



## **Zomedica Pharmaceuticals Corp. Announces 2016 Year End Results**

### ***Completes first full year of operations***

**ANN ARBOR, Mich., Feb. 28, 2017** (GLOBE NEWSWIRE) – [Zomedica Pharmaceuticals Corp.](#) (TSX-V: ZOM) (“Zomedica” or “Company”), a veterinary pharmaceutical and health care solutions company, today reported consolidated financial results for the year ended December 31, 2016. Amounts, unless specified otherwise, are expressed in U.S. dollars and are presented under International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

“In this first full year of operations we completed multiple financings, completed our public listing on the TSX Venture Exchange, built our team, and developed our product pipeline,” stated Chairman and CEO Gerald Solensky Jr. “We will continue to build our team and advance our pharmaceutical and health solutions for the companion animal health market.”

#### **Corporate Highlights**

- On May 10, 2016, Zomedica announced that it opened its first Investigational New Animal Drug (“INAD”) application with the U.S. Food and Drug Administration Center for Veterinary Medicine (“FDA-CVM”) for ZM-012, a novel tablet formulation of metronidazole, an anti-infective for the treatment of diarrhea in dogs.
- On July 12, 2016, Zomedica announced it opened an INAD application with the FDA-CVM for a novel formulation of ZM-006, a transdermal gel of methimazole, commonly used in veterinary medicine to treat hyperthyroidism in cats.
- On December 19, 2016, Zomedica announced it opened its third INAD application with the FDA-CVM for ZM-007, an oral suspension formulation of metronidazole for accurate dosing of small dog breeds and puppies.
- On January 5, 2017, Zomedica announced a research collaboration agreement with Celsee Diagnostics, Inc. to test the feasibility of Celsee’s liquid biopsy technology for veterinary application as a canine cancer diagnostic.
- On January 17, 2017, Animal Pharm, a leading online business intelligence service for animal health and nutrition, awarded Zomedica its “Best Start-up 2016” award based on its product pipeline, equity funding, TSX-V listing and strategic personnel additions in 2016.
- On January 30, 2017, Zomedica announced that it opened its fourth INAD with the FDA-CVM for ZM-011, a transdermal gel of fluoxetine (Prozac®) commonly prescribed to treat behavioral disorders in cats such as inappropriate urination.
- On January 31, 2017, Zomedica launched its Voice of the Vet™ customer engagement program to leverage insights from the veterinary community to influence development of companion animal health solutions.
- On February 23, 2017, Zomedica announced that Robert W. DiMarzo joined the Company as Executive Vice President of Global Strategy. Mr. DiMarzo brings more than 25 years of animal health leadership experience with industry leaders such as Pfizer Animal Health, now Zoetis.

#### **Summary Full Year 2016 Results**

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Zomedica recorded net loss and comprehensive loss for the year ended December 31, 2016 of \$6,012,846 or \$0.08 per share, compared to a loss of \$1,520,536 or \$0.03 per share for the period from May 14, 2015 (“inception”) through December 31, 2015.

For the year ended December 31, 2016, the loss was attributed to general and administrative (“G&A”) expenses of \$2,916,604, research and development (“R&D”) expenses of \$1,518,589 and professional fees of \$1,245,182, with no revenues as Zomedica does not currently have an approved product. For the period from inception through December 31, 2015, the loss was attributed to professional fees of \$672,138, R&D expenses of \$505,369 and G&A expenses of \$341,239.

G&A expenses for the year ended December 31, 2016 were \$2,916,604 compared to \$341,239 for the period from inception through December 31, 2015. The increase was primarily due to the ramping up of business, as Zomedica Pharmaceuticals Inc. was incorporated on May 14, 2015. The majority of these current period expenses related to the addition of personnel accounting for salaries of \$2,298,476, which included share-based compensation expense of \$1,467,934 primarily as a result of the granting of options to purchase an aggregate of 7,375,000 shares of common shares in 2016 that all vested immediately upon the date of grant. Other expenses included marketing and investor relations of \$194,187, and office costs of \$124,693. Zomedica expects G&A expenditures in 2017 and future periods will be higher as activity levels increase.

Expenditures for R&D for the year ended December 31, 2016 were \$1,518,589 compared to \$505,369 for the period from inception through December 31, 2015. The increase was primarily due to the ramping up of R&D activities related to the establishment of labs, full-time employees, product candidates development, contracted outsourcing activities and the impact of a full year of operations compared to seven and one half months in the 2015 period. The increases were primarily due to salaries of \$549,556, contracted outsourced activities of \$322,165 and consulting costs of \$305,582 relating to an increased level of lab activities, including in vitro and in vivo work, to support the further development of its product candidates and preparation of opening its INADs for ZM-012, ZM-006, ZM-007 and ZM-011.

The Company expects R&D expenditures in 2017 will be significantly higher than in 2016, due to the initiation of pilot and pivotal studies to support the opened INADs as well as additional veterinary pharmaceutical candidates, diagnostic developments and technologies.

Professional fees for the year ended December 31, 2016 were higher by \$573,044 compared to the period from inception through December 31, 2015. The increase was primarily due expenses in connection with the consummation of its Qualifying Transaction on April 21, 2016, expenses associated with the listing of common shares on the TSX-V, and the initiation of cross listing efforts to a U.S. exchange.

### **Liquidity and Outstanding Share Capital**

Zomedica had cash of \$3,226,680 as at December 31, 2016 compared to \$3,243,710 as at December 31, 2015. The small decrease in cash during the year ended December 31, 2016 is mainly a result of the cash flows provided by financing activities, partially offset by cash flows used in operating activities as discussed below. For the year ended December 31, 2016, cash flows used in operating activities amounted to \$4,562,168. The largest use of cash within the operating activities in the current year was an increase in prepaid expenses relating primarily to a deposit of \$801,973 related to the full payment of a 62 month lease of additional office space in Ann Arbor, offset in part by approximately \$272,354 in non-cash listing expense relating to the Company’s Qualifying Transaction. Other major expenses include employees’ wages and benefits, and various consultants related to the Company’s Qualifying Transaction.

As at December 31, 2016, Zomedica had an unlimited number of authorized common shares with 83,964,569 common shares issued and outstanding. As at February 28, 2017, Zomedica had 84,374,569 common shares issued and outstanding, an increase of 410,000 from December 31, 2016 due to stock options exercised in February 2017.

For complete financial results, please see Zomedica's filings at [www.sedar.com](http://www.sedar.com) or visit the Zomedica website at [www.ZOMEDICA.com](http://www.ZOMEDICA.com).

### **About Zomedica**

With U.S. operations based in Ann Arbor, Michigan, Zomedica is a veterinary pharmaceutical and health care solutions company creating products for companion animals (canine, feline and equine) by focusing on the unmet needs of clinical veterinarians. Zomedica is developing a diversified portfolio to include innovative drugs, drug-delivery technologies, diagnostics, and devices. With multiple clinical veterinarians in executive management, it is Zomedica's mission to give veterinarians the opportunity to lower costs, increase productivity, and grow revenue while better serving the animals in their care. For more information, visit [www.ZOMEDICA.com](http://www.ZOMEDICA.com).

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Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: uncertainty as to whether our strategies and business plans will yield the expected benefits; availability and cost of capital; the ability to identify and develop and achieve commercial success for new products and technologies; the level of expenditures necessary to maintain and improve the quality of products and services; changes in technology and changes in laws and regulations; our ability to secure and maintain strategic relationships; risks pertaining to permits and licensing, intellectual property infringement risks, risks relating to future clinical trials, regulatory approvals, safety and efficacy of our products, the use of our product, intellectual property protection and the other risk factors disclosed under our profile on

SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

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