

NuStem Technologies, Inc.

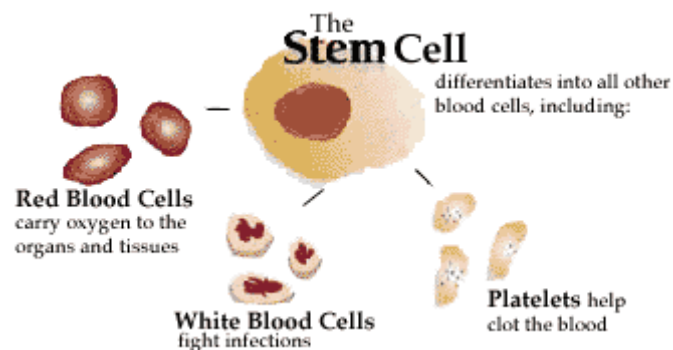
Stem Cell Rescue for
Cancer Treatment
Overview Brochure

A Superior Alternative to Bone Marrow

What is Stem Cell Rescue Therapy?

There exists a multi-million dollar opportunity to supply the medical community with a new and superior source of stem cells for transplantation in the treatment of cancer and many other serious diseases. The primary mission of NuStem Technologies, Inc. will be to meet this need through the collection, processing, and cryogenic storage of stem cells derived from the umbilical cord of a newborn baby following a live birth.

Stem cells are life sustaining precursor cells that develop into red and white blood cells, and platelets. In the treatment of cancer, chemotherapy and radiation destroy not only the cancer cells but also these blood precursors. Without healthy blood cells to supply oxygen, fight infection, and aid in blood clotting, the person's health and life are threatened. This becomes a major factor that inhibits physicians from being more aggressive in treating cancer. A "rescue" of new stem cells is needed so that the cure itself does not kill the patient.



The reason that people get bone marrow transplants is because bone marrow is a source of stem cells. Recently it was discovered that the blood found in the umbilical cord of a newborn baby has a very rich supply of stem cells. Currently, this type of stem cell therapy is used to treat a number of serious diseases including:

- Leukemia
- Lymphoma and Multiple Myeloma
- Anemia
- Osteoporosis

In the future, it is anticipated that stem cells will be used to treat:

- Breast and Ovarian Cancer
- Brain Tumors
- Diabetes
- AIDS

Superiority Over Bone Marrow Transplants

Harvesting stem cells in the bone marrow requires extracting the marrow from the donor's bones with a needle and syringe. General anesthesia is usually needed and the donor is subjected to the risks and discomfort of the procedure. As a result, few people volunteer to donate unless it is for a relative or very close friend. Costs can range up to \$250,000 and the search for an appropriate match can take months. Retrieving stem cells from cord blood causes no danger or discomfort to either mother or newborn baby. There are several advantages over bone marrow:

- Immediate availability, eliminating the long search for a bone marrow match
- Much greater probability of a positive match since an inventory can be maintained by cryogenically freezing the stem cells
- Reduces by 10 to 18 times the chance of certain deadly side effects
- Lower cost of treatment
- Safer and less invasive collection
- Higher survival rate

A few cord blood banks have been established in the United States. Most are in the business of storing a baby's stem cells for its own future use. The family is charged an initial processing fee and an annual maintenance fee. NuStem Technologies will focus on the allogeneic (unrelated donor) market where the stem cells are stored for use by a person who is not related to the donor. Thus, the inventory can be used immediately to save lives instead of waiting years or decades to see if the donor/recipient needs his or her own stem cells in the treatment of cancer or some other disease.

NuStem's Competitive Advantage

NuStem operates under the control of an executive management team, its Board of Directors, and a Scientific Advisory Board. The members of these teams were chosen because of their skill and experience in the various disciplines necessary to ensure NuStem's success in the marketplace. Among the key people are:

- Esmail Zanjani, an eminent researcher, known as the "Father of Stem Cells"
- Alan Levine, former director of the National Institutes of Health's Blood Diseases Program

NuStem Technologies will spend approximately \$30,000,000 in its first three years to build the largest inventory of stem cells in the world. The company will have a distinct competitive advantage over other stem cell banks because:

- The highest cell viability is achieved from the methods and processes of NuStem’s world renown staff – healthier cells result in better treatment outcomes
- The Company has in place an unparalleled international source of genetically diverse stem cells that will result in superior matching rates
- The state-of-the-art equipment used by NuStem Technologies meets or exceeds all FDA and National Institutes of Health guidelines.

Benefits for Participants

Currently, more than 50,000 people need bone marrow transplants in the United States each year. Of this number, 15,000 will die because an acceptable bone marrow match cannot be found. Sales are likely to increase dramatically in at least three other areas: (1) the replacement market for bone marrow since cord blood stem cells are safer, more effective, and less expensive; (2) new markets from the aggressive treatment of cancer and other diseases; and, (3) the international market that is at least the same size, if not bigger, as the U.S. market.

Management projects that only 3% of prospective patients search NuStem’s database each month in years 3 through 5. As the size of the bank grows to 50,000 units the statistical probability of being able to provide a match grows to 94%. In the fifth year of operations NuStem projects that 21,040 units will be placed at \$15,000 per unit.

Even with this conservative approach, the potential profit is tremendous:

000's Omitted	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$ -	\$ 19,890	\$ 89,880	\$199,485	\$297,345
Net Profit	\$ (7,604)	\$ (6,654)	\$ 28,647	\$ 75,213	\$159,345

NuStem Technologies is seeking individuals, groups, and entities that would like to be involved in bringing this life saving technology to the marketplace and reap the financial benefits of their participation. Additional materials and a detailed explanation of the opportunity are available.

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