



VALEO PHARMA™

**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION**

VALEO PHARMA REPORTS ITS THIRD QUARTER 2020 RESULTS AND HIGHLIGHTS

- **\$6.9 million bought deal offering with full exercise of over-allotment option**
- **\$1.7 million oversubscribed non-convertible debenture non-brokered private placement**
- **4 new products added to our commercial pipeline**
- **Q3 net revenues of \$1.5 million, YTD 2020 net revenues of \$5.3 million**

MONTREAL, QUEBEC , September 29, 2020 – [Valeo Pharma Inc.](#) (CSE:VPH, OTCQB: VPHIF, FSE: VP2) (“Valeo” or the “Company”), a Canadian specialty pharmaceutical company, today reported its financial results for the third quarter ended July 31, 2020.

“Our third quarter revenues were impacted to some extent by the restrictions brought upon by Covid-19 as well as the impact from adjustments relating to prior periods. We are seeing revenues returning to an uptrend with the recent launch of Ametop™ in the last few weeks of the quarter and the launch of Yondelis® at the beginning of the fourth quarter, together representing 13% of our fourth quarter sales to date. HesperCo™ and Ethacrynate Sodium (U.S.) are scheduled to launch in the fourth quarter driving revenues and profitability going forward”, said Steve Saviuk, President and Chief Executive Officer. “We have high expectations for HesperCo™, which will be launched nationally in the coming weeks, as the immune support it provides is needed in the current healthcare environment. We continue interacting with Health Canada in the review of Redesca (Low Molecular Weight Heparin biosimilar) and are preparing for an early 2021 launch pending its expected approval ”.

Commenting on the third quarter 2020 results, Luc Mainville, Senior Vice-President and Chief Financial Officer said, “During the quarter, we continued to set the stage for exiting FY-20 as a profitable EBITDA company. While revenues will be favourably impacted in the short and medium term through our product launches and organic sales growth, we continue to implement initiatives to improve our product mix and the margins derived therefrom and retain proactive measures to constantly streamline expenses by assessing our operations and eliminating non-core obligations without sacrificing our growth strategy”.

“The third quarter was very much in line with the second quarter after taking into consideration the non-recurrent nature of a number of items impacting our third quarter. We



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expect to see key operational metrics continuing their improvement and positioning Valeo to exit Q4-2020 as a profitable EBITDA company”, added Mr. Mainville.

Third Quarter 2020 Financial Results and Highlights

- Net revenues were \$1.5 million for the quarter ended July 31, 2020 compared to net revenues of \$2.6 million for the quarter ended July 31, 2019 and net revenues of \$2.1 million for the quarter ended April 30, 2020 respectively. The decrease from the prior year relates primarily to the one-time launch uptake of Onstryv in 2019. The decrease in revenue from the second quarter is predominantly attributed to seasonally lower sales of M-Eslon and non-recurring inventory restocking adjustments related to Onstryv;
- Net loss of \$1.6 million for the quarter ended July 31, 2020 compared to \$0.1 million for the quarter ended July 31, 2019 and \$0.9 million for the quarter ended April 30, 2020 respectively;
- Adjusted EBITDA loss of \$0.7 million for the quarter ended July 31, 2020 compared to Adjusted EBITDA of \$0.1 million for the quarter ended July 31, 2019 and Adjusted EBITDA loss of \$0.6 million for the prior quarter ending April 30, 2020; and
- In July 2020, the Company closed a non-brokered oversubscribed \$1.7 million private placement of non-convertible debenture units. The Company issued 1,700 unsecured non-convertible debenture units (the “Debenture Units”) at a purchase price of \$1,000 per Debenture Unit for gross proceeds of \$1,700,000. Each Unit consisted of one 12% unsecured non-convertible debenture of the Company in the principal amount of \$1,000 and 1,500 Class “A” share purchase warrants (each, a “Warrant”) both maturing July 10, 2022 (the “Maturity Date”). Each Warrant entitles the holder thereof to purchase one Class “A” Share of the Company at an exercise price of \$0.60 until the Maturity Date.

Year to Date 2020 Financial Results

- Net revenues were \$5.3 million for the nine months ended July 31, 2020 compared to \$5.3 million for the nine months ended July 31, 2019;
- Net loss of \$3.6 million for the nine months ended July 31, 2020 compared to \$2.2 million for the nine months ended July 31, 2019; and
- Adjusted EBITDA loss of \$2.2 million for the nine months ended July 31, 2020 compared to an Adjusted EBITDA loss of \$1.8 million for the nine months ended July 31, 2019.



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Third Quarter 2020 Business and Product Highlights

- In July 2020, the Company completed and filed an application to list the Company's Class A shares ("Shares") on the OTCQB market in the United States;
- 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 June 2020, the Company received approval for its Abbreviated New Drug Application ("ANDA") from the U.S. Food and Drug Administration ("FDA") 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® (trabectedin) is a novel marine-derived antitumor agent manufactured by PharmaMar S.A., based in Madrid, Spain;
- In June 2020, the Company issued 1.55 million stock options to its staff and management as consideration for having agreed to a 5-month reduction of their compensation; and
- In June 2020, the Company issued 1.5 million warrants with an exercise price of \$0.60 and expiring June 30, 2021. The warrants were issued to non-related persons providing social media support and corporate branding services.

Third Quarter 2020 Subsequent Events

- 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 closed its previously announced bought deal offering of 5,000,000 units of the Company (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");
- In September 2020, the Company received a Natural Product Licence approval from Health Canada authorizing the sale of its flavonoid formulation, HesperCo™, in



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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; and
- In August 2020, the Company's shares were listed and commenced trading on the Frankfurt Stock Exchange under the symbol "VP2".

Financial Statements and MD&A

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

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 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 news release may contain certain forward-looking statements regarding the Company's expectations for future events. Such expectations are based on certain assumptions that are founded on currently available information. If these assumptions prove incorrect, actual results may differ materially from those contemplated by the forward-looking statements contained in this press release. Factors that could cause actual results to differ include, amongst others, uncertainty as to the final result and other risks. The Company disclaims any intention or obligation to publicly update or revise any forward- looking statements, whether as a result of new information, future events or otherwise, other than as required by security laws.

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