

StageZero Life Sciences Announced Q3, 2020 Financial Results and Operational Update

November 20, 2020 (Source) – StageZero Life Sciences, Ltd. (TSX:SZLS) (“StageZero” or the “Company”) announced today operational results for the three and nine months ended September 30, 2020 and provided a progress update on its business.

StageZero also announced that it has filed its interim financial statements for the three and nine months ended September 30, 2020, along with the corresponding management discussion and analysis, and has also filed its amended and restated financial statements for the three and six months ended June 30, 2020 along with a corresponding restated management discussion and analysis. The restatements were made as the result of management and the Company’s auditor’s review of the financial statements during the course of preparing to file the Company’s (final) short-form prospectus filed in connection with its previously announced offering of units. The Company is working towards closing the previously announced Offering by the end of November. For more information on the restatements, please see the Company’s press release dated November 17, 2020.

Operational Update

The Company received US\$ 1,464,155 in revenue from performing COVID-19 tests during Q3 2020 versus US\$22,968 in the corresponding quarter of 2019. The Telehealth Platform that was created to support the Company’s cancer screening tests has proven fundamental to facilitating COVID-19 testing. This

is especially true for travel groups and jurisdictions that require testing. In response to the demand for testing in the US and around travel, the Company is continuing to increase its processing capabilities.

The following milestones were achieved during the third quarter:

- Received revenue of US\$1,464,155 for the period.
- Introduced at-home Saliva testing with remote video healthcare supervision.
- Partnered with 40 additional groups.
- Extended agreements until year end with a number of partners.
- Hired additional staff and purchased equipment, test reagents, and consumable materials (for COVID-19 Tests and Aristotle®). The Company maintains significant inventory to allow for increased and fluctuating demand.

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

- Signed multiple new partners, including the Government of Barbados.
- Introduced a respiratory panel test (testing for 18 virus and 2 bacteria).
- Expanding testing options with nasal swabs and antigen tests.
- Expanded testing in Canada via the Company's 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 in an attempt to build long-term relationships with healthcare service providers, institutional investors and employers.

“While our focus remains on cancer and the introduction of

Aristotle®, our pan-cancer test to simultaneously screen for 10 discrete cancers from a single sample of blood, the demand for COVID-19 testing is increasing significantly as is evidenced by the rising infection rates,” said James Howard-Tripp, Chairman and CEO of StageZero. “This increasing demand, while preparing for the launch of Aristotle® early next year, is allowing us to simultaneously scale up our organization by partnering with many new organizations as well as expanding existing agreements, and is positioning us to use both the incremental revenue as well as relevant new partnerships for a successful launch.”

Q3 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 September 30, 2020, we reported a consolidated net loss of \$4.6 million, or \$0.18 loss per common share, as compared with a consolidated net gain of \$1.9 million, or \$0.08 gain per common share, for the same period in 2019. The \$6.5 million increased loss results from the \$6.4 million impact of the revaluation of warrants, the \$1.2 million impact of the revaluation of fair value of conversion liabilities, an increase of \$0.5 million in cost of goods sold, offset by the \$1.4 million increase in revenue and 0.2 million reduction from finance costs.

For the nine month period ended September 30, 2020, we reported a consolidated net loss of \$7.4 million, or \$0.18 loss per common share, as compared with a consolidated net loss of \$2.9 million, or \$0.08 loss per common share, for the same period in 2019. The \$4.5 million increased loss results from the \$4.7 million impact of the revaluation of warrants, the \$1.3 million impact of the revaluation of fair value of conversion liabilities, an increase of \$0.5 million in cost of goods sold, offset by the \$1.5 million increase in revenue and

0.5 million reduction in general administration and finance costs.

The Company's financial statements and management 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 (swab) and blood test analysis (Antibody testing). Our full service, telehealth platform includes access to physicians and phlebotomist 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

A preliminary prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in Ontario, British Columbia and Alberta. A copy of the preliminary prospectus, and any amendment, is required to be delivered with this document.

The preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should

read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

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.