

StageZero Life Sciences Announces Q2 2021 Financial Results and Operational Update

written by Raj Shah | August 17, 2021

August 17, 2021 ([Source](#)) – *Company Signs Definitive Agreement to Acquire Health Clinics Limited*

StageZero Life Sciences (TSX:SZLS) (“StageZero” or the “Company”), a specialist in PCR testing dedicated to the early detection of multiple disease states through whole blood, today announced its second-quarter financial results for the three months ended June 30, 2021, and provided an update on its business progress.

The Company generated \$0.405 million in revenue from testing for the second quarter, compared with \$0.063 million in the year-ago period. Net income for the quarter totalled \$4.3 million. Adjusted EBITDA for the quarter totalled (\$2.336 million). As of June 30, 2021, the Company had \$4.2 million in cash.

Operational Updates and Recent Highlights

- Signed Definitive Agreement to Acquire Health Clinics Limited
- Launched AVRT and Aristotle with Care Oncology
- Appointed Matthew Pietras as CFO and COO, effective August 28, 2021
- Acquired new ticker symbol, SZLSF, for U.S. OTC markets

“In the second quarter, we recorded good year-over-year growth in our COVID testing revenue amid rising concerns over new viral variants,” said James Howard-Tripp, Chairman and CEO of StageZero. “We expect that our COVID testing revenues will

fluctuate Quarter to Quarter, but be closer to Q1 levels on a quarterly basis through the remainder of the year as more businesses, schools and other organizations reopen.

“More importantly, on August 16 we signed the definitive agreement to purchase Health Clinics Limited, which operates our valued partner, Care Oncology. This is a watershed event in the history of StageZero and combines two revenue-generating companies engaged in the early detection of cancer and other disease states. This acquisition will double our employee headcount, make us far more vertically integrated, create unique cross-selling opportunities, and enable our broader use of telehealth to reach millions of consumers and employers. Moreover, we have been putting the necessary managerial and operational pieces in place to ensure that we hit the ground running as we combine our two companies, and that we make the most of the business opportunity ahead of us. Key in this is to now begin to book revenue in the combined entity as we fully open up the AVRT/Aristotle programs and initiate interventions on the backlog of patients”.

Q2 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 June 30, 2021, the Company received \$0.4 million in revenue and reported a consolidated net gain of \$4.3 million, or \$0.5 per common share, as compared with a consolidated net loss of \$0.3 million, or \$0.00 per common share, for the same period in 2020. The difference results from the \$6.7 million gain of the revaluation of warrants, the \$0.1 million impact from the increase in cost of goods sold and the \$1.5 million impact from the increase in general and

administrative costs, offset by the \$0.3 million impact from the increase in the fair value of the conversion debenture, the \$0.3 million impact from the increase in the fair value of the conversion liabilities, the \$0.3 million impact of an decrease in finance costs and the \$0.4 impact of the increase in revenue.

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. StageZero Life Sciences is dedicated to improving quality of life through proven technology and personalized care plans, allowing people to take control of their health. StageZero helps reduce the risk of developing cancer and other chronic diseases by delivering early detection and intervention solutions. The company's end-to-end care model is personalized, proven, and puts people first.

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. Aristotle is integrated with StageZero's AVRT™ program, a comprehensive telehealth program that uses advanced diagnostics, proven clinical protocols, and physician supervision to help patients stay well and prevent the development of cancer and other chronic diseases.. StageZero Care Oncology has clinics in California, telehealth practices in all 50 states and provides treatments that complement and enhance the effect of traditional, standard of care cancer therapies. The Company also 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 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

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.

STAGEZERO LIFE SCIENCES LTD.

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