



VALEO PHARMA™

VALEO PHARMA ANNOUNCES CLOSING OF \$3.1 MILLION PROSPECTUS OFFERING OF UNITS AND DEBT CONVERSION OF \$1.0 MILLION

MONTREAL, QUEBEC / CNW Telbec/ July 25, 2019 – Valeo Pharma Inc. (CSE:VPH) (the “**Company**” or “**Valeo**”), a Canadian specialty pharmaceutical company, announced today the closing of its marketed public offering (the “**Offering**”) of units of the Company (the “**Units**”) at a price of \$0.50 per Unit (the “**Offering Price**”) for aggregate gross proceeds to the Company of approximately \$3.1 million. The Offering was led by Mackie Research Capital Corporation, as lead agent and sole bookrunner, and included Echelon Wealth Partners, Inc. (collectively, the “**Agents**”).

“The combination of the public offering and debt conversion strengthens our financial position and provides additional financial flexibility necessary for the successful pursuit of key strategic corporate initiatives”, said Steve Saviuk, Chief Executive Officer of Valeo. “We appreciate the support of our existing investors and welcome all new shareholders as we continue building a stronger Valeo going forward”.

Each Unit consists of one class A share (a “**Share**”) of the Company and one Share purchase warrant of the Company (a “**Warrant**”). Each Warrant is exercisable into one Share in the capital of the Company (a “**Warrant Share**”) at the price of \$0.60 per Warrant Share for a period of 36 months from Closing. The Company will endeavor to list the Warrants.

If, at any time prior to the expiry date of the Warrants, the volume weighted average trading price of the Shares on the Canadian Securities Exchange (“**CSE**”) equals or exceeds \$1.10 for 20 consecutive trading days, the Company may, within 15 days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice (the “**Accelerated Exercise Period**”). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.

The net proceeds raised under the Offering will be used for the purchase of inventory, funding product milestones and acquisitions, product launch expenses, new products filing fees, general corporate and working capital purposes in preparation for the first new oral treatment for Parkinson’s disease since 2006 – ONSTRYV®.

Debt Conversion

Concurrently with closing of the Offering, certain “related parties” (as that term is defined in Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* (“**MI 61-101**”)) to the Company converted an aggregate of \$982,128.50 in outstanding loans and accrued interest thereon into Units at a price equal to the Offering Price (the “**Debt Conversion**”). The Debt Conversion constitutes a “related party transaction” (as that term is defined in MI 61-

101). The Debt Conversion is exempt from the formal valuation requirement and minority approval requirement under MI 61-101 as the fair market value of the Debt Conversion does not exceed 25% of the market capitalization of the Company. The Company did not file a material change report more than 21 days before the expected closing of the Debt Conversion as the details of the Debt Conversion were not finalized until immediately prior to closing of the Offering and the Company wished to close the Offering as soon as practicable for sound business reasons.

About Valeo Pharma

Valeo Pharma is a specialty pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada. With a focus on Neurodegenerative Diseases, Oncology, Women's Health and Hospital Specialty Products, Valeo Pharma has a growing portfolio of innovative products and the full infrastructure to properly manage these products through all stages of commercialization. Valeo Pharma has exclusively launched Onstryv® (safinamide tablets) in Canada for the treatment of patients suffering from Parkinson's Disease and has entered into a licensing agreement for exclusive rights to register, distribute and market a low molecular weight heparin biosimilar in Canada.

Headquartered in Kirkland, Quebec, Valeo Pharma has all capabilities internally to register and market health care solutions for Canadian patients. For more information, please visit www.valeopharma.com and follow us on LinkedIn and Twitter.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements about closing of the Offering, the securities distributed in connection with the Offering, use of net proceeds of the Offering, acceptance of the terms of the Offering and the securities offered thereunder by the CSE, and 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. Unless required by law or applicable regulations, Valeo undertakes no obligation to revise or update any forward-looking statement to reflect events or circumstances that occur after the date of this press release.

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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