



**ZOMEDICA<sup>TM</sup>**

**Come full circle.**

**Management Discussion and Analysis Consolidated  
Financial Statements**

***For the three months ended March 31, 2020 and 2019***















































































# Zomedica Pharmaceuticals Corp.

Notes to the condensed unaudited interim consolidated financial statements

For the three months ended March 31, 2020 and 2019

(Stated in United States dollars)

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## 21. Subsequent events

On April 9, 2020, the Company completed a \$4,000,000 confidentially marketed public offering (“CMPO”) of its common shares and warrants (“Series B Warrants) in a fixed combination of one common share and 0.5 of Series B Warrant at a combined offering price of \$0.12 per share and related Series B Warrant, resulting in the sale of 33,333,334 common shares and Series B Warrants to purchase 16,666,667 common shares. Each Series B Warrant has an exercise price of \$0.15 per share, is immediately exercisable, and has a term of 5 years. The gross proceeds to from the offering, before deducting the placement agent’s fees and other estimated offering expenses payable by the Company are \$4,000,000.

As of May 11, 2020, the Company has received gross proceeds of \$649,870 from the exercise of 4,333,167 Series B Warrants.

On April 3, 2020, the Paycheck Protection Program (“PPP”) authorized forgivable loans to small businesses to pay their employees during the COVID-19 crisis. Under the terms of the program the loan amounts will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the 8-week period after the loan is made; and
- Employee and compensation levels are maintained.

Payroll costs are capped at \$100,000 on an annualized basis for each employee. It is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs and loan payments will be deferred for 6 months. The Company received funding on April 20, 2020 for \$527,360.

## 22. Comparative figures

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. Adjustments have been made to the consolidated schedule of expenses for the quarter ended March 31, 2019, to classify health insurance benefits as part of salaries, wages and bonuses and audit fees to professional fees. This change in classification does not affect previously reported cash flows from operating activities in the consolidated statements of cash flows.