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StageZero Life Sciences Ltd. Secures CAD \$25 Million Capital Commitment from GEM Global Yield LLC SCS



StageZero Life Sciences Ltd

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TORONTO, ON / ACCESSWIRE / November 21, 2022 / StageZero Life Sciences Ltd.

("StageZero" or the "Company") (TSX:SZLS) today announced that it has entered into a capital commitment agreement (the "Agreement") with GEM Global Yield LLC SCS ("GGY") for a CAD \$25 million Capital Commitment ("CC"). Draw downs are at the Company's discretion and subject to the terms as described in detail in the Financing Terms below. Proceeds raised from the investment will be used for working capital and general corporate purposes but especially to expand collaborations with employers, clinic and healthcare systems, and the insurers who support them.

"In order to build a world class organization, we have to be properly financed. GGY, with a capital commitment of CAD \$25 million, has stepped forward to support our growth, wit



...partnerships with employers and healthcare groups being implemented". [Contact us](#) [Login](#)

The Problem That Needs To Be Solved:

64% of US employees are covered by self-funded healthcare insurance programs¹; this is 96 million workers. In 2020, 75% of employers with more than 500 employees offered health plans that self-insure.

Cancer is now the #1 catastrophic health claim for self-funded health plans, with the National Cancer Institute reporting a national economic burden in excess of \$150.8 billion (2018). It is estimated some 1.9 million Americans and 200,000 Canadians will be diagnosed with cancer this year (2022).

The survival benefits of finding cancer early are huge - in colorectal cancer, for example, 5-year survival is approximately 14% for late-stage diagnosis vs approximately 90% for early-stage diagnosis. The cost of treating late-stage cancer is 2 1/2 to 3 times more than if caught early. During COVID, screening for cancer was down dramatically with more than three quarters of patients reporting a delay in their treatment.

StageZero's Solution

Early cancer screening is not only important, but identification of attendant risk factors and then introduction of risk factor modification programs are essential.

We have positioned StageZero/CareOncology for exactly this purpose:

- Aristotle, the first ever mRNA multi-cancer panel for simultaneously screening for multiple cancers from a single sample of blood, to screen for cancer today;
- the CareOncology metabolic pathway screen, researched and developed for screening for those risk factors that contribute to developing cancer tomorrow;
- the CareOncology Risk Factor Modification programs to guide risk reduction for patients that flag positive (initially demonstrated in the glioblastoma study publication



[in a case study of screening for breast cancer in female employees](#) [Contact us](#) [Login](#)

the cost reduction in finding and treating breast cancer early is greater than 50%.

"We are unique in this in that we are one of the only companies that can offer this complete and tailored approach to self-funded employers and the re-insurers that back them. The benefits to employers and their employees through improved cancer outcomes, employee wellbeing and cost reduction is self evident" further commented James Howard-Tripp.

Aristotle®

The Company's next generation test, Aristotle®, is the first ever mRNA multi-cancer panel for simultaneously screening for multiple cancers from a single sample of blood with high sensitivity and specificity for each cancer. Aristotle® uses mRNA technology to identify the molecular signatures of multiple cancer types and is built on the Company's patented technology platform, the Sentinel Principle. This underlying technology has been validated in more than 9,000 patients and used by more than 100,000 patients in North America³.

The COC Protocol™

Multiple studies have shown that the efficiency of a person's metabolism may be an important factor in their cancer outcome. The COC Protocol is an individualized therapeutic approach to help lower the overall metabolic rate of cancer cells by simultaneously targeting multiple cancer pathways through evidence-based pharmaceutical interventions and lifestyle guidance.

The Care Oncology protocol is used as an adjunctive treatment alongside patients' standard of care (SoC) cancer therapies.

By targeting, measuring and improving specific biomarkers that have been proven to be associated with cancer outcomes, and which might otherwise deteriorate during conventional cancer treatment, The COC Protocol enables patients to gain the most benefit from standard-of-care treatments.

The Metabolic Pathway Panel & Risk Modification Program



...breaking... have established a program that addresses these [Contact Us](#) [Login](#)
signs. The program identifies and targets the inflammatory and metabolic pathways and includes:

- A Metabolic Pathway Panel which specifically identifies metabolic and inflammatory health markers that are proven precursors for developing cancer
- An in-depth consultation with a metabolic oncologist
- Risk Modification that may involve specific evidence-based medications and supplements and lifestyle guidance and coaching.
- Access to a digital health platform that captures all information and recommendations in an easy-to-understand format and provides bespoke information to improve patient understanding and provide simple, practical guidance on how to optimize metabolic health in a proportionate, tolerable manner.

Financing Terms

StageZero has the right, but not the obligation, to draw down under the CC for a term of 3 years. StageZero will issue draw down notices to GGY at the Company's discretion and timing. Common shares will be issued to GGY at a price per share equal to a 10 per cent discount to the market price of the common shares based on the immediately preceding 5-day volume weighted average price at the end of a draw down notice period. Draw-downs are subject to certain market out rights of GGY, GGY's holdings of StageZero's shares not exceeding 10% of StageZero's issued and outstanding shares at the time of the draw-down, and the aggregate number of Common Shares issuable pursuant to the CC, including shares issuable pursuant to the exercise of warrants, not exceeding 25% of StageZero's issued and outstanding common shares. StageZero has covenanted to seek shareholder approval with respect to any issuance of securities that may be issued to GGY exceeding 25% of the Company's issued and outstanding shares. GGY will hold freely trading common shares of the Company, backed up by a share lending facility provided by certain current shareholders with the aforementioned 10% and 25% percentage shareholding limitations.

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Each warrant has an exercise price of CAD \$0.14 per common share (if the market price for the common shares at the time of issuance of the warrants is less than CAD \$0.14, and at market thereafter) and may be exercised for five years. On the first anniversary of the date of the Agreement, if the market price of StageZero' common shares is less than 90% of the then-current exercise price of the warrants, the exercise price of the warrants will adjust to 105% of the market price of the common shares at that time. The Company will be subject to certain penalties if it does not issue the 13.4 million warrants within 12 months of the initial execution of the Agreement. StageZero will also be required to pay GEM Investments America, LLC a 2% commitment fee equal to CAD \$500,000 within twelve months from execution of the Agreement. StageZero may elect to pay the commitment fee in cash or stock. The Agreement has received the approval of the TSX.

Concurrently, with the execution of this Agreement, the parties to this Agreement shall complete a transaction ("**Initial Offering**") which Initial Offering shall close concurrently with the execution of this Agreement, pursuant to which the Company will draw down \$280,000 by issuing Common Shares to the Investor at a price of \$0.05918 per Common Share, being an approximate 25% discount to the Market Price, calculated based on the VWAP over the 5 trading days immediately preceding the Initial Offering. The Company will issue one Warrant to the Investor for each Common Share issued in connection with the Initial Offering and each such Warrant shall have an exercise price of \$0.14.

StageZero's ability to avail itself of the CC will be dependent on its share price and the consequential impact on dilution.

StageZero' common shares trade on the Toronto Stock Exchange under the symbol 'SZLS' and on the OTCQB under the symbol SZLSF.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as



~~under U.S. federal and state securities laws or an applicable exemption from U.S. registration requirements. "United States" and "U.S. person" have the respective meanings ascribed to them in Regulation S under the U.S. Securities Act.~~ [Go start U.S. Login](#)

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About StageZero Life Sciences, Ltd.

StageZero Life Sciences, Ltd. is a vertically integrated healthcare company dedicated to improving the early detection and management of cancer and other chronic diseases through next-generation diagnostics and a unique telehealth program that provides clinical interventions to help patients reduce the risk of developing late-stage disease (AVRT™).

The Company's next generation test, Aristotle®, is the first ever mRNA multi-cancer panel for simultaneously screening for multiple cancers from a single sample of blood with high sensitivity and specificity for each cancer. Aristotle® uses mRNA technology to identify the molecular signatures of multiple cancer types and is built on the Company's patented technology platform, the Sentinel Principle. This underlying technology has been validated in more than 9,000 patients and used by more than 100,000 patients in North America.

Aristotle®, as well as additional cancer diagnostics (ColonSentry®, BreastSentry™, and the Prostate Health Index) are processed at the Company's clinical laboratory, StageZero Life Sciences, Inc., a CAP accredited and CLIA certified high-complexity reference laboratory in Richmond, Virginia. In addition, the Company is also leveraging its specialty in polymerase chain reaction (PCR) testing to provide COVID-19 PCR testing (swab and saliva) and Antibody Testing (blood analysis).

About GEM

Global Emerging Markets ("GEM") is a \$3.4 billion, Luxembourg-based private alternative investment group with offices in Paris, New York and The Bahamas. GEM manages a diverse set of investment vehicles focused on emerging markets and has completed over 570 transactions in over 72 countries. Each investment vehicle has a different degree of



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investments. For more information: <http://www.gemny.com>

Forward-Looking Statements

Certain statements in this news release related to StageZero, its respective business and the use of proceeds from the CC 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", "will", "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 use of net proceeds, the Company's financing strategies, the Company's ability to draw down on the CC, shareholder approval of draw-downs under the CC that would exceed 25% of the Company's outstanding shares, and anticipated growth in sales of the Company's products. 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 risks relating to TSX approval, StageZero's share price not being sufficiently high to enable it to take full advantage of the CC, the conditions precedent to a draw down under the CC not being met, and the risks and uncertainties described in StageZero'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.

Sources:

1. <https://www.healthaffairs.org/abs/doi/10.1377/hlthaff.2020.01569>
2. <https://www.frontiersin.org/articles/10.3389/fphar.2019.00681/full>
3. https://ascopubs.org/doi/abs/10.1200/JCO.2020.38.15_suppl.e15037



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