

Biotechnology

FBLG – NASDAQ September 22, 2025

Intraday Price 9/22/25 **\$0.53**

Rating: Buy

12-Month Target Price: \$4.00

52-Week Range: \$0.52 - \$3.89

Market Cap (M): \$22.3

Shares O/S (M): 41.9

Float: 71.7%

Avg. Daily Volume (000): 494.4

Debt (M): \$0.3

Dividend: \$0.00

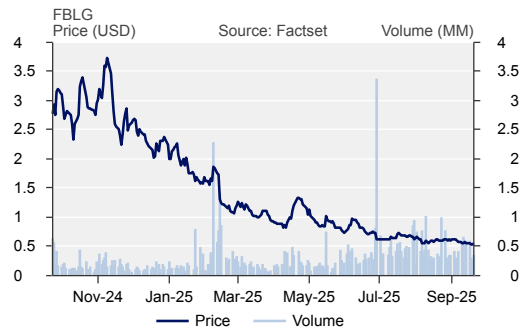
Dividend Yield: 0.0%

Risk Profile: Speculative

Fiscal Year End: December

Total Expenses ('000)

| | 2024A | 2025E | 2026E |
|-------|--------|--------|--------|
| 1Q | 3,450 | 4,531A | 5,575 |
| 2Q | 3,224 | 4,490A | 5,817 |
| 3Q | 3,352 | 4,817 | 6,302 |
| 4Q | 3,419 | 5,092 | 6,544 |
| FY | 13,737 | 18,930 | 24,237 |
| Prior | — | 18,268 | 23,211 |



FibroBiologics, Inc.

Buy

Progress on Pipeline Continues Including New Bone Marrow Organoid Program

Summary

- FibroBiologics continues to make progress across its pipeline including advancing toward its Phase 1/2 study in diabetic foot ulcers (expected start in 1Q26, completion in 3Q26) and IND enabling studies in psoriasis expected to complete by YE25.
- The company is also working on uncovering new applications including an announcement on 9/10/25 regarding its Bone Marrow Organoid platform which has potential for treatment of cancer as well as aging related immune decline.
- The platform has demonstrated preclinical reduction in tumor size in solid tumor (melanoma) models, the ability for ex-vivo gene editing to enable engineering of the immune cells produced by the organoid (potential application in *in vivo* generation of CAR-T or CAR-NK cells), as well as ability for cryopreservation to enable a scalable and off the shelf option for bone marrow transplant.
- FibroBiologics ended 2Q25 with \$8.8M in cash, which should provide sufficient funding into 1H26. We expect additional capital to be required to fund the P1/2 study, which may come in part from the \$10M remaining on its equity purchase agreement. In addition, there is \$8.1M in convertible debt which we factor into our model.

Details

Bone Marrow Organoid has versatile potential in a range of applications. On 9/10/25, FibroBiologics provided an update on one of its earlier stage programs, a Bone Marrow Organoid platform. We find the program interesting with potential to address solid tumors and immune decline through in-vivo production of immune cells, as well as hematology as a bone marrow transplant source. Below, we discuss key takeaways from the update and potential applications:

- Preclinical work shows promise in solid tumors.** FibroBiologics has demonstrated in mouse xenograft melanoma models that transplantation of bone marrow organoids significantly reduces tumor size.
- Edited organoids as a therapeutic.** The organoids have the potential to be gene edited ex vivo and then transplanted. This provides potential to engineer the organoids to help replace a particular type of immune cell, or even to produce an engineered cell like a CAR-T or CAR-NK in vivo.
- Bone marrow transplant.** The organoids can be cryopreserved, providing a potential scalable and readily available option for bone marrow transplant.

CYWC628 – chronic wound care represents low-hanging fruit. The most near-term opportunity for FibroBiologics, in our view, comes from chronic wound care, an area where fibroblasts are integral to the healing process. This is because fibroblasts are the cells responsible for tissue repair and remodeling. Further, fibroblast cells are already a key component of graft products like Apligraf. Chronic wound care represents a sizable market with \$28B in healthcare spending with nearly 2 million patients experiencing venous leg ulcers and diabetic foot ulcers annually.

FibroBiologic’s drug candidate CYWC628 utilizes its fibroblast spheroid platform and in preclinical studies has demonstrated accelerated wound closure reaching 59% reduction in wound size vs. 35% for Grafix, a market-leading product graft product, following a single dose. These studies not only demonstrate acceleration of wound healing, but higher quality as well, with improvements across multiple aspects of the wound healing process (granulation, re-epithelialization, cell proliferation, neovascularization, and recruitment of additional fibroblasts). For reference, Grafix is a key component of Smith and Nephews’ (SNN - NR) Advanced Wounds Bioactives segment, which generated \$553M in sales in 2023. Given that chronic wounds can lead to infection and hospitalization, accelerating closure should reduce health care expenditure, driving uptake with payors and potentially warranting premium pricing.

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Timelines:

- **Phase 1/2 initiation – 1Q26.** FibroBiologics plans to launch a Phase 1/2 for CYWC628 in diabetic foot ulcers (DFUs) in Australia.
- **Phase 1/2 completion – 3Q26.** The study is expected to progress rapidly with completion targeted by 3Q26.

CYPS317 – fibroblasts are suited for one of the largest inflammation markets, psoriasis. Due to its similar and potentially enhanced anti-inflammatory paracrine properties vs. stem cells, there is the potential to extend fibroblasts to inflammatory conditions. Psoriasis is one of the largest with a \$29B market. While these immunomodulatory properties have therapeutic potential on their own to impact the underlying inflammatory processes, fibroblasts may bring an added mechanism due to the role of the epithelial immune microenvironment.

Dysfunction in existing fibroblasts has been found to play a role in disease pathogenesis in psoriasis through crosstalk to other epithelial cells, while introduction of healthy fibroblasts could counteract this. As such, we see a multifaceted mechanistic rationale for fibroblasts through modulating the immune response, promoting anti-inflammatory effects, and facilitating tissue regeneration, addressing the underlying causes of psoriasis rather than just the symptoms. This is supported by preclinical data that demonstrated a reduction in disease severity, as well as immune profiling with reduced activation and recruitment of T cells to psoriatic plaques. Further, cell therapy may be particularly attractive in psoriasis as the effects could avoid the side effects associated with systemic immunosuppression associated with megablockbuster drugs like Stelara and Humira.

Timeline:

- **Completion of IND enabling studies – YE25.** FibroBiologics has advanced CYPS317 beyond the discovery phase and is targeting completion of IND enabling studies by YE25.

Financial/model update. In Dec 2024, FibroBiologics entered into a Standby Equity Purchase Agreement (SEPA) with a single investor for up to \$25M in gross proceeds. The first \$15M (\$13.1M net) from this deal has been secured through three tranches of convertible promissory notes, of which \$8.1M remains on the balance sheet. The notes are convertible to shares at the lower of \$2.41 per share and 94% of the lowest daily VWAP during the five consecutive trading days immediately preceding the conversion date (floor of \$0.406). We estimate that the company has \$10M outstanding under this agreement. We factor dilution associated with conversion of the outstanding convertible debt into our model.

FibroBiologics reported 2Q25 with a net loss of \$4.7M, and \$8.8M in cash. We expect the company is funded into 1Q26, though will need additional capital (potentially through its SEPA) to launch its P1/2 study.

For additional information, see our initiation report from 9/24/24 – ([LINK](#))

Valuation. We model commercialization in diabetic foot ulcers (2029) with a 70% revenue risk adjustment and in psoriasis (2030), multiple sclerosis (2031), and degenerative disc disease (2031) with an 80% revenue risk adjustment. A 30% discount is applied to the free cash flow, discounted EPS, and sum-of-the-parts models, which are equally weighted to derive a 12-month price target of \$4.00.

Company description: *FibroBiologics is a cell therapy, regenerative medicine company developing a pipeline of treatments and potential cures for chronic diseases using fibroblast cells and fibroblast-derived materials.*

| FibroBiologics: Income Statement (\$'000) | | | | | | | | | | | | | | | | | | | |
|---|----------|---------|---------|---------|---------|----------|---------|---------|---------|---------|----------|----------|----------|----------|--------|---------|---------|---------|---------|
| YE December 31 | 2024A | 1Q25A | 2Q25A | 3Q25E | 4Q25E | 2025E | 1Q26E | 2Q26E | 3Q26E | 4Q26E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | 2033E | 2034E |
| Revenue: | | | | | | | | | | | | | | | | | | | |
| CYWC628 in diabetic foot ulcers | - | - | - | - | - | - | - | - | - | - | - | - | - | 21,441 | 55,220 | 91,021 | 117,212 | 144,902 | 174,157 |
| CYPS317 in psoriasis | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 29,056 | 69,698 | 133,751 | 192,501 | 228,645 |
| CYMS101 in multiple sclerosis | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 52,122 | 110,551 | 175,859 | 217,581 |
| CybroCell in degenerative disc disease | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 42,395 | 90,810 | 121,572 | 156,244 |
| Net revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | 21,441 | 84,276 | 255,236 | 452,323 | 634,833 | 776,628 |
| Collaborative revenue: | | | | | | | | | | | | | | | | | | | |
| Revenues | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Collaborative Revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | 21,441 | 84,276 | 255,236 | 452,323 | 634,833 | 776,628 |
| Gross Margins: | | | | | | | | | | | | | | | | | | | |
| Cost of Goods Sold | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,432 | 21,069 | 63,809 | 90,465 | 126,967 | 155,326 |
| %Gross Margin | - | - | - | - | - | - | - | - | - | - | - | - | - | #DIV/0! | 70% | 75% | 75% | 80% | 80% |
| Gross Profit | - | - | - | - | - | - | - | - | - | - | - | - | - | 15,008 | 63,207 | 191,427 | 361,859 | 507,867 | 621,302 |
| Operating Expenses: | | | | | | | | | | | | | | | | | | | |
| Research and Development | 4,504 | 1,780 | 2,041 | 2,245 | 2,470 | 8,536 | 2,945 | 3,073 | 3,329 | 3,457 | 12,804 | 19,205 | 24,967 | 29,960 | 32,956 | 34,604 | 36,334 | 38,151 | 40,059 |
| %R&D | | | | | | | | | | | | | | | | | | | |
| Selling, General and Administrative | 9,233 | 2,751 | 2,449 | 2,571 | 2,623 | 10,394 | 2,630 | 2,744 | 2,973 | 3,087 | 11,434 | 12,577 | 15,093 | 22,639 | 27,167 | 32,600 | 35,860 | 39,446 | 43,391 |
| %SG&A | | | | | | | | | | | | | | | | | | | |
| Total Expenses | 13,737 | 4,531 | 4,490 | 4,817 | 5,092 | 18,930 | 5,575 | 5,817 | 6,302 | 6,544 | 24,237 | 31,782 | 40,060 | 59,031 | 81,192 | 131,013 | 162,659 | 204,564 | 238,775 |
| Operating Income (Loss) | (13,737) | (4,531) | (4,490) | (4,817) | (5,092) | (18,930) | (5,575) | (5,817) | (6,302) | (6,544) | (24,237) | (31,782) | (40,060) | (37,591) | 3,084 | 124,223 | 289,664 | 430,270 | 537,853 |
| Interest and other income | 231 | 99 | 50 | - | - | 149 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Change in fair value of liability instrument | 5,157 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Change in fair value of SEPA put option | - | (83) | 73 | - | - | (10) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Change in fair value of forward contract liability | (417) | - | 344 | - | - | 344 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Change in fair value of convertible debt | - | (451) | (625) | - | - | (1,076) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other loss | 32 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Commitment fee expense | (2,191) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Placement agent and tail fee expenses | (1,450) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gain on termination of warrant and commitment fee liabilities | 1,214 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Other Income | 2,576 | (435) | (158) | - | - | (593) | - | - | - | - | (24,237) | (31,782) | (40,060) | (37,591) | 3,084 | 124,223 | 289,664 | 430,270 | 537,853 |
| Pretax Income | (11,161) | (4,966) | (4,648) | (4,817) | (5,092) | (19,523) | (5,575) | (5,817) | (6,302) | (6,544) | (24,237) | (31,782) | (40,060) | (37,591) | 3,084 | 124,223 | 289,664 | 430,270 | 537,853 |
| Taxes on income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 14,483 | 34,422 | 53,785 |
| Tax Rate | | | | | | | | | | | | | | | | | 5% | 8% | 10% |
| GAAP Net Income (Loss) | (11,161) | (4,966) | (4,648) | (4,817) | (5,092) | (19,523) | (5,575) | (5,817) | (6,302) | (6,544) | (24,237) | (31,782) | (40,060) | (37,591) | 3,084 | 124,223 | 275,181 | 395,848 | 484,068 |
| Deemed dividend | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| GAAP Net Income to Shareholders (Loss) | (11,161) | (4,966) | (4,648) | (4,817) | (5,092) | (19,523) | (5,575) | (5,817) | (6,302) | (6,544) | (24,237) | (31,782) | (40,060) | (37,591) | 3,084 | 124,223 | 275,181 | 395,848 | 484,068 |
| GAAP EPS | (0.34) | (0.14) | (0.12) | (0.12) | (0.10) | (0.48) | (0.09) | (0.08) | (0.08) | (0.08) | (0.33) | (0.37) | (0.45) | (0.41) | 0.03 | 1.35 | 2.98 | 4.28 | 5.21 |
| GAAP EPS (Dil) | (0.34) | (0.14) | (0.12) | (0.12) | (0.10) | (0.48) | (0.09) | (0.08) | (0.08) | (0.08) | (0.33) | (0.37) | (0.45) | (0.41) | 0.03 | 1.35 | 2.98 | 4.28 | 5.21 |
| Wgtd Avg Shrs (Bas) - '000s | 32,875 | 36,673 | 38,635 | 38,674 | 48,713 | 40,674 | 58,761 | 75,020 | 75,095 | 85,170 | 73,512 | 86,384 | 89,985 | 91,097 | 91,462 | 91,829 | 92,197 | 92,566 | 92,937 |
| Wgtd Avg Shrs (Dil) - '000s | 32,875 | 36,673 | 38,635 | 38,674 | 48,713 | 40,674 | 58,761 | 75,020 | 75,095 | 85,170 | 73,512 | 86,384 | 89,985 | 91,097 | 91,462 | 91,829 | 92,197 | 92,566 | 92,937 |

Source: Company reports and Maxim

DISCLOSURES

FibroBiologics, Inc. Rating History as of 09/18/2025

powered by: BlueMatrix



| Maxim Group LLC Ratings Distribution | | As of: 09/21/25 | |
|--------------------------------------|---|------------------------------------|--|
| | | % of Coverage Universe with Rating | % of Rating for which Firm Provided Banking Services in the Last 12 months |
| Buy | Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to outperform its relevant index over the next 12 months. | 84% | 48% |
| Hold | Fundamental metrics are currently at, or approaching, industry averages. Therefore, we expect this stock to neither outperform nor underperform its relevant index over the next 12 months. | 16% | 55% |
| Sell | Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to underperform its relevant index over the next 12 months. | 0% | 0% |

**See valuation section for company specific relevant indices*

I, **Michael Okunewitch**, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

I, **Jason McCarthy, Ph.D.**, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

The research analyst(s) primarily responsible for the preparation of this research report have received compensation based upon various factors, including the firm's total revenues, a portion of which is generated by investment banking activities.

Maxim Group makes a market in FibroBiologics, Inc.

Maxim Group received compensation for investment banking services from FibroBiologics, Inc. in the past 12 months.

Maxim Group expects to receive or intends to seek compensation for investment banking services from FibroBiologics, Inc. in the next 3 months.

FBLG: For FibroBiologics, Inc. we use the BTK (NYSE Biotechnology Index) as the relevant index.

Valuation Methods

FBLG: We model commercialization of CYWC628 in diabetic foot ulcers, CYP5317 in psoriasis, CYMS101 in 2030, and CybroCell in degenerative disc disease. A discount rate is then applied to the free cash flow, discounted EPS, and sum-of-the-parts models, which are equally weighted to derive a 12-month price target.

Price Target and Investment Risks

FBLG: Aside from general market conditions and other economic risks, risks particular to our price target and rating for FibroBiologics, Inc. include: (1) the regulatory and clinical risk associated with clinical programs; (2) the rate and degree of progress of product development; (3) the rate of regulatory approval to proceed with clinical trial programs; (4) the level of success achieved in clinical trials; (5) the requirements for marketing authorization from regulatory bodies in the United States and other countries; (6) the liquidity and market volatility of FibroBiologics' equity securities; (7) the ability to access capital to finance operations; (8) regulatory and manufacturing requirements and uncertainties; (9) technological developments by competitors; (10) recent changes to NASDAQ Rule 5810 limit listed issuers' ability to use multiple reverse stock splits to remedy listing requirements, thereby putting the stock at a higher risk of being delisted in the future

RISK RATINGS

Risk ratings take into account both fundamental criteria and price volatility.

Speculative – Fundamental Criteria: This is a risk rating assigned to early-stage companies with minimal to no revenues, lack of earnings, balance sheet concerns, and/or a short operating history. Accordingly, fundamental risk is expected to be significantly above the industry. **Price Volatility:** Because of the inherent fundamental criteria of the companies falling within this risk category, the price volatility is expected to be significant with the possibility that the investment could eventually be worthless. Speculative stocks may not be suitable for a significant class of individual investors.

High – Fundamental Criteria: This is a risk rating assigned to companies having below-average revenue and earnings visibility, negative cash flow, and low market cap or public float. Accordingly, fundamental risk is expected to be above the industry. **Price Volatility:** The price volatility of companies falling within this category is expected to be above the industry. High-risk stocks may not be suitable for a significant class of individual investors.

Medium – Fundamental Criteria: This is a risk rating assigned to companies that may have average revenue and earnings visibility, positive cash flow, and is fairly liquid. Accordingly, both price volatility and fundamental risk are expected to approximate the industry average.

Low – Fundamental Criteria: This is a risk rating assigned to companies that may have above-average revenue and earnings visibility, positive cash flow, and is fairly liquid. Accordingly, both price volatility and fundamental risk are expected to be below the industry.

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ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST

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