

# NovelStem Increases NewStem Ownership to 27.3% Following Achievement of Development Milestones for Stem-Cell-Based Cancer Treatments Resistance Diagnostic

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BOCA RATON, Fla. and JERUSALEM, Israel, Dec. 16, 2019 (GLOBE NEWSWIRE) -- [NovelStem International Corp.](#) (OTC Pink: [NSTM](#)), a biotechnology company focused on stem-cell-based diagnostic technology to aid the selection of cancer therapeutic agents being developed by its Israel-based affiliate, NewStem Ltd., today announced it has completed a \$1 million follow-on investment in NewStem, increasing its ownership in NewStem to 27.3% from 20%.

The additional investment was made following NewStem's successful, on-time completion of the first milestone requirements established at the time of its initial investment in July 2018. This included set up and analysis of resistance to five anti-cancer treatments that are the standard-of-care, enabling it to further develop diagnostics for identifying patient resistance to those treatments. In July 2018, NovelStem also secured the right to increase its ownership in NewStem up to 33% pursuant to second milestone requirements. NovelStem expects to further increase its ownership following NewStem's achievement of these second milestone requirements, relating to the identification of patient resistance to three additional standard-of-care anti-cancer treatments, increasing the total to eight drugs. Upon achievement of the second milestone, NovelStem will increase its ownership to 33% through the investment of an additional \$1 million.

Drug resistance in tumors is a major cause of cancer treatment failure, yet in nearly 50% of cancer cases this resistance is recognized only after the completion of the first course of treatment. NewStem's diagnostic technology can predict patients' resistance to anti-cancer drugs prior to treatment, potentially allowing for better, targeted cancer treatments and related cost benefits.

Source of Investment Funds NovelStem's \$1 million investment was funded principally by internally generated funds, totaling \$750,000. The balance of \$250,000 was funded by the sale of 2.5 million shares of NovelStem restricted common stock, priced at \$0.10 per share, to an existing NovelStem shareholder.

NewStem CEO Aylet Dilion Mashiah commented, "NewStem is making solid progress advancing its diagnostic technology for anti-cancer drugs resistance. We are privileged working with NovelStem directors to advance this important unmet diagnostic need."

Jan Loeb, NovelStem Chairman, commented, "We are excited to increase our ownership interest to 27.3% through additional investment comprised primarily of internally-generated funds. We look forward to working closely with the NewStem team and continuing our support of their ground-breaking work."

About NovelStem International Corp. [www.novelstem.com](http://www.novelstem.com) NovelStem has a 27.3% stake in NewStem Ltd. which is advancing novel stem-cell-based diagnostic technology for predicting patients' resistance to cancer therapies and allowing for better, targeted cancer treatments with the potential to reduce incidents of drug resistance. NovelStem has the right to increase its ownership to 33% based upon completion of an additional investment of \$1 million. NovelStem also owns 50% in Netco Partners, which owns the Net Force publishing franchise. NovelStem has 39 million common shares outstanding and substantial net operating loss carryforwards.

About NewStem Ltd. NewStem Ltd. which is advancing novel stem-cell-based diagnostic technology for predicting patients' resistance to cancer therapy, allowing for better, targeted personal-oncology treatments with the potential to reduce incidents of anti-cancer drug resistance. NewStem is a spinoff of [Yissum](#), The Hebrew University of Jerusalem's technology-transfer company. NewStem's diagnostic solutions are based on the research of human haploid pluripotent stem cells (hHPSCs) by Professor Nissim Benvenisty, Director of the [Azrieli Center for Stem Cells and Genetic Research at the Hebrew University](#). NewStem holds the intellectual property, reagents and experience required for hHPSC isolation, differentiation, genetic manipulation, immunogenicity and tumorigenicity.

Forward-Looking Statements Statements in this press release and its hyperlinks may be "forward-looking statements" within the meaning of federal securities laws. The matters discussed herein that

are forward-looking statements are based on current board and management expectations that involve risks and uncertainties that may result in such expectations not being realized. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous potential risks and uncertainties, including, but not limited to, the success of NewStem's research and future commercialization of its diagnostics utilizing human haploid pluripotent stem cells, competition in the area of genetic diagnostics, the ability to retain key personnel involved in research and development, the ability to secure appropriate regulatory approvals, and the ability to fund future investment in NewStem. Such forward-looking statements speak only as of the date on which they are made.

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NovelStem International Corp.

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