



Frequently Asked Questions

About Our Upcoming AGM: June 30, 2021

(TSX: SZLS)

Q1. Why is the Company proposing a share consolidation?

A1. StageZero has included a resolution for a 2 to 1 share consolidation at its upcoming AGM because this is the best time to vote on such resolutions. Approval of the right to consolidate is for the purposes as outlined below:

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, pass a special resolution (the "Share Consolidation Resolution") authorizing a consolidation of the Corporation's common shares on the basis of up to two (2) pre-consolidation common shares for each one post-consolidation common share (the "Share Consolidation"). Approval of the Share Consolidation Resolution does not necessarily mean that the Board will implement the Consolidation. Even if the Share Consolidation Resolution is approved by shareholders at the Meeting, and accepted by the TSX, the Board will have the discretion not to proceed with the Consolidation.

Background to and Reasons for the Share Consolidation

The Board believes that it is in the best interests of the Corporation to reduce the number of outstanding common shares by way of the Share Consolidation. The potential benefits of the Share Consolidation include:

1. Preparation for potential US listing: the Corporation is looking to prepare for a possible future listing on NASDAQ or other senior US stock exchange. The higher anticipated price of the post-consolidation common shares may help make the Corporation eligible for such a listing.
2. Greater investor interest: the current share structure of the Corporation may make it more difficult for the Corporation to attract the additional equity financing required to maintain the Corporation or to further develop its products. A share consolidation may have the effect of raising, on a proportionate basis, the price of the common shares, which could appeal to certain investors that find shares valued above certain prices to be more attractive from an investment perspective.
3. Raise additional capital at a higher price per share: the higher anticipated price of the post-consolidation common shares may allow the Corporation to raise additional capital through the sale of additional common shares at a higher price per common share than would be possible in the absence of the Share Consolidation.
4. A tighter share structure could potentially make the Corporation less attractive to computerized algorithmic trading. This in turn would allow the share price to rise with less downward pressure from day trading.

Q2. Why are the shareholders not voting on the additional directors from the Health Clinics Acquisition?

A2. The Board of SZLS will undergo significant change over the next few months. The addition of Health Clinics/Care Oncology Directors will occur after the acquisition has closed. In addition to this, SZLS is intending to ensure the Board is fully reflective of the diversity in the marketplace. Directors to be elected in connection with the Health Clinics acquisition will be proposed at the shareholder meeting to approve the Contingent Consideration shares.

Q3. Will the shares that are being used to pay for the HC acquisition be pre consolidation or post consolidation?

A3. All share figures announced in relation to the Health Clinics acquisition are on a current, or pre-consolidation basis. If a share consolidation is effected prior to the Health Clinics acquisition closing, the number of StageZero shares to be issued in connection with the acquisition would be adjusted accordingly.

Questions? Email
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