StageZero Life Sciences Announces Q2 2020 Progress Update

written by Raj Shah | August 17, 2020

August 17, 2020 (Source) – StageZero Life Sciences, Ltd (TSX:SZLS) ("StageZero" or the "Company") announced today operational results for the three month period ended June 30, 2020 and provided a progress update on its business.

StageZero has felt the impact of COVID-19 on its business and pivoted to respond to the situation. As stated in the Company's press release of April 20, 2020, StageZero Life Sciences Initiates Testing for COVID-19 In the USA, the Company is processing COVID-19 tests.

The Company has received revenue from performing COVID-19 testing during Q2 2020 and this continues into Q3 2020. This is in contrast to many other labs whose testing requests have essentially ceased. The Telehealth Platform that was created to support the Company's cancer screening tests has proven fundamental to facilitating COVID-19 testing. Initial interest received by the Company represented approximately US$18M+ in revenue. The Company is working to increase its processing capabilities and has received new orders.

The following milestones were achieved during the second quarter:

- Pivoted the full lab and initiated COVID-19 testing with PCR and Antibodies
- Partnered with 5 initial groups
- City of Alpharetta offered StageZero COVID-19 testing to

its first responders
- Partnership with UDo Test connected the Company to a network of 50,000 physicians
- Mercer VIP Program included StageZero COVID-19 testing and connected the company to numerous employers who have ordered tests. StageZero is now a preferred lab for Mercer.
- Closed $4.6M in financing via a prospectus offering
- Hired additional staff, purchased equipment, test reagents, and consumable materials (for COVID-19 Tests and Aristotle®).

The following has been achieved in the six weeks post the second quarter:

- Received revenue of approximately $1 million
- Signed multiple new partners. These include a County in a hotspot State; three healthcare groups; an airline; several travel groups with exposure to the airlines.
- Expanded testing in Canada via the partnership with Ichor Blood Services
- Hired further staff and expanded testing capacity, both for COVID-19 and Aristotle.

The Company is using the recent increased exposure of its capabilities to highlight its core cancer screening business and build long term relationships with healthcare systems and large employers. This in preparation for Aristotle.

“The COVID-19 pandemic has severely impacted many diagnostic labs. Our ability to pivot quickly during Q2, and to initiate both PCR and antibody COVID-19 testing to survive an unprecedented downturn is testimony to our group’s ability to innovate”, said James Howard-Tripp, Chairman and CEO. “It is now for us to use the opportunity to springboard into the launch of Aristotle and to use the incremental revenue and new

partnerships we are building”.

Q2 2020 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, 2020, we reported a consolidated net income of $0.2 million, or $0.00 income per common share, as compared with a consolidated net loss of $0.7 million, or $0.00 loss per common share, for the same period in 2019. The $0.9 million decreased loss results from the $0.5 million impact of the revaluation of warrants, the $0.1 million impact from the change in fair value of conversion liabilities, the $0.4 million impact from the decrease in general and administrative costs and a $0.1 million impact from an increase in revenues, offset by the $0.2 million impact of an increase in finance costs.

For the six month period ended June 30, 2020, we reported a consolidated net loss of $2.3 million, or $0.01 loss per common share, as compared with a consolidated net loss of $5.1 million, or $0.03 loss per common share, for the same period in 2019. The $2.8 million decreased loss results from the $2.2 million impact of the revaluation of warrants and the $0.8 million impact from the decrease in general and administrative costs, offset by the $0.2 million impact of an increase in finance costs.

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 multiple disease states through whole blood. The Company

operates a CAP accredited and CLIA certified high complexity reference laboratory based in Richmond, Virginia. A specialist in PCR testing for the early identification of Cancer through blood, the Company is uniquely positioned to provide both COVID PCR testing (live virus) and blood test analysis (Antibody testing). Our full service, telehealth platform includes access to physicians and phlebotomists who can prescribe and draw samples for individuals and groups. As we provide COVID-19 test during this Pandemic, we continue making progress with our mission to eradicate late stage cancers through early detection. Our next generation test, Aristotle®, is a multi-cancer panel for simultaneously screening for 10 cancers from a single sample of blood with high sensitivity and specificity for each cancer. 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.