StageZero Life Sciences Announces Share Consolidation

written by Raj Shah | September 8, 2020

September 8, 2020 (Source) – StageZero Life Sciences, Ltd (TSX:SZLS) ("**StageZero**" or the "**Corporation**") announced today that it has filed articles of amendment to consolidate its common shares on an eight (8) pre-consolidation common shares to one (1) post-consolidation common share ratio (the "**Consolidation**"). Trading of the common shares on the TSX on a post-Consolidation basis is anticipated to commence on or about September 18, 2020. The Corporation's warrants, including its TSX-listed warrants, and convertible debentures will also proportionately adjust in accordance with their terms effective September 18, 2020. The Transmittal Letter has been mailed to warrant holders.

The Consolidation was approved by the shareholders at the Special and Annual General Meeting on August 17, 2020.

The reasons for the Consolidation, as explained in the Corporation's Management Information Circular dated June 29, 2020 include:

1. *Preparation for potential US listing*: the Corporation wishes to prepare for a possible future listing on NASDAQ or other senior US stock exchange.
2. *Greater investor interest:* the current share structure of the Corporation may make it more difficult for the Corporation to attract the additional equity financing required to maintain the Corporation or to further develop its products. A share consolidation might have the effect of raising, on a proportionate basis, the price of the common shares, which could appeal to certain investors

that find shares valued above certain prices to be more attractive from an investment perspective.

3. *A tighter share structure could potentially make the Corporation less attractive to computerized algorithmic trading.* This in turn might allow the share price to rise with less downward pressure from day trading.

“With the successful Prospectus Offering completed and bank support into the critical institutional investor segment, with Aristotle coming and significant revenue being generated from our COVID strategy, we feel now is the time to consolidate as we position StageZero in the markets,” said James Howard-Tripp, Chairman and CEO.

The 391,521,071 common shares currently issued and outstanding will be reduced to approximately 48,940,134 common shares on a post-Consolidation basis. No fractional common shares of the Corporation shall be issued in connection with the Consolidation and, in the event that a shareholder would otherwise be entitled to a fraction of a share upon such Consolidation, the number of common shares of the Corporation held by such shareholder shall be rounded down to the nearest whole number of common shares. The new CUSIP for the post-Consolidation common shares will be 852540301.

Warrants issued by the Company, including its TSX-listed warrants (such TSX-listed warrants are the “**Listed Warrants**“) will also be adjusted proportionately in response to the Consolidation. On or after September 18, 2020, the exercise of eight (8) Listed Warrants will be required to purchase one (1) post-Consolidation common share for an aggregate exercise price of $0.72 per whole Common Share. The Listed Warrants will continue to trade under their existing CUSIP.

Additionally, from and after September 18, 2020, each currently issued convertible debenture of the Corporation will be adjusted

such that their conversion price shall be $0.32 per unit (each a "**Unit**"), and each Unit shall consist of one post-Consolidation common share and one-half (1/2) of a share purchase warrant, which warrant will also be adjusted such that each whole warrant exercised on or after September 18, 2020 will entitle the holder thereof to purchase one (1) post-Consolidation common share at an exercise price of $0.56 per whole common share.

Certain Risks Associated with the Consolidation

There can be no assurance that, if the Consolidation is implemented, the Corporation will be successful in attracting new capital financing or in further developing its products. The effect of the Consolidation upon the market price of the common shares cannot be predicted with any certainty, and the history of similar transactions for corporations similar to the Corporation is varied.

There can be no assurance that the total market capitalization of the common shares immediately following the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-share market price of the common shares following the Consolidation will remain higher than the per-share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the common shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation. Furthermore, the Consolidation may lead to an increase in the number of shareholders who will hold "odd lots"; that is, a number of shares not evenly divisible into board lots (a board lot is either 100, 500 or 1,000 shares, depending on the price of the shares). As a general rule, the cost to shareholders transferring an odd lot of common shares is

somewhat higher than the cost of transferring a “board lot”. Nonetheless, despite the risks and the potential increased cost to shareholders in transferring odd lots of post-consolidation common shares, the Board believes the Consolidation is in the best interest of all shareholders.

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, including statements relating to a potential NASDAQ listing and the above noted statements relating to the anticipated benefits of Consolidation. The forward-looking statements involve risks and uncertainties that could cause the Company’s actual events to differ materially from

those projected herein. In addition to the above noted risks relating to the Consolidation, these risks include any number of factors that could impact the Company’s ability to list on NASDAQ, including inability to meet the listing criteria, and financings risks, market risks, legal risks and other risks the Company’s ongoing quarterly filings and annual reports and Annual Information Form. 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.