



GREY WOLF ANIMAL HEALTH REPORTS FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

Revenue for the quarter up 69% year over year

*Subsequent to quarter-end, completed a qualifying transaction and listing on the TSX-V,
further strengthening the Company's balance sheet*

TORONTO, Nov. 28, 2022 /CNW/ - Grey Wolf Animal Health Corp. (TSXV: WOLF) ("Grey Wolf" or the "Company"), a Canadian diversified animal health company, today reported financial results for the third quarter and nine months ended September 30, 2022 of Grey Wolf Animal Health Inc. ("GWAH"), its wholly-owned operating subsidiary and the entity that recently completed a qualifying transaction and listing on the TSX Venture Exchange (the "TSX-V").

Highlights

- Revenue for the quarter increased year over year by 69% to \$5.8 million. Revenue increased by 105% to \$17.1 million for the nine-month period.
- Gross profit increased 62% to \$3.0 million for the quarter and 90% to \$8.8 million for the nine-month period.
- Adjusted EBITDA¹ was \$0.8 million for the quarter and increased 78% to \$2.7 million for the nine-month period.

Subsequent Events

- On November 15, 2022, GWAH completed the previously announced qualifying transaction with Magen Ventures I Inc. (now, Grey Wolf Animal Health Corp.), adding \$4.3 million of cash (as at September 30, 2022) to the Company's balance sheet.
- The common shares of Grey Wolf commenced trading on the TSX-V under the ticker symbol "WOLF" on November 23, 2022.

Commentary on Results

"We were pleased with the results of the third quarter and experienced solid increases in both revenue and Adjusted EBITDA. The growth came from both our custom pharmacy business acquired in September 2021 and through organic growth from our animal health products, primarily driven by our promoted products" said Angela Cechetto, Chief Executive Officer.

Ms. Cechetto went on to say, "we continue to focus on bringing new products to market that improve the health and wellness of companion animals in addition to expanding market share with existing products. Earlier this month, we announced that we completed the qualifying transaction with Magen, which further strengthens our balance sheet and better positions us to pursue future growth

initiatives."

Key Financial Data and Comparative Results

	Three months ended		Nine months ended	
	Sep 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
Revenue	5,809,083	3,440,351	17,107,136	8,336,290
Gross profit	2,965,497	1,825,157	8,765,661	4,624,152
Gross profit %	51 %	53 %	51 %	55 %
Total operating expenses	2,977,165	1,791,274	8,975,023	4,404,040
Operating (loss) income for the period	(11,668)	33,883	(209,362)	220,112
Income tax (recovery) expense	(74,410)	17,331	(242,029)	17,331
Net loss for the period	(1,143,808)	(923,350)	(3,253,382)	(815,229)
<u>Earnings (loss) per share</u>				
Basic	(0.08)	(0.07)	(0.22)	(0.06)
Diluted	(0.08)	(0.07)	(0.22)	(0.06)
EBITDA	(1,101)	70,307	159,416	763,367
Adjusted EBITDA ¹	775,203	718,774	2,749,203	1,573,190
	<u>Sep 30, 2022</u>	<u>Jun 30, 2022</u>	<u>Dec 31, 2021</u>	<u>Dec 31, 2020</u>
Total assets	35,430,718	35,555,961	36,233,587	7,179,496
Total liabilities	34,464,721	33,493,867	32,157,341	4,357,304
Total non-current liabilities	11,344,412	11,753,583	12,646,283	2,406,773

Cash and cash equivalents were \$2.9 million at September 30, 2022 and were unchanged versus the prior quarter. As a result of the qualifying transaction, the Company's cash was \$7.3 million as at September 30, 2022. As at September 30, 2022, the Company had outstanding borrowings of \$10.3 million, of which \$1.0 are current and \$9.3 million are non-current. The Company's debt is a fixed-rate term loan with an interest rate of 4.7% until September 2026.

The GWAH financial statements and accompanying Management Discussion and Analysis for the three and nine months ended September 30, 2022 are available under the Company's profile on www.sedar.com.

Board of Directors Update for Grey Wolf

In connection with the completion of the qualifying transaction, the Company is also announcing (i) the resignation of Jolyon Burton, and (ii) the appointment of Jill Angevine and Diane Bourassa to Grey Wolf's Board of Directors as independent directors.

Ms. Angevine is a finance professional with more than 25 years of experience in the investment management industry including portfolio management, capital markets and equity research. She currently serves as President and CEO of Brownstone Asset Management, a private investment firm, and holds non-executive directorships at additional public companies in the energy and mining sectors. Ms. Angevine holds a Bachelor of Commerce degree from the University of Calgary and has earned the Chartered Public Accountant (CPA, CA), the Chartered Financial Analyst (CFA), and the Institute of Corporate Directors (ICD.D) designations.

Ms. Bourassa is a visionary business leader with extensive operational and financial expertise. Throughout her 30-year career, Ms. Bourassa succeeded in developing highly competitive and performing teams. Determined to share her skills and boundless energy with other companies, she has been focused since January 2022 on strategic consulting, individual coaching, and business development services. Ms. Bourassa worked for 14 years in the Canadian subsidiary of Vetoquinol S.A. Her leadership as General Manager of Vetoquinol Canada from 2011 to 2021 propelled Vetoquinol into the top 5 animal health pharmaceutical companies in Canada. Ms. Bourassa was a member of the Board of Directors of the Canadian Animal Health Institute for a period of 10 years, where she held various positions, including Chair of the Board of Directors from 2015 to 2016. Ms. Bourassa started her career at Ernst & Young and holds a CPA, CA designation.

"I want to thank Jolyon for his meaningful contributions to Grey Wolf since joining the board in 2017," said Shawn Aspden, Chair of Grey Wolf. "Jolyon has been an instrumental partner in building Grey Wolf and will remain a key supporter as a partner in the company's largest shareholder."

We are delighted to have Jill and Diane join our Board of Directors," said Angela Cechetto, CEO. "The experience they bring will be instrumental in contributing to our growth as we build a diversified animal health company. We look forward to both Jill and Diane's insights and support as Grey Wolf enters this exciting new phase of its growth."

¹Non-IFRS Measures

Management uses both IFRS and Non-IFRS Measures to assess the financial and operating performance of the Company's operations. These Non-IFRS Measures are not recognized measures under IFRS, do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other companies. The Non-IFRS Measures referenced in this press release includes Adjusted EBITDA. The Company defines Adjusted EBITDA as earnings before interest and accretion expense, income taxes, depreciation, and amortization of intangible assets, share-based compensation expense, changes in fair value of embedded derivatives, foreign exchange gains or losses, change in fair value of contingent consideration, other income, and financing and special transaction costs (including, for greater certainty, fees related to the qualifying transaction and the acquisition of Trutina Pharmacy Inc.). The Company considers Adjusted EBITDA as a key metric in assessing business performance and an important measure of operating performance and cash flow, providing useful information to investors and analysts.

The following table provides a summary of the differences between GWAH's consolidated IFRS and Non-IFRS financial measures, which are reconciled below:

EBITDA and Adjusted EBITDA

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>Sep 30, 2022</u>	<u>Sep 30, 2021</u>	<u>Sep 30, 2022</u>	<u>Sep 30, 2021</u>
Net loss for the period	(1,143,808)	(923,350)	(3,253,382)	(815,229)
Interest	852,968	695,322	2,465,490	886,552
Income taxes	(74,410)	17,331	(242,029)	17,331
Depreciation of property and equipment	70,676	30,437	210,349	33,174
Depreciation of right of use assets	49,723	23,825	139,405	69,647
Amortization of intangible assets	243,750	226,742	839,583	571,892
EBITDA	(1,101)	70,307	159,416	763,367
<u>Adjustments</u>				
Share-based compensation	47,711	42,151	143,133	126,453
Change in fair value of embedded derivatives	324,327	246,098	797,027	92,220
Foreign exchange loss (gain)	29,255	(1,518)	33,532	(9,794)
Change in fair value of contingent consideration	-	-	-	72,972
Other income	-	-	(10,000)	(23,940)
Transaction costs	375,011	361,736	1,626,095	551,912
Adjusted EBITDA¹	775,203	718,774	2,749,203	1,573,190

About Grey Wolf Animal Health Corp.

Grey Wolf Animal Health Corp., headquartered in Toronto, Canada, is a diversified animal health company founded by a veterinarian to bring to market a broad portfolio of products that meets the unmet needs of veterinarians, clinics and pets. The Company's strategy is to in-license, acquire or develop innovative prescription and non-prescription products for commercialization in the veterinarian channel in Canada. For additional information, please visit: www.greywolfah.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Forward Looking Statements

Certain information included in this press release contains forward-looking information with the meaning of applicable Canadian securities laws. This information includes statements concerning the Company's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events or the negative thereof. Such forward-looking information reflects management's beliefs and is based on information currently available. All forward-looking information in this press release is qualified by the following cautionary statements.

Forward-looking information necessarily involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company and its subsidiaries, and cause actual results to differ materially from current expectations of estimated or anticipated events or results.

A more detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the Risk Factors section of GWAH's Management Discussion and Analysis for the nine months ended September 30, 2022. The forward-looking information included in this press release is made as of the date hereof and should not be relied upon as representing the Company's views as of any date subsequent to the date hereof. Management undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

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