

StageZero Life Sciences Announces Q1 2021 Financial Results and Operational Update

May 17, 2021 (Source) – StageZero Life Sciences, Ltd. (TSX:SZLS) (“StageZero” or the “Company”), a specialist in PCR testing dedicated to the early detection of multiple diseases through whole blood, today announced its first-quarter financial results for the three months ended March 31, 2021, and provided an update on its business progress.

The Company generated \$2.5M in revenue from COVID testing for the quarter. Net loss for the quarter totaled \$7.3M. To reflect the operations of the Company more clearly, management has prepared an analysis of EBITDA and Adjusted EBITDA in the MD&A. As disclosed in the MD&A, the adjusted EBITDA for the quarter was \$193,000. As at March 31, 2021, the Company had \$6.4 million in cash.

Operational Updates and Recent Highlights

- Aristotle launched as part of the AVRT Program
- Announced Intent to Acquire Health Clinics Limited (transaction expected to close during Q3 2021)
- Expanded testing in Canada via the Company’s partnership with Ichor Blood Services
- Hired further staff and expanded testing capacity for COVID-19 and Aristotle®
- Partnership with Rexall to sell COVID-19 saliva test kits
- Partnerships with additional Fortune 500 companies for COVID-19 testing

“The first quarter of 2021 was transformative for StageZero,”

said James Howard-Tripp, Chairman and CEO of StageZero. “We are a vastly different company, with significantly greater growth opportunities from when we closed out 2020. We are a robust company with the ability to capitalize on strong healthcare trends and drive long-term growth. Our Q1 achievements, particularly our pending acquisition of Health Clinics Limited, are foundational to our ambition to reduce the incidence of late-stage cancer by 50% over the next decade through early interventions. They are also core to our future as a company and the value we strive to generate for patients and our shareholders.”

Q1 2021 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 March 31, 2021, the Company received \$2.5 million in revenue and reported a consolidated net loss of \$7.30 million, or \$0.08 loss per common share, as compared with revenue of \$0.03 million and a consolidated net loss of \$2.4 million, or \$0.08 per common share, for the same period in 2020. The \$4.9 million increased loss results from the \$4.2 million impact of the revaluation of warrants, the \$0.7 million impact from the increase in cost of goods sold, the \$1.2 million impact from the increase in general and administrative costs, the \$1.4 million impact from the change in the fair value of the conversion debenture, offset by the \$0.2 million impact of a decrease in finance costs and the \$2.4 million impact of the increase in revenue.

As disclosed in the MD&A, the adjusted EBITDA for the quarter was \$193,000.

EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) and adjusted earnings before interest, taxes,

depreciation and amortization (“Adjusted EBITDA”) are not recognized performance measures under IFRS. EBITDA and Adjusted EBITDA do not have standardized meanings under IFRS and therefore may not be comparable to similar measures presented by other issuers. The term EBITDA consists of net income (loss) and excludes interest, finance costs, taxes, depreciation and amortization. Adjusted EBITDA also excludes share-based compensation, impairment of assets, revaluation of warrants, changes in fair value of conversion debenture and public entity costs. EBITDA and Adjusted EBITDA are included as supplemental disclosures because Management believes that these disclosures provide a better assessment of the Company’s continuing operations by eliminating non-cash costs and costs or gains that are not recurring.

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 diseases through whole blood tests. The Company’s next-generation test, Aristotle®, is the first-ever multi-cancer panel for simultaneously screening for 10 cancers from a single sample of blood with high sensitivity and specificity for each cancer. StageZero’s full service, telehealth platform includes access to physicians and phlebotomists who can prescribe and draw samples for individuals and groups, and the Company operates a CAP accredited and CLIA certified high-complexity reference laboratory in Richmond, Virginia. In addition, leveraging its specialty in polymerase chain reaction (PCR) testing for the early identification of cancer through blood, StageZero also provides both COVID PCR testing (swab and saliva) and blood test analysis (Antibody testing). For more information, please visit www.stagezerolifesciences.com.

Forward-Looking Statements

Certain statements in this news release related to the Company, Health Clinics Limited and their respective businesses are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as "may", "should", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the Company's ambitions to reduce the incidence of late-stage cancer, its anticipated long-term growth, the generation of value for patients and shareholders, and the pending acquisition of Health Clinics Limited. These statements reflect the Company's current expectations regarding future events, but involve risks and uncertainties that could cause actual results to differ materially from those projected herein. Such risks include the risk that the Company will not reach a definitive agreement to acquire Health Clinics Limited, that TSX and/or shareholder approval will not be obtained to complete the Health Clinics Limited acquisition, that integration of the Health Clinics Limited into the Company will not achieve the intended results, and other risks and uncertainties described in the Company's ongoing quarterly filings, 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.

STAGEZERO LIFE SCIENCES LTD.

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