

# Zacks Small-Cap Research

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## BioStem Technologies (PINK:BSEM)

### BSEM: Company Receives Approval to Advance Trial

BSEM is changing the skin graft market by using the natural properties of perinatal tissue. Growth is accelerating as management makes smart and aggressive moves.

### OUTLOOK

BioStem Technologies is a leading innovator focused on harnessing the natural properties of perinatal tissue in the development, manufacture, and commercialization of allografts for regenerative therapies.

The company continues to advance its therapies, with the company's BioRetain product receiving approval for a clinical study for the treatment of venous leg ulcers.

Current Price (02/21/25) **\$13.80**  
**Valuation** **\$32.50**

### SUMMARY DATA

52-Week High **\$24.98**  
 52-Week Low **\$7.00**  
 One-Year Return (%) **59.54**  
 Beta **-0.53**  
 Average Daily Volume (sh) **80.390**

Shares Outstanding (mil) **17**  
 Market Capitalization (\$mil) **\$230**  
 Short Interest Ratio (days) **N/A**  
 Institutional Ownership (%) **0**  
 Insider Ownership (%) **N/A**

Annual Cash Dividend **\$0.00**  
 Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates  
 Sales (%) **N/A**  
 Earnings Per Share (%) **N/A**  
 Dividend (%) **N/A**

Risk Level **Medium**  
 Type of Stock **Growth**  
 Industry **Health Care**

### ZACKS ESTIMATES

#### Revenue

(in millions of \$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2023	0.6 A	1.1 A	3.6 A	11.5 A	16.7 A
2024	41.9 A	74.5 A	82.6 A	86.7 E	285.7 E
2025	82.5 E	84.9 E	87.3 E	92.0 E	346.7 E
2026	90.0 E	90.9 E	91.4 E	91.8 E	364.1 E

#### Adjusted Earnings\*

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2023	-0.10 A	0.07 A	0.12 A	-0.18 A	-0.09 A
2024	0.34 A	0.35 A	0.35 A	0.37 E	1.41 E
2025	0.51 E	0.55 E	0.59 E	0.64 E	2.29 E
2026	0.52 E	0.57 E	0.61 E	0.69 E	2.39 E

\*Earning adjusted for noncash compensation—beginning in 2023.

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## Update

BioStem Technologies, Inc. (PINK: BSEM) is a leading innovator focused on harnessing the natural properties of perinatal tissue in the development, manufacture, and commercialization of allografts for regenerative therapies. The company states its mission is “to discover, develop and produce the most effective regenerative medicine products in the world,” and we believe that the company is well on its way to achieving that goal—providing to investors what we believe is an opportunity to invest in a company that is both providing a vital service to the human population and providing economic value to shareholders when doing so.

The company continues to release positive news, both for investors and patients. Earlier this quarter, management preannounced preliminary results that showed record 4Q net revenues and we are looking forward to that being confirmed in the soon-to-be-released 2024 fiscal results. Additionally, the company continues the process of uplisting its stock to the NASDAQ stock exchange, which should improve access and liquidity for investors in BSEM.

The company also just announced that its proprietary amnion chorion allograft, known as BioRetain has been approved by the Institutional Review Board (IRB) for the treatment of venous leg ulcers. This follows the announcement of the publication of a peer-reviewed study showing breakthrough results regarding the application of this product for diabetic foot ulcers. BioStem continues to demonstrate that its products, including BioRetain, outperform existing products and are drawing increasing interest from doctors and patients, which is why we continue to have a very positive view on BSEM.

## Summary

We reiterate our belief in the direction of BSEM and urge investors to take a look at the stock and consider adding it to a portfolio.

## PROJECTED INCOME STATEMENT & BALANCE SHEET

Biostem Technologies, Inc. Income Statement and Balance Sheet							
	2023A	1Q2024A	2Q2024A	3Q2024A	4Q2024E	2025E	2026E
Revenue	16,685,405	41,904,213	74,491,996	82,556,740	86,684,577	346,738,308	364,075,223
Cost of good sold	1,261,750	2,224,704	3,747,896	4,238,658	4,334,229	17,336,915	18,203,761
Gross profit	15,423,655	39,679,509	70,744,100	78,318,082	82,350,348	329,401,393	345,871,462
Operating Expenses:							
General and administration	10,066,410	4,399,262	2,786,106	3,299,381	3,464,350	13,857,400	14,550,270
Sales and marketing	11,959,655	30,547,721	59,003,833	65,187,066	68,446,419	273,785,677	287,474,961
Research and dev.	327,344	70,748	80,917	482,495	506,620	2,026,479	2,127,803
Depreciation and amort.	229,014	53,665	54,113	56,800	59,640	238,560	250,488
Total Operating Expenses	22,582,423	35,071,396	61,924,969	69,025,742	72,477,029	289,908,116	304,403,522
Income/(Loss) from operations	(7,158,768)	4,608,113	8,819,131	9,292,340	9,873,319	39,493,276	41,467,940
Other Income/(Expenses):							
Interest income/(expense)	(700,326)	(163,942)	(142,722)	(138,478)	(145,402)	(581,608)	(610,688)
Other	(3,689)	(1,571)	(115)	(811)	(852)	(3,406)	(3,577)
Total other inc./ (exp.)	(704,015)	(165,513)	(142,837)	(139,289)	(146,253)	(585,014)	(614,264)
Net Inc./ (Loss) from Operations Before Tax	(7,862,783)	4,442,600	8,676,294	9,153,051	9,727,066	38,908,262	40,853,676
Income Tax	-	-	(2,323,937)	(2,332,648)	(2,449,280)	(2,571,744)	(2,700,332)
Net loss attributable to noncon. Interest	-	-	-	-	-	-	-
Net Income/(Loss)	(7,862,783)	4,442,600	6,352,357	6,820,403	7,277,785	36,336,518	38,153,344
Net Income/(Loss) per share	\$ (0.57)	\$ 0.20	\$ 0.30	\$ 0.32	\$ 0.34	\$ 1.69	\$ 1.75
Adjustment for non-cash compensation	6,661,793	3,279,098	1,088,391	673,162	706,820	13,116,392	13,772,212
Adjusted Earnings Per Share	\$ (0.09)	\$ 0.34	\$ 0.35	\$ 0.35	\$ 0.37	\$ 2.29	\$ 2.39
Diluted Common Shares Outstanding	13,707,077	22,383,275	21,350,511	21,129,197	21,340,489	21,553,894	21,769,433
Current Assets							
Cash	239,406	643,241	6,572,126	14,613,488	14,905,758	15,203,873	15,507,950
Accounts receivable	11,371,730	41,622,643	78,190,570	81,072,073	85,125,677	89,381,960	93,851,059
Inventory	658,678	882,763	1,370,749	2,073,248	2,176,910	2,285,756	2,400,044
Other	329,239	585,489	1,939,187	3,624,643	3,805,875	3,996,169	4,195,977
Total Current Assets	12,599,053	43,734,136	88,072,632	101,383,452	106,014,220	110,867,758	115,955,030
Property, Plant and Equip.	1,154,856	1,133,865	1,443,677	1,420,506	1,392,096	1,364,254	1,336,969
Right-of-use asset	11,443	9,636	318,334	295,101	265,591	239,032	215,129
Construction-in-process	202,700	215,081	43,423	166,257	182,883	201,171	221,288
Intangible and goodwill	592,239	581,372	580,514	935,148	888,391	843,971	801,773
Total other assets	1,961,238	1,939,954	2,385,948	2,817,012	2,728,960	2,648,428	2,575,158
Total Assets	14,560,291	45,674,089	90,458,580	104,200,464	108,743,180	113,516,186	118,530,188
Current Liabilities							
Accounts payable	1,031,010	2,818,370	6,892,842	2,074,129	2,136,353	2,200,443	2,266,457
Interest payable	1,697,787	1,762,824	1,829,534	1,896,258	1,953,146	2,011,740	2,072,092
Notes payable--current	4,445,782	4,125,902	4,007,331	4,018,373	4,138,924	4,263,092	4,390,985
Convertible notes--current	-	-	-	-	-	-	-
Other current liabilities	8,085,608	30,099,897	61,479,594	73,022,155	74,482,598	75,972,250	77,491,695
Total current liabilities	15,260,187	38,806,993	74,209,301	81,010,915	82,711,021	84,447,526	86,221,229
Notes payable--long-term	265,635	216,263	142,436	150,000	142,500	135,375	128,606
Other long-term liabilities	18,144	8,822	235,598	208,338	187,504	168,754	151,878
Total long-term liabilities	283,779	225,085	378,034	358,338	330,004	304,129	280,485
Total Liabilities	15,543,966	39,032,078	74,587,335	81,369,253	83,041,025	84,751,654	86,501,713
Stockholders' equity/(deficit)							
Capital stock/treasury stock, net	(27,134)	(26,992)	(26,928)	(27,006)	(27,276)	(27,549)	(27,824)
Additional paid in capital	44,047,375	47,851,046	50,717,858	52,118,512	54,125,013	56,246,369	58,410,151
Noncontrolling interest	0	0	0	0	0	0	0
Accumulated deficit	(45,003,916)	(41,182,043)	(34,819,685)	(29,260,294)	(28,395,582)	(27,454,288)	(26,353,852)
Total Stockholders' Equity/(Deficit)	(983,675)	6,642,011	15,871,245	22,831,212	25,702,155	28,764,532	32,028,475
Total Liabilities and Stockholders' Equity	14,560,291	45,674,089	90,458,580	104,200,464	108,743,180	113,516,186	118,530,188

## HISTORICAL STOCK PRICE



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