

StageZero Life Sciences up 177% YTD as they move into COVID-19 testing

As global COVID-19 cases hit a staggering 5 million, StageZero Life Sciences Ltd. (TSX: SZLS) stock price has surged 177% YTD. This is mostly due to being oversold late in 2019, but also due to their recent move into offering COVID-19 testing. And what a great move it was!

On April 20, 2020 StageZero announced that they will offer both the PCR-based nucleic acid tests as well as qualitative antibody testing for COVID-19 (coronavirus). The PCR tests help determine if a patient has an active infection and the antibody test determines if a patient previously had the infection, as it detects the antibodies to the coronavirus. StageZero will initially offer the BTNX Rapid Response test under Section IV.D of the FDA's Policy for Diagnostic Tests for Coronavirus Disease-2019 while awaiting EUA approval.

StageZero Life Sciences two tests for COVID-19 (coronavirus)

PCR Testing

To Help Detect Active Infection



Antibody Testing

To Help Detect Past or Recent Infection



Source

As you can imagine the global demand for accurate COVID-19 test kits is truly enormous and growing every day. Most countries have severe shortages of test kits. Below are just a few examples, and these are in the richer developed countries.

In the USA, shortage of COVID-19 test kits has been a significant problem. Anthony Fauci said the USA needs to double the current testing rate of 1.5 -2 million tests a week. A report by Harvard University stated that **the US needs to be able to test 5 million people per day** to safely begin to reopen their economy by June 2020. So far in the US, the total number of tests has only been 9.6 million, and that is over a period of several months.

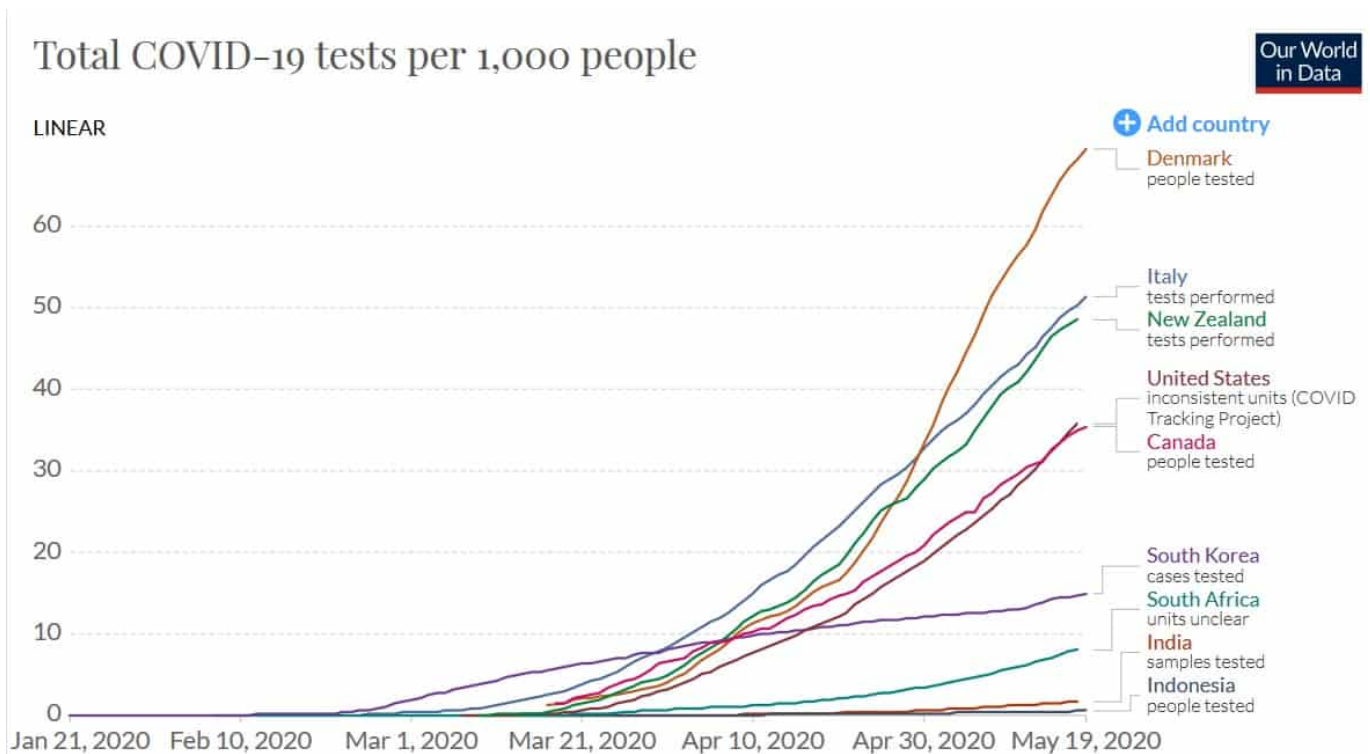
In Australia, State Health Ministers have reported shortages of reagents and kits used to conduct coronavirus tests in laboratories, **as unprecedented demand for testing** combines with limits on exports from other nations struggling to contain COVID-19.

Working backwards to estimate the real global demand for COVID-19 testing, one can argue that 50-100 tests are needed per confirmed case. Given daily global cases are hovering around 90,000, that would mean daily global COVID-19 testing needs to be in the vicinity of 4.5 to 9 million per day. One can argue the real need is higher given the global population of over 7.7 billion, and the need for repeat or follow up testing.

Currently the numbers of COVID-19 cases being tested is severely limited by a lack of supply of test kits. The current leader per capita in testing is Denmark. And even in Denmark testing has only reached 69 per 1,000 people (6.9%) that have been tested. In the US testing has only reached 35 per 1,000 people (3.5%). Indonesia is at 0.54 per 1,000 people (0.054%) showing just how low testing rates are in developing

countries.

The number of COVID-19 tests being done globally is still extremely low as test kits are in very short supply



Source

All of this means that the opportunity for companies that have existing facilities that can rapidly scale up accurate testing is enormous. We don't know how long this will go on for, but the way it is looking demand for COVID-19 testing should be here for at least 2 years and maybe much longer.

StageZero teams up with UDoTest to help physicians to access COVID-19 testing

StageZero Life Sciences are not only rapidly expanding their testing kits, but also building networks to assist Doctors to get their patients tested.

On May 19 StageZero announced: "StageZero Life Sciences partners with UDoTest to link physicians and their patients to urgent COVID-19 testing." UDoTest is a B2B self-collection

health testing software platform designed to personalize at-home lab testing experiences.

Allison Martin, CEO and Founder of UDoTest, explains:

“After being approached by several physician networks to help them gain access to quality tests, and immediate orders, we needed to start quickly,” said Allison Martin, CEO and Founder of UDoTest. “Physicians and their patients, in lock-down, have requested help in setting up a virtual health solution to enable safe testing access. StageZero has this capability and is a good first partner for what will be an important solution for many.”

StageZero Life Sciences is now facing an incredible opportunity as COVID-19 testing demand far outstrips supply, both for testing if you have the disease, and testing if you have previously had it. Combining this with their revolutionary Aristotle® screening test for 10 cancers from a single sample of blood, shows why this company is rapidly rising.

For investors it is still only early days for StageZero Life Sciences, despite the 177% YTD price surge, the Company trades with a market cap of just C\$41 million. Analyst’s consensus price target is C\$0.50, so plenty of potential upside ahead given the current stock price of C\$0.125.

Disclaimer: Matt Bohlsen is a shareholder of StageZero Life Sciences Ltd. (TSX: SZLS)