

XPhyto Therapeutics Launches Rapid Test for COVID-19, Zacks Research Initiates Coverage

XPhyto Therapeutics Corp. (CSE: XPHY | OTCQB: XPHYF | FSE: 4XT) (“XPhyto”) is a bioscience company with a focus on innovating, accelerating and commercializing, disruptive, disease diagnostic and drug delivery technologies. Some examples are diagnostics (COVID-19 testing and biosensors) and new thin-film drug delivery methods. The company is also developing new active pharmaceutical ingredient manufacturing processes. XPhyto’s specialty is speed to market of commercial innovative medical products.

XPhyto has international expertise with headquarters in Vancouver and operations out of Germany. The Company is currently focused on regulatory approval and commercialization of medical products for European markets.

A summary of XPhyto Therapeutics Corp.’s bioscience accelerator business

Diagnostics

Lead product is a **rapid point-of-care COVID-19 RT-PCR diagnostic test** launched in Europe in Q2 2021.

Diagnostic development pipeline includes a portfolio of **real-time ultra low-cost infectious disease biosensors**.

Drug Delivery

Platform thin-film technology to develop innovative cost-effective **transdermal (TDS) and oral dissolvable (ODF) formulations** of generic, hybrid-generic, and new active pharmaceutical ingredients.

Psychedelic Medicine

Development of 2 industrial scale **GMP psychedelic production** processes and chemical engineering of **patentable psychedelic analogues**



Bioscience Company
with proven therapeutics
and innovative diagnostics
approaching the market.

Made in Germany

Source: XPhyto company presentation

Rapid COVID-19 PCR test launched

On September 8, XPhyto announced the successful launch into a growing market demand of its 25-minute COVID-19 PCR test (called 'Covid-ID Lab test') in Berlin, Germany. This event followed on news announced on March 18, 2021 that XPhyto's rapid 25-minute COVID-19 PCR test had gained European approval.

XPhyto stated:

"In parallel to the pilot project, we are developing further approaches and services with our partners to offer modular testing and hygiene solutions for larger events, such as concerts, sporting events and conferences.....Given our competitive pricing, we are in a strong position to accelerate sales growth in the near term."

The XPhyto Covid-ID Lab test has great potential for (25 minute) rapid testing at airports, cruise ship terminals, border testing, schools, medical centers, government agencies, public venues and job sites markets. With over 84 million people, Germany is a very important and potentially lucrative market for XPhyto. XPhyto plans to expand through Europe to service its 748 million people.

Biosensor test for oral disease launched

On August 30, XPhyto announced the launch of its first commercial biosensor test for oral disease. The biosensor test, in the form of a thin-film tab, dissolves on the tongue and if it turns turns bitter after five minutes it is an indication of the presence of 'oral inflammation.' The test has been successfully registered with the appropriate German authorities and is ready for partnering with wholesale distribution partners and market launch.

The announcement stated:

“(XPhyto and partner 3a-diagnostics GmbH) successfully registered their first biosensor test in oral inflammation with the German authorities (cosmetic products notification). The easy at-home self-check can be performed without the need for specific medical knowledge or training, analytical equipment or even a power supply. When placed on the tongue, the thin film dissolves and, after 5 minutes, the biosensor releases a bitter taste in case of oral inflammation. The biosensor functions as a quick test for heightened levels of certain bacteria and viruses to check whether a doctor’s visit and further tests are necessary.”

XPhyto believes that biosensors in general, and 3a’s innovative biosensor system in particular, are a promising and reliable platform technology for accurate, early screening and diagnosis of diseases. XPhyto has signed an acquisition agreement with 3a which means XPhyto will acquire all of the outstanding shares of 3a for EUR 3.9 million with a planned closing on or around October 31, 2021. You can read more details about 3a-diagnostics GmbH [here](#).

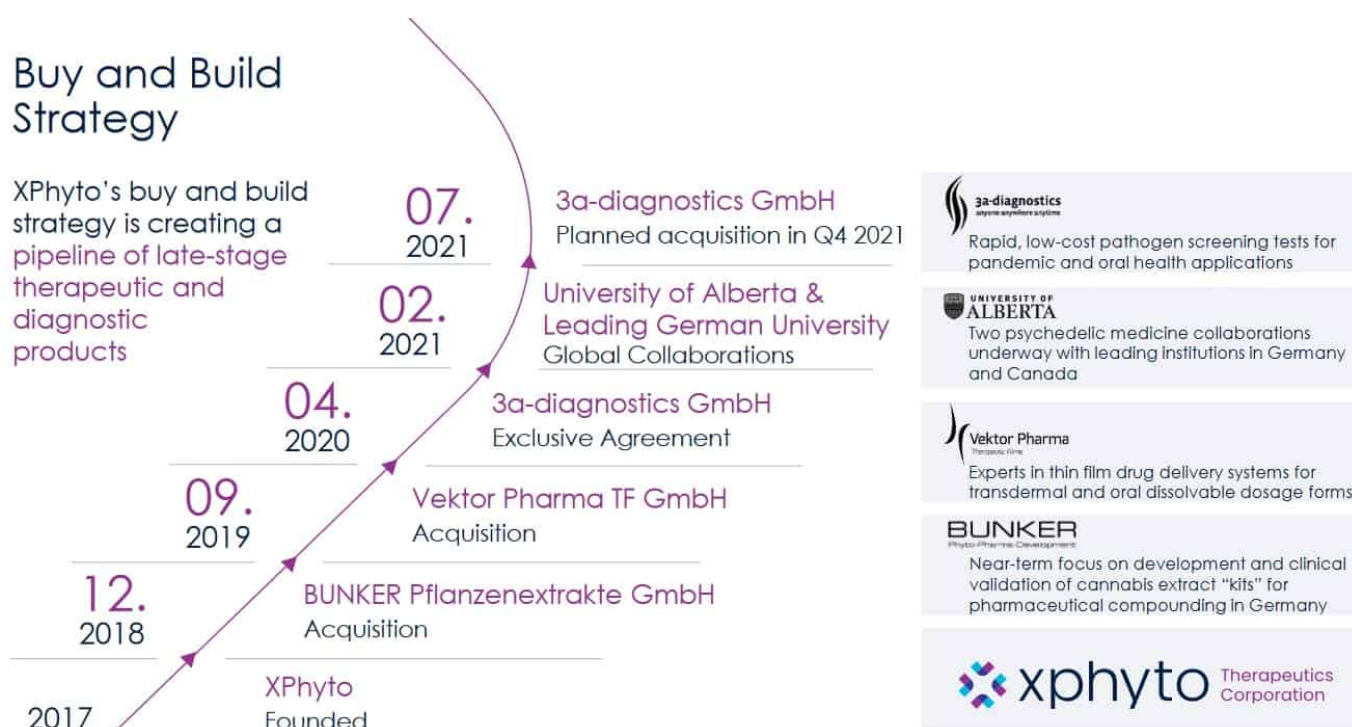
XPhyto coverage by Zacks Research

On September 28, 2021, Zacks Research gave an initiated coverage on XPhyto and concluded:

“The company is optimistic about the prospects for the COVID-19 test and other products in its pipeline, as noted. While it is difficult to know the revenue arc for XPHYF at this early stage, just based on the sizable need for COVID testing, we believe the current share price of about \$1.10 does not reflect the fundamental value of the company’s pipeline and prospects and would anticipate upside if the company continues to advance its candidates. We believe the substantial size of the company’s target markets and the company’s view of the competitive advantages of its diagnostic and delivery platforms suggest strong revenue growth if the company successfully executes its strategy.

.....we believe the average price-to-sales multiple of companies in this comparison of 14x provides a valuation benchmark for XPHYF. Therefore, applying a 14x multiple to our \$8 million to \$14 million 2025E revenue forecast and discounting back at 3% results in a present value of nearly \$102 million to \$179 million for XPHYF, or a mean value of about \$2.00 per share.”

XPhyto's buy and build strategy showing past acquisitions timeline



Source: XPhyto company presentation

Closing remarks

New bioscience companies need to move quickly and work hard to establish a market share into niche products that can rapidly lead to revenues. To do this the company first needs to spot a strong trend or need, such as COVID-19 rapid testing, and then move fast with a great product to get ahead of competitors.

XPhyto is doing a good job so far of innovating and bringing, in-demand, pharmaceutical products rapidly into the marketplace. Its next step will be to see how quickly the products can achieve a strong uptake and strong revenues.

XPhyto Therapeutics Corp. trades on a market cap of C\$95 million with the 3a-diagnostics acquisition due to finalize very soon. This acquisition looks to be the best so far and with COVID-19 testing and the biosensor market doing well it should only boost XPhyto's near term prospects. Stay tuned.

Using StageZero Life Sciences as a Case Study for the Publication of All Research Reports Online

Analyst Chris Thompson published a piece on eResearch on StageZero Life Sciences Ltd. (TSX: SZLS) this weekend titled, "StageZero Valuation Report Pegs Stock Price Between \$0.67 and \$14.14", the sub-header reads *Report Assumes Aristotle Revenue Impact Starting in Q3/2021*.

As the Publisher of InvestorIntel Corp., we are partial to Chris Thompson content as he is an outstanding guest columnist and knowledgeable host that occasionally shares his talents with InvestorIntel.com. Extensively educated (CFA, MBA, P.Eng) and experienced, if it was up to me I would like to publish all of Chris Thompson's eResearch reports in their entirety as they are released.

Does this mean I agree with him in his entirety? Hell, no. However, this is where I believe we need to remind the securities regulators that more and more of us are managing our own funds, and having access to more analysis is an example of the real tools we need to arm ourselves and evolve into the well equipped investors we want to be.

It simply makes sense. Why should we rely on savvy Reddit users when a well written report by a knowledgeable analyst can provide more comparative analysis than any chatboard debate can provide?

Presently, compliance regulations keeps both the companies and media from publishing analyst reports direct, and the companies these analysts cover cannot publish these reports on their sites, only the sources who have covered them. This process forces the investor to hunt down these analysts and seek reports direct from the writing source, which they are allowed to distribute as they see fit.

Ideally, I wish that we as investors could source these reports on the exchanges where the company is trading so we can review all of them. And we, as media could compare them and provide what would undoubtedly make some great content for debate and discussion and shut down these boards where anonymity prospers. After all, the companies and the media cannot act so irresponsibly, why should these chatboards be able to do this?

This is one of the reasons why our discussions are monitored on InvestorIntel.com.

While I appreciate that judging the talents of an analyst goes well beyond their writing competency and their experience, and includes tracking their record for performance, it is my opinion that the best analysts should be allowed to receive a fan base once they prove a track record for doing this incredibly important job in the investment food chain.

More and more people are investing their own funds and managing their own money, when are we going to allow the retail audience to be equipped with the same tools as the professionals?

Please keep in mind that it is important to note that we as financial media, while allowed to report on these valuations,

must be extraordinarily cautious to remind our readers that we are not licensed investment advisors and many of our comments must be limited to creative disclaimers to ensure that if the share price does not achieve the goals outlined in any valuation report that we have clearly stated that these numbers are not ours, but of the source cited and that we are neither liable or responsible.

But I believe (again, this is an opinion) that we do our investors a disservice by not being able to have a place where all of the research is published so that we may follow how the analyst formed their conclusion.

This weekend I asked Chris Thompson to explain how he did this Valuation Report on StageZero. He responded with a very thorough summary, which I enjoyed and thought I would share with you.

Chris Thompson response to the StageZero Valuation Report process was to provide the following summary:

The Valuation Report use three valuation methodologies to calculate the price per share for StageZero: (1) Comparative Company Analysis using Revenue, (2) Prior Mergers and Acquisitions Analysis, and (3) Discounted Cash Flow.

Revenue from Aristotle® Fuels Valuation

StageZero is a life science and telehealth company that recently launched Aristotle®, which is its next generation, proprietary clinical test for the early detection of cancer.

Aristotle® is the first-ever multi-cancer panel that simultaneously screens for 10 cancers from a single sample of blood with high sensitivity and specificity for each cancer.

StageZero commercially launched Aristotle® in April and, on the same day, announced the acquisition of Health Clinics and Care Oncology (HC Companies) to launch an early cancer

diagnostic program under the trade name AVRT that is based on Aristotle®.

Revenue Assumptions

In the valuation report, eResearch analyst Chris Thompson (me) assumed that StageZero's Aristotle® testing revenue will commence in the third quarter this year and StageZero will close the acquisition of the HC Companies in 2021.

In addition, StageZero's COVID-19 testing solutions generated revenue of over US\$6.5 million in the past three quarters, and I expect this revenue to continue for the rest of 2021.

From these assumptions, we estimated StageZero will generate US\$16.7 million of revenue in 2021 and will also book a one-year forward revenue of US\$23.0 million.

Stock Price Valuation Summary

eResearch used the one-year forward revenue estimate of US\$23.0 million as a baseline and estimated revenue growth and EBITDA margins for the next five years, as well as calculating revenue multiples from various sources, with all assumptions outlined in the valuation report.

The three valuations methods are summarized here and presented in the table below:

- 1. Revenue Multiples (3x to 12x revenue):** eResearch estimated that StageZero's stock price should be in the range of C\$1.24 to C\$3.99.
- 2. Prior Mergers & Acquisitions (1.2x to 45.x revenue):** eResearch estimated that StageZero's stock price should be in the range of C\$0.67 to C\$14.14.
- 3. Discounted Cash Flow (DCF) Method:** eResearch estimated that StageZero's stock price should be C\$3.18 in one year.

Overall, the calculations estimated StageZero's stock price

valuation between C\$0.67 and C\$14.14.

Final Thoughts

With StageZero's recent C\$7.2 million financing strengthening its Balance Sheet and revenue from the COVID-19 testing bringing in additional cash flow, the company should have funds to complete the HC Companies acquisition and start commercializing Aristotle®.

StageZero closed Friday at C\$0.48 and currently has a Market Cap of less than C\$32 million.

The valuation estimates are well above StageZero's current stock price and illustrate the stock price's upside potential.

FIGURE 1: Summary of Stock Price Valuations

1-Year Forward Revenue Estimate (US\$M)	US\$23.0M	
	Price / Share (C\$)	
Revenue Multiples		
- Cdn Revenue Multiple	3x	C\$1.24
- US Median Revenue Multiple	12x	C\$3.99
Prior M&A		
- Low Revenue Multiple	1.1x	C\$0.67
- Median Revenue Multiple	11.6x	C\$3.87
- Average Revenue Multiple	45.3x	C\$14.14
DCF (1-Year Target Price)		C\$3.18
- Discount Rate of 10%		
- Terminal Multiple of 15x EBITDA in 2025		
- 2025E EBITDA of US\$21.1M		

So I must leave today's piece with a Disclaimer that we are not endorsing this Valuation Report and that StageZero is indeed an advertorial client for InvestorIntel Corp. To review the Disclaimers on this eResearch Valuation Report, please go

the Source.

Note from the Publisher: We will continue to review ways in which we can provide regular updates on reports to cultivate discussion and debate on the reports, their writers and of course – the companies they are covering. **Thank you for visiting InvestorIntel.com!**

StageZero announces \$2.5 million in revenue from COVID-19 testing for Q1

StageZero Life Sciences Ltd. (TSX: SZLS) (“StageZero”) has just announced mixed results for Q1, 2021. The good news was that StageZero generated \$2.5 million in revenue from COVID-19 testing for the quarter. The bad news was the \$7.3 million loss for the quarter.

The good news

Given StageZero has gone from zero to \$2.5 million in COVID-19 testing revenue in about a year shows StageZero’s ability to quickly adapt and ramp up new services to meet patient’s needs. The COVID-19 testing revenues are also helping to fund StageZero’s expansion which includes the recent Aristotle 10-in-1 cancer test and potentially the Health Clinics Limited acquisition (Letter Of Intent signed and effective as of March 31, 2021). The other good news is that StageZero has built their cash levels up to \$6.4 million as of March 31, 2021.

The bad news

As per the Q1 2021 earnings announcement: “Net loss for the

quarter totaled \$7.3 million...or \$0.08 loss per common share...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.”

Most of this bad news was really just accountancy revaluation measures which are mostly a one-off related to the StageZero stock price movements, so longer term investors need not be alarmed.

StageZero is striving to become a leader in early stage cancer diagnosis using their Aristotle 10-in-1 cancer test

Stage Zero's Next Generation Test: 10 Cancers - One Sample of Blood - Unlimited Possibilities



The worst cancer diagnosis is a late one, yet more than 40% of cancers are still found in the later stages. Our next-generation blood test (Aristotle™) is a panel for the early detection of 10 cancers from a single sample of blood. Aristotle was recently selected for online publication at the 2020 annual meeting of the American Society of Clinical Oncology (ASCO).

Source

The big picture

The big picture for StageZero is still looking good. From an operational point of view StageZero is making very good progress. Here are the recent highlights:

- Aristotle launched as part of the AVRT Program.
- Announced intent to acquire Health Clinics Limited (transaction expected to close during Q3 2021). Health Clinics will operate the trade name “Care Oncology Clinic”. Health Clinics provides a patented and safe adjunctive treatment for all cancer

types.

- 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 throughout Canada. Rexall is a leading drugstore operator with more than 400 pharmacies across Canada.
- Partnerships with additional Fortune 500 companies for COVID-19 testing.

Investors should take a mid to long term view towards StageZero. Establishing a niche cancer diagnosis and treatment business takes time and money. StageZero is currently still establishing itself in this area.

CEO Tripp summarized StageZero's direction well when he stated:

"Together with Health Clinics, we are taking three of the highest growth areas within healthcare – liquid biopsy, early detection of disease and telemedicine – and combining them into one innovative company that with ground-breaking technology, will find disease early (as opposed to late and with presentation of symptoms), diagnose and treat, or diagnose and seek to prevent late stage disease, with a telemedicine reach in both North America and the UK/Europe."

StageZero has made tremendous progress over the past year and is now in the stage of commercializing Aristotle after their 20 years of work developing it.

Closing remarks

The world is yet to see the full potential of both StageZero and their revolutionary 10-in1 cancer test, 'Aristotle'. Diagnosing disease (especially cancer) early means giving patients a chance to alter the course of their disease, rather than fighting a losing battle against late-stage disease. This

is potentially a game-changer for medicine and for patients in the battle against cancer and many other debilitating diseases.

StageZero Q1 2021 results do look to be a mixed bag at first glance. But looking deeper the loss is mostly accountancy issues and the growing revenues and tremendous progress in the direction the Company is heading means investors should remain very positive on the Company. If StageZero can succeed on their mission of diagnosing disease (especially cancer) early and then providing treatment (boosted via the health Clinics acquisition), then the world is their oyster.

StageZero Life Sciences trades on a market cap of just C\$43 million. The recent stock price dip allows a better entry for investors who see the potential of StageZero and who are prepared to take the long term view.

Disclosure: The author is long StageZero Life Sciences (TSX: SZLS).

Further learning

- **StageZero Life Sciences James Howard-Tripp on the recent LOI to Acquire Health Clinics Limited**

StageZero's New Cancer-Testing Platform and Health Clinics Acquisition Forms

Telemedicine “Circle of Care”

StageZero Life Sciences Ltd. (TSX: SZLS) is a life science and telehealth company that recently launched Aristotle®, which is its next-generation, proprietary clinical test for the early detection of cancer. From one blood sample, it can screen for 10 cancers.

On the same day as it officially launched Aristotle®, StageZero announced that it entered into a Letter of Intent (LOI) to purchase Health Clinics Limited and Health Clinics USA Corp. (together, the “HC Companies”).

Founded in London, England in 2013, the HC Companies use telemedicine to provide clinical services across Europe and North America.

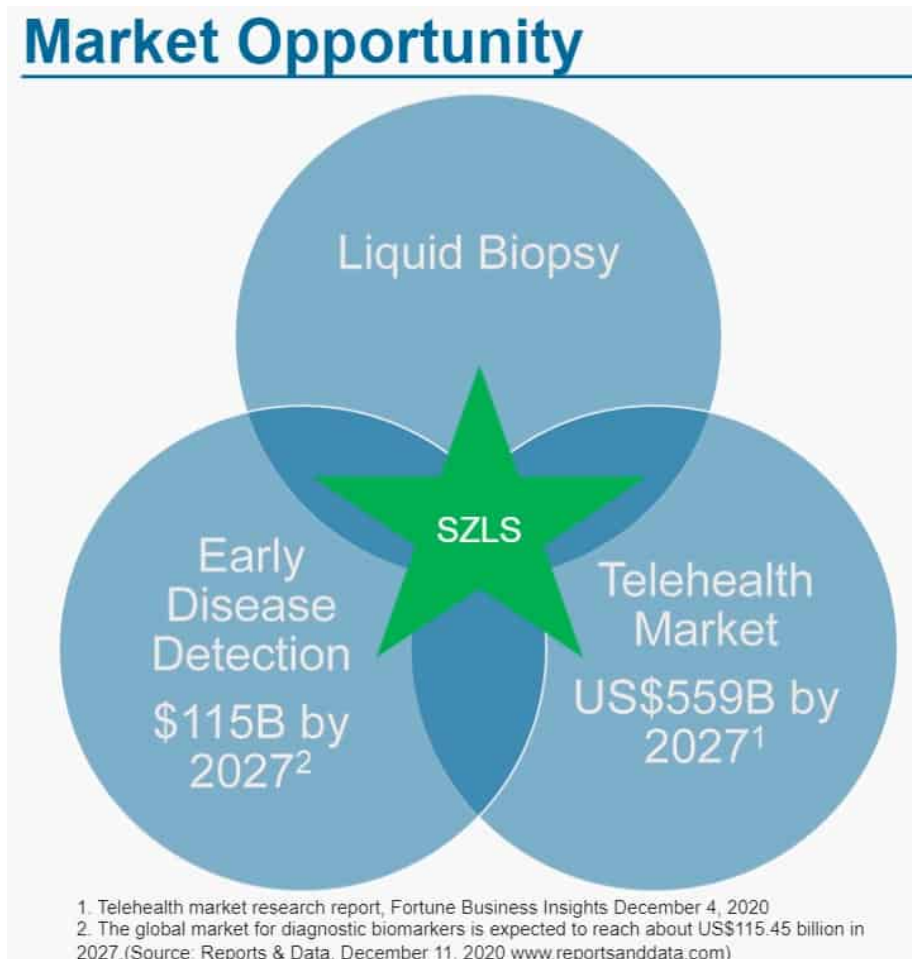
Under the trade name Care Oncology Clinics, the HC Companies offer cancer (oncology) treatment services and, under the trade name AVRT, focus on early disease detection utilizing proprietary treatments.

James Howard-Tripp, Chairman and CEO of StageZero, explained the rationale behind the transaction,

“Together with Health Clinics, we are taking three of the highest growth areas within healthcare – liquid biopsy, early detection of disease and telemedicine – and combining them into one innovative company that with ground-breaking technology, will find disease early (as opposed to late and with presentation of symptoms), diagnose and treat, or diagnose and seek to prevent late stage disease, with a telemedicine reach in both North America and the UK/Europe.”

According to market research by Fortune Business Insights, the Telehealth market is estimated to be US\$559 billion by 2027 and Reports & Data estimates the Early Disease Detection market to be worth US\$115 billion by 2027.

The continued rise of cancer cases and deaths has shifted the attention towards the adoption of early detection and diagnosis techniques for cancer, to help lower health costs and increase survival rates.



Source: StageZero Company Presentation (April 1, 2021)

StageZero – From Point Solution to Circle of Care

With the COVID-19 pandemic, many physician practices are closed, so patients are not visiting their doctors in person but are connecting via telehealth.

To illustrate the dramatic decrease, according to an article last month by the **National Cancer Institute**, the COVID-19 pandemic led to a sharp decrease in the number of cancer screening tests. One example from **Massachusetts General Brigham Hospital** recorded a 74% decrease in cancer screening tests during the same 3-month period in 2019 (pre-pandemic)

versus 2020.

Unlike COVID-19 tests, cancer tests in the U.S. have to be prescribed by a physician. Therefore StageZero needed to find a way to reach patients with doctor support.

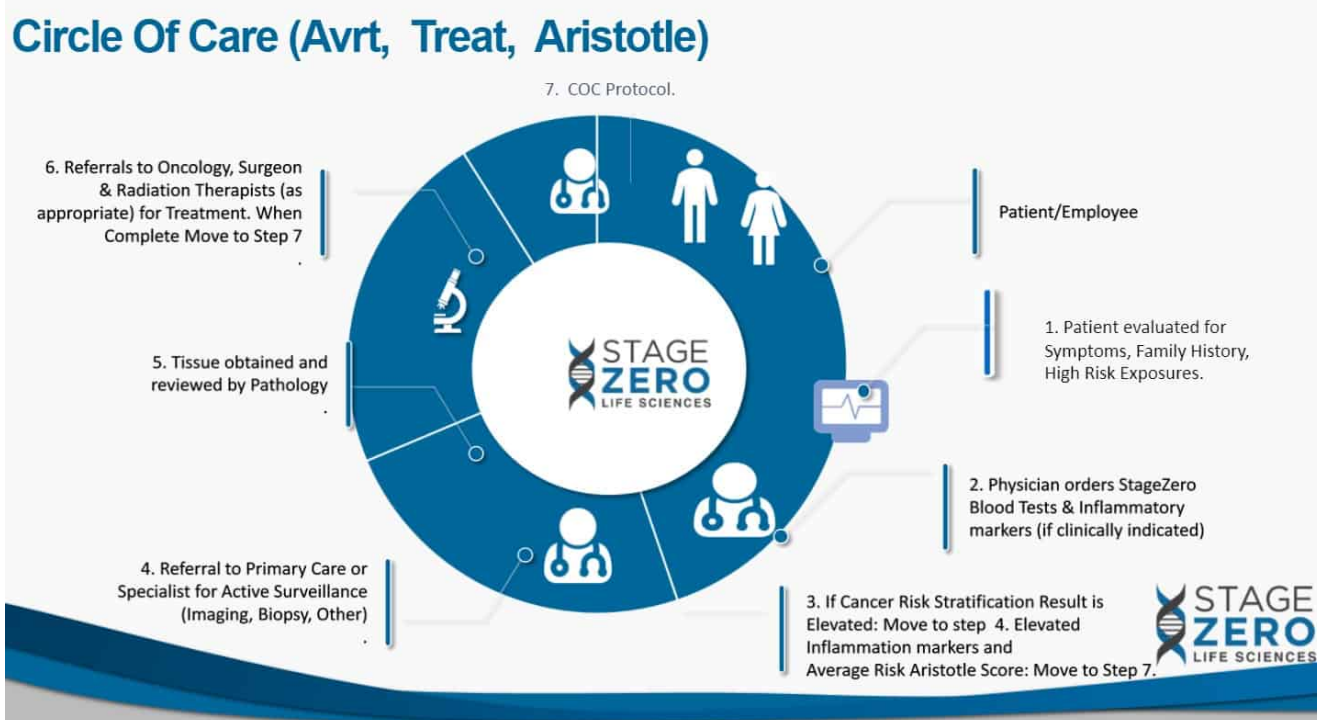
The HC Companies acquisition immediately filled this requirement and more, as it provides an existing network of physicians as well as patients, a marketing group, and a 24/7 support team.

StageZero believes that launching Aristotle via AVRT will have a bigger impact than trying to launch a stand-alone cancer-detection service and positions it uniquely in the market.

In addition, the Company commented that the release of Aristotle® via AVRT is just the first step and StageZero will continue to develop a broader market for the product including physician networks, health care insurance providers, and employers.

StageZero's new cancer-testing platform Aristotle® becomes integrated with HC Companies' AVRT service. The AVRT program focuses on finding diseases early, notably cancer, and then would work with the primary care physicians and oncologists of HC Companies' Care Oncology Clinics to establish appropriate treatment.

Therefore StageZero will have a fully integrated telehealth platform that supports both its cancer diagnostics program as well as treatment services – creating the “Circle of Care” – and now multiple revenue streams.



Source: StageZero Company Presentation (April 1, 2021)

Lab Expansion for COVID-19 and Aristotle® Testing

StageZero continues to expand its CAP-accredited and CLIA certified high complexity reference laboratory in Richmond, Virginia. Being CAP-accredited and CLIA certified ensures that the testing facilities and test results are meeting or exceeding the industry standards for clinical laboratory testing.

Last year, to help out during the COVID-19 crisis, StageZero launched a COVID-19 testing service, offering both the serology point-of-care and lab-based polymerase chain reaction (PCR) tests.

The Company's revenue benefited from offering various COVID-19 tests as fourth-quarter 2020 results released last month had revenue at US\$2.6 million, up 77% quarter-over-quarter and up over 5,000% from the same period last year.

StageZero forecasted that COVID-19 testing-related revenue should be even higher in the first quarter of 2021.

Expanded Testing in Canada with Ichor Blood Services

Yesterday, StageZero announced that its partner Ichor Blood Services will distribute StageZero's COVID-19 PCR saliva test kits through Canadian retail outlets in British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario starting immediately.

James Howard-Tripp commented: "StageZero is proud to make these kits available to Canadians to enable immediate and convenient PCR testing, at home, via supervised telehealth, for families, companies, and travelers. COVID-19 PCR testing is considered the gold standard for helping to determine if someone is infected with SARS-CoV-2, the virus that causes COVID-19, and saliva-based PCR testing is an easy, non-invasive way to collect a sample".

Final Thoughts

The recent C\$7.2 million financing has strengthened the Balance Sheet and revenue from the COVID-19 testing brings additional cash flow that should enable the Company to meet its current obligations, complete the HC Companies acquisition, and commercialize its new offering.

StageZero should continue to benefit from the market's shift to telehealth and book revenue growth from its COVID-19 testing service and product offering.

With the growing need for both COVID-19 and cancer testing, revenue could double for the Company this year.

StageZero closed today at C\$0.77, up 22% on the day, and currently has a Market Cap of over C\$41.2 million.

Adding depth and affiliations with key cancer centers, StageZero announces LOI to acquire Health Clinics

StageZero Life Sciences is expanding its early stage cancer and COVID-19 diagnosis business to now include Aristotle, Avrt, and Treat

StageZero Life Sciences Ltd. (TSX: SZLS) (“StageZero”) recently announced their long awaited release of “Aristotle”. In addition, StageZero announced a Letter of Intent (LOI) to acquire Health Clinics Limited. These events now mean that StageZero is rapidly expanding its services that will include telehealth, COVID-19 testing, Aristotle (early stage multi-cancer testing), AVRT (prevention of cancer & other diseases), and Treat (adjunctive treatment for all cancer types); all at the same time as working with health care professionals.

Aristotle

StageZero has developed a multi-cancer test that requires only a drop of blood. It is named Aristotle and was officially launched in early April, 2021. Aristotle has been released in two initial versions:

- **Aristotle Female** panel – 9 tests for cancer: ovarian, breast, cervical, endometrial, colorectal, bladder, stomach, liver and nasopharyngeal.
- **Aristotle Male** panel – 6 tests for cancer: prostate, colorectal, bladder, stomach, liver and nasopharyngeal.

StageZero state:

“Using an approach called immunoediting, Aristotle interrogates the mRNA from whole blood to detect gene expression profiles indicative of specific cancers. It is the first multi-cancer test to come to market with the ability to test for multiple, discrete cancers from a single sample of blood.”

The Aristotle test is revolutionary in its ability to test for multiple cancers in one test and the fact it targets very early stage cancer detection. This has the potential to shake up the early cancer detection industry.

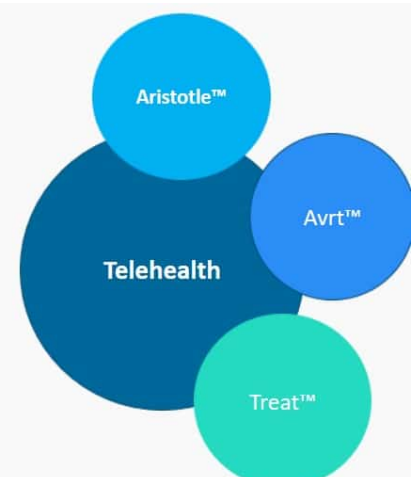
StageZero Life Sciences – Telehealth at the core supporting Aristotle, AVRT, and Treat

StageZero Life Sciences

Everything we do is centered on challenging the status quo in healthcare. We have a healthcare system that waits until we become ill before it intervenes—instead of a health care system focused on helping us stay healthy. That’s why we believe in finding chronic diseases, like cancer, in the earliest possible stages. We accomplish this through physician guided interventions, advanced testing, and proprietary treatment protocols that improve patient outcomes.

All of This is Made Possible Through Telehealth

Our programs are available to anyone in the world with a smartphone, tablet or computer who want access to leading, state of the art programs for the prevention of disease through ongoing, physician supervised programs.



Source: StageZero Life Sciences Fourth Quarter Call

Health Clinics Limited

Health Clinics (“HC”) specialises in chronic inflammation and metabolic dysfunction and uses telemedicine to provide specialist clinical services across Europe and North America. HC provides two main clinical offerings:

1. Under the trade name **Care Oncology Clinic (“COC”)**, HC provides a patented and safe adjunctive treatment for all cancer types.

2. Under the trade name **AVRT** (pronounced “avert”), HC clinicians will provide a managed clinical service to help people to reduce their risk of developing chronic diseases, including cancer, using a proportionate and tolerable protocol.

StageZero CEO James Howard-Tripp stated:

“The team at Health Clinics/Care Oncology will significantly enhance our clinical and scientific capability, adding depth and affiliations with key cancer centers as well as expanding the executive and the board. The partnership also gives us the necessary infrastructure to correctly cater to employers, where we go next.”

Summary of StageZero’s amazing recent achievements

Operational Update and Recent Highlights

The following milestones were achieved during the fourth quarter:

- Received revenue of \$2.82 million for the period.
- Closed a prospectus offering of more than C\$7M.
- Hired additional staff and purchased equipment, test reagents, and consumable materials (for COVID-19 Tests and Aristotle®).

The following has been achieved in the first quarter of 2021:

- Aristotle launched as part of the AVRT Program
- Acquisition of Health Clinics Limited
- 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®.
- Participated in two investor focused conferences.

Source

Added to all this StageZero continues to ramp up COVID-19 testing related revenues which acts to help fund the Aristotle program. In Q4, 2020 StageZero made C\$3.38M in revenue, C\$0.64M in net income, and a net profit margin of 18.93%. These are impressive numbers especially as StageZero is still

in the very early growth stage.

StageZero Life Sciences became profitable in Q4 2020

Income Statement

Quarterly Annual



Source

Closing remarks

Success in business usually comes if you provide a great product which has a strong need and if you can distribute and market the product to meet that need. StageZero is doing exactly that.

Aristotle's past success in the trial phase showed it is a great product. The need for early cancer detection worldwide is enormous. Finally, the recent LOI to acquire Health Clinics Limited (includes Care Oncology Clinic and AVRT) gives StageZero a fast start towards Aristotle distribution, as well as expansion to new areas such as cancer adjunctive treatment.

StageZero currently trades on a market cap of C\$43M giving investors an enormous potential opportunity to get in early on what is shaping up to be an exceptional company. Risk remains high due to the early stage, but reward is also very high.

Disclosure: The author is long Stage Zero Life Sciences (TSX: SZLS).

StageZero Life Sciences' Aristotle 10 in 1 cancer screening test looks set to launch in Q1 2021

StageZero Life Sciences Ltd. (TSX: SZLS) ('StageZero') has been developing their Aristotle 10 in 1 cancer screening test for about 20 years with a successful history of validation to date. Excitement is building with the launch being widely anticipated and set to occur in Q1, 2021, assuming final validation completes successfully. Meanwhile StageZero continues to spread their testing network for their range of COVID-19 tests and has introduced COVID-19 travel testing. StageZero's focus is in the USA with some business also in Canada.

During Q3 2020 StageZero significantly expanded the number of groups they are working with to 55 (up from only 5 in Q2, including Mercer VIP program). This is boosting revenue and building networks, all significant positives for StageZero. StageZero stated in their November 2020 update that they have increased revenue in Q3 by more than four times all of 2019 and have received C\$1.5 million in cash, which significantly exceeds projected operating costs of C\$900,000 per quarter.

Chairman and CEO, James Howard-Tripp, stated: "We have significantly upgraded our capabilities through increasing the number of laboratory staff, aggressively building up an inventory of supplies, paying down the accounts payable and introducing new tests. We have also greatly increased the number of groups we are now testing for and expect this to contribute to revenue growth as we move forward."

COVID-19 saliva testing and COVID-19 travel testing


I discussed StageZero's COVID-19 new saliva testing here, where I called it a game changer simply because people would much prefer a COVID-19 saliva test than the very uncomfortable nasal probe test. StageZero continues to rollout saliva testing supported by their telehealth platform to ensure testing accuracy and compliance.

COVID-19 travel testing has commenced for US and Canadian travelers. To date the service is available for those traveling to Barbados, Hawaii, and China.

StageZero also recently introduced a respiratory panel test (testing for 18 virus and 2 bacteria).

All of this is achieving two main purposes for StageZero – A growth in their distribution networks, and a boost to revenues.

StageZero introduces COVID-19 travel testing



**It's Time to Return to Travel.
Let's Get You Tested!**

Your COVID-19 Results Will be Emailed in 24-48 Hours

About Our Tests

Please check the travel guidelines for your destination to determine what tests are required

**COVID-19 Testing for
Canadian Travelers**

**COVID-19 Testing for
U.S. Travelers**

Source

StageZero 'Aristotle' 10 in 1 cancer test looks set to launch in Q1 2021

As discussed previously here, Aristotle is a revolutionary way of diagnosing cancer early. Aristotle is StageZero's 10 in 1 cancer panel test that uses just one blood sample to test for

10 common cancers.

StageZero's revolutionary 'Aristotle' tests for 10 common cancers in 1 test

1 Test - 10 Cancers - Unlimited Possibilities



Our next-generation test, Aristotle®, is a panel for simultaneously screening for 10 cancers from a single sample of blood. Aristotle has been built on our proprietary mRNA technology platform, which was validated in more than 10,000 patients for the development of the first liquid biopsy for Colorectal Cancer ([ColonSentry®](#)).

Early Results Show that Aristotle has a high Sensitivity and Specificity across multiple cancers

Colorectal, Prostate, Cervical, Endometrial, Breast, Ovarian, Liver, Bladder, Nasopharyngeal, and Stomach Cancer.

Source

□Dietrich Stephan, CEO and Founder of LifeXVentures™, Professor of Human Genomics, stated:

“StageZero Life Sciences, one of the pioneers of the liquid biopsy, **has developed the ‘holy-grail’** – a suite of tests that have the correct sensitivity and specificity to detect cancer early and perform correctly as a screening tool at the population level.”

Certainly if StageZero can successfully launch, grow, and expand their Aristotle testing in 2021 and beyond; the upside for the stock price could potentially be spectacular. Note this is assuming the final stage validation of Aristotle completes successfully.

StageZero corporate summary from the latest analyst's call on Dec. 8 2020

Corporate Summary

- StageZero Life Sciences is focused on:
 - 1 Developing proprietary clinical molecular diagnostic tests for the early detection of cancer-related indications (Aristotle®) (multi-billion dollar opportunity).
 - 2 Commercializing proprietary and third-party clinical molecular cancer diagnostic tests.
 - 3 PCR and antibody COVID-19 testing through the Company's CLIA-certified, CAP-accredited lab in Richmond, Virginia (expected to be valued between US\$18.75M and US\$31.25M) which will be recognized over the next nine (9) to twelve (12) months.
 - 4 Personalized health management via telehealth platform; telehealth capabilities are a key component of StageZero's ability to offer testing.

Source

Closing remarks

StageZero is growing very fast right now due to the rapid growth in their COVID-19 testing, boosted by having their own telehealth platform. A combination of this increased cash flow and a recent C\$7.2 million equity raising means StageZero is fully funded for their highly anticipated Aristotle marketing and launch in Q1 2021.

The launch and potential success of Aristotle starting in early 2021 is very exciting. Brokerage firm Clarus Securities wrote a report recently titled: "StageZero Life Sciences could achieve a billion dollar market cap: Clarus." Given the current market cap of StageZero is just C\$33.6 million that is a huge call. The broker firm also put an initial price target for StageZero of \$0.50 before the 8:1 stock consolidation, which equates to C\$4.00 today. It should also be noted Clarus Securities Inc. was involved in the recent C\$7.2 million raise.

It certainly appears that investors should consider moving quickly as 2021 has the potential to be a blockbuster year for

StageZero Life Sciences.

Disclosure: The author is long StageZero Life Sciences (TSX: SZLS).

Kozak on StageZero: Come for COVID, stay for the cancer testing

“15 years of work”, is how StageZero Life Sciences Ltd. (TSX: SZLS) Chairman and CEO James Howard-Tripp described why he thinks there is increased recent market interest in the company. The statement reflects the fact that the company is no overnight success and the leadership and technical team have a long history of clinical research and business success in the past 20 years.

StageZero is in the final throes of closing a best efforts financing (units qualified through a short-form prospectus) for a minimum of \$5M (maximum of \$10M plus over-allotment option). The company plans to use the net proceeds from the financing to expanding capacity to offer and conduct COVID-19 testing and development of its existing product lines. The Company intends to expand testing capability and scale up the company to compete on a larger scale with emerging competitors in the liquid biopsy, pan-cancer early detection market.

StageZero is primarily a cancer diagnostic company, which requires absolute precision. The talk around inexpensive, rapid, accurate testing is not just science fiction or the dream of some super-smart lab scientists. Working with messenger RNA (which contains a copy of the genetic data

contained on a strand of DNA), StageZero has developed a test for multiple cancers. It is based on changes in messenger RNA expression which can be measured in the blood and serve as specific early cancer indicators for cancer and other diseases. Gene expression signatures are discrete and specific to each disease state, allowing a blood test to target 10 discrete cancers.

This system is known as Aristotle and it has been validated on 2,852 subjects with nine discrete cancers detectable for women, six for men. Only one drop of blood is required with high sensitivity and specificity and it can discriminate each cancer. The company expects to launch Aristotle commercially by the end of Q1-2021. Investors should not underestimate the importance of this product line.

The obvious extension to the company's expertise and capacity in diagnostics and testing is the current coronavirus global pandemic. As announced on November 13, 2020, the company has been announced as a COVID-19 testing partner for Barbados and will provide rapid testing services for travellers from the US and Canada.

This is the new way of the world and (correctly) if you want to travel, you will have to be tested first to avoid the unintentional transmission of the coronavirus. StageZero's concierge testing service includes national networks of mobile healthcare professionals in the U.S. and in Canada who can visit travelers' homes to draw the sample and provide results within 24-48 hours of taking the sample. Results are sent to travelers by encrypted email and include a PDF that they can upload to the Barbados Government website and have on hand either in paper or on their mobile device to show at the airport.

The tests will be conducted in the company's 100% owned, CLIA-certified "high complexity" laboratory located in Richmond, Virginia. The laboratory has all necessary licenses required

to offer laboratory testing services to patients in all 50 states in the US. With a current capacity of 1,000 tests per day, the lab can be ramped up to 3,000 tests per day with proceeds from the latest financing. The tests are priced at US\$75-US\$150, creating a significant near-term cash flow stream (six to nine months or longer).

Come for COVID, stay for the cancer testing. The company has developed a proprietary telehealth platform that should prove to be very useful in the near-term. According to Fortune Business Insights, the global telehealth market was valued at \$50 billion in 2018 and is predicted to reach \$267 billion by 2026. Waiting times to see a primary care provider are considered a significant factor in Americans delaying needed care – telehealth can provide a partial solution.

With a management team that have been in this scientific space for a couple decades, best-in-class testing systems for early cancer detection, a significant telehealth platform and the near-term testing (and revenue) potential due to the ongoing global coronavirus pandemic, StageZero has the potential to be a valuable participant in the growing health care and detection areas. *Watch this space!*