



VALEO PHARMA™

**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION**

VALEO PHARMA REPORTS ITS 2020 FOURTH QUARTER AND YEAR-END RESULTS AND HIGHLIGHTS

- **Q4-20 net revenues of \$2.2 million, up 76 % vs Q4-19, 2020 net revenues of \$7.5 million up 14% vs 2019**
- **Hiring of Frederic Fasano as new President and COO**
- **Successfully launched 4 new products during FY-20**
- **Redesca[®], Redesca HP[®] and Amikacin approved by Health Canada subsequent to year-end**
- **\$10.8 million raised in 2020 from bought deal offering and over-subscribed private placements**
- **Valeo's shares now trading on the US-OTCQB exchange under "VPHIF"**

MONTREAL, QUEBEC , February 24, 2021 – [Valeo Pharma Inc.](https://www.valeopharma.com) (CSE:VPH, OTCQB: VPHIF, FSE: VP2) (“Valeo” or the “Company”), a Canadian specialty pharmaceutical company, today reported its financial results for the fourth quarter and year-ended October 31, 2020.

“Valeo accomplished key objectives in 2020 which sets the stage for strong growth in 2021. In addition to Hesperco™, we launched three strategic products and secured regulatory approvals for Redesca[®], Redesca HP[®] and Amikacin, all of which will be launched in the first half of 2021. We expect that these products will contribute significant revenues and margins in 2021”, said Steve Saviuk, Valeo’s CEO. “Our vision of building an anchor Canadian pharmaceutical company through therapeutic innovation is solidifying as we continue to build our commercial portfolio in therapeutic areas of focus.”

Commenting on the fourth quarter and 2020 results, Luc Mainville, Senior Vice-President and Chief Financial Officer said, “As evidenced by our revenues increase and net loss decrease of the fourth quarter, our efforts towards becoming a profitable EBITDA company are starting to bear fruit. During the last portion of 2020, the launch of new products such as Ametop[®] and Yondelis[®] in Canada and Sodium Ethacrynate in the U.S., has contributed new revenues and margins with nominal increase to our operating expenses. The execution of our growth strategy is positioning the Company for a very successful year in 2021”.



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Fourth Quarter 2020 Financial Results and Highlights

- Net revenues were \$2.2 million for the quarter ended October 31, 2020 compared to \$1.3 million for the quarter ended October 31, 2019 and \$1.5 million for the quarter ended July 31, 2020 respectively. The increases over the prior periods are primarily due to the addition of several new commercial products in the last portion of the year;
- Net loss of \$1.2 million for the quarter ended October 31, 2020 compared to \$1.4 million for the quarter ended October 31, 2019 and \$1.6 million for the quarter ended July 31, 2020 respectively. The decrease is mainly resulting from improved gross margins derived from higher revenues;
- Adjusted EBITDA loss of \$0.5 million for the quarter ended October 31, 2020 compared to \$1.2 million for the quarter ended October 31, 2019 and \$0.7 million for the prior quarter ending July 31, 2020; and
- In September 2020, the Company closed a bought deal offering of 5,000,000 units (the "Units") at a price of \$1.20 per Unit (the "Unit Price") along with the exercise in full of the Underwriters' over-allotment option of 750,000 additional Units at the Unit Price, for aggregate gross proceeds of \$6.9 million (the "Offering"). The Units were sold on a bought deal basis pursuant to an underwriting agreement dated August 26, 2020 with a syndicate of underwriters led by Stifel GMP and including Industrial Alliance Securities Inc., Desjardins Securities Inc. and Mackie Research Capital Corporation. Each Unit consists of one common share ("Share") of the Company and one-half of one Share purchase warrant (each whole warrant, a "Unit Warrant"), with each Unit Warrant entitling the holder to purchase one Share of the Company at a price of \$1.50 for a period of 24 months after the closing of the Offering and subject to accelerated expiry if the closing price of the Company's Shares on the Canadian Securities Exchange is equal to or greater than \$2.00 for a period of ten (10) consecutive trading days.

2020 Financial Results

- Net revenues were \$7.5 million for the year ended October 31, 2020 compared to \$6.6 million for the year ended October 31, 2019. The increase in net revenues is mainly due to the addition of new products launched in last portion of the 2020 fiscal year;
- Net loss of \$4.8 million for the year ended October 31, 2020 compared to \$3.6 million for the year ended October 31, 2019. The results were impacted by increase in operating expenses to support the growth of our commercial portfolio, share based



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compensation and financial expenses; and

- Adjusted EBITDA loss of \$2.6 million for the year ended October 31, 2020 down 14% compared to an Adjusted EBITDA loss of \$3.0 million for the year ended October 31, 2019.

2020 Business and Product Highlights

- In October 2020, the Company started shipping online orders of its unique flavonoid formulation, Hesperco™. Hesperco™ capsules contain a powerful antioxidant that provides support for the immune system;
- In September 2020, the Company's shares were listed and commenced trading on the OTCQB under the symbol "VPHIF";
- In September 2020, the warrants issued in connection with the bought deal offering commenced trading on the CSE under the symbol "VPH.WT.A";
- In September 2020, the Company received a Natural Product Licence approval from Health Canada authorizing the sale of its flavonoid formulation, HesperCo™, in Canada. HesperCo™ capsules contain a powerful antioxidant that can be taken for immune system support;
- In August 2020, the Company commenced commercializing Yondelis® in Canada;
- In August 2020, the Company's shares were listed and commenced trading on the Frankfurt Stock Exchange under the symbol "VP2";
- In July 2020, the Company received a Notice of Compliance from Health Canada authorizing the transfer of the Ametop® commercial rights to Valeo and commenced commercialization of Ametop® in late July 2020;
- In July 2020, the Company closed a non-brokered oversubscribed \$1.7 million private placement of non-convertible debenture units;
- In June 2020, the Company received approval for its Abbreviated New Drug Application from the U.S. Food and Drug Administration for Ethacrynate Sodium 50 mg;
- In June 2020, the Company received a Notice of Compliance from Health Canada authorizing the transfer of the commercial rights of Yondelis® to Valeo. Yondelis®



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(trabectedin) is a novel marine-derived antitumor agent manufactured by PharmaMar S.A., based in Madrid, Spain;

- In February 2020, the Company closed a non-brokered private placement of convertible debentures for total gross proceeds of \$2.1 million; and
- In February 2020, the Company received notice of a positive recommendation by Quebec's Institut national d'excellence en santé et en services sociaux ("INESSS") to the Health Minister for the inclusion of Onstryv® on the list of medications covered by the Régie de l'assurance maladie du Québec ("RAMQ").

Subsequent Events

- In February 2021, the Company announced that Hesperco™ capsules, approved by Health Canada for immune support, will be at the core of the Montreal Heart Institute's clinical trial, "The Hesperidin Coronavirus Study";
- In January 2021, the Company received notice of a positive recommendation by Quebec's Institut national d'excellence en santé et en services sociaux ("INESSS") to the Health Minister for the inclusion of its Low Molecular Weight Heparin biosimilar, Redesca® and Redesca HP®, on the list of medications covered by the Régie de l'assurance maladie du Québec ("RAMQ") for the prevention and treatment of thromboembolic disorders;
- In January 2021, the Company appointed Frederic Fasano to the newly created position of President and Chief Operating Officer, to augment its senior leadership team and support expansion of Valeo's commercial activities;
- In December 2020, the Company announced that its common shares were eligible for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States;
- In December 2020, the Company received a Notice of Compliance from Health Canada for its Redesca® and Redesca HP® low molecular weight heparin biosimilars; and
- In November 2020, the Company received a Notice of Compliance from Health Canada granting market authorization for Amikacin and commenced sales of Ethacrynate Sodium in the U.S. market.



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Q4 – Year-End 2020 Webcast and conference call

Valeo will host a conference call to discuss the 2020 fourth quarter and year-end results and highlights on Thursday February 25, 2021 at 8.30am (EST). The telephone numbers to access the conference call are 1-888-231-8191 and 647-427-7450. An audio replay of the call will be available. The numbers to access the audio replay are 1-855-859-2056 and 416-849-0833 using the following access code (1498873).

A live audio webcast of the conference call will be available via:

https://produceredition.webcasts.com/starthere.jsp?ei=1433860&tp_key=71fe5003d2

Financial Statements and MD&A

Valeo Pharma's financial statements and Management's Discussion and Analysis for the three-month and year-ended October 31, 2020 are available on SEDAR at www.sedar.com

About Valeo Pharma

Valeo Pharma is a Canadian pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada with a focus on Neurodegenerative Diseases, Oncology and Hospital Specialty Products. Headquartered in Kirkland, Quebec, Valeo Pharma has all the required capabilities and the full infrastructure to register and properly manage its growing product portfolio through all stages of commercialization. For more information, please visit www.valeopharma.com and follow us on [LinkedIn](#) and [Twitter](#).

Forward Looking Statements

This press release contains forward-looking statements about Valeo's objectives, strategies and businesses that involve risks and uncertainties. These statements are "forward-looking" because they are based on our current expectations about the markets we operate in and on various estimates and assumptions. Actual events or results may differ materially from those anticipated in these forward-looking statements if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. The Company is not making any express or implied claims that its product has the ability to eliminate, cure or contain the Covid-19 (or SARS-2 Coronavirus) at this time.

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