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Zacks Small-Cap Research

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Brad Sorensen
312-265-9574
bsorensen@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

BioStem Technologies (PINK:BSEM)

BSEM: Company Meeting Challenges Head On

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.

Current Price (08/14/25)	$10.38
Valuation	**$25.50**

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 announced its 2Q2025 preliminary financial results. The company continues to execute at a high level but faces reimbursement uncertainty. Management continues to fight on that front and plans expansion in product portfolio.

SUMMARY DATA

52-Week High	**$24.98**
52-Week Low	**$7.56**
One-Year Return (%)	**-13.47**
Beta	**-0.29**
Average Daily Volume (sh)	**32,287**
Shares Outstanding (mil)	**17**
Market Capitalization ($mil)	**$174**
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 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (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	102.8 A	301.8 A
2025	72.5 A	49.3 A	51.3 E	55.2 E	228.3 E
2026	64.2 E	61.5 E	70.5 E	75.1 E	271.3 E

Adjusted Earnings*

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (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	0.94 A	1.98 A
2025	0.27 A	-0.03 A	0.00 E	0.02 E	0.26 E
2026	0.04 E	0.05 E	0.10 E	0.10 E	0.29 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 faced challenges in 2Q2025 as it saw a loss of $0.03 per share on a 34% decrease in revenues. Margins remain extremely strong and improved to 98.6% of revenue and the company has good cash on the balance sheet as it rose to $30.8 million from $20.6 million in the quarter earlier period. Preliminary financial results were released, preventing the update of the full financial statement at this time. As a result of the disappointing quarter and uncertainty surrounding reimbursements, we are lowering our price target to $25.50.

Management addressed the MACS LCD issue, which was most of the cause of the decrease in revenue as uncertainty surrounding product reimbursement by Medicare caused a drop in purchases. The company noted it continues to work hard at making sure the review process is fair, and their products are understood, and we continue to believe the company will ultimately be successful in getting Vendaje and Vendaje AC covered, and patients will continue to have access to the superior products that many patients have received.

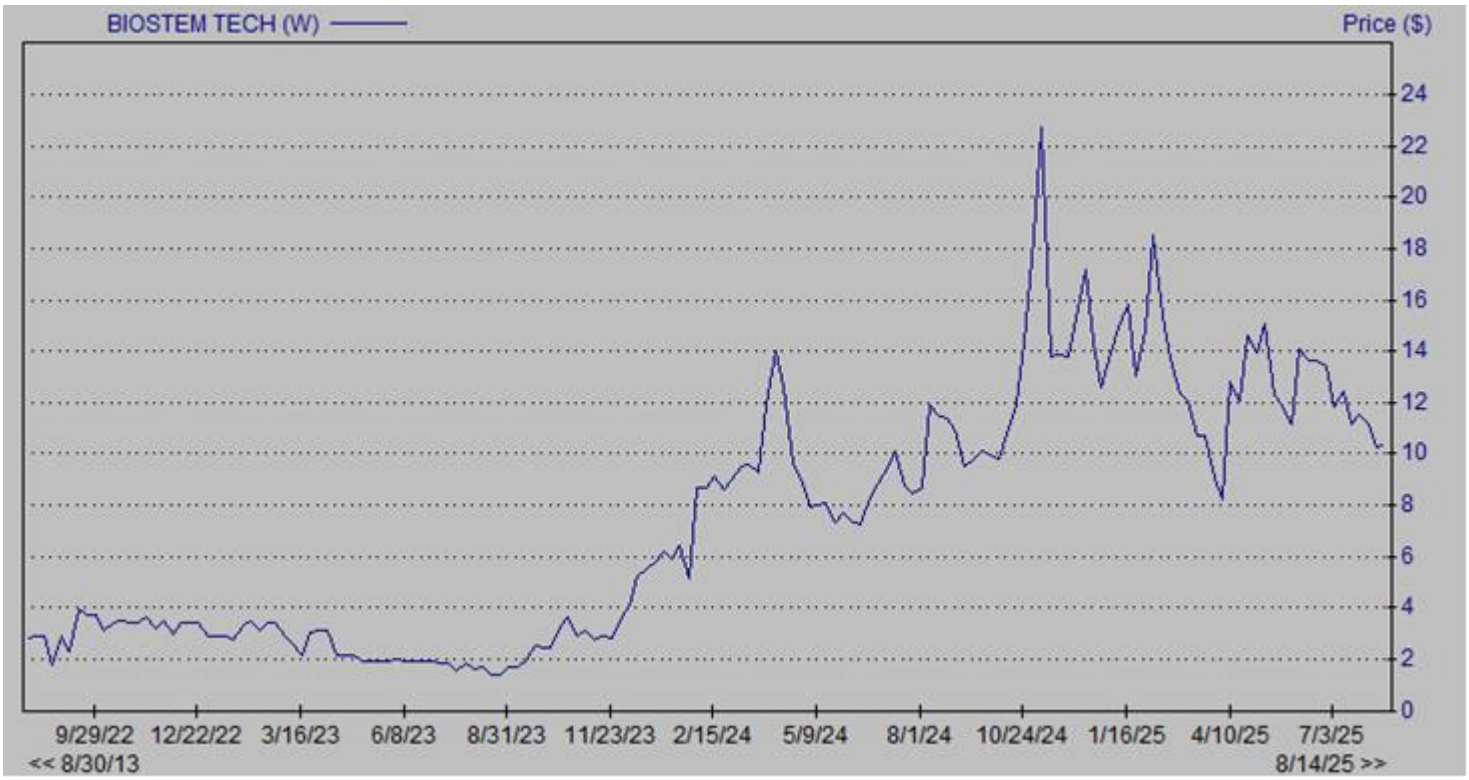
The company also recently announced patient enrollment was completed for the testing of BioREtain Amnion Chorion for the treatment of diabetic foot ulcers, with readouts expected in the fourth quarter of 2025. BioStem continues to demonstrate that its products, including Vendaje and Vendaje AC, outperform existing products and are drawing increasing interest from doctors and patients, which is why we continue to have a positive view on BSEM.

Given these developments and our belief that the company will be successful in its LCD coverage issue and continue to expand access to its superior wound care products, we belief the best for BSEM is still to come and urge investors to be patient.

Summary

We reiterate our belief in the direction of BSEM and our strong appreciation for the way management has navigated challenges and grown the company in a smart fashion and urge investors to take a look at the stock and consider adding it to a portfolio.

HISTORICAL STOCK PRICE



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