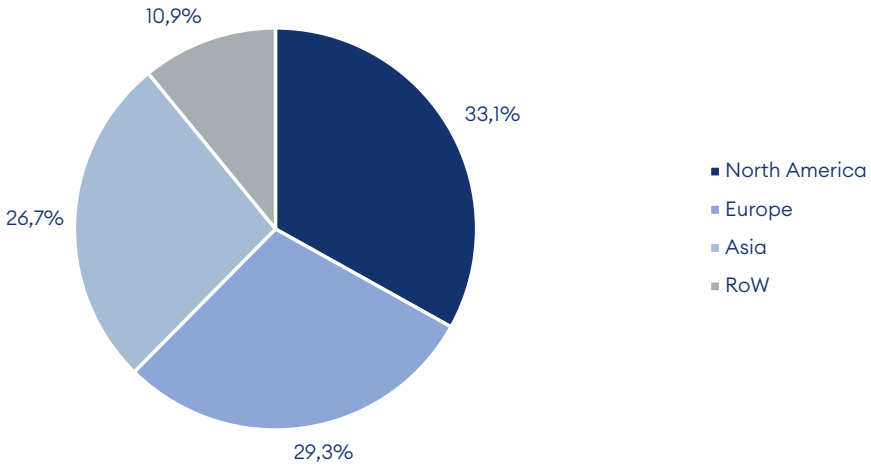
CHART 18 – GLOBAL IMAGING MARKET ($/BLN)




*Source: Fortune Business Insights (2022); World Bank (2021)*

In 2020, the global Diagnostic Imaging market was valued at $ 36.19 billion. Then, due to a growth in the demand for chest imaging techniques driven by the COVID-19 pandemic, the value of the global market reached $ 37.97 billion in 2021, up 4.9% compared to the previous year's figure. The Imaging market is estimated to grow at a 2023-28 CAGR of 5.8%, to reach $ 56.53 billion in 2028.

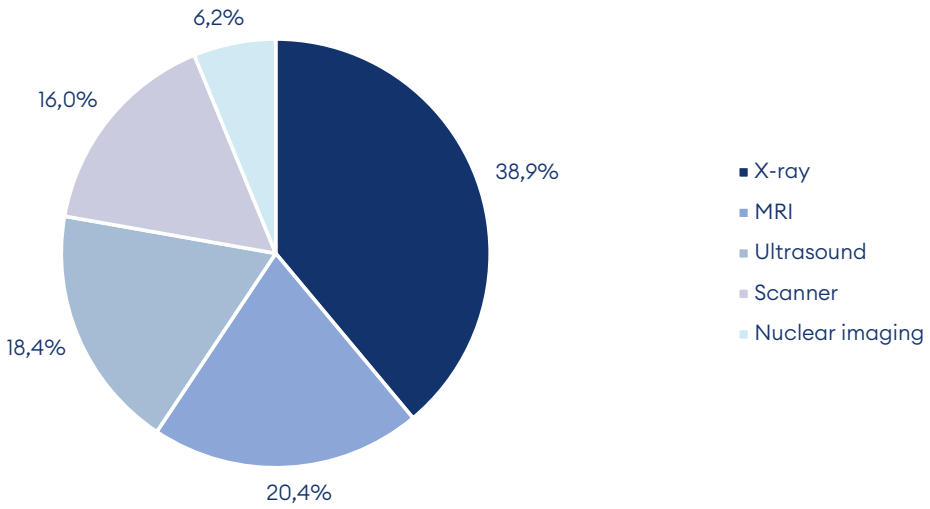
CHART 19 – GLOBAL IMAGING MARKET BY REGION




*Source: Fortune Business Insights (2022); World Bank (2021)*

As reported by Fortune Business, the geographical region that contributes most to the development of the market is North America, with a 33.1% share, followed by Europe, with 29.3%, and Asia, with 26.7%. The remaining 10.9% is then divided up by the rest of the world.

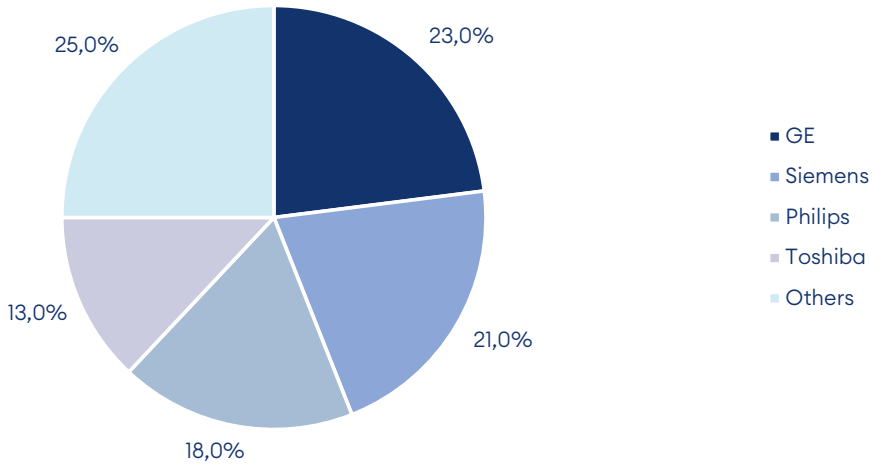
CHART 20 – GLOBAL IMAGING MARKET BY DEVICE




*Source: Fortune Business Insights (2022); World Bank (2021)*

The equipment that generates the highest revenues is radiography equipment, responsible for 38.9% of the total value, followed by magnetic resonance imaging (MRI) equipment, which contributes 20.4%. This is followed by ultrasound equipment, which generates 18.4% of the share, and scanners which contribute 16.0%. The remaining 6.2% comes from nuclear imaging.

CHART 21 – GLOBAL IMAGING MARKET BY COMPANY



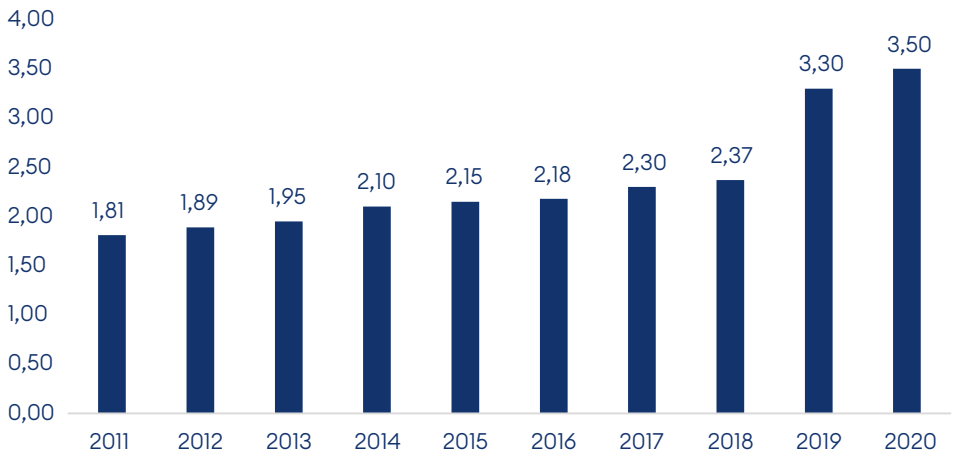

*Source: Fortune Business Insights (2022); World Bank (2021)*

As anticipated, the Diagnostic Imaging market is characterized by a high concentration of international players who dominate the entire market. In fact, the high costs of research, development and manufacture of imaging equipment create significant barriers to entry, limiting the arrival of new competitors in the market. Among the players dominating the market, GE stands out in particular, accounting for 23.0% of revenues, followed by Siemens, for 21.0%. The market is then divided between Philips, accounting for 18.0%, and Toshiba, for 13.0%. The remaining 25.0% of total revenues is divided up between the other market players.

### 3.1.1 The Imaging Market – Italian Context

The Diagnostic Imaging market in Italy recorded a CAGR of 3.9% between 2011 and 2018, bringing the market value to € 2.37 billion. The sector has seen significant growth, particularly between 2018 and 2019, growing by as much as 39.2%. The growth then continued at a rate of 6.1% between 2019 and 2020, leading the market to reach a value of € 3.50 billion. According to ISTAT and Mediobanca, the market will continue to grow with a 2020-28 CAGR of 5.2% until 2028, and with a more moderate, but still positive, CAGR beyond 2035.

CHART 22 – ITALIAN IMAGING MARKET (€/BLN)



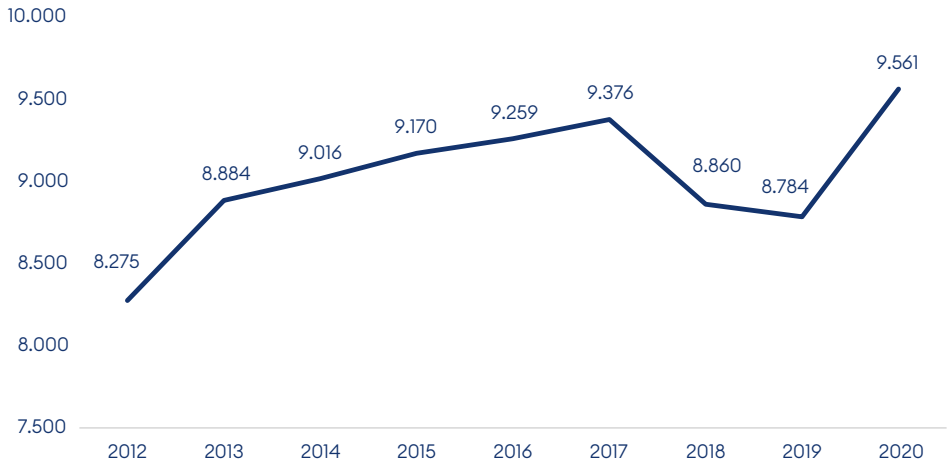

*Source: ISTAT and Mediobanca (2021)*

According to ISTAT, in Italy, approximately 18,000 diagnostic imaging devices are currently considered obsolete, including magnetic resonance imaging, PET scan, CT scan, angiography and mammography equipment. In particular, of the 18,000 devices:

- 71.0% of conventional mammography devices are more than 10 years old;
- 69.0% of PET scan devices are more than 5 years old;
- 54.0% of 1.0T closed-bore MRIs are older than 10 years.

The high number of dated devices represents a significant opportunity for their renewal, and, therefore, an important growth driver for the Italian market, which relies on public and private investments for the development of its national healthcare service.

CHART 23 – ITALIAN IMAGING MARKET NUMBER OF COMPANIES




*Source: ISTAT and Mediobanca (2021)*

At the same time, given the urgent need for the modernization of medical equipment, the Italian market has seen a substantial increase in companies operating in the medical imaging services sector of 15.5% between 2012 and 2020, considering, in particular, the development of healthcare facilities driven by the COVID-19 pandemic.

## 3.2 The Breath Analysis Market

Breath analysis is a modern medical discipline that has arisen mainly from the study of variations in volatile organic compounds (VOCs) related to alterations in the metabolic processes of the entire organism. The molecules analyzed, even if not produced directly in the lungs, travel there through blood, and enter breath by diffusion via the alveolar-capillary, or blood-air, membrane.

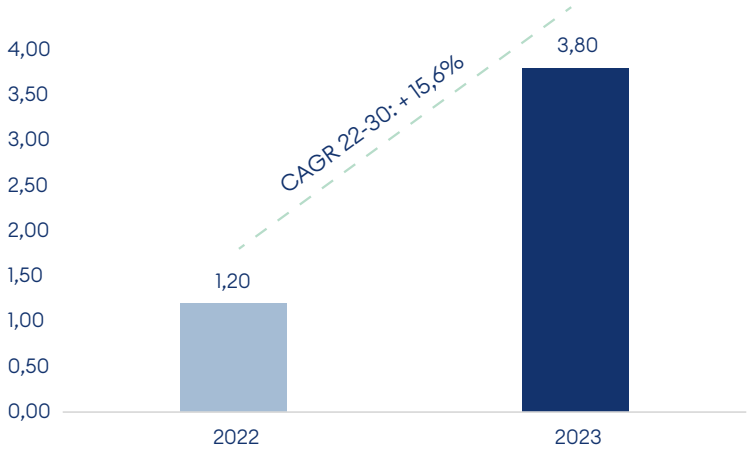
The first ideas for the development of the discipline of breath analysis date from 1971, when Linus Pauling demonstrated that exhaled air contained a complex set of over 250 volatile organic compounds. Over the years, the growing interest of the international scientific community has led to numerous academic and professional publications on the topic, supported by many experimental studies of Pauling's discovery, confirming the valuable information contained in this set of analytes.

The great interest in the topic of breath analysis is evidenced by the constantly growing number of academic publications dedicated to it. Basic research, forming the first step towards the development of practical applications, experiments, prototypes and patents, has, in fact, seen a significant growth from 200 publications per year in 1975 to around 500 per year over the last 20 years. This trend supports the great potential for business innovation in the sector.

Initially, breath analysis was used exclusively in scientific fields. However, the evident potential and high precision of the diagnostic data quickly attracted interest across the entire medical sector, leading to first applications in the diagnosis of colorectal and prostate cancers.

The development opportunities in this field are considerable, thanks particularly to the accuracy of the data and the minimal invasiveness of the method, as well as the significant statistical increase in cases of these pathologies. The application of the breath test to oncology is particularly promising, in addition to applications to other pathologies, at various stages.

CHART 24 – GLOBAL BREATH ANALYSIS MARKET ($/BLN)



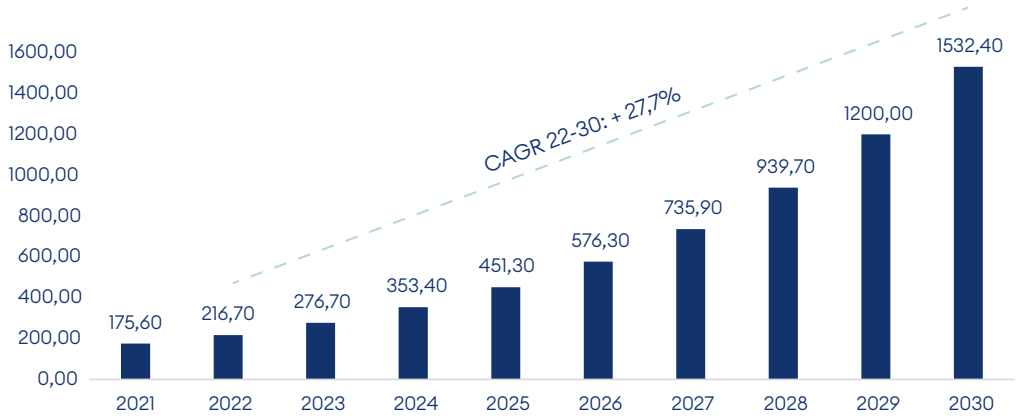

*Source: LIUC (2023)*

The figure highlights the important opportunities offered by this sector, estimated to be worth $ 1.20 billion in 2022, and expected to grow to $ 3.80 billion by 2030, at a 2022-30 CAGR of 15.6%. It is important to note that the market has been dominated by analysis systems that detect a single molecule, including breathalyzers, lactose intolerance tests and bronchial asthma tests, while the new solutions proposed, including, in particular, by Mistral, offer much broader diagnostic capabilities.

## 3.3 The Digital Health Tech Market

Technological innovation in the healthcare sector has grown exponentially over recent years, with the aim of providing patients with increasingly accurate, interactive, fast and personalized diagnoses. The growth of the Digital Health Tech market was particularly stimulated by the COVID-19 pandemic, which highlighted the importance of ensuring the continuity of care in emergency health situations, and led the sector to be worth as much as $ 175.60 billion in 2021. It is estimated that the market will reach a value of $ 216.70 billion in 2022, rising to $1,532.40 billion in 2030, at a 2022-2030 CAGR of 27.7%. Consequently, both public and private sectors have increased sector investments in cutting-edge technologies, such as surgical robots, sensors, virtual assistants and digital systems, with venture capital funds reaching over $ 4.00 billion invested in digital health tech start-ups in 2020, according to the Emerging Venture Capitalists Association (EVCA).

CHART 25 – GLOBAL DIGITAL HEALTHCARE MARKET ($/BLN)




*Source: Grand View Research*

The European market is the second largest after the American one, driven by innovative applications of AI in the medical field, developed in particular in the United Kingdom, followed by Germany and France. The expected growth of the market is supported by investments planned by the European Commission, aimed at digital transformation, in addition to the consolidation of digital healthcare governance and digital therapeutics. Recent technological developments have found particular applications in the sectors of Telemedicine and the Internet of Medical Things (IoMT).

**Telemedicine**

The Telemedicine market refers to the use of information and communication technologies to provide healthcare services remotely. This sector covers a wide range of services that allows

healthcare personnel to interact with patients without the need for a physical appointment. Already over the first few months of 2020, there was an exponential increase in remote health consultations, from 0.1% to 43.5%. Although this figure was influenced by COVID-19 pandemic measures, it is estimated that the growth trend will continue in the future, as confirmed by the data for 2021, in which Telemedicine brought in $ 62.40 billion in revenues, corresponding to 35.5% of total healthcare revenue. Experts now expect the Telemedicine segment to reach a value of $ 577.00 billion in 2028, at a 2022-2028 CAGR of 36.5%.

**Internet of Medical Things**

The market of the Internet of Medical Things (IoMT) is an emerging segment of the healthcare industry dedicated to the integration of internet-connected medical devices into patient management and care. The market offers a wide range of smart devices and trackers that collect and transmit health data in real time. IoMT makes continuous and remote monitoring of patients possible, facilitating timely responses by healthcare professionals, and reducing the need for frequent hospital visits or the involvement of numerous different professional figures. According to the World Investment Bank, the IoT market will reach a value of $ 172.4 billion by 2030.

According to Kantar, Italy leads Europe in the adoption of intelligent medical devices, overall ranking third globally, only after the United States and Australia. For example, when it comes to remote patient monitoring (RPM), in 2020, they were used by approximately 23.4 million people. In particular, weight, heart rate and blood sugar are the variables that are most frequently monitored remotely. The growing adoption of the technologies offered by IoMT has been confirmed by a survey conducted by Spyglass Consulting (2022), according to which 88.0% of healthcare professionals are considering integrating RPM into their standard medical practices.

# 4. Competitive Positioning

Given the multidisciplinary nature of Predict's business, the Company competes transversally with different players. Due to the affinities of the activities of the Imaging and People Support SBUs, it is possible to cluster together the competitive context of these two SBUs. The Mistral and Digital Healthcare SBUs, on the other hand, have peculiar characteristics due to the specific business segment of each.

## 4.1 Competition – Imaging and People Support SBUs

TABLE 2 – COMPARABLES - IMAGING AND PEOPLE SUPPORT SBUS (€/MLN)

| €/mln | Revenues 2022 | Ebitda 2022 | Ebitda % 2022 | Net Income 2022 | Net Income % 2022 |
|---|---|---|---|---|---|
| **Company** | | | | | |
| Medisol Srl | 11,16 | 1,53 | 13,7% | 0,99 | 8.9% |
| Techosp Srl | 8,50 | 0,61 | 7.2% | 0,38 | 4,5% |
| Unimed Srl | 6,57 | 0.53 | 8,1% | 0.37 | 5.6% |
| Medicom Srl | 5,24 | 0,34 | 6.5% | 0.17 | 3.2% |
| G Medical | 4,22 | 0,48 | 11.3% | 0.30 | 7.1% |
| Tecnosoluzioni Srl | 3,53 | 0.91 | 25,8% | 0.62 | 17,7% |
| AM Next Srl | 3,53 | 1.06 | 30,0% | 0.45 | 12,6% |
| ELCAMM Srl | 2,54 | 0,22 | 8,6% | 0,08 | 3.1% |
| Landucci Srl | 1,70 | 0,29 | 17,2% | 0.20 | 11.5% |
| **Median** | **4,22** | **0.53** | **11.3%** | **0.37** | **7.1%** |
| **Predict FY23A** | **7,19** | **0.80** | **11.2%** | **0.19** | **2.7%** |
| **Predict FY22A** | **5,48** | **0.67** | **12.2%** | **0.17** | **3.0%** |

*Source: Predict*

Predict, through its Imaging and People Support SBUs, is active in the Italian ultrasound market, which, in 2023, was valued by the European Trade Association for the Radiological, Electromedical and IT Health Sector, COCIR, at € 180.00 million, with the company GE HealthCare, in particular, declaring a turnover of € 44.00 million in the same year, representing a market share of around 24.0%. GE HealthCare does not provide regional details of turnover, however, by proportionally distributing the market based on the population by region, it can be inferred that the Puglia Region accounts for approximately 7.0% of the national Italian market, worth a total value of approximately € 12.5 million. Predict,

as the sole distributor of GE HealthCare in the Puglia Region, estimates, according to the assumptions made, that it holds a market share in the region of approximately 42.0%. This territorial market share evidences a strong brand awareness of the Company, and confirms its reliability and professionalism. Furthermore, the interconnection and transversality of the Company's core activities allow Predict to offer specialized technical support certified directly by the GE HealthCare parent company. Predict's attention to the satisfaction of its customer base is articulated in the ongoing relations that the Company maintains with its customers through regular surveys and calls, continuing well into the after-sales phase.

The following companies can be identified as main competitors active in the region:

- AM Next Srl, a Philips distributor;
- Elcamm Srl, a Samsung distributor for cardiology segment;
- Unimed Srl, a Samsung distributor for gynecology, general imaging and Deka laser equipment;
- Medicom Srl, a Esaote distributor that also deals in other non-imaging equipment and products;
- Tecnosoluzioni Srl, a Mindray distributor that also deals in other non-imaging equipment and products.

Regarding comparables at a national level, the main GE HealthCare distributors in Italy include:

- Techosp Srl, distributor for Veneto, Friuli, Emilia excluding Romagna, Le Marche;
- Medisol Srl, distributor for Campania, Basilicata, Calabria, and, until 2023, Lazio;
- Landucci Srl, distributor for Sardinia;
- G Medical Srl, distributor for Sicily.

The territories not covered by Predict or any comparable companies are covered directly by GE HealthCare or by small resellers dealing with only certain niche or partial product lines.

## 4.2 Competition – Mistral SBU

TABLE 3 – COMPARABLES - IMAGING AND PEOPLE SUPPORT SBUS (€/MLN)

| Company | Geografic Area | 1st year of acivity in the sector | Devi-ces | Analysis Service | Statistic Analysis | Turnkey Breath Analysis Laborato-ries | Illnesses (tumors, chronic diseases) | Pathology Covid 19 |
|---|---|---|---|---|---|---|---|---|
| **Predict SBU Mistral** | **Italy** | **2017** | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Owlstone Medical | UK | 2016 | ✓ | ✓ | ✓ | ✗ | ✓ | ✓ |
| Breathe BioMe-dical | UK | 2005 | ✓ | ✗ | ✗ | ✗ | ✓ | ✓ |
| Menssana Rese-arch | USA | 2013 | ✓ | ✗ | ✗ | ✗ | ✓ | ✗ |
| Scentech Medical | Israel | 2018 | ✓ | ✗ | ✗ | ✗ | ✓ | ✓ |

*Source: Predict*

Predict is increasing its influence in the Breath Analysis market, which covers techniques for analyzing hundreds of molecules in breath generated by metabolic alterations that can signal pathologies in the organism. These techniques, according to recent studies, are non-invasive diagnostic tools with a strong growth potential.

Involved in the same market are research institutes, universities and companies that research and develop techniques relating to breath analysis. The innovative nature of the breath analysis methodology means that Predict is competing with competitors mainly active in the international context, such as:

- Technion - Israel Institute of Technology, Haifa, Israel;
- Institute for Breath Research – University of Innsbruck, Austria;
- Rostock Medical Breath Research Analytics and Technologies, Germany;
- University of Pisa;
- Department of Environmental Chemistry & Bioanalytics of the Nicolaus Copernicus University of Torun, Poland.

Regarding the commercial aspect of the SBU, Predict competes with companies that also produce breath analysis equipment. Although there is a growing number of companies involved in the development of similar processes, their applications mainly relate to diagnostic areas different from those currently investigated by Predict. These companies include:

- Owlstone Medical – UK – digestive system, liver disease, lung cancer scree-

ning;

- Breathe BioMedical – UK – breast cancer;
- Menssana Research – USA – breast and lung cancer, heart transplant rejection;
- Scentech Medical – Israel – COVID-19 and identification of cancer biomarkers.

The added value that allows Predict to stand out from the market is its ability to offer turnkey diagnostic solutions, such as the Mistral Lab, to both hospital facilities and private doctors and clinics. In fact, in addition to its production of advanced devices for breath sampling, analysis services and proprietary data management software for the diagnosis of certain tumors and chronic pathologies, Predict is alone in offering complete turnkey breath analysis laboratories.

## 4.3 Competition – Digital Healthcare SBU

The breadth of the scope of activities performed by Predict through its Digital Healthcare SBU is broken down by Company into 4 distinct areas:

**Tele-ultrasound**

TABLE 4 – COMPARABLES - TELE-ULTRASOUND

| Company | Geografic Area | Device | Multi-eco-graph com-patibility | Visor compa-tibility | Telecon-sultation platform | End-user Mobile App | Applicabi-lity across multiple Body Districts |
|---|---|---|---|---|---|---|---|
| **SBU Digital - Tele-ecografia** | **Italy** | **System** | ✓ | ✓ | ✓ | ✓ | ✓ |
| Butterfly | Global | Echograph | X | X | ✓ | ✓ | ✓ |
| Philips Lumify | Global | Echograph | X | X | X | ✓ | ✓ |
| Clarius | Global | Probe | X | X | X | ✓ | ✓ |
| Pulsenmore | BR, EU, UK, CH, IS | Probe | X | X | X | ✓ | X |

*Source: Predict*

In the tele-ultrasound field, companies operating in the market generally provide teleconsultation platforms, including the development of mobile apps intended for end-users. Another offer on the market is the configuration of software platforms that allow and manage calls between a clinical operator in the field and a remote expert consultant. In this context, Predict stands out for the compatibility of its devices and equipment, such as the product

Optip Streambox, a solution that works with ultrasound machines of various different brands and product ranges. In addition to this exclusive offering, Predict products integrate with AR/VR headsets to frame the patient and the environment during the teleconsultation.

## Remote and hybrid operating rooms

TABLE 5 – COMPARABLES - REMOTE AND HYBRID OPERATING ROOMS

| Company | Geografic Area | Product | Teleconsultation platform | Proctoring | Teaching | Multi-Visor Compatibility |
|---|---|---|---|---|---|---|
| **SBU Digital - Sala Operatoria remota e ibrida** | **Italy** | **Teleconsultation** | ✓ | ✓ | ✓ | ✓ |
| Rods & Cones | NL - BE - SPA - US | Teleconsultation | ✓ | ✓ | ✓ | ✗ |
| Medinbox | EU | Telecollaboration | ✓ | ✓ | ✓ | ✗ |
| Proximie | EU | Teleconsultation | ✓ | ✓ | ✓ | ✗ |
| Artiness | Italy | Medical Imaging | ✗ | ✓ | ✗ | ✓ |

*Source: Predict*

The solutions envisaged in this area are based on different techniques to connect two figures remotely in a medical context, for various concrete applications, including proctoring, the collaboration of clinicians in real time during a medical procedure, and teaching, that is, by allowing an audience of students to follow a medical procedure in real time. Predict, unlike most of its direct competitors, stands out for the compatibility of the headsets it proposes with various different brands, thus avoiding over-reliance on specific suppliers.

## Immersive teaching

TABLE 6 – COMPARABLES - IMMERSIVE TEACHING

| Company | Geografic Area | Device | Focus Healthcare | Multi-viewer | Telepresence | Real-time content interaction |
|---|---|---|---|---|---|---|
| **SBU Digital - Didattica Immersiva** | **Italy** | **Holographic Stage + Visors** | ✓ | ✓ | ✓ | ✓ |
| Studio Tangram | Italy | Holographic Stage | ✗ | ✓ | ✓ | ✓ |
| Fifth Ingenium | Italy | Visors | ✓ | ✗ | ✗ | ✓ |
| Arht | Noth America | Volumetric Display | ✗ | ✓ | ✓ | ✗ |
| Takeleap | Middle-East, UK | Visors + Stage | ✗ | ✓ | ✓ | ✗ |
| Proto Hologram | USA | Volumetric Display | ✗ | ✓ | ✗ | ✗ |

*Source: Predict*

This area covers various applications of holographic stages, a cutting-edge product of Predict's business. Several companies on the market offer similar products, but none of the Company's possible competitors can boast such a complete offering as Predict. In particular, Predict leverages its technical skills in the healthcare sector to develop specific solutions, in direct consultation with potential end-users, in order to better understand their needs. Furthermore, the technologies on the market allow a single solution to reach various viewers, making it possible to present and interact with content in real time, with minimal preparation needed before the event. Compared to its competitors, Predict takes advantage of the transversality of its business, counting on its highly specialized technical figures, and making the most of its first mover status in such highly innovative sectors.

**Social and collaborative robotics**

TABLE 7 – COMPARABLES - SOCIAL AND COLLABORATIVE ROBOTICS

| Company | Geografic Area | Device | Paediatric applica-tions | Healthca-re applica-tions | Applica-tions in Education | User-frien-dly block program-ming | Compati-bility with Service Robots | Compati-bility with Huma-noid Robots |
|---|---|---|---|---|---|---|---|---|
| **SBU Digital - Robotica Sociale** | **Italy** | **User Interface + Robot** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Interactive Robotics | Nether-lands | User Interface + Robot | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ |
| Behavior Labs | Italy | User Interface + Robot | ✓ | ✗ | ✓ | ✓ | ✗ | ✓ |
| LuxAi | EU | User Interface + Robot | ✓ | ✗ | ✓ | ✓ | ✗ | ✓ |
| Zorabots | EU | Robot + Midd-leware | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ |

*Source: Predict*

The social and collaborative robotics market in the healthcare sector aims to improve the efficiency and quality of healthcare services. Robots can assist medical staff with patient management processes, and improve interactions through advanced communication capabilities. This allows robots supplied by companies such as Predict to offer services of excellence particularly in the pediatric sector, in addition to providing important assistance to healthcare personnel. Currently, the robotics sector is also finding applications in education, through ad hoc solutions for primary and secondary school children. Furthermore, user-friendly block coding environments allows users without computer skills to freely program and schedule the robots' actions and activities. Predict's solutions stand out for their compatibility with service robots, their ability to transport objects, and their touchscreen and voice interaction capabilities for end-users.

## 4.4 SWOT Analysis

**Strengths:**

- Constant technology transfer from personnel to customers;
- Specialist personnel;
- Know-how in the healthcare sector;
- Cutting-edge technological solutions;
- Partnership with GE HealthCare;
- Customer loyalty;
- Collaborations with universities and research centers.

**Weaknesses:**

- Long go-to-market times of innovative projects;
- Difficulties in public-private partnerships regarding the introduction of new products;
- Small companies;
- High relative impact of the supplier GE HealthCare;
- Saturated market in the Puglia Region.

**Opportunities:**

- Supply vs. demand deficit;
- High market growth rates;
- Market not saturated internationally;
- Dense network of contacts in the healthcare sector and consolidated relationships with sector Key Opinion Leaders;
- Development of further synergies between SBUs.

**Threats:**

- Long times for the adoption of new technologies by targets;
- Significant technological investments;
- Technologies constantly being developed, with a high risk of obsolescence.

# 5. Economics & Financials

TABLE 8 – ECONOMICS & FINANCIALS

| INCOME STATEMENT (€/mln) | FY22A | FY23A | FY24E | FY25E | FY26E |
|---|---|---|---|---|---|
| Revenues | 5,48 | 7,19 | 8,50 | 11,25 | 15,20 |
| Other revenues | 0,70 | 0,83 | 0,55 | 0,20 | 0,05 |
| **Value of Production** | **6,18** | **8,02** | **9,05** | **11,45** | **15,25** |
| COGS | 3,27 | 4,52 | 4,60 | 5,60 | 6,65 |
| Services | 1,05 | 1,31 | 1,80 | 2,05 | 2,75 |
| Use of assets owned by others | 0,10 | 0,11 | 0,15 | 0,35 | 0,80 |
| Employees | 1,06 | 1,25 | 1,50 | 1,80 | 2,60 |
| Other operating costs | 0,03 | 0,03 | 0,10 | 0,10 | 0,10 |
| **EBITDA** | **0,67** | **0,80** | **0,90** | **1,55** | **2,35** |
| *EBITDA Margin* | *12,2%* | *11,2%* | *10,6%* | *13,8%* | *15,5%* |
| D&A | 0,38 | 0,47 | 0,30 | 0,40 | 0,80 |
| **EBIT** | **0,29** | **0,33** | **0,60** | **1,15** | **1,55** |
| *EBIT Margin* | *5,3%* | *4,6%* | *7,1%* | *10,2%* | *10,2%* |
| Financial management | (0,03) | (0,03) | (0,05) | (0,05) | 0,00 |
| **EBT** | **0,26** | **0,30** | **0,55** | **1,10** | **1,55** |
| Taxes | 0,10 | 0,11 | 0,20 | 0,35 | 0,50 |
| **Net Income** | **0,17** | **0,19** | **0,35** | **0,75** | **1,05** |

| BALANCE SHEET (€/mln) | FY22A | FY23A | FY24E | FY25E | FY26E |
|---|---|---|---|---|---|
| **Fixed Assets** | **1,75** | **1,76** | **2,25** | **2,65** | **3,25** |
| Account receivable | 1,24 | 2,06 | 2,20 | 2,00 | 1,80 |
| Inventory | 0,43 | 0,51 | 0,30 | 0,35 | 0,40 |
| Account payable | 1,99 | 3,15 | 3,05 | 2,30 | 1,75 |
| **Operating Working Capital** | **(0,32)** | **(0,58)** | **(0,55)** | **0,05** | **0,45** |
| Other receivable | 1,46 | 1,18 | 1,30 | 0,40 | 0,40 |
| Other payable | 1,00 | 1,07 | 2,15 | 1,35 | 1,40 |
| **Net Working Capital** | **0,14** | **(0,47)** | **(1,40)** | **(0,90)** | **(0,55)** |
| Severance & other provisions | 0,16 | 0,19 | 0,25 | 0,35 | 0,55 |
| **NET INVESTED CAPITAL** | **1,72** | **1,10** | **0,60** | **1,40** | **2,15** |
| | | | | | |
| Share capital | 0,10 | 0,10 | 0,13 | 0,13 | 0,13 |
| Reserves | 1,94 | 2,10 | 3,78 | 4,13 | 4,88 |
| Net Income | 0,17 | 0,19 | 0,35 | 0,75 | 1,05 |
| **Equity** | **2,20** | **2,39** | **4,26** | **5,01** | **6,06** |
| Cash & cash equivalents | 1,05 | 1,63 | 4,01 | 3,61 | 3,91 |
| Short term financial debt | 0,45 | 0,32 | 0,35 | 0,00 | 0,00 |
| M/L term financial debt | 0,12 | 0,02 | 0,00 | 0,00 | 0,00 |
| **Net Financial Position** | **(0,48)** | **(1,29)** | **(3,66)** | **(3,61)** | **(3,91)** |
| Adjustments | (0,76) | (0,46) | (0,10) | 0,00 | 0,00 |
| **NFP Adjusted** | **(1,24)** | **(1,76)** | **(3,76)** | **(3,61)** | **(3,91)** |
| **SOURCES** | **1,72** | **1,10** | **0,60** | **1,40** | **2,15** |

| CASH FLOW (€/mln) | FY23A | FY24E | FY25E | FY26E |
|---|---|---|---|---|
| EBIT | 0,33 | 0,60 | 1,15 | 1,55 |
| Taxes | 0,11 | 0,20 | 0,35 | 0,50 |
| **NOPAT** | **0,22** | **0,40** | **0,80** | **1,05** |
| D&A | 0,47 | 0,30 | 0,40 | 0,80 |
| **Change in NWC** | **0,60** | **0,93** | **(0,50)** | **(0,35)** |
| Change in receivable | (0,82) | (0,14) | 0,20 | 0,20 |
| Change in inventory | (0,08) | 0,21 | (0,05) | (0,05) |
| Change in payable | 1,16 | (0,10) | (0,75) | (0,55) |
| Change in others | 0,34 | 0,97 | 0,10 | 0,05 |
| Change in provisions | 0,03 | 0,06 | 0,10 | 0,20 |
| **OPERATING CASH FLOW** | **1,33** | **1,69** | **0,80** | **1,70** |
| Capex | (0,48) | (0,79) | (0,80) | (1,40) |
| **FREE CASH FLOW** | **0,85** | **0,90** | **0,00** | **0,30** |
| Financial management | (0,03) | (0,05) | (0,05) | 0,00 |
| Change in Financial debt | (0,23) | 0,01 | (0,35) | 0,00 |
| Change in equity | 0,00 | 1,52 | 0,00 | 0,00 |
| **FREE CASH FLOW TO EQUITY** | **0,58** | **2,38** | **(0,40)** | **0,30** |

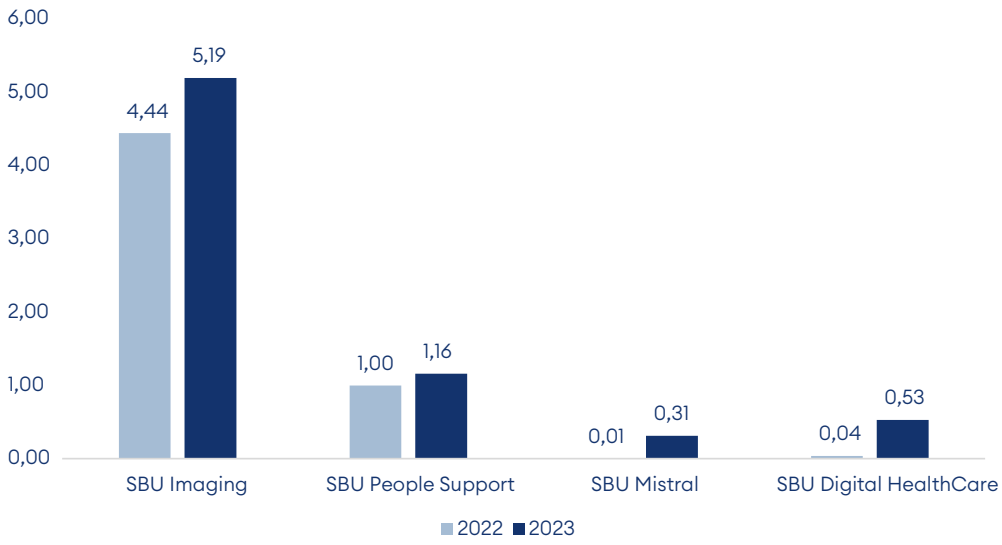
*Source: Integrae SIM*

## 5.1 FY23A Results

In its financial statements as of December 31, 2023, the Company reported a value of production of € 8.02 million, marking a growth of 29.8% on the previous year's figure of € 6.18 million. This is attributable primarily to excellent growth in the revenue component of sales and services, which saw a growth of 31.2%, from a value of € 5.48 million in 2022 to € 7.19 million in the year just ended. At the same time, there was an increase in other revenues, up to € 0.83 million, mainly due to the increase in Regional Aid Project (PIA) contributions.

As highlighted in the figure below, all of Predict's strategic business units contributed to the overall increase in revenues. In particular, the Imaging SBU saw growth of 17.0%, bringing in € 5.19 million, compared to the previous year's takings of € 4.44 million, while the People Support SBU followed the positive trend with a growth of 16.0% compared to 2022, rising from € 1.00 million to € 1.16 million. At the same time, the innovative SBUs also recorded a solid improvement, up to € 0.31 million for the Mistral SBU, and € 0.53 million for the Digital Healthcare SBU.

CHART 26 – REVENUES BREAKDOWN BY SBU (€/MLN)




*Source: Predict*

EBITDA for the period came in at a value of € 0.80 million, showing a growth of 19.6% compared to the figure of € 0.67 million for the previous period, with a relative EBITDA margin of 11.2%, slightly down on the figure for 2022, equal to 12.2%. The cause of the lower margin in the financial year under analysis is attributable to the higher costs of raw materials and services incurred by Predict in 2023, as well as to warehouse management dynamics, which saw a negative change compared to the previous financial year.

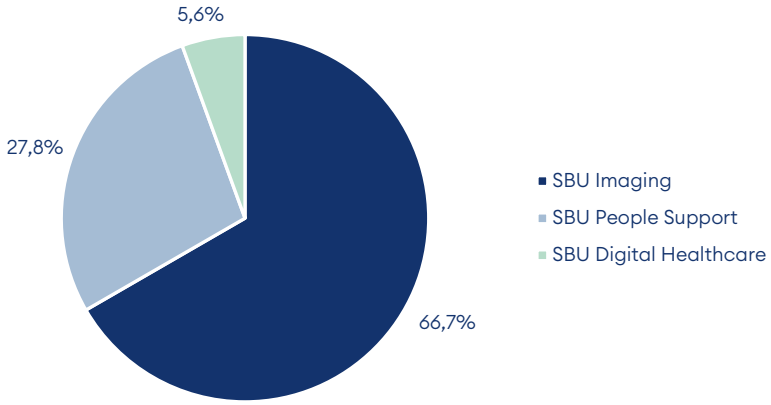
At the end of 2023, EBIT, after depreciation and amortization for a total of € 0.47 million, came in at € 0.33 million, increasing by 13.9% compared to the value of € 0.29 million in 2022, with a relative EBIT margin of 4.6%. Net Income followed a similar trend, experiencing a slight increase, up to a value of € 0.19 million, compared to € 0.17 million in 2022.

On the balance sheet level, the NFP amounted to a cash positive € 1.29 million, marking an improvement compared to the previous year's figure, equal to € 0.48 million (cash positive), due to an increase in the efficiency of operational management, which guaranteed greater cash flows. The Adjusted NFP also considers the contribution from the Regional Aid Project (PIA), amounted to a cash positive € 1.76 million.

## 5.2 1H24A Results

In the first half of 2024, the Company recorded revenues of €1.26 million, down by 46.3% compared to the first half of 2023. This decline was mainly influenced by the lack of tax credits and other fiscal incentives, which had been widely used by private customers for the purchase of medical equipment. Additionally, there was a delay in the approval of regional grants by Public Administrations. Alongside these factors, a recurring seasonality dynamic for Predict further amplified these effects.

CHART 27 – REVENUES BREAKDOWN BY SBUS 1H24A (€/MLN)




*Source: Predict*

Analyzing the contribution of the individual Strategic Business Units (SBU) to total revenues, it emerges that the Imaging SBU remains the main source of revenue, accounting for 66.7% of the total. Following this, the People Support SBU represents 27.8% of revenues, while the Digital Healthcare SBU accounts for 5.6%. The Mistral SBU did not generate any revenue as of June 30, 2024. Therefore, the traditional SBUs remain the main drivers of growth, essential for supporting the innovation process that characterizes the more innovative business units.

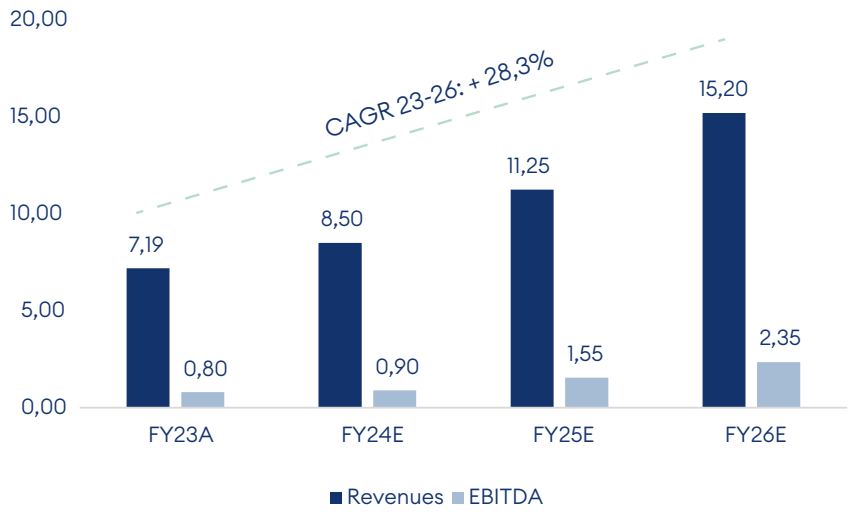
The EBITDA for the period stands at € -0.16 million, a sharp decline compared to the positive result recorded as of June 30, 2023, which was € 0.54 million. This performance is directly linked to the contraction in revenues, influenced by exogenous factors, and further exacerbated by a recurring component of fixed costs. Consequently, the operating margin also decreased, reaching -10.2%.

EBIT, net of depreciation and amortization amounting to € 0.13 million, decreased from € 0.05 mln in the first half of 2023 to the current € -0.29 million, reflecting the overall slowdown that characterized the Company during the first half of the year.

Looking at the balance sheet, the NFP stands at € -0.11 million, still positive but deteriorating compared to € -1.76 million as of December 31, 2023. This decline is mainly attributable to the increase in net working capital, primarily driven by the growth in receivables related to investments made under the PIA project, as well as the increase in inventories, given that the Company's traditional activities, related to the Imaging and People Support SBUs, are heavily concentrated in the last quarter of the year.

## 5.3 FY24E – FY26E Estimates

CHART 28 – REVENUES AND EBITDA FY23A – FY26E (€/MLN)




*Source: Integrae SIM*

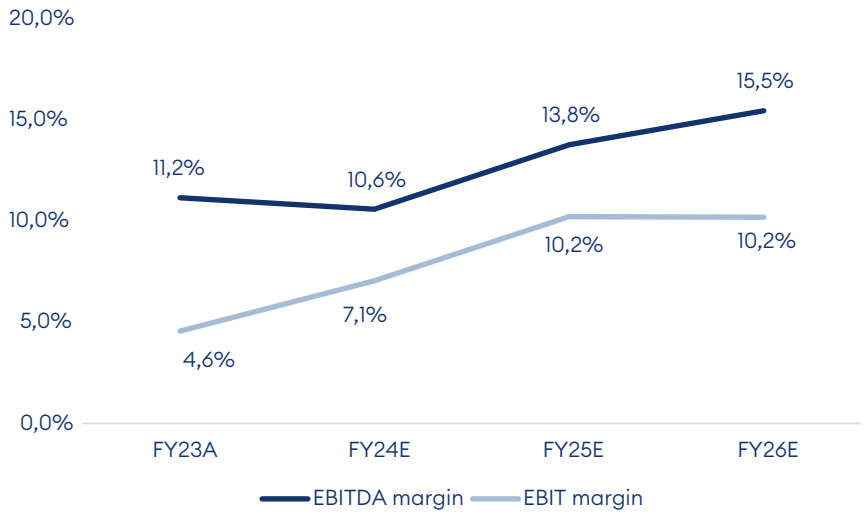
In the following years, we expect significant revenue growth, estimating a figure for 2026 of € 15.20 million, compared to € 7.19 million in FY23A (CAGR 2023-26: 28.3%). We believe that Predict is able to further expand its business, strengthening its presence on the market through both traditional and innovative SBUs.

In particular, we expect that increases in revenues will be mainly fueled by growth opportunities deriving from the Company's expertise in the marketing of medical equipment, technical knowledge in maintenance and repairs, and the technological innovation of its solutions, which have thus far allowed Predict to build a vast healthcare sector network, and establish itself as a reliable player with a consolidated positioning. This will allow the Company to continuously evolve in terms of partnerships with companies, hospitals and research institutes. Furthermore, thanks to its established strategic relationships, Predict will be able to gain further recognition for its innovative products and exploit the growing demand for its proprietary technologies.

Based on our analysis of revenue growth dynamics, we expect a general increase in revenues generated by all SBUs. In particular, we believe that the traditional Imaging and People Support SBUs will continue to provide an important contribution to Predict's business over the estimation horizon, as they are active in a consolidated, established market, allowing Predict to take advantage of reliable and constantly growing revenues. On the other hand, regarding the revenues from the innovative SBUs, i.e. Mistral and Digital Healthcare, we believe that the Company will be able to exploit its pioneering positioning, the uniqueness of its technologies and the market absence of comparable technological solutions to rapidly drive growth in the two markets of Breath Analysis and Digital Healthcare, at estimated 2022-2030 CAGRs of 15.6% and 27.7% respectively.

This growth potential is expected to be further strengthened by emerging synergies that the Company will be able to exploit. The division of the Company's business allows it to focus on the specialist activities of the individual SBUs, and therefore develop specific skills and know-how, which can then be reused transversally across the SBUs, generating strong added value and significant cross-selling opportunities for Predict.

CHART 29 – EBITDA AND EBIT MARGIN FY23A – FY26E

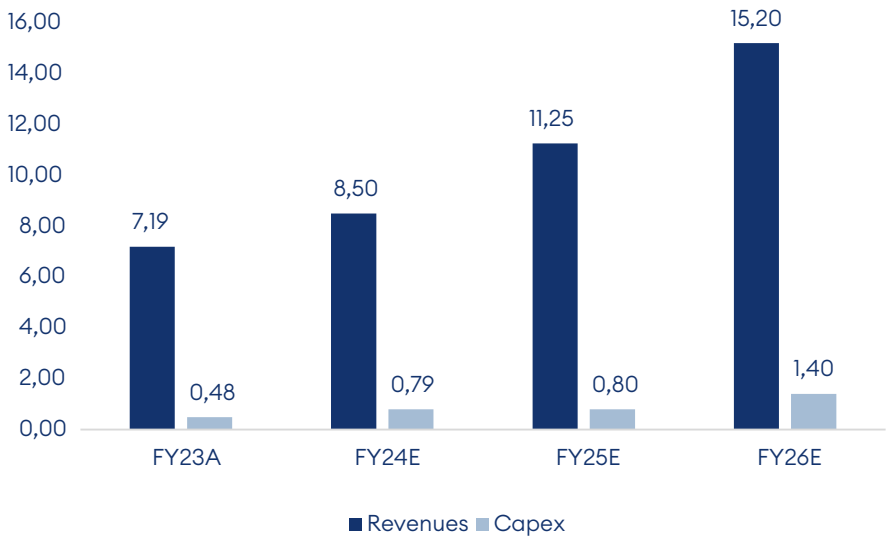



*Source: Integrae SIM*

In line with the expected trend, we estimate that EBITDA for the period will reach € 2.35 million in 2026, compared to € 0.80 million in FY23A, with an EBITDA margin that will grow from 11.2% to 15.5% over the same period. We believe that the positive trend will be driven jointly by the estimated increase in revenues and the less than proportional growth in operating costs resulting from the development of operational efficiencies. At the same time, we expect that the company will benefit from a gradual change in its product mix, leading to an increasingly higher contribution of revenues from innovative SBU solutions that have higher margins. Similarly, at the EBIT level, we believe that the Company can grow from a

figure of € 0.33 million in FY23A to € 1.55 million in FY26E, with margins increasing from 4.6% to 10.2% in the same time-frame, also by benefiting from the aforementioned cost and revenue dynamics.

CHART 30 – REVENUES AND CAPEX FY23A – FY26E (€/MLN)




*Source: Integrae SIM*

As for Capex, we believe that the Company will address intangible and tangible investments, over the estimation period, to expanding its presence within the national territory, regarding the activities of both its traditional and innovative SBUs. We furthermore expect that, following the increase in the volumes of activity of the innovative SBUs, the Company will invest in infra-structures and hardware to guarantee the high quality and innovativeness of its offerings of products and services.

CHART 31 – NFP FY23A – FY26E (€/MLN)


*Source: Integrae SIM*

Finally, we expect that the Company will be able to improve its NFP, from the cash positive figure of € 1.76 million in FY23A to € 3.91 million by the end of 2026, thanks to greater cash flows resulting from improved operational management.

We note that, prudentially, the estimates do not take into account potential development in territories not currently covered by the commercial activities of the traditional SBUs, which, however, the company plans to address over the next few years. Nor do they take into account the possible faster development of the Mistral SBU, driven by a more rapid integration of breath analysis into the guidelines for the diagnosis of various pathologies.

## 5.4 Use of Proceeds

Predict has completed the listing process on the Euronext Growth Milan market, in order to raise funds to consolidate and expand its market positioning and to accelerate the growth of its innovative SBUs.

On one hand, the Company aims to establish itself further in the emerging markets of Breath Analysis and Digital Healthcare. Predict has therefore planned to allocate part of the collection of funds to research and development, thereby strengthening partnerships with polyclinics and universities, which are crucial for product research, development, experimentation and validation, and to expanding the workforce by hiring new professional figures in commercial and product development roles. Similarly, for the development of the in-

novative SBUs, the Company plans to use collected resources to raise the awareness of the scientific community concerning cutting-edge technologies in the reference markets, and to establish a network of Mistral Lab breath analysis centers across the whole of the Italian territory, and thereby expand access to innovative diagnostic services. In this regard, the Company will assess possible acquisitions in the breath analysis and digital healthcare fields, to acquire complementary know-how and geographically expand its market share.

Likewise, part of the funds will be allocated to continuous development of the traditional Imaging and People Support SBUs. In particular, the Company plans to expand its offerings of products and services and diversify its suppliers, in order to increase the quality and kinds of solutions offered, the potential for cross-selling, and synergies between the two SBUs, ultimately to improve the experience of its customers and develop their loyalty. Finally, having achieved an excellent competitive positioning in the markets already targeted by the two SBUs, Predict has planned to undertake commercial and personnel investments to speed up its entry and expansion into further geographical markets.

# 6. Valuation

We conducted our valuation of the equity range of Predict based on the DCF method and multiples of a sample of comparable companies.

## 6.1 DCF Method

TABLE 9 – WACC

| WACC | | | 9,9% |
|---|---|---|---|
| D/E<br>**5,3%** | Risk Free Rate<br>**2,7%** | β Adjusted<br>**0,7** | α (specific risk)<br>**2,5%** |
| $K_d$<br>**3,0%** | Market Premium<br>**6,8%** | β Relevered<br>**0,6** | $K_e$<br>**10,3%** |

*Source: Integrae SIM*

In particolare:

- The Risk-Free Rate is represented by the Rendistato Index of September 2024, with a maturity of between 3 years and 7 months and 4 years and 6 months;
- The Market Premium coincides with the risk premium for the Italian market, as calculated by Professor A. Damodaran;
- D/E is calculated based on Integrae SIM estimates;
- Ke was calculated by CAPM;
- Alpha is the specific additional risk, typical of equity investments in companies characterized by small operating dimensions. Since the operating dimensions are small, the additional small-cap risk was assumed to be equal to 2.5%, the average value among those suggested by leading studies on the subject (Massari Zanetti, Valutazione Finanziaria, McGraw-Hill, 2004, page 145, A. Damodaran, Cost of Equity and Small Cap Premium in Investment Valuation, Tools and Techniques for Determining the Value of Any Assets, III edizione 2012, Guatri Bini, Nuovo Trattato sulla Valutazione delle Aziende, 2009, page 236);

- Beta was calculated on the basis of competitors' 5-year unlevered Beta;
- Kd coincides with the Company's current cost of debt.

Using these data, a WACC of 9.9% was calculated.

TABLE 10 – DCF VALUATION

| DCF | | % of EV |
|---|---|---|
| FCFO actualized | 2,7 | 24% |
| TV actualized DCF | 8,4 | 76% |
| **Enterprise Value** | **11,1** | **100%** |
| NFP (FY24E) | (3,7) | |
| **Equity Value** | **14,8** | |

*Source: Integrae SIM*

With the above data, and taking our estimates and assumptions as a reference, the result is an equity value of **€ 14.8 million**.

TABLE 11 – EQUITY VALUE – SENSITIVITY ANALYSIS

| €/mln | | WACC | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | **8,4%** | **8,9%** | **9,4%** | **9,9%** | **10,4%** | **10,9%** | **11,4%** |
| **Growth Rate (g)** | **3,0%** | 20,3 | 18,8 | 17,6 | 16,6 | 15,7 | 14,9 | 14,2 |
| | **2,5%** | 19,1 | 17,9 | 16,8 | 15,9 | 15,1 | 14,4 | 13,8 |
| | **2,0%** | 18,1 | 17,1 | 16,1 | 15,3 | 14,6 | 14,0 | 13,4 |
| | **1,5%** | 17,3 | 16,3 | 15,5 | 14,8 | 14,1 | 13,5 | 13,0 |
| | **1,0%** | 16,6 | 15,7 | 15,0 | 14,3 | 13,7 | 13,2 | 12,7 |
| | **0,5%** | 15,9 | 15,2 | 14,5 | 13,9 | 13,3 | 12,9 | 12,4 |
| | **0,0%** | 15,4 | 14,7 | 14,1 | 13,5 | 13,0 | 12,6 | 12,1 |

*Source: Integrae SIM*

## 6.2 Multiples Method

Considering the business model and activities of the Company, we conducted our valuation using an average of the multiples of two different panels:

- The first panel was made up of companies belonging to the specific Imaging and Diagnostics markets;
- The second panel was made up of Italian companies active in the Healthcare sector.

### 6.2.1 Composition of the Imaging and Diagnostics panel

- **GE Healthcare Technologies Inc.**

GE Healthcare Technologies Inc. develops and manufactures medical and pharmaceutical technologies, diagnostics and digital solutions. GE Healthcare Technologies operates in the following segments: Imaging, Ultrasound, Patient Care Solutions, and Pharmaceutical Diagnostics. In the Imaging segment, it supplies scanning devices, clinical applications, service capabilities, and digital solutions. In the Ultrasound segment, on the other hand, it offers equipment for the screening, diagnosis, treatment and monitoring of certain diseases. In the Patient Care Solutions segment, it supplies medical devices, consumables, services, and digital solutions. In the Pharmaceutical Diagnostics segment, it provides diagnostic agents to the global radiology and nuclear medicine community. The company was founded on May 16, 2022, and is headquartered in Chicago, IL, in the USA.

- **Siemens Healthineers AG.**

Siemens Healthineers AG. operates in the following business segments: Imaging, Diagnostics, and Advanced Therapies. In the Imaging segment, it offers diagnostic imaging products and a broad portfolio of advanced imaging and ultrasound systems and solutions. In the Diagnostics segment, it offers products, services and solutions, including a broad range of testing applications, for the fields of laboratory diagnostics, point of care management, and molecular diagnostics. In the Advanced Therapies segment, it offers advanced therapy products, services and solutions to the therapy departments of healthcare providers. The company was founded on December 1, 2017, and is headquartered in Erlangen, Germany.

- **Koninklijke Philips NV.**

Koninklijke Philips NV is a technology company operating in the markets of Healthcare, Lighting, and Consumer Well-being. The company operates in the following specific segments: Diagnosis and Treatment, Connected Care, Personal Health, and Other. In the Diagnosis and Treatment segment, it offers systems, intelligent devices, software and services, powered by AI-based solutions that support precise diagnoses and minimally invasive treatments

in therapeutic areas such as cardiology, peripheral vascular disease, neurology, surgery, and oncology. In the Connected Care segment, it focuses on the monitoring of hospitalized patients, sleep and respiratory care, as well as related enterprise IT services. Dedicated to the Personal Health segment, it has an oral health business unit, a personal care business unit, and a mother and baby care business unit. The Other segment concerns Innovation and Strategy, IP Royalties, core costs, and other small items. The company was founded by Anton Frederik Philips and Gerard Leonard Frederik Philips in 1891, and is headquartered in Amsterdam, the Netherlands.

- **Sonic Healthcare Ltd.**

Sonic Healthcare Ltd. deals with the provision of medical diagnostic services. The company operates in the following segments: Laboratory, Radiology, and Other. In the Laboratory segment, it offers pathology and clinical services. In the Radiology segment, it offers diagnostic imaging services in Australia. The Other segment refers to its corporate office functions, medical center operations, occupational health services, and other smaller operations. The company was founded on September 25, 1934, and is headquartered in Sydney, Australia.

- **Healius Ltd.**

Healius Ltd. deals with the provision of technological healthcare solutions. It operates in the following segments: Pathology, Imaging, and Other. In the Pathology segment, it provides pathology services. In the Imaging segment, it focuses on providing imaging services for independent imaging facilities, hospitals and medical centers. The Other segment concerns business functions. The company was founded by Edmund Gregory Thomas Bateman in 1985, and is headquartered in St. Leonards, Australia.

- **RadNet Inc.**

RadNet, Inc. provides freestanding, fixed-site outpatient diagnostic imaging services in the United States. Its centers provide physicians with imaging capabilities to facilitate the diagnosis and treatment of diseases and disorders and reduce unnecessary invasive procedures. The firm offers magnetic resonance imaging, computed tomography, positron emission tomography, nuclear medicine, mammography, ultrasound, diagnostic radiology, fluoroscopy, and other related procedures. RadNet was founded by Howard G. Berger in 1980 and is headquartered in Los Angeles, CA.

- **Hologic, Inc.**

Hologic, Inc. deals with the development, manufacturing and supply of diagnostic products, medical imaging systems and surgical products dedicated to serving the healthcare needs of women in particular. The company operates in the following segments: Breast Health, Diagnostics, Gynecological Surgery, and Skeletal Health. In the Breast Health segment, it offers a portfolio of breast cancer care radiology, pathology and surgery solutions. In the Diagnostics segment, it focuses on products that facilitate the screening and diagno-

sis of diseases. In the Gynecological Surgery segment, it offers its NovaSure Endometrial Ablation System, MyoSure Hysteroscopic Tissue Removal System, and Fluent Fluid Management System. In the Skeletal Health segment, it offers its DXA Horizon and Fluoroscan Insight FD Mini C-arm products. The company was founded by S. David Ellenbogen and Jay A. Stein in 1985, and is headquartered in Marlborough, MA, in the USA.

- **FUJIFILM Holdings, Inc.**

FUJIFILM Holdings, Inc. deals with the development, manufacture, sales and servicing of imaging, information and document solutions. It operates in the following segments: Healthcare, Materials Solutions, Business Innovation, and Imaging Solutions. In the Healthcare segment, it offers medical systems equipment, biopharmaceutical contract manufacturing and development, and drug discovery support materials. In the Materials Solutions segment, it offers electronic materials, display materials, industrial equipment, fine chemicals, graphical communications system equipment, and ink-jet printing equipment. In the Business Innovation segment, it offers digital devices, solutions and services. In the Imaging Solutions segment, it offers color film processing, digital cameras, optical devices, colored papers, and photofinishing equipment. The company was founded on January 20, 1934, and is headquartered in Tokyo, Japan.

TABLE 12 – COMPARABLE MARKET DATA

| Company Name | Country | Market Cap (€/mln) | EV (€/mln) | NFP (€/mln) | EV/ EBITDA | P/E | NFP/ EBITDA |
|---|---|---|---|---|---|---|---|
| GE Healthcare Technologies Inc. | USA | 31.815,93 | 38.748,00 | 6.661,84 | 12,8 x | 21,8 x | 2,1 x |
| Siemens Healthineers AG | Germany | 61.972,32 | 75.682,63 | 15.011,00 | 18,1 x | 33,1 x | 3,7 x |
| Koninklijke Philips N.V. | Netherlands | 23.014,46 | 28.974,91 | 5.820,00 | 13,9 x | n/a | 2,8 x |
| Sonic Healthcare Limited | Australia | 7.339,89 | 9.452,06 | 1.404,81 | 11,2 x | 23,2 x | 1,5 x |
| Healius Limited | Australia | 596,22 | 1.432,83 | 1.007,14 | 6,5 x | n/a | 4,4 x |
| RadNet, Inc. | USA | 4.211,78 | 5.062,65 | 1.039,74 | 16,6 x | 188,2 x | 1,7 x |
| Hologic, Inc. | USA | 15.866,06 | 16.510,30 | 171,52 | 14,7 x | 37,5 x | 0,1 x |
| FUJIFILM Holdings Corp | Japan | 27.544,99 | 29.306,25 | 2.617,92 | 11,3 x | 18,5 x | 0,8 x |
| **Median** | | **19.440,26** | **22.742,60** | **2.011,37** | **13,4 x** | **28,1 x** | **1,9 x** |
| **Predict** | **Italy** | **5,62** | **1,95** | **(1,76)** | **2,4 x** | **29,5 x** | **n/a** |

*Source: FactSet, Integrae SIM*

TABLE 13 – COMPARABLE FINANCIAL HIGHLIGHTS

| Company Name | Last FY | Revenues | EBITDA | EBIT | Net Income | EBITDA % | EBIT % | Net Income % |
|---|---|---|---|---|---|---|---|---|
| GE Healthcare Technologies Inc. | 31/12/2023 | 18.085,02 | 3.143,05 | 2.578,82 | 1.454,05 | 17,4% | 14,3% | 8,0% |
| Siemens Healthineers AG | 30/09/2023 | 21.680,00 | 3.997,00 | 2.440,00 | 1.509,00 | 18,4% | 11,3% | 7,0% |
| Koninklijke Philips N.V. | 31/12/2023 | 18.169,00 | 2.082,00 | 792,00 | (456,00) | 11,5% | 4,4% | -2,5% |
| Sonic Healthcare Limited | 30/06/2023 | 5.124,04 | 979,96 | 527,74 | 440,67 | 19,1% | 10,3% | 8,6% |
| Healius Limited | 30/06/2023 | 1.098,10 | 239,38 | 61,05 | (244,47) | 21,8% | 5,6% | -22,3% |
| RadNet, Inc. | 31/12/2023 | 1.495,33 | 261,30 | 86,02 | 2,82 | 17,5% | 5,8% | 0,2% |
| Hologic, Inc. | 30/09/2023 | 3.778,66 | 1.185,42 | 882,22 | 427,52 | 31,4% | 23,3% | 11,3% |
| FUJIFILM Holdings Corp | 31/03/2024 | 18.885,69 | 2.721,88 | 1.765,04 | 1.553,18 | 14,4% | 9,3% | 8,2% |
| **Median** | | **11.604,53** | **1.633,71** | **837,11** | **434,09** | **18,0%** | **9,8%** | **7,5%** |
| | | | | | | | | |
| **Predict** | **31/12/2023** | **7,19** | **0,80** | **0,33** | **0,19** | **11,2%** | **4,6%** | **2,7%** |

*Source: FactSet, Integrae SIM*

## 6.2.2 Composition of the Healthcare panel

- **GVS SpA**

GVS SpA deals with the manufacture of filtering devices for healthcare and life sciences industry applications, energy and mobility, and health and safety. It focuses on innovating products and processes to drive development in global markets. The company operates facilities at its headquarters on the outskirts of Bologna, Italy, as well as in the United Kingdom, Brazil, the United States, China, Malaysia, Mexico, Romania, and Puerto Rico, in addition to sales offices located around the world. The company was founded by Grazia Valentini in 1979, and is headquartered in Zola Predosa, Italy.

- **Stevanato Group SpA**

Stevanato Group SpA provides solutions for the storage and administration of drugs, and diagnostic solutions for the pharmaceutical, biotechnology and life sciences industries. The company operates in the following segments: Biopharmaceutical and Diagnostic Solutions, and Engineering. In the Biopharmaceutical and Diagnostic Solutions segment, it offers all kinds of products, processes and services developed and supplied for the containment and delivery of biotechnological drugs and reagents, as well as producing diagnostic consumables. In the engineering segment, it offers all kinds of equipment and technologies to support end-to-end pharmaceutical, biotechnology and diagnostic manufacturing processes. The company was founded by Giovanni Stevanato in 1949, and is based in Piombino Dese, Italy.

- **DiaSorin SpA**

DiaSorin SpA deals with the development, manufacture and marketing of reagent kits for laboratory diagnostics. The company is specialized in the segments of Immunodiagnostics and Mo-

lecular Diagnostics. It provides clinical services in areas such as infectious diseases, osteology, endocrinology, hypertension, oncology, stool diagnostics, and autoimmunity. The company was founded in 1968, and is headquartered in Saluggia, Italy.

- **I.M.D. International Medical Devices SpA**

I.M.D. International Medical Devices SpA manufactures and distributes x-ray generators and units and medical diagnostic systems. It designs, develops, manufactures and markets a wide range of x-ray technology diagnostic systems, and components for clinical applications in radiology and medical fields. The company was founded in 1981, and is based in Grassobbio, Italy.

- **Shedir Pharma Group SpA**

Shedir Pharma Group SpA is a holding company that researches and develops nutraceuticals and medical devices. It operates through its BU1 and BU2 business units. The BU1 unit focuses on the development, formulation, promotion and marketing of nutraceuticals, dermocosmetics and medical equipment. The BU2 unit specializes in the manufacture and distribution of medicines and other pharmaceutical products. The company was founded by Umberto di Maio on October 13, 2014, and is headquartered in Piano di Sorrento, Italy.

- **Svas Biosana SpA**

Svas Biosana SpA distributes medical equipment. Its products include: personal protective equipment (PPE); specialized devices; equipment and furniture; anesthesia and resuscitation equipment; advanced dressings; peritoneal dialysis equipment; gynecology equipment; closed systems for the handling of dangerous drugs; diabetes care equipment; surgical sutures; surgical instruments and containers; haemostatic products; custom packaging; impregnated dressings; pharma-gels; core sterile supplies; absorbent mats; bedding; radiation protection devices; ordinary dressings and bandages; hydrophilic cotton; personal care products; absorbent mats for animals. The company was founded in 1972, and is based in Somma Vesuviana, Italy.

TABLE 14 – COMPARABLE MARKET DATA

| Company Name | Country | Market Cap (€/mln) | EV (€/mln) | NFP (€/mln) | EV/EBITDA | P/E | NFP/EBITDA |
|---|---|---|---|---|---|---|---|
| GVS S.p.A | Italy | 1.232,00 | 1.517,92 | 283,24 | 16,8 x | 59,9 x | 3,2 x |
| Stevanato Group SpA | Italy | 840,55 | 4.706,50 | 329,12 | 18,2 x | 32,9 x | 1,3 x |
| DiaSorin S.p.A. | Italy | 5.631,19 | 6.399,45 | 789,27 | 18,2 x | 35,1 x | 2,2 x |
| I.M.D. S.p.A. | Italy | 26,47 | 24,70 | (2,97) | 6,2 x | 11,7 x | -0,7 x |
| Shedir Pharma Group S.p.A. | Italy | 44,81 | 47,20 | 2,26 | 3,9 x | 7,9 x | 0,2 x |
| Svas Biosana S.p.A. | Italy | 44,24 | 71,43 | 27,18 | 7,0 x | 8,6 x | 2,7 x |
| **Median** | | **442,68** | **794,67** | **155,21** | **11,9 x** | **22,3 x** | **1,8 x** |
| **Predict** | **Italy** | **5,62** | **1,95** | **(1,76)** | **2,4 x** | **29,5 x** | **n/a** |

*Source: FactSet, Integrae SIM*

TABLE 15 – COMPARABLE FINANCIAL HIGHLIGHTS

| Company Name | Last FY | Revenues | EBITDA | EBIT | Net Income | EBITDA % | EBIT % | Net Income % |
|---|---|---|---|---|---|---|---|---|
| GVS S.p.A | 31/12/2023 | 424,74 | 88,01 | 43,88 | 13,65 | 20,7% | 10,3% | 3,2% |
| Stevanato Group SpA | 31/12/2023 | 1.085,35 | 268,78 | 190,30 | 145,63 | 24,8% | 17,5% | 13,4% |
| DiaSorin S.p.A. | 31/12/2023 | 1.148,21 | 350,81 | 235,79 | 159,85 | 30,6% | 20,5% | 13,9% |
| I.M.D. S.p.A. | 31/12/2023 | 38,01 | 4,01 | 3,38 | 2,22 | 10,6% | 8,9% | 5,8% |
| Shedir Pharma Group S.p.A. | 31/12/2023 | 59,39 | 12,25 | 8,39 | 5,70 | 20,6% | 14,1% | 9,6% |
| Svas Biosana S.p.A. | 31/12/2023 | 118,28 | 10,23 | 5,21 | 5,12 | 8,6% | 4,4% | 4,3% |
| **Median** | | **271,51** | **50,13** | **26,14** | **9,67** | **20,7%** | **12,2%** | **7,7%** |
| | | | | | | | | |
| **Predict** | **31/12/2023** | **7,19** | **0,80** | **0,33** | **0,19** | **11,2%** | **4,6%** | **2,7%** |

*Source: FactSet, Integrae SIM*

## 6.2.3 Multiples Method

TABLE 16 – MARKET MULTIPLES - IMAGING & DIAGNOSTICS

| Company name | EV/EBITDA | | | EV/EBIT | | | P/E | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E |
| GE Healthcare Technologies Inc. | 11,3 x | 10,5 x | 9,8 x | 13,3 x | 12,2 x | 11,1 x | 17,6 x | 15,8 x | 14,2 x |
| Siemens Healthineers AG | 16,4 x | 14,0 x | 12,8 x | 21,5 x | 18,3 x | 16,3 x | 25,0 x | 21,1 x | 18,5 x |
| Koninklijke Philips N.V. | 9,5 x | 8,7 x | 8,1 x | 13,7 x | 12,2 x | 11,1 x | 17,5 x | 15,2 x | 13,6 x |
| Sonic Healthcare Limited | 9,6 x | 8,9 x | 8,4 x | 18,6 x | 16,9 x | 15,1 x | 25,0 x | 21,7 x | 19,2 x |
| Healius Limited | 6,8 x | 6,0 x | 5,6 x | 36,2 x | 22,7 x | 18,9 x | n/a | 35,4 x | 21,6 x |
| RadNet, Inc. | 19,8 x | 18,1 x | 16,7 x | 44,9 x | 39,1 x | 40,6 x | 102,4 x | 78,4 x | 69,8 x |
| Hologic, Inc. | 13,6 x | 12,6 x | 11,8 x | 14,7 x | 13,6 x | 12,6 x | 17,9 x | 16,4 x | 15,0 x |
| FUJIFILM Holdings Corp | 10,4 x | 9,5 x | 8,4 x | 15,8 x | 14,5 x | 13,6 x | 17,9 x | 16,6 x | 15,2 x |
| **Median** | **10,8 x** | **10,0 x** | **9,1 x** | **17,2 x** | **15,7 x** | **14,4 x** | **17,9 x** | **18,8 x** | **16,8 x** |

*Source: FactSet, Integrae SIM*

TABLE 17 – MARKET MULTIPLES - HEALTHCARE

| Company name | EV/EBITDA | | | EV/EBIT | | | P/E | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E | FY24E | FY25E | FY26E |
| GVS S.p.A | 13,5 x | 11,3 x | 10,5 x | 18,6 x | 15,0 x | 13,8 x | 23,9 x | 18,6 x | 16,5 x |
| Stevanato Group SpA | 16,4 x | 13,8 x | 11,9 x | 24,1 x | 19,9 x | 16,9 x | 31,9 x | 26,3 x | 21,5 x |
| DiaSorin S.p.A. | 16,2 x | 14,4 x | 12,8 x | 23,2 x | 20,2 x | 17,6 x | 26,5 x | 23,5 x | 20,3 x |
| I.M.D. S.P.A. | 4,1 x | 3,5 x | 3,3 x | 4,8 x | 4,3 x | 4,1 x | 7,6 x | 4,8 x | n/a |
| Shedir Pharma Group S.p.A. | 3,5 x | 3,3 x | 3,1 x | 5,0 x | 4,7 x | 4,3 x | 6,8 x | 6,3 x | 5,8 x |
| Svas Biosana S.p.A. | 4,9 x | 4,5 x | 4,5 x | 7,9 x | 7,4 x | 7,3 x | 7,1 x | 6,2 x | n/a |
| **Median** | **9,2 x** | **7,9 x** | **7,5 x** | **13,2 x** | **11,2 x** | **10,5 x** | **15,8 x** | **12,5 x** | **18,4 x** |

*Source: FactSet, Integrae SIM*

TABLE 18 – MARKET MULTIPLES VALUATION

| €/mln | FY24E | FY25E | FY26E |
|---|---|---|---|
| **Enterprise Value (EV)** | | | |
| EV/EBITDA | 9,0 | 13,9 | 19,5 |
| EV/EBIT | 9,1 | 15,5 | 19,3 |
| P/E | 5,9 | 11,7 | 18,5 |
| **Enterprise Value post 25% discount** | | | |
| EV/EBITDA | 6,8 | 10,4 | 14,6 |
| EV/EBIT | 6,9 | 11,6 | 14,5 |
| P/E | 4,4 | 8,8 | 13,9 |
| **Equity Value** | | | |
| EV/EBITDA | 10,4 | 14,0 | 18,5 |
| EV/EBIT | 10,5 | 15,2 | 18,4 |
| P/E | 4,4 | 8,8 | 13,9 |
| **Average** | **8,5** | **12,7** | **16,9** |

*Source: Integrae SIM*

The equity value of Predict was calculated using the average of EV/EBITDA, EV/EBIT and P/E market multiples. In order to include in the price a lower liquidity that will presumably characterize Predict stock compared to its comparables, we have applied a discount of 25.0%. This results in an equity value of € 12.7 million.

# 7. Equity Value

TABLE 19 – EQUITY VALUE

| Average Equity Value (€/mln) | 13,7 |
|---|---|
| Equity Value DCF (€/mln) | 14,8 |
| Equity Value Multiples (€/mln) | 12,7 |

*Source: Integrae SIM*

Considering the values obtained by the DCF method and those obtained by the multiples method, we calculate an average equity value of **€ 13.7 million. Therefore the target price is equal to 1.90, rating BUY, MEDIUM risk.**

TABLE 20 – TARGET PRICE IMPLIED VALUATION MULTIPLES

| Multiples | FY23A | FY24E | FY25E | FY26E |
|---|---|---|---|---|
| EV/EBITDA | 12,6 x | 11,2 x | 6,5 x | 4,3 x |
| EV/EBIT | 30,7 x | 16,8 x | 8,8 x | 6,5 x |
| P/E | 72,1 x | 39,2 x | 18,3 x | 13,1 x |

*Source: Integrae SIM*

TABLE 21 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

| Main Ratios | FY23A | FY24E | FY25E | FY26E |
|---|---|---|---|---|
| EV/EBITDA | 2,4 x | 2,2 x | 1,3 x | 0,8 x |
| EV/EBIT | 5,9 x | 3,3 x | 1,7 x | 1,3 x |
| P/E | 29,5 x | 16,0 x | 7,5 x | 5,3 x |

*Source: Integrae SIM*

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| Equity Total Return (ETR) for different risk categories | | | |
|---|---|---|---|
| Rating | Low Risk | Medium Risk | High Risk |
| BUY | ETR >= 7.5% | ETR >= 10% | ETR >= 15% |
| HOLD | -5% < ETR < 7.5% | -5% < ETR < 10% | 0% < ETR < 15% |
| SELL | ETR <= -5% | ETR <= -5% | ETR <= 0% |
| | | | |
| U.R. | Rating e/o target price Under Review | | |
| N.R. | Stock Not Rated | | |

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