

## Zomedica CEO Interview with Wall Street Analyzer Discusses First Quarter 2022 Earnings and Future Plans

**ANN ARBOR, MI / May 16, 2022** / Zomedica Corp. (NYSE American:ZOM) (“Zomedica” or “Company”), a veterinary health company offering point-of-care diagnostics and therapeutic products for companion animals, is pleased to announce the interview with Juan Costello, Senior Analyst with the Wall Street Analyzer, and Larry Heaton, Zomedica’s Chief Executive Officer.

You can visit The Wall Street Analyzer (<https://wallstreetanalyzer.com/2022/05/13/zomedica-corp-nyse-americanzom/>) to listen to the full interview.

**Juan:** Please start off by giving us an overview of the company

**Larry:** Sure, Zomedica markets diagnostic and therapeutic products that enable veterinarians to improve the quality of care for their pet patients, that also benefits the pet parents, and the veterinary practice itself, by improving workflow, cash flow and profitability.

**Juan:** Can you bring us up to speed on some of the most recent results, as you just put out the quarterly revenues?

**Larry:** We announced earnings for the first quarter on May 10 and we were very pleased with our first quarter performance, which saw 38% growth in year-over-year revenue, while maintaining gross margins of 74%, and reducing cash burn to \$2.6 million for the quarter, leaving \$192 million in cash on the balance sheet. When compared to the prior quarter, the company was down 7%, but it should be noted that in animal health, especially with capital equipment, the first quarter is typically the lowest revenue quarter while the fourth quarter is the highest, which is what we are comparing to. So, for us to be within 7% of the fourth quarter was gratifying. Overall, we were pleased, especially since the area we focused on, which was the sales force launch of the recently acquired PulseVet product into the small animal market, was up 500% year-over-year and 200% over the fourth quarter.

**Juan:** Can you talk about your platform there?

**Larry:** Zomedica currently markets in two fields – diagnostics and therapeutics. The diagnostic platform is the TRUFORMA system, that can provide an in-clinic result within about 20 minutes. We offer the instrument to the clinic with no capital outlay required through our Customer Appreciation Program and they purchase the individual assay cartridges to run the tests. We currently offer four assays, including two which are only available from Zomedica – one specially for cats with thyroid disease and one for endogenous ACTH which is used for dogs with Cushing’s disease. We also continue work to bring new assays to market, many of which will be unique to TRUFORMA. On the therapeutic side, we recently acquired PulseVet,

which is the worldwide leader in shock wave therapy for equine patients. The treatment promotes rapid, post-surgical healing, addresses lameness, soreness, tendon injuries, and osteoarthritis in horses. It also does the same in small animals, but until recently, it required that the small animal be sedated for treatment. With the 2021 launch of an accessory product that makes the treatment applicable to small animals without the need for sedation, the Zomedica sales force was trained early in the first quarter to place units into small animal clinics. First quarter results were outstanding. Since the system also comprises a consumable component, PulseVet placements do not just generate capital sales, they also establish a revenue stream going forward. In fact, today about half of PulseVet revenue is from the sale of consumables. Looking to the future, while PulseVet's revenues have come primarily from the horse market, and we expect those sales to continue to grow, we are very excited about the small animal market because the size of that market is 15-20 times the size of the equine market.

**Juan:** What are the key goals that you are hoping to accomplish in the next six months?

**Larry:** Today's veterinary practices are very busy, therefore, our focus is to develop and acquire products that positively impact practice workflow and cash flow, while benefiting the pets, their parents, and of course the vets caring for them. Since we have a very solid balance sheet with substantial cash on hand, we have resources to invest; both in our core diagnostic business by building the installed base, providing clinical education, and marketing support to build traction and utilization, and also our therapeutic shock wave business as we penetrate into the small animal market. Over the past months we have built a very capable marketing department led by an industry veteran and we are also growing the sales channels, including both field sales and inside sales capabilities. Our sights are set on further acquisitions of additional product lines or companies that add to our portfolio of products that benefit vets, their patients and pet parents – and a substantial portion of our available capital is earmarked for that effort. The management team has been strengthened with key additions in legal, HR, operations, finance, and of course, sales and marketing to be able to identify, acquire, integrate, and grow new business lines.

**Juan:** Perhaps you can talk about your background and experience and other key management team members.

**Larry:** My background is over 35 years-plus in the human health market where I've worked and led large companies, public companies, private companies, pure startups, diagnostics companies, with lots of experience in M&A. So when this opportunity became available, it was something I thought that I could really bring value to. Here, the key is building sales and marketing infrastructure and deploying that effectively as well as effectively using our cash to be able to do some meaningful acquisitions. The team – We have some really good, competent people in positions of general counsel, head of human resources and finance and we also brought someone that has worked for me before in terms of operations to be able to

not only acquire the companies, but to integrate them, and manufacture the products to keep costs down. We have a key head of business development that is very experienced in animal health having done over 30 M&A transactions – including bringing PulseVet to us back in October. He has been very busy between then and now and we have a few things in the hopper as we look to the future. So we have a very strong team that we need to not only identify opportunities and acquire them, but to effectively manage and grow them.

**Juan:** As far as investors in the financial community, what do you think they are missing or what do you wish they better understood about Zomedica that could result in a higher valuation?

**Larry:** I think the value of the stock price is determined by the market. But the value of the company is a function of our assets and our opportunities to grow that value. In that regard, a quick review of those assets and opportunities would highlight that now is an excellent time to acquire Zomedica shares. First, we had \$192 million in cash at the end of March (\$194 million if you include working capital), and we burned only \$2.6 million in the first quarter – so clearly, we have plenty of runway to capitalize on opportunities to grow. One of those opportunities – and now an asset – is PulseVet, which we acquired in October of last year. Since our acquisition, revenue has grown significantly – for the last 6 months, revenues are up 51% versus their performance as a standalone company in the same period 2020-2021. The most significant driver of growth was the increased revenue in the small animal segment of this business, which was up 500% over the first quarter of 2021 and 200% over fourth quarter. So we certainly believe that it is a well performing asset and worth every penny of the \$70 million that we paid for it. We have a significant “war chest” of cash available to continue to pursue M&A opportunities, we have built the management team to integrate the acquisitions, and we have the sales force to grow the business post-acquisition. So, for us, the drivers of increased value are:

- Growing the base of TRUFORMA users, which we are doing
- Continue to bring new assays to market – we launched our fourth assay in April and are working to launch others later this year and next year
- Penetrate the small animal market with PulseVet products, which we have already made a very good start
- Strategic acquisitions of product lines and companies with complimentary products

In this context of assets and opportunities, I note that the stock is currently trading at a price reflecting a market cap that is less than cash on hand and far less than cash plus the value of our core diagnostic business and the recently acquired PulseVet asset. So, my strong opinion is that it is worth considering purchasing Zomedica shares, now.

**Juan:** So to recap; what makes you unique and able to capitalize on the trends in the sector, and why do you believe investors should consider the company as a good investment today?

**Larry:** We have a rather unique situation, in that we are very much like a startup in terms of our core diagnostic product, which was just launched early last year. It is a razor/razorblade model in that we are increasing the number of installed base by providing it to our customers without any capital outlay, and we grow our sales from the usage of the device. The more assays we have, the more usage we will get. The bigger the user base we have, the more usage we will get. We are very early in this process. And yet, unlike many startups, we have \$192 million in the bank. We can afford to build the value over time. We can also use that cash prudently and judiciously to make acquisitions, like we did with PulseVet, that will provide value to the company immediately and will also allow us to use our expertise and management team, and our sales force to grow it. So, I think that the combination of having the fierce drive that a startup usually exemplifies coupled with a very well-funded balance sheet to be able to grow that business puts us in a position that an investor would be well-served to look at our equity today.

## **About Zomedica**

Based in Ann Arbor, Michigan, Zomedica (NYSE American: ZOM) is a veterinary health company creating products for companion animals by focusing on the unmet needs of clinical veterinarians. Zomedica's product portfolio will include innovative diagnostics and medical devices that emphasize patient health and practice health. It is Zomedica's mission to provide veterinarians the opportunity to increase productivity and grow revenue while better serving the animals in their care. For more information, visit [www.ZOMEDICA.com](http://www.ZOMEDICA.com).

## **Follow Zomedica**

- Email Alerts: <http://investors.zomedica.com>
- LinkedIn: <https://www.linkedin.com/company/zomedica>
- Facebook: <https://m.facebook.com/zomedica>
- Twitter: <https://twitter.com/zomedica>
- Instagram: [https://www.instagram.com/zomedica\\_inc](https://www.instagram.com/zomedica_inc)

## **Reader Advisory**

Except for statements of historical fact, this news release contains certain "forward-looking information" or "forward-looking statements" (collectively, "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 and include statements relating to our expectations regarding future results. 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, including assumptions with respect to American economic growth, demand for the Company's products, the Company's ability to produce and sell its products, our ability to successfully integrate and operate the PulseVet business, the sufficiency of our budgeted capital and operating expenditures, the cost, adequacy and availability of supplies required for our operations, the satisfaction by our strategic partners of their obligations under our commercial agreements, our ability to realize upon our business plans and cost control efforts and the impact of COVID-19 on our business, results, and financial condition.

Our forward-looking information is 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; uncertainty as to the timing and results of development work and verification and validation studies; uncertainty as to the timing and results of commercialization efforts, as well as the cost of commercialization efforts, including the cost to develop an internal sales force and manage our growth; uncertainty as to our ability to successfully integrate and operate the Pulse Vet business, uncertainty as to our ability to supply equipment and assays in response to customer demand; uncertainty regarding the cost, adequacy and availability of supplies required for our operations; uncertainty as to the likelihood and timing of any required regulatory approvals, and the availability and cost of capital; the ability to identify and develop and achieve commercial success for new products and technologies; veterinary acceptance of our products; competition from related products; 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; performance by our strategic partners of their obligations under our commercial agreements, including product manufacturing obligations; risks pertaining to permits and licensing, intellectual property infringement risks, risks relating to any required clinical trials and regulatory approvals, risks relating to the safety and efficacy of our products, the use of our products, intellectual property protection, risks related to the COVID-19 pandemic and its impact upon our business operations generally, including our ability to develop and commercialize our products, and the other risk factors disclosed in our filings with the SEC and 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.

**Investor Relations Contact:**

PCG Advisory Group  
Kirin Smith, President  
ksmith@pcgadvisory.com  
+1.646.823.8656

**SOURCE:** Zomedica Corp.

View source version on accesswire.com:

<https://www.accesswire.com/701485/Zomedica-CEO-Interview-with-Wall-Street-Analyzer-Discusses-First-Quarter-2022-Earnings-and-Future-Plans>