StageZero Life Sciences Announces Q2 2019 Progress Update

written by Raj Shah | August 14, 2019



August 14, 2019 (Source) – StageZero Life Sciences, Ltd (TSX: SZLS) ("StageZero" or the "Company") today announced operational results for the three-month period ended June 30, 2019 and provided a progress update on its business.

StageZero achieved the following milestones in the 2nd Quarter.

The Company has:

- Officially Launched StageZero Life Sciences to strengthen its brand and better reflect the corporate mission to find cancer in the earliest possible stages.
- Closed a $3.7 Million (CDN) Private Placement to expand its commercial footprint in both the U.S. and Abroad
- Reached key operational milestones in preparing for the clinical validation of Aristotle™, the Company's next generation test for detecting multiple, discrete cancers from a single blood draw.
- Signed a Global Distribution Contract with Oncore Pharma, which aims to deploy a total of 1,750,000 ColonSentry tests over the next 5 years
- Expanded its U.S. Salesforce through a contract with Coastal Medical, a regional sales organization specializing in selling advanced diagnostic testing solutions to physician practices and health systems

throughout the Southeast.
- Actively engaged with a large health system to improve patient compliance with cancer screening.
- Processed Approximately 1600 tests during the quarter.

The Company has initiated a contract with a large health system to improve patient compliance with cancer screening. The details of this contract are confidential between the parties and cannot be disclosed at this time.

“We have been very open about the fact that we are in discussion with several large health groups and have been anticipating engaging with one or more of them to improve patient compliance with screening for cancer. We are extremely pleased with the direction this relationship has taken and look forward to being able to share the results of the initiative when it is suitable for all parties involved,” said James Howard-Tripp, Chairman and CEO of StageZero Life Sciences.

“This has been a pivotal Quarter, and we have reached multiple, operational milestones that will have a very positive impact on our growth moving forward,” added Howard-Tripp. “We successfully launched StageZero Life Sciences to better represent our mission and strengthen our commitment to the validation of Aristotle, our next generation, multi-panel test for the detection of ten discrete cancers from a single sample of blood. And, during this very busy time, we also signed a large global distribution agreement, launched a new salesforce in the Southeast, continued to build our Telehealth infrastructure as we prepare to offer all four of our tests, and ensured adequate funding by closing a Cdn$3,7 million Private Placement.”

StageZero is progressing down the path of enrolling large employers and working with the firefighter population to improve early cancer detection to improve survival and mitigate catastrophic cancer claims. “Cancer is the number one

catastrophic cancer claim for employers, and we are especially suited to help companies and the health plans that serve them find cancer early before costs soar," said Howard-Tripp.

With the financing completed last week, the Company will now put its focus on reaching profitability through:

- The Expansion of the Telehealth Initiative through increasing digital advertising, adding more tests to the telehealth offering and improving the online user experience through new technologies.
- Supporting Oncore Pharma in its efforts for global distribution of the ColonSentry® test
- Supporting Coastal Medical as it grows the Company's business for all tests in the Southeastern U.S.
- Retaining an independent research firm to help us formulate future financial strategies
- Expanding test volume through our work with independent practices, employers, farmers and first responders.
- Launching an Investor Relations campaign to attract new investors, including the addition of monthly newsletter. If you wish to subscribe to the Company's investor mailing list you may do so by visiting https://www.stagezerolifesciences.com/investor-relations

"We have accomplished an amazing amount in a short period of time. The key initiatives we have put in place this Quarter will bear fruit as we move out through the next few quarters and should open the doors to a very bright future."

Q2 2019 Financial Results

All amounts are expressed in U.S. dollars unless otherwise stated and results are reported in accordance with International Financial Reporting Standards.

For the three-month period ended June 30, 2019, we reported a consolidated net loss of $0.5 million, or $0.00 loss per common share, as compared with a consolidated net loss of $2.6 million, or $0.02 loss per common share, for the same period in 2018. The $2.1 million decreased loss results from the $1.2 million impact of the revaluation of warrants, the $0.4 million decrease in general and administrative costs and the $0.5 million decrease in finance costs with a small change in cost of goods sold.

For the six-month period ended June 30, 2019, we reported a consolidated net loss of $6.5 million, or $0.04 loss per common share, as compared with a consolidated net loss of $3.2 million, or $0.02 loss per common share, for the same period in 2018. The $3.3 million increased loss results from the $3.4 million impact of the revaluation of warrants, the $0.5 million increase in general and administrative costs offset by $0.1 million decrease in finance costs, $0.4 million decrease in the change in fair value of conversion liabilities and a decrease of $0.1 million from a combination of a small increase in revenues and a small decrease in cost of goods sold,

Test volume at approximately 1600 tests showed an increase over Q1 and is showing growth in Q2 as the new programs are launched.

The Company’s financial statements and management’s discussion and analysis are available on www.sedar.com.

About StageZero Life Sciences, Ltd.

StageZero Life Sciences is dedicated to the early detection of cancer and multiple disease states through whole blood. Aristotle®, our next generation test, is a panel for simultaneously screening for 10 cancers from a single sample of blood with high sensitivity and specificity for each cancer. Aristotle is built on our proven and proprietary Sentinel Principle Technology Platform which has been validated on 10,000

patients and used to develop the first liquid biopsy for Colorectal Cancer, with further validation currently underway. In addition to building a pipeline of products for early cancer detection, the Company operates a CAP accredited and CLIA certified reference laboratory based in Richmond, Virginia that offers the ColonSentry® test as well as licensed biomarker tests for lung, breast and prostate cancers. To learn more visit www.stagezerolifesciences.com.

Forward-Looking Statements

This press release contains forward-looking statements identified by words such as “expects”, “will” and similar expressions, which reflect the Company’s current expectations regarding future events. The forward-looking statements involve risks and uncertainties that could cause the Company’s actual events to differ materially from those projected herein. Investors should consult the Company’s ongoing quarterly filings and annual reports for additional information on risks and uncertainties relating to these forward-looking statements. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements, except as required by law.