VALEO PHARMA INC.

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED OCTOBER 31, 2022

January 30, 2023

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INTERPRETATION

Unless the context otherwise requires, all references in this Annual Information Form ("**AIF**") to "us", "we", "our", "Valeo" or the "Corporation" refer to Valeo Pharma Inc.

This AIF should be read in conjunction with Valeo's audited consolidated financial statements and management's discussion and analysis for the fiscal year ended October 31, 2022. The audited consolidated financial statements and management's discussion and analysis of the Corporation are available under the Corporation's profile on SEDAR at www.sedar.com. All financial information contained in the AIF have been established in accordance with Canadian generally accepted accounting principles including International Financial Reporting Standards ("IFRS").

Unless otherwise stated, the information in this AIF is stated as of October 31, 2022.

CURRENCY AND EXCHANGE RATE INFORMATION

Unless otherwise indicated all references to "$" or "dollars" in this AIF refer to Canadian dollars.

References to "US$" or "US dollars" mean United States of America dollars.

The Corporation's accounts are maintained in Canadian dollars.

FORWARD-LOOKING INFORMATION

This AIF contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Wherever possible, words such as "plans", "expects", or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", "believes", "intends" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information.

Forward-looking information in this AIF may include, but is not limited to,

- information with respect to our future financial and operating performance,
- future development activities, and the costs and timing of those activities,
- timing and receipt of approvals, consents and permits under applicable legislation,
- new product launches, and
- adequacy of financial resources.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management as of the date of this AIF made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. We believe that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: our ability to carry on development activities, the timely receipt of required approvals and our ability to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including our reliance on third-party suppliers and manufacturers, the availability of additional funding, common risks for pharmaceutical products, including product liability claims, insurance and recalls, registration risks in certain jurisdictions, our inability to implement the Corporation's strategy to grow the business, dependence on key management personnel and executives, competition, currency fluctuations. See "Risk Factors". Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly,

readers should not place undue reliance on forward-looking information. We do not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws.

INDUSTRY DATA

Market data and industry forecasts used in this AIF were obtained from various publications. Although management believes that these independent sources are generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

DEFINITIONS

AIF	Annual Information Form
AMF	*Autorité des marchés financiers*
ANDA	Abbreviated New Drug Application, an application for a U.S. generic drug approval for an existing licensed medication or approved drug
API	Active pharmaceutical ingredient
Biosimilar	Biological drug designed to have active properties highly similar to an Innovative Drug
Board	Board of Directors of the Corporation
CBCA	*Canada Business Corporations Act, RSC 1985, c. C-44*, and all regulations made thereunder, as amended
CCO	Chief Commercial Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
Corporation	Valeo Pharma Inc.
COVID-19	Mild to severe respiratory illness caused by a coronavirus
Chairman	Chairman of the Board of Directors
Class 10	Level 10 security standards in compliance with Health Canada's *Directive on Physical Security Requirements for Controlled Substances (Security Requirements for Licensed Dealers for the Storage of Controlled Substances)*
CNS	Central nervous system
CSE	Canadian Securities Exchange
DIN	A Drug Identification Number assigned by Health Canada to a drug product following approval to market in Canada, under the *Food and Drugs Act (Canada) (R.S.C., 1985, c. F-27)*
EMA	European Medicines Agency
EU	European Union
FDA	United States Food & Drug Administration
Formulary	A list of drugs covered as benefits for eligible beneficiaries
FY	Fiscal Year
Generic Drug	A drug that, in comparison with an Innovative Drug, contains identical amounts of the identical medicinal ingredients, in comparable dosage forms, but does not necessarily contain the same non-medicinal ingredients and which is interchangeable with the said Innovative Drug

GMP	The acronym for "Good Manufacturing Practices" which are the standards established by health authorities under which drugs can be developed, manufactured, packaged, analyzed, stored and shipped
Health Canada	The federal institution overseen by the Minister of Health, responsible for helping Canadians maintain and improve their health. It ensures that high-quality health services are accessible, and works to reduce health risks
HCP	Health Care Professionals
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
INESSS	Quebec's *Institut national d'excellence en santé et en services sociaux*
Innovative Drug	A drug that contains a medicinal ingredient not previously approved in a drug by a Regulatory Authority and that enjoys proprietary barriers to entry, including regulatory or patent-derived market exclusivity, novelty, or brand differentiation.
IQVIA	formerly IMS Health Incorporated, a leading pharmaceutical market research organization.
LMWH	Low Molecular Weight Heparin
Manitex	Manitex Capital Inc.
NDS	New Drug Submission with Health Canada
NoC	Notice of Compliance issued by Health Canada to a manufacturer following the satisfactory review of a submission for a new drug, and signifies compliance with the Food and Drug Regulations.
pCPA	Pan-Canadian Pharmaceutical Alliance
Person	An individual, sole proprietorship, body corporate, firm, partnership, limited partnership, unincorporated organization or association, trust, or any other legal or commercial entity
PMPRB	Patented Medicine Prices Review Board
Option Plan	A share option plan approved by the Board of the Corporation
QA/QC	Quality Assurance/Quality Control
Regulatory Authority	Any board, commission, association or other body, organization or agency, whether governmental, professional, self-regulatory or otherwise, having jurisdiction over the Corporation or over any part of the business carried on by it
Shares	Class "A" shares of Valeo Pharma Inc.
Tax Act	*Income Tax Act* (Canada)
TPD	Therapeutic Products Directorate, which is the Canadian authority that regulates, evaluates and monitors the safety, efficacy and quality of pharmaceutical drugs and medical devices offered for sale in Canada.
Transfer Agent	Computershare Investor Services Inc.
TSX	Toronto Stock Exchange
U.S.	The United States of America.
VPI	The Corporation's subsidiary VPI Pharmaceuticals Inc., focused on the commercialization of Hospital products.

THE CORPORATION

Name, address and incorporation

Valeo was incorporated on March 27, 2003 pursuant to the CBCA. The registered office and principal place of business of the Corporation are located at 16667 Hymus Boulevard, Kirkland, Québec, Canada, H9H 4R9. See "*Description of the Business – Facilities*".

On April 23, 2008, pursuant to Articles of Amendment, the Corporation amended its articles by (i) creating a new class of shares, Class F1 Shares, and authorizing the Corporation to issue an unlimited number of such Class F1 shares, (ii) adding a restriction on the transfer of securities, except non-convertible debt securities, and (iii) granting borrowing powers to the Board, subject to the provisions of the CBCA.

On January 6, 2015, pursuant to Articles of Amendment, the Corporation amended its articles by creating a new class of shares, Class A1 Shares, and authorizing the Corporation to issue an unlimited number of such Class A1 shares.

On October 30, 2015, pursuant to Articles of Amendment, the Corporation amended its articles by (i) creating two new class of shares, Class X shares and Class X1 shares, and authorizing the Corporation to issue an unlimited number of such Class X and Class X1 shares, and by (ii) reclassifying, redesignating and converting all of the Class "A" shares into Class X shares and all of the Class A1 shares into Class X1 shares.

On September 18, 2018, the Corporation filed Articles of Amendment (i) subdividing all issued and outstanding Class "A" shares on a 1.57-for-1 basis, as approved by the special resolution of the shareholders, effective as of July 1, 2018 (ii) repealing and cancelling all classes of shares in the share capital of the Corporation, except for Class "A" shares, and (ii) adding provisions to give to the Board the ability to appoint one or more additional directors between shareholders' meetings.

On February 18, 2019, the Corporation filed Articles of Amendment to remove restrictions on transfers of Shares of the Corporation and other private issuer provisions, the whole in connection with the listing of the Shares on the CSE.

The Corporation's Shares commenced trading on the TSX on Tuesday March 29, 2022 under the symbol "VPH". The Shares are also listed on the OTCQB under the symbol "VPHIF" and on the Frankfurt Stock Exchange under the symbol "VP2". The Corporation is a reporting issuer in each of the provinces and territories of Canada.

Intercorporate relationships

The Corporation has no significant subsidiaries. Valeo's subsidiaries, in the aggregate, represent less than 10% of the Corporation's consolidated assets and revenues.

As of the date of this AIF, Manitex holds 23,830,130 Shares of the Corporation representing 29% of the total issued and outstanding Shares.

GENERAL DEVELOPMENT OF THE BUSINESS

Summary

The Corporation is a specialty pharmaceutical company which sources, acquires or in-licenses innovative branded products for sale in Canada which address major unmet medical needs.

Three-Year History

<u>Developments in fiscal year 2020</u> (November 1, 2019 - October 31, 2020)

On November 6, 2019, the Corporation announced a non-brokered private placement of up to 4,000 unsecured convertible debentures (the "Debentures") at a price of $1,000 per Debenture for maximum gross proceeds of $4,000,000 (the "Private Placement"). The Debentures will bear interest at a rate of 12% per annum with a maturity date that is 36 months following the closing date. Each $1,000 Debenture will be convertible at a price per Class "A" share of the Corporation ("Common Shares") equal to $0.40 (the "Conversion Price"), representing 2,500 Common Shares.

On November 14, 2019 the Corporation announced that its NDS filed for its LMWH biosimilar has been accepted for review by Health Canada.

On November 22, 2019 in connection with its change of auditor from MNP LLP (the "Former Auditor") to PricewaterhouseCoopers LLP (the "Successor Auditor") the Corporation announced, the Former Auditor

resigned as auditor of the Corporation effective November 14, 2019. The Board of Directors of the Corporation, on the recommendation of the Corporation's Audit Committee, has appointed the Successor Auditor to replace the Former Auditor, effective November 14, 2019, until the close of the next Annual General Meeting of the Corporation.

On January 21, 2020, the Corporation announced that it had signed a licensing agreement with PharmaMar for the exclusive rights to commercialize Yondelis® (trabectedin), a novel marine-derived antitumor agent, to ensure uninterrupted supply of this important product in Canada. Under the terms of the agreement, Valeo shall pay a one-time license payment to PharmaMar. PharmaMar will retain exclusive production rights and will sell the product to Valeo for commercial use.

On February 6th, 2020, Valeo received notice of a positive recommendation by INESSS to the Quebec Health Minister for the inclusion of Onstryv® on the list of drugs covered by the *Régie de l'assurance maladie du Québec.*

On February 27, 2020, the Corporation completed the first tranche of a non-brokered private placement of unsecured convertible debentures ("Debentures"), at a price of $1,000 per Debenture, for gross proceeds of $2,078,000. The Debentures bear interest at a rate of 12% per annum and have a maturity date of February 27, 2023. Each $1,000 Debenture will be convertible at a price per Class "A" share equal to $0.40 representing 2,500 Common Shares.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Various restrictions were imposed by federal, provincial and local governments and by enterprises including travel restrictions, restrictions on public gatherings, stay at home orders, advisories, and quarantining of people who may have been exposed to the virus. To date, the Corporation has experienced nominal impact for the sales of the Corporation's products as a result of the COVID-19 pandemic. In addition, the Corporation believes that the COVID-19 pandemic may create a significant sales opportunity for Hesperco™ and Redesca. Despite the restrictions affecting the ability of the Corporation to market its products to the medical community in person, the Corporation has observed monthly increases in the sales of Onstryv® (for example, August 2020 sales of approximately $73,000 compared to a monthly average of $27,000 for the first six months of 2020), with sales of its other products such as Ondansetron and M-Eslon remaining stable. The Corporation has experienced some delays in securing regulatory approval for Hesperco™, which approval remains pending for over 60 days, as compared to a 30-day review period prior to the COVID-19 pandemic. The Corporation has not experienced an impact to its product supplies, except for Pip-tazo, which has been delayed for six months. The Corporation does not anticipate any other supply chain issues arising from the COVID-19 pandemic for the balance of its products.

With regards to revenue recognition, the COVID-19 pandemic has not impacted the Corporation's gross to net sales ratio, which ratio reflects the level of product returns and price adjustments (and such factors are tracking pre-pandemic historical trends).

We do not anticipate any impact on the recoverability of our assets. While the COVID-19 pandemic has affected our industry in varying degrees, our clients' businesses remain stable and the collection of our trade receivables is expected to continue without any negative impacts. Recoverability of our inventory and intangible assets is not expected to be impacted by the COVID-19 pandemic. Further, our terms of payments with suppliers are not being reconsidered and we expect to continue our operations and manage our supply chain in the same manner as we did prior to the COVID-19 pandemic.

The Corporation is adjusting and adapting to daily changes as a result of the COVID-19 pandemic. In particular, the Corporation is finding new ways to perform certain activities such as marketing, investor relations and business development. Such activities are now performed via less costly alternative methods such as video-conferencing, and such changes have led to significant operational savings estimated at $60,000 to $70,000 per month on average.

On March 17, 2020, the Corporation announced that it had submitted a New Drug Submission with Health Canada seeking the marketing approval of Redesca, a low molecular weight heparin. The Corporation expects approval from Health Canada in fall 2020 with commercial availability shortly thereafter.

On April 28, 2020, the Corporation entered into a licensing agreement with Alliance Pharma plc for the exclusive commercialization rights to Ametop™ Gel (Tetracaine hydrochloride gel) in Canada.

On June 8, 2020, the Corporation received a Notice of Compliance from Health Canada authorizing the transfer to the Corporation of the commercial rights to Yondelis®, a novel marine-derived antitumor agent manufactured by PharmaMar S.A., based in Madrid, Spain.

On June 16, 2020, the Corporation received approval for its Abbreviated New Drug Application from the U.S. Food and Drug Administration for Ethacrynate Sodium 50 mg. The Corporation's Ethacrynate Sodium will be

distributed in the U.S. through its commercial partner. Valeo has been commercializing Ethacrynate Sodium in Canada since the third quarter of 2018 and owns the worldwide rights to the product (except Italy). Valeo intends to pursue Ethacrynate Sodium out-licensing opportunities in other territories.

On July 10, 2020, the Corporation closed a non-brokered private placement (the "**Debenture Offering**") of 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 Debenture Unit consisted of one 12% unsecured non-convertible debenture of the Corporation in the principal amount of $1,000 (each, a "**Debenture**") and 1,500 Class "A" share purchase warrants (each, a "**Debenture Warrant**") both maturing July 10, 2022 (the "**Maturity Date**"). Each Debenture Warrant entitles the holder thereof to purchase one Share at an exercise price of $0.60 until the Maturity Date. In the event that the average VWAP of the Corporation's Shares on the CSE over any twenty (20) consecutive trading days is greater or equal to $1.10, the Corporation may give notice to the Debenture Warrant holder that it must exercise its remaining Debenture Warrants within a period of 30 days from the date of receipt of the notice, failing which the Debenture Warrants will automatically expire. The net proceeds of the Debenture Offering were used to support the summer launch of four products and for working capital and general corporate purposes Manitex Capital Inc. ("**Manitex**"), the Corporation's principal shareholder, along with certain senior officers, staff members and three directors of the Corporation participated in the Debenture Offering for an aggregate amount of $390,000.

On July 13, 2020, the Corporation received a Notice of Compliance from Health Canada authorizing the transfer to the Corporation of the commercial rights to Ametop™.

On July 29, 2020, the Corporation filed an application to list the Shares on the OTCQB market in the United States. The listing of the Shares on the OTCQB remains subject to the Corporation fulfilling all of the listing requirements of the OTCQB and any other regulatory requirements.

On August 11, 2020, the Corporation's shares were listed and commenced trading on the Frankfurt Stock Exchange under the symbol "VP2".

On August 12, 2020, the Corporation commenced commercializing Yondelis® in Canada.

On August 24, 2020, the Corporation announced that it has filed for a Natural Product Licence with Health Canada for its unique bioflavonoid formulation, Hesperco™, containing an antioxidant believed to support the immune system. Ingenew believes that there is a strong scientific and medical rationale for the use of Hesperco™ capsules to support the immune system and potentially fight off symptoms associated with coronaviruses such as the one that causes COVID-19 and will be testing Hesperco™ for reduction of symptoms in patients with COVID-19.

On September 10, 2020, the Corporation announced that it has 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 Corporation 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 Corporation 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 Corporation's Shares on the Canadian Securities Exchange is equal to or greater than $2.00 for a period of ten (10) consecutive trading days. On September 11, 2020, the warrants issued in connection with the Offering commenced trading on the CSE under the symbol "VPH.WT.A".

On September 23, 2020, the Corporation announced that its shares had been approved to trade on the OTCQB market in the United States. Valeo's shares started trading on the OTCQB under the symbol "VPHIF".

On October 13, 2020, the Corporation announced that it has commenced the commercial launch of Hesperco™, its unique flavonoid formulation.

Developments in fiscal year 2021 (November 1, 2020 - October 31, 2021)

On November 12, 2020, the Corporation announced that it had received a Notice of Compliance from Health Canada granting market authorization for Amikacin, an antibiotic used within the hospital setting. Valeo also announced that shipments of Ethacrynate Sodium had commenced in the U.S. market.

On December 9, 2020, the Corporation announced that Health Canada has issued a Notice of Compliance for Redesca and Redesca HP low molecular weight heparin ("LMWH") biosimilars.

On January 18, 2021, the Corporation announced the appointment of Mr. 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. Mr. Fasano was also elected to the Corporation's Board of Directors. In addition to Valeo announced that in addition to continuing in his role as CEO of Valeo, Mr. Saviuk would assume the role of Vice-Chairman of Valeo's Board of Directors. Mr. Richard MacKay remains Chairman of the Board.

On January 25, 2021, the Corporation announced that it has received notice of a positive recommendation by INESSS to the Health Minister for the inclusion of its Low Molecular Weight Heparin biosimilar (LMWH), 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.

On January 25, 2021, the Corporation announced that it has 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 (LMWH), 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.

On February 17, 2021, the Corporation announced that the Montreal Heart Institute initiated a clinical trial to evaluate the ability of hesperidin, the medicinal ingredient in Hesperco™ capsules, to reduce the severity of symptoms and the need for hospitalization in COVID-19 patients. Hesperidin interferes and inhibits 2 key proteins of SARS-CoV-2 responsible for the infection of healthy cells, suggesting that hesperidin may disrupt the replication rate of the virus and enable infected patients to build natural immunity. Hesperidin's safety profile and immune-modulatory activity make it a highly promising molecule to intervene at various stages of the COVID-19 infection process.

On March 29, 2021, the Corporation announced that it had entered into a Commercial and Supply Agreement (the "Agreement") with Novartis Pharmaceuticals Canada Inc. ("Novartis") for the Canadian commercialization by Valeo of two innovative asthma therapies, Enerzair® Breezhaler® (indacaterol, glycopyrronium and mometasone furoate) ("Enerzair") and Atectura® Breezhaler® (indacaterol and mometasone furoate) ("Atectura"). Under the Agreement, Valeo will be responsible for medical and commercial activities for Enerzair and Atectura for an initial 8-year period. At present, almost 4,000,000 Canadians are living with asthma, a serious health issue affecting all age groups. The Corporation expects to initiate the commercial launch of Enerzair and Atectura through a dedicated salesforce in June 2021.

On April 6, 2021, the Corporation announced that it had completed its negotiations and entered into a letter of intent with the pan-Canadian Pharmaceutical Alliance regarding Redesca™ and Redesca HP™, and its low molecular weight heparin ("LMWH") biosimilar.

On April 15, 2021, the Corporation announced that it had commenced commercial shipments across Canada of Redesca™, Redesca HP™, and its LMWH biosimilar, and that national sales coverage was in full deployment through a dedicated key account managers team.

On April 27, 2021, the Corporation announced that it had upsized and closed a $6,645,000 non-brokered private placement of unsecured non-convertible debenture units (the "Bridge Offering"). The Corporation issued 6,645 unsecured non-convertible debentures units (the "Debenture Units") at a purchase price of $1,000 per Debenture Unit for gross proceeds of $6,645,000. Each Debenture Unit consists of one (1) unsecured non-convertible debenture of the Corporation in the principal amount of $1,000 (each, a "Debenture") and 200 Share purchase warrants (each, an "April Warrant"). Each April Warrant entitles the holder thereof to purchase one Share at an exercise price of $1.60 at any time up to 24 months following the closing date of the Bridge Offering. The Debentures will mature at the latest 9 months after the closing and bear interest at a rate of 8% per annum from the date of issue, payable in cash, semi-annually in arrears. The terms and conditions of the April Warrants provided that if the Company completed an equity financing within 24 months from the date of issuance at a price of less than $1.60 per Share, the exercise price of the Bridge Warrants, to the extent the Bridge Warrants have not been previously exercised, would be reduced to such lower warrant exercise price. (See December 15, 2021 announcement)

On April 28, 2021, the Corporation announced that it had entered into a Product Listing Agreement with the Executive Officer of the Ontario Public Drug Program for the listing of Redesca™, Redesca HP™, and its LMWH biosimilar, on the Ontario Drug Benefit Formulary effective April 30, 2021.

On May 13, 2021, the Corporation posted an irrevocable letter of credit in the amount of $1,100,000 in favor of Novartis Pharmaceuticals Canada Inc. as a beneficiary held by a major Canadian bank.

On May 17, 2021, the Corporation announced that it had been accepted for admission into the Innovative Medicines Canada ("IMC") Association as a full member. IMC has represented Canada's innovative

pharmaceutical industry since 1914, with 47 members across the spectrum of small, midsize and large national and multi-national companies.

On May 26, 2021, the Corporation announced that it projects record revenues and margins for the second quarter of 2021 and indicated that the Redesca™ launch was beginning to impact financial performance.

On June 1, 2021, the Corporation announced that private payer health plans currently covering 80% of privately insured lives in Canada have agreed to provide reimbursement for Enerzair and Atectura.

On June 22, the Corporation announced the commercial launch of Enerzair and Atectura following product shipments across Canada and the initial deployment of its national respiratory sales force. The Corporation also announced the hiring of Nelly Komari as Senior Vice President, Scientific & Medical Affairs.

On June 29, 2021, the Corporation announced the closing of brokered offering of 10,000,000 units (the "Units") at a price of $1.00 per Unit (the "Unit Price") along with the full exercise of the Underwriters' over-allotment option of 1,500,000 additional Units at the Unit Price for aggregate gross proceeds of $11.5 million (the "Offering"). The Units were sold on a bought deal basis pursuant to an underwriting agreement dated June 14, 2021, with a syndicate of underwriters led by Research Capital Corporation and including Paradigm Capital Corporation Inc., and Desjardins Securities Inc. Each Unit consisted of one common share ("Share") of the Corporation and one Share purchase warrant (each whole warrant, a "Unit Warrant"), with each Unit Warrant entitling the holder to purchase one Share of the Corporation at a price of $1.25 for a period of 36 months after the closing of the Offering. The impact of the Unit Warrant pricing of $1.25 triggered the repricing of the April Warrants, announced on December 15, 2021. Proceeds from the Offering were used to repay April 2021 non-convertible debentures of $3.2 million before year-end 2021. The Balance of the April 2021 debentures were either converted in the December 9, 2021 debenture Offering ($2,85 million) or repaid subsequent to the same financing ($585,000).

On August 16, 2021, the Corporation, announced that it had completed implementation of its new corporate structure and launched full commercial activities in support of Enerzair triple therapy and Atectura dual therapy. The Corporation is now structured into 2 business units, Respiratory and Specialty Products, led by industry veterans Howard Wiseman and Jean-Charles Leathead respectively. With the completion of a full national sales structure for each business unit, Valeo's sales team has expanded to 65 sales professionals out of a total of 105 full time employees. The Corporation also expanded its head office and warehouse capacity to support its recent product launches.

Early September 2021, the Corporation discovered that it had been subject to a bank fraud involving Valeo and one of its major suppliers. The events took place during the months of July and August 2021. The Corporation's management and Board of Directors have acted swiftly to 1) reduce and eliminate the loss associated to these events, 2) implement new systems and procedures to protect the Corporation from any similar bank fraud going forward, and 3) made changes to its personnel, and leadership team to address the needs of the organization. The potential loss to be suffered by Valeo as a result of this fraud will not affect the ongoing operations and activities of the Corporation.

In September 2021, the Corporation updated and rebranded its corporate image, logo and website to reflect the dynamic change the Corporation has undergone positioning it at the forefront of innovation and growth within the Canadian pharmaceutical industry.

On October 5, 2021, the Corporation announced that it has completed its negotiations and entered into a letter of intent with the pan-Canadian Pharmaceutical Alliance (pCPA) regarding Enerzair and Atectura, its two innovative asthma therapies.

On October 13, 2021, the Corporation announced that it has been awarded two multi-year listing agreements by two of Canada's largest Group Purchasing Organizations ("GPO") for Redesca as well as three additional hospital specialty products.

Developments in fiscal year 2022 (November 1, 2021 - October 31, 2022)

On November 3, 2021, the Corporation announced that it had successfully entered into a Product Listing Agreement with the Alberta Minister of Health, for the listing and public reimbursement of Enerzair and Atectura, on the Alberta Drug Benefit list effective November 1, 2021.

On November 15, 2021, the Corporation announced that it has successfully entered into a Product Listing Agreement with the Quebec Minister of Health, for the listing and public reimbursement of Redesca™ and Redesca HP™, its low molecular weight heparin biosimilar for the prevention and treatment of thromboembolic disorders, on the Quebec RAMQ list of medications, effective November 10, 2021.

On December 6, 2021, the Corporation announced that it had entered into an agreement with Desjardins Capital Markets, as lead underwriter and sole bookrunner, together with a syndicate of underwriters (collectively, the “Underwriters”), pursuant to which the Underwriters have agreed to purchase for resale, on a bought deal private placement basis, $10,000,000 aggregate principal amount of convertible unsecured debentures of the Company (the “Debentures”) at a price of $1,000 per Debenture (the “Offering”). The Debentures will mature on December 31, 2024 (the "Maturity Date") and will accrue interest at the rate of 12.0% per annum, payable quarterly beginning on March 31, 2022. At the holders' option, the Debentures may be converted into common shares of the Company at any time and from time to time, up to the Maturity Date, at a conversion price of $1.15 per common share. The Company will use commercially reasonable efforts to list the Debentures on the Canadian Securities Exchange. Concurrently with the Offering, Investissement Québec had committed to a concurrent private placement of $10,000,000 of convertible unsecured debentures issuable on the same terms as those issuable pursuant to the Offering (the “Concurrent Private Placement”), resulting in aggregate gross proceeds from the Offering and Concurrent Private Placement of $20,000,000. On the same date, the Corporation announced that in connection with its previously announced Offering, the Company and Desjardins Capital Markets, as lead underwriter and sole bookrunner, together with a syndicate of underwriters, had agreed to increase the size of the Offering from $10,000,000 to $15,000,000 aggregate principal amount of convertible unsecured debentures of the Company. Holders of the April 2021 non-convertible debentures representing a total of $2.86 million participated in the Offering by exchanging their non-convertible debentures for new Debentures. Holders of July 2020 non-convertible debentures representing a total of $805 participated in the Offering by exchanging their non-convertible debentures for new Debentures.

On December 9, 2021, the Corporation announced that it had closed (i) its upsized Offering of $15.0 million aggregate principal amount of 12.0% convertible unsecured debentures (the "Debentures") of the Company due December 31, 2024 (the "Maturity Date") at a price of $1,000 (the "Offering Price") per Debenture, and (ii) the previously announced concurrent $10.0 million private placement of convertible unsecured debentures issued on the same terms as those issuable pursuant to the Offering with Investissement Québec (the "Concurrent Private Placement"), resulting in gross proceed from the Offering and Concurrent Private Placement of $25.0 million to the Company.

On December 15, 2021, the Corporation announced that it has repriced 1,336,700 warrants (the “Bridge Warrants”) issued on April 27, 2021, as part of a bridge private placement of non-convertible debenture units. The terms and conditions of the Bridge Warrants provided that if the Company completed an equity financing within 24 months from the date of issuance at a price of less than $1.60 per Share, the exercise price of the Bridge Warrants, to the extent the Bridge Warrants have not been previously exercised, would be reduced to such lower warrant exercise price. On June 29, 2021, the Company announced that it closed a bought deal public offering pursuant to which the Company issued Share purchase warrant of the Company (the “Warrant”) at the price of $1.25 per Share. Consequently, the Company announced the amendment of the exercise price of the Bridge Warrants from $1.60 per Share to $1.

On December 15, 2021, the Corporation announced that Atectura and Enerzair were now reimbursed by the Quebec RAMQ, and by Nova Scotia Minister of Health, effective December 15, 2021 and December 2, 2021 respectively. The listings now appear on the Quebec List of Medications and the Nova Scotia Drug Formulary.

On January 5, 2022, the Corporation announced that Hesperco, its unique flavonoid formulation approved by Health Canada for immune support, was now available for sale in approximately 300 stores under the Loblaw's banners including Loblaws, Dominion, Zehrs, Fortinio's, Your Independent Grocer and Superstore.

On February 24, 2022, the Corporation announced that it had entered into a Product Listing Agreement with the Executive Officer of the Ontario Public Drug Program for the listing of Atectura and Enerzair, on the Ontario Drug Benefit Formulary effective February 28, 2022. Effective February 24, 2022, Enerzair and Atectura, have also been accepted for reimbursement by the Manitoba Pharmacare Program, the New Brunswick Drug plan, the Non-Insured Health Benefits ("NIHB") program of Indigenous Services Canada and Veteran Affairs Canada ("VAC").

On March 22, 2022, the Corporation announced the listing and public reimbursement of Redesca and Redesca HP, in British Columbia. The Company also announces that Enerzair and Atectura, have also been accepted for public reimbursement in Saskatchewan and in Prince Edward as of March 28, 2022.

On Tuesday March 29, 2022 (the "Effective Date"), the Corporation’s Shares and warrants commenced trading on the TSX under the current symbols of "VPH", "VPH.WT" and "VPH.WT.A. The Corporation's Shares and warrants were concurrently de-listed from the CSE as of the Effective Date.

On April 19th, 2022, the 12% Convertible Unsecured Subordinated Debentures issued pursuant to the $15.0 million bought deal private placement closed on December 9, 2021, were approved for listing on the TSX under the symbol “VPH.DB” and begin trading.

On May 2nd, 2022, the remaining non-convertible debentures issued July 2020 representing $338 were reimbursed.

On May 14th, 2022, the Corporation was informed by the respective provincial authorities that Enerzair and Atectura, have been accepted for public reimbursement in British Columbia and Newfoundland.

Effective July 29, 2022:

- the Corporation entered into a Commercialization and Supply Agreement with Novartis Pharmaceuticals Canada Inc. (“Novartis”) for the Canadian commercialization by Valeo of two innovative ophthalmic therapies. Under the Agreement, Valeo becomes the exclusive distributor of XIIDRA® (lifitegrast) and SIMBRINZA® (brinzolamide / brimonidine tartrate) in Canada, and as such, will be responsible for all commercial and medical activities. The Agreement will continue for an initial term of seven years.
- the Corporation entered into a License, Supply, and Commercialization agreement with Kaléo, Inc. for the Canadian rights to ALLERJECT, (epinephrine injection, USP) auto-injector for the treatment of serious allergic reactions. Under the Agreement, Valeo will be responsible for all commercial and medical activities for ALLERJECT in Canada for an initial 10-year period. Over 700,000 people are estimated to be at risk for anaphylaxis due to food or insect stings alone at least once in their lifetime. A potentially life-threatening allergic reaction can happen anywhere – and can happen quickly, reinforcing the importance for patients, families and caregivers to have timely and reliable access to an epinephrine auto-injector.
- the Corporation announced the closing of a non-dilutive US$40 million Secured Term Loan from Sagard Healthcare Partners. The term loan facility is subject to the terms and conditions of a credit agreement. Highlights of the agreement are 1) Senior secured term loan of up to US$40 million, 2) US$30 million fully funded on the closing, 3) Additional US$10 million available for future in-licensing transactions and/or acquisitions prior to December 31, 2023, and 4) Facility matures after 5 years from closing.

On August 30, 2022 the Corporation appointed Kyle Steiger as its new Senior Vice-President and Chief Commercial Officer. Mr. Steiger is a pharmaceutical industry veteran whose diverse work experience includes specialty pharma, biologics, primary care, medical devices, OTC, health policy and market access. He spent nearly 20 years at Novartis Canada in various executive positions including Franchise Head Hematology, Vice-President Primary Care and most recently Vice-President Ophthalmology.

On September 14, 2022, the Corporation announced that it had entered into a Commercial Services Agreement with Veru Inc. (Veru) for sabizabulin for COVID-19 in Canada. Sabizabulin is a novel dual antiviral and anti-inflammatory agent being targeted for the treatment of hospitalized moderate-severe COVID-19 patients at high risk for acute respiratory distress syndrome (ARDS) and death.

Subsequent Events (after October 31, 2022)

On November 21, 2022, the Corporation announced that Mr. Frederic Fasano had stepped down as Valeo's President and COO. Mr. Fasano will continue to act as special advisor to the Company and will remain on the Board of Directors. Mr. Fasano's duties and responsibilities are being integrated and assumed by the Company's CEO, Steve Saviuk and its CCO, Mr. Kyle Steiger.

On January 26, 2023, the Corporation announced the filing of a new drug submission with Health Canada for Sabizabulin for the treatment of hospitalized Covid-19 patients.

DESCRIPTION OF THE BUSINESS

The Global Pharmaceutical Market

The global pharmaceutical industry is highly diverse and made up of various sectors, including large branded pharmaceutical companies, small to mid-sized specialty companies and niche market pharmaceutical manufacturers, marketers, biotechnology firms, research and development organizations and Generic Drug manufacturers. These participants compete for market share based on advantages including clinical efficacy and safety, technological innovation or novelty, convenience or ease of administration and cost effectiveness. The global pharmaceutical market generated estimated gross sales of U.S.$1.27 trillion in 2020, of which U.S$622 billion (44%) were in the North American market (*Source: Statistica*).

According to IQVIA, the global pharmaceutical market is expected to grow to US$1.6 trillion by 2025, growing at a 3%-6% compound growth rate.

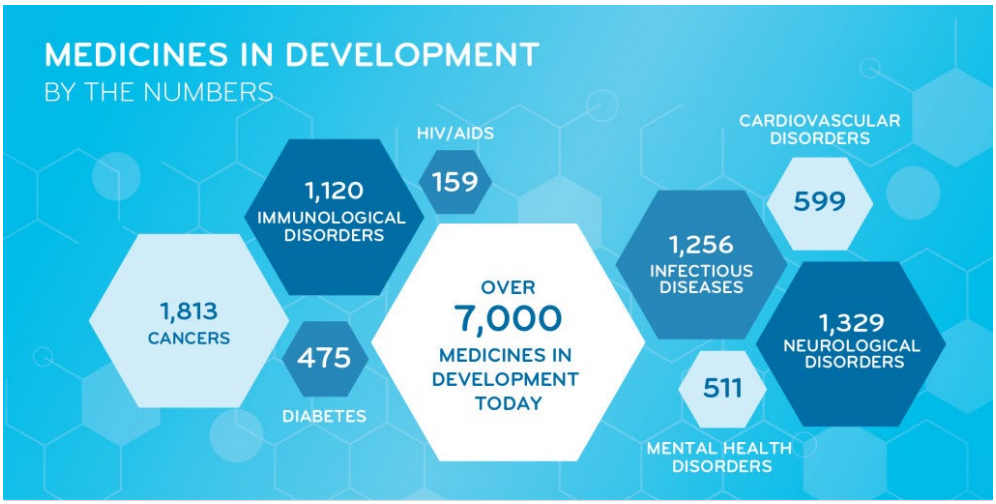
According to the Precedence Research Report “Asthma Drugs Market - Global Market Size, Share, Growth, Trends Analysis, Regional Outlook and Forecasts 2021 – 2030” the global asthma drugs market size is predicted to reach US$37.3 billion by 2030 from US$20.6 billion in 2020, growing at a CAGR of 5.2% during the forecast period 2021 to 2030. Increasing prevalence of asthma and growth in the old age population are driving factors for the growth of asthma market

According to The Insight Partners Report “Low Molecular Heparin Market Forecast to 2028” the global low molecular weight heparin (LMWH) market in 2021 was US$3,658.27 Million. This market is expected to grow with a CAGR of 6.6% reaching US$5,733.97 Million in 2028. The global low molecular weight heparin market, based on application, is segmented into deep vein thrombosis, acute coronary syndrome (ACS), pulmonary embolism, and others. The deep vein thrombosis segment held the largest share of the market in 2021. However, the acute coronary syndrome (ACS) segment is anticipated to register the highest CAGR in the market during the forecast period.

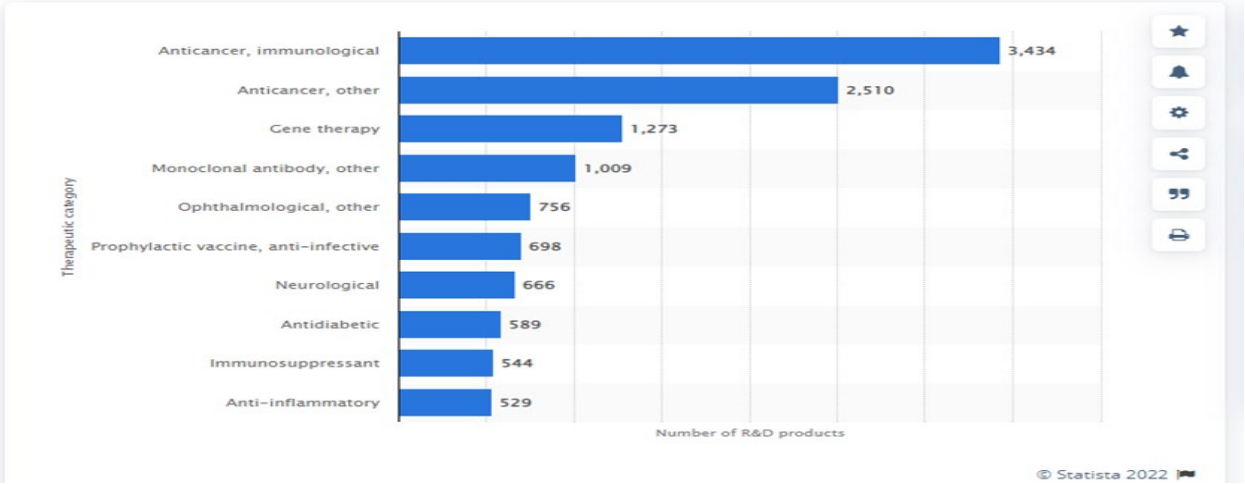
The global central nervous system therapeutic market size is expected to reach US$205.0 billion by 2028, according to a new report by Grand View Research, Inc. The market is expected to expand at a CAGR of 7.4% from 2021 to 2028 (Grandview Research)

The global oncology/cancer drugs market size reached a value of nearly US$167.9 billion in 2019, having increased at a compound annual growth rate (CAGR) of 9.8% since 2015 (Oncology Drugs Market - Opportunities and Strategies - Global Forecast To 2030).

The 2020 market of Hospital Injectable Drugs is estimated to be US$ 37.190 million in 2019. Over the next five years the Hospital Injectable Drugs market will register a 4.9% CAGR in terms of revenue, the global market size will reach US$ 45.090 million by 2025. (Grandview Research).



Leading Therapeutic Categories Worldwide by Number of R&D Products



In developed countries, patent and regulatory legislation offers Innovative Drug developers a period of market exclusivity to provide incentives to pharmaceutical companies to take on the high risks, substantial costs and relatively long timeframes associated with developing Innovative Drugs. Such market exclusivity enables Innovative Drug marketers to focus on the sales and marketing of their approved products.

In the Innovative Drug industry, core competencies are required in science to successfully develop new drugs, in medical and regulatory affairs to obtain marketing approval, and in sales and marketing to drive prescription volumes and receive reimbursement. Fully integrated pharmaceutical companies build all of these core competencies, while others focus on specific areas of the value chain. For example, biotech companies focus on the development of new drugs derived from either biotechnology or chemistry. Specialty pharmaceutical companies focus on understanding the dynamics of end-users, obtaining reimbursement and building distribution networks.

The Canadian Pharmaceutical market

Globally, Canada is the 10th largest market, making up 2% of sales around the world.

According to IQVIA the Canadian Pharmaceutical market in 2020 represented $32.5 Billion in combined retail and hospital sales. This represented a 4.6% growth from 2019. 758.1 million prescriptions were dispensed, up 2.1% from the year before. Branded pharmaceuticals saw a 1.5% growth in dollars from 2019.

Branded pharmaceuticals represented 81% of dollars spent, but only 27% of total prescriptions (CGPA)

OVERVIEW OF THE BUSINESS AND BUSINESS STRATEGY

The Corporation is a specialty pharmaceutical company which sources, acquires or in-licenses innovative branded products for sale in Canada which address major unmet medical needs.

Valeo's business model consists of providing all the services required to register, obtain reimbursement and to commercialize the acquired or in-licensed pharmaceutical products in Canada. Valeo possesses the in-house expertise to handle all activities associated with regulatory, quality control, supply chain, medical information, and pharmacovigilance. The ability to handle such a broad range of activities has been a key factor in our successful in-licensing activities and acquisition of third-party product rights for Canada. Today, Valeo's business objective is to become a leading Canadian healthcare Corporation by focusing on the commercialization of innovative products in predefined strategic therapeutic areas.

In March 2021, Valeo entered into an agreement with Novartis Pharmaceutical Canada Inc. ("Novartis") to acquire the Canadian commercial rights to Enerzair®Breezhaler® ("Enerzair") and Atectura®Breezhaler® ("Atectura"). This material transaction triggered a major transformation for Valeo. The Respiratory and Specialty Products Business Units were created to better support the commercial efforts for all products within our commercial portfolio.

On July 29, 2022, Valeo signed two additional licensing agreements with Novartis and Kaléo, Inc. ("Kaléo") for the Canadian commercial rights to 3 major brands, namely, Xiidra®, Simbrinza® from Novartis as well as Allerject® from Kaléo. These transactions lead to the expansion of our Respiratory BU to include Allergy with the addition of Allerject, as well as the creation of an Ophthalmology BU for the promotion of Xiidra and Simbrinza.

With the continued growth of Redesca, Enerzair and Atectura, coupled with the addition of Xiidra, Simbrinza and Allerject, we expect each of the Respiratory/Allergy, Ophthalmology and Specialty BUs to materially impact our financial performance over the coming quarters. The significant revenue growth experienced in fiscal year 2022 is a testament of the transformative impact our new products have had on the Corporation's financial performance.

Product Portfolio

With 14 commercial assets, including 6 major product addition over the last 18 months, we expect our revenues to grow significantly over the coming years until each product reach their full potential. Valeo also has one major product, Sabizabulin which has been accepted for review by Health Canada. Assuming a favorable review by Health Canada, the product would be commercialized in the first half of fiscal year 2024.

Valeo's product portfolio is presented below:

BRANDS	Indications	Partners	Regulatory, Commercial Status, and other important information
Respiratory/Allergy Business Unit			
Enerzair® Breezhaler®	LABA/LAMA/ICS fixed triple dose asthma drug.	Novartis Pharmaceuticals Canada Inc. ("Novartis")	• Commercial launch in June 2021. Supported by a dedicated team of 56 sales professionals. • 100% Public reimbursement across Canada. Private insurance coverage in excess of 90%. • Canadian maintenance asthma market estimated at $535M [1]
Atectura® Breezhaler®	LABA/ICS dual combination asthma drug.		
Allerject®	Portable voice-activated epinephrine injector for emergency treatment of serious allergic reactions (anaphylaxis)	Kaléo, Inc. ("Kaleo")	• Commercial rights acquired late Q3-22 • Initial launch in 2014. Re-marketed in Canada since 2019. • Canadian Market estimated at $85M, 5-7% CAGR [1] • Provincial reimbursement and Private insurance coverage > 90%.
Ophthalmology Business Unit			
Xiidra®	prescription eye-drop to treat dry eye disease	Novartis Pharmaceuticals Canada Inc. ("Novartis")	• Commercial rights acquired late Q3-22, product launched in 2018. • Supported by a dedicated team of 14 sales professionals. • Canadian market estimated at $60M [1] • Private insurance coverage at 100%. No public coverage.
Simbrinza®	Ophthalmic Drops (brimonidine and brinzolamide) to treat open-angle glaucoma or ocular hypertension		• Commercial rights acquired late Q3-22, product launched in 2015 • Canadian market estimated at $55M [1] • Public and Private insurance coverage in place.
Specialty Products Business Unit			
Redesca™	LMWH – Anticoagulant biosimilar used to treat and prevent deep vein thrombosis and pulmonary embolism.	Shenzhen Techdow Pharmaceuticals Co., Ltd.	• Commercialized since April 2021. • Supported by a dedicated team of 8 sales professionals. • Canadian annual LMWH market estimated at $180M • Public and Private insurance coverage in place across Canada.
Sabizabulin	Oral dual antiviral/anti-inflammatory agent for high-risk hospitalized adults suffering from COVID-19	Veru, Inc.	• Commercial agreement signed on September 14, 2022. • Filed with Health Canada in December, 2022. • Approved for review by Health Canada in January 2023

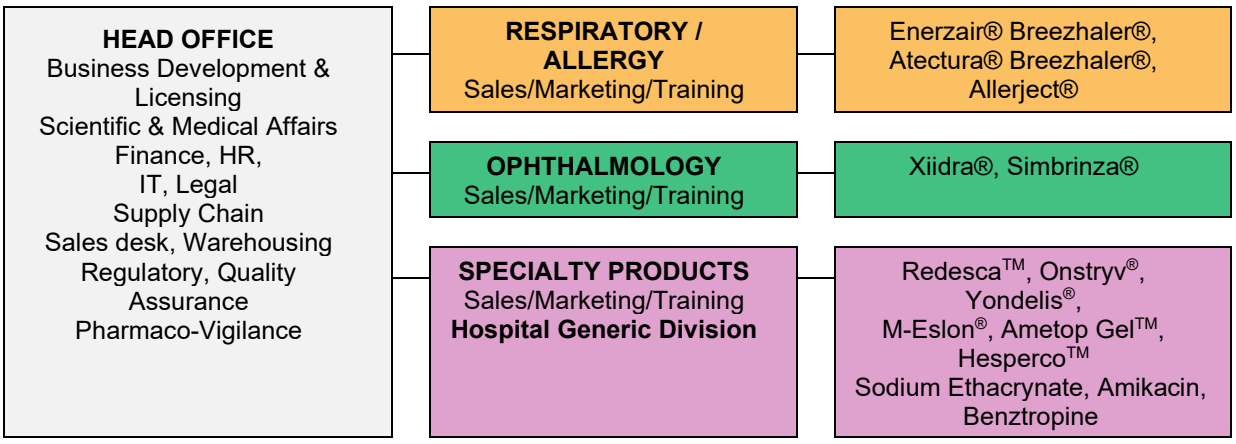
			• Market potential in excess of $65 million
Onstryv®	Idiopathic PD as an add-on for patients on stable dose of Levodopa (L-dopa) alone or in combination with other drugs, to help with "off" episodes.	Zambon S.p.A.	• Marketed since Q3-19. • INESSS positive recommendation granted in February 2020. • Ongoing engagement process with pCPA to negotiate the public reimbursement in Quebec.
M-Eslon	Extended-release morphine sulphate for pain management.	Ethypharm Inc.	• Distributed by Valeo since 2016.
Yondelis®	Soft tissue sarcoma	PharmaMar S.A.	• Marketed by Valeo since August 2020.
Hesperco™	Bioflavonoid antioxidant used for immune support	Co-developed with Ingenew Pharma Inc. ("Ingenew")	• Marketed since October 2020 on-line and available on Amazon Canada and in Loblaw's retail pharmacies. • Results of a clinical trial conducted by The MHI has confirmed the merits of Hesperco for helping reduce Covid-19 related symptoms.
Ametop™ Gel 4%	• For skin Anesthesia prior to injection or cannulation.	Alliance Pharma	• Marketed by Valeo since Q4-21.
Hospital Generic Division (VPI Division)			
Benztropine	Anticholinergic agent used for the treatment of Parkinson disease	Asia/Pacific Generic Manufacturer	• Marketed by Valeo since Q4-18.
Ethacrynate Sodium	Loop diuretic for high blood pressure and associated swelling	Owned by Valeo worldwide except for Italy	• Marketed by Valeo in Canada since Q3-18 and in the United States since Q4-21 via a US-based distribution partner.
Amikacin	Injectable Antibiotic	Generic ma	• Commercialized since Q4-21.

Note 1: (Industry data, Source: IQVIA)

Corporate and Commercial Structure

The creation of the three Business Units ("BU") and the ongoing integration of a dedicated sales team to support the respective commercial efforts of key products within our portfolio has created significant operating leverage for Valeo. As we aim to add other strategic assets to each BU over the coming years, we are committed to take full advantage of our new corporate structure and commercial platform.

The following presents our corporate and commercial structure.



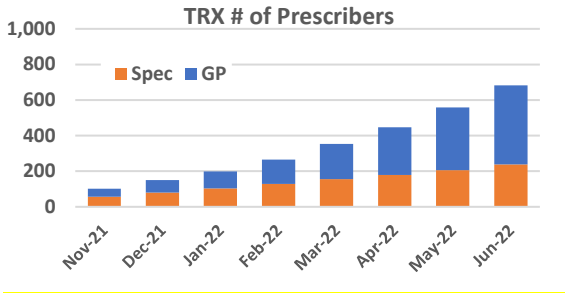
Respiratory/Allergy Business Unit

Enerzair® Breezhaler®, Atectura® Breezhaler®

The Respiratory/Allergy BU was initially created to take full advantage of market opportunities for two innovative asthma therapies, Enerzair and Atectura, licensed from Novartis in March 2021. Both product value propositions bring compelling therapeutic benefits over the current standard of care. Both Enerzair and Atectura are now available and fully covered by public jurisdictions and private payers across all Canadian provinces and territories. Enerzair and Atectura have helped establish Valeo as an important player in the large, established, and growing asthma market.

Close to 4 million Canadians are living with asthma, a serious health issue affecting all age groups and 39% of asthma patients remain uncontrolled, despite available medications. This is primarily due to low adherence, treatment misuse and poor inhaler technique. The market opportunities for innovative medicines in asthma are significant and Valeo is well positioned to take full advantage of the favorable market dynamics.

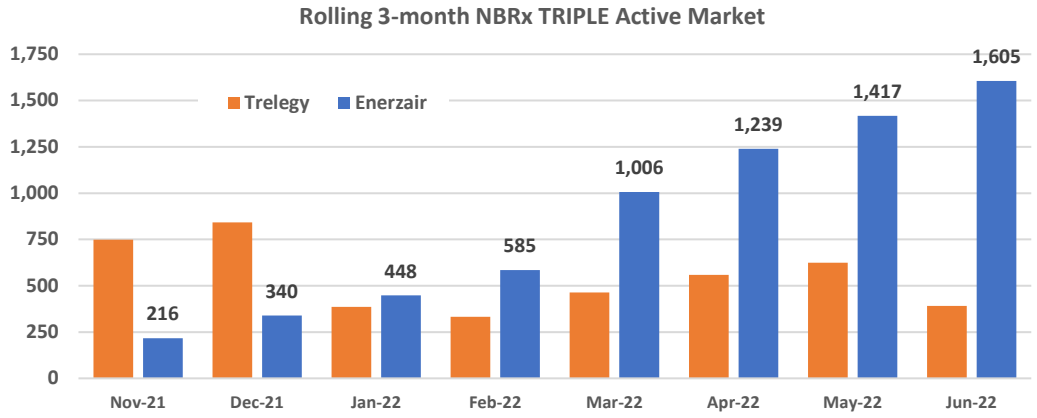
Our Q4-22 results are showing solid progress over prior quarters, and we expect this trend to continue due to the sequential addition of new prescribing practitioners, new patients, as well as the expansion of private and public reimbursement coverage that took place across Canada earlier in 2022. (See new prescribers below).

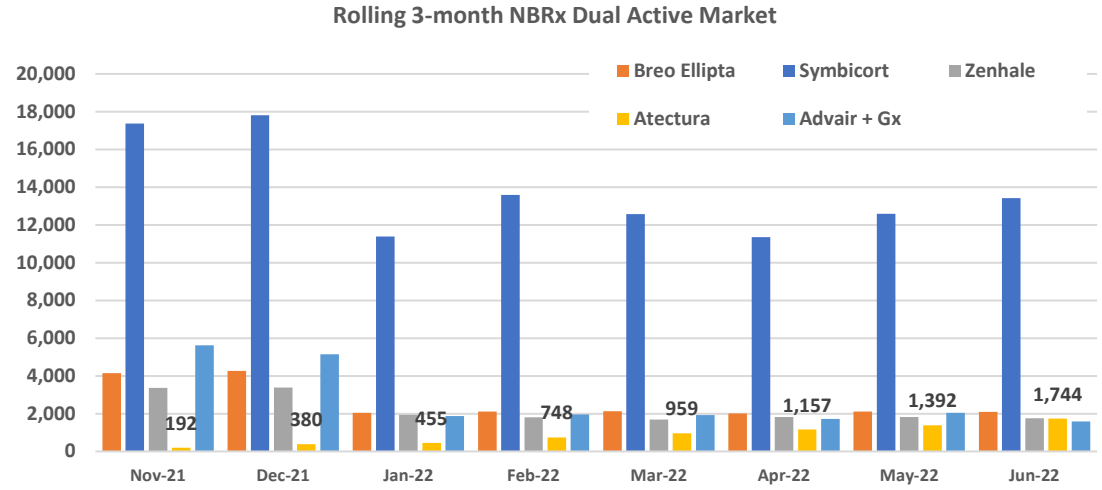


NBRx (**New to Brand prescriptions** - ***Existing Asthma patients "switching" to Enerzair and Atectura***)

NBRx is a key indicator of success for each of Enerzair (Fixed Triple Active Therapy) and Atectura (Fixed Dual Active Therapy). In addition to the sequential addition of new prescribing practitioners, new patients (See prior section), the success of any asthma drugs can be projected based on the number of patients switching from existing brands (New to Brand prescriptions or NBRx). With new asthma patients typically being initiated on single active therapies, NBRx for dual or triple therapies mainly represents the number of patients switching from single to double active drugs (Atectura and others), from double to triple active drugs (Enerzair and Trelegy) or switching from an existing double or triple active treatments to another similar treatments (Double -> Double, or Triple -> Triple).

Our historical sales data have only been reported since the October launch, but already we see strong Enerzair and Atectura NbRx data (See Graph #1 and #2 below) which confirms the successful execution of our launch strategy and the rapidly growing market shares of each product within their respective TRIPLE and DUAL active segments.





Graph 1

Demonstrates the strong growth of the "TRIPLE" active segment of the Asthma market and Enerzair's performance compared to the only other existing Triple therapy.

Graph 2

Illustrates Atectura's performance as a fast growing therapy within the large DOUBLE active segment of the Asthma market

ALLERJECT® - *single-use epinephrine auto-injector*

On July 29, 2022, following the in-licensing of ALLERJECT, (epinephrine injection, USP) from Kaléo (See "Q4-22 Business Highlights) the Respiratory BU was expanded to include Allergy.

Allerject is used for the emergency treatment of serious allergic reactions (anaphylaxis) and is intended for people who are at risk and for people with a history of serious allergic reactions. Anaphylaxis reaction is a life-threatening condition which can be prevented by an appropriate use and dose of an Epinephrine Auto-injector. Allerject has significant competitive advantages over the competition as it is the ONLY voice activated auto-injector on the market, the ONLY retractable needle product and it is pocket-size for ease of use and carry. The Canadian market for single-use epinephrine auto-injectors is estimated at $87 million (IQVIA Data – 2021) and expected to be growing at an 8% compounded annual growth rate ("CAGR") between 2021 and 2028 (Source: Verified Market Research).

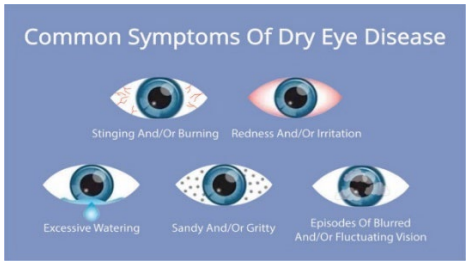
Allerject was first launched in 2013 and quickly captured 36% of the market. The product was subsequently removed from the market due to re-engineering requirements. The new, re-engineered version of the product has been re-introduced with limited promotion effort in the Canadian market in 2019 and has thus far achieved a

modest 5% market share. We believe that Valeo's targeted commercialization efforts combined with Allerject's strong competitive advantages will lead to significant market share gains. Valeo intends to promote the product within its Respiratory/Allergy business units using in-house sales representatives.

Ophthalmology Business Unit

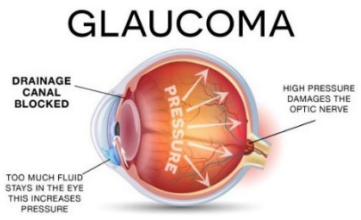
Following the in-licensing of Xiidra and Simbrinza from Novartis on July 29, 2022, Valeo has created the Ophthalmology BU. Valeo has assembled a dedicated Ophthalmology sales force of 14 individuals focussing on the promotion of Xiidra and Simbrinza. The addition of the Ophthalmology BU will be highly synergistic for Valeo as it will leverage its existing commercial operations, medical and head office infrastructure. Over the next 12 months, Valeo believes that the addition of the Ophthalmology BU will help to more than double its revenues.

XIIDRA (lifitegrast) - a prescription eye drop used to treat the signs and symptoms of dry eye disease.
Dry-eye disease is a common condition that occurs when tears cannot provide adequate lubrication for the eyes. Reasons for tear film dysfunction are many, including hormone changes, autoimmune disease, inflamed eyelid glands or allergic eye disease. Incidence of the disease impacted by 1) aging population, 2) wearing of contact lens, 3) use of digital devices such as phones, computers etc.



Canadian market of Rx products for Dry-eye disease is estimated at $60 million (IQVIA Data – 2021) and growing at a CAGR of 2-3%. Xiidra was launched in February 2018 and has captured 31% market. share and is currently the second-best selling prescription medication for Dry-eye disease with YoY unit growth of 28% in 2021.The product is reimbursed by 100% of private plans across Canada and is primarily (82%) prescribed by ophthalmologists and optometrist in Canada representing a target audience of 1,200 (800 ophthalmologist/400 Optometrist).

SIMBRINZA® (brinzolamide/brimonidine tartrate ophthalmic suspension) for the elevated intraocular pressure (IOP) in patients with glaucoma or ocular hypertension.
Glaucoma is a group of eye conditions that damage the optic nerve, the health of which is vital for good vision. This damage is often caused by an abnormally high pressure in your eye. Glaucoma is one of the leading causes of blindness for people over the age of 60. It can occur at any age but is more common in older adults.



The Canadian market for fixed dose combinations used in glaucoma is estimated at $55 million (IQVIA Data – 2021) and growing at a CAGR of 3-4%.
Simbrinza was launched in 2015 and has since captured 18% of the market and is currently the third best selling drug in Canada for this indication and experienced a 27% YoY unit growth in 2021.
The product is reimbursed at 90% and in excess of 80% respectively by private and public plans across Canada and is mainly (92%) prescribed by ophthalmologists in Canada representing a target audience of 1200.

Specialty Products Business Unit

The Specialty Product BU has been created to help Valeo derive maximum benefits from the commercialization of Redesca and other branded products.

REDESCA™ – a transformative product for Valeo.

Following the Health Canada approval of Redesca in December 2020, Valeo has successfully launched the product in Q4-21. Due to the size of the commercial opportunity, the growing experience of our dedicated KAM team and the innovative approach to GPO's tenders, we have experienced rapid and meaningful contribution of Redesca to our quarterly results. Redesca is now largely covered by private insurance companies as well as by all provincial public jurisdictions.

Redesca experienced a solid start in Q4-21 which included significant initial wholesale orders across Canada. The product has been gaining market shares since launch as hospitals progressively adopt LMWH biosimilars as an alternative to more costly biologics.

The LMWH Canadian market is estimated at $180 M and includes 3 major molecules.

- The Enoxaparin market (the "Primary Market") is estimated at $60M annually and comprises 6 competitors (Lovenox – and 5 biosimilars to Lovenox, including Redesca).
- The remaining market (the "Secondary Market") is composed of 2 other molecules – Dalteparin and Tinzaparin together representing sales of $120 million annually. No biosimilar has been approved for these molecules and none are expected over the next several years.

Over the coming months we expect the following:

- ➔ Enoxaparin Biosimilars to become dominant in the LMWH enoxaparin market, as provinces and hospitals exit historical agreements and GPO tenders and select biosimilars as their products of choice.
- ➔ Provincial governments to continue de-listing biological drugs from public reimbursement to prioritize enoxaparin biosimilar.
- ➔ Enoxaparin biosimilars to start eroding the Secondary Market.

We believe Redesca is well positioned to take advantage of the above market trends.

Customers

Management of Valeo pursues a number of market access strategies and has established a number of marketing and promotional agreements in Canada. Valeo has a limited number of customers, each with contractual arrangements. The large majority of product sales are to large national wholesalers and institutions.

Manufacturing and Distribution

Valeo does not manufacture any of its products, but rather outsources this function to its license and supply partners who provide the products on terms defined in their agreement with Valeo. Valeo has not invested, nor does it intend to invest, in large scale commercial production facilities and expects to continue to outsource all of its manufacturing. Through contractual arrangements and quality control audits, Valeo ensures that its products are manufactured in accordance with the current GMP, consistent with regulatory requirements. In addition, under most of the Corporation's product license agreements, the licensor retains the rights and obligation to manufacture the licensed product.

Where Valeo owns the rights to the product, Valeo uses third-party manufacturers for the production of its products for development and commercial purposes. Given the availability of excess capacity for manufacturing in the marketplace and the lower cost of outsourcing our manufacturing needs, Valeo intends to continue to outsource its manufacturing. Valeo's products are currently available only from sole or limited suppliers. These third-party manufactured products have accounted for all of Valeo's revenues.

Valeo depends on third parties for the supply of the raw materials necessary to develop and manufacture products, including the active and inactive pharmaceutical ingredients used in its products. Valeo is required to identify the supplier of all the raw materials for its products in the drug applications that it files with Health Canada, the FDA and the EMA. If raw materials for a particular product become unavailable from an approved supplier specified in a drug application, Valeo would be required to qualify a substitute supplier with Health Canada, the FDA or the EMA, which would likely interrupt manufacturing of the affected product. To the extent practicable, Valeo attempts to identify more than one supplier in each drug application. However, some raw materials are available only from a single source and, in some of its drug applications, only one supplier of raw materials has been identified even in instances where multiple sources exist.

Under some of its agreements, Valeo may be required to purchase a minimum amount of raw materials and/or order a minimum quantity of manufactured products. Generally, Valeo must pay a shortfall penalty if it does not meet its minimum requirements. The inability to supply can have a material adverse effect on the Corporation's financial condition and results of operations and cash flows. Considering the agreements in place, the partners have the appropriate contractual obligations to ensure proper supply of the products to the Canadian Market to ensure that Valeo can adequately meet its commercial objectives.

Outsourcing of Select Functions

With the goal to control overhead and expenses while maintaining flexibility, the Corporation also contracts with third parties for a number of business activities if and when required, including but not limited to laboratory testing, product formulation, clinical data analysis and selective regulatory support and services.

By using contract manufacturers to produce its current products, which require relatively small and infrequent production runs, Valeo does not engage in capital intensive activities and avoids the risks involved in manufacturing. Similarly, by contracting with third parties to perform certain development activities needed to bring its products to market, we reduce expenses and associated risks.

Competition

The development and commercialization of pharmaceuticals is highly competitive. Many of our competitors are large, well-known global pharmaceutical companies which have considerably greater financial, sales, marketing and technical resources than those of the Corporation. In addition, many of the Corporation's present and potential competitors have research and development capabilities that may allow such competitors to develop new or improved products that may compete with our product lines.

The pharmaceutical industry is characterized by rapid product development and technological change. Most products that Valeo would acquire under its strategy must compete with other products already on the market or products that are later developed by competitors. Our products could be rendered obsolete or uneconomical by the development of new pharmaceuticals to treat the conditions addressed by the Corporation's products, as a result of technological advances affecting the cost of production, or as a result of marketing or pricing action by one or more of the Corporation's competitors.

The nature of the industry sees constant genericization of products losing patent life. These new Generic Drugs may compete within the same indication and reduce the revenue potential of the Corporation's product line. Generic versions are generally significantly less expensive than branded versions and, where available, may be required in preference to the branded version under third-party reimbursement programs, or substituted by pharmacies. If competitors introduce new products, delivery systems, or processes with therapeutic or cost advantages, Valeo's products can be subject to progressive price reductions or decreased volume of sales, or both. Manufacturers of Generic Drugs typically invest far less in research and development than research-based pharmaceutical companies and therefore can price their products significantly lower than branded products. Accordingly, when a branded product loses is market exclusivity and enters its established brand stage, it normally faces intense price competition from generic forms of the product.

With respect to Valeo's product acquisition strategy, Valeo's management expects to compete principally with other Canadian Specialty Pharma companies that seek to license Canadian rights from international pharmaceutical companies as part of their growth strategy.

Within Canada, Valeo competes with Innovative Drug manufacturers, innovative pharmaceutical companies that license and distribute Innovative Drugs, and Generic Drug manufacturers. Within each of Valeo's therapeutic fields, other drug companies offer competitive products. The Corporation competes with specialty pharmaceutical companies such as Acerus Pharmaceuticals Corporation, Knight Therapeutics, Cipher Pharmaceuticals, and HLS Pharmaceuticals Inc., and regional affiliates of multinationals, such as Purdue Pharma Canada, Valeant Canada Ltd. and Endo International plc of which Paladin is a subsidiary, in securing the Canadian and international rights to new products. These companies seek to develop distinct specialty niches and from time to time may compete with the Corporation in negotiating Canadian and international sales and marketing rights to certain products.

We compete with various other companies inside and outside Canada to develop and commercialize Specialty Generic Injectable products. These companies are seeking to develop distinct specialty niches and from time to time may compete with the Corporation in negotiating product rights in the targeted markets.

Intellectual Property

Valeo's success depends, in part, on its and its licensors' ability to obtain patents, protect trade secrets and know-how, as well as to operate without infringing on the proprietary rights of others. Valeo will work with its partners to ensure adequate protection in Canada.

In addition, Valeo will rely on the data exclusivity provided by Health Canada for any new API launched in Canada. This provides eight years (8 ½ years if there is a pediatric use) from the date of launch that restricts any generic competition for that time. This protection is often stronger than patent protection as it cannot be challenged in court.

Facilities

Valeo maintains offices and a dedicated warehousing space in Kirkland, Quebec to handle all the inventory requirements for Canada. The Corporation's head office and warehouse have recently been expanded to support the growth of our commercial activities. Valeo's facility totals 20,767 square feet including warehouse space, three licensed narcotics vaults, the capability to handle cold chain requirements and shipping needs. There is ample space in our warehouse to facilitate the addition of several new products. Valeo also operates a sophisticated SAP enterprise resource planning system and possesses the in-house expertise to handle all activities associated with regulatory, quality control, supply chain, commercial and medical, and

pharmacovigilance. The ability to handle such a broad range of activities has been a key factor in our successful in-licensing activities and acquisition of third-party product rights for Canada.

Valeo has invested significantly in three licensed narcotics vaults, including two Class 10 vaults, capable of storing quantities of pharmaceutical grade narcotics for sale in Canada.

Personnel and Employees

As of the date of this document, the Corporation has approximately 115 full time employees including a team of 82 commercial positions comprising pharmaceutical representatives, sales professionals, and medical science liaison staff.

During the last completed fiscal year, in addition to the expansion of our sales organization, several key positions including executive ones, were also filled to expand and strengthen the leadership team. These key hires included a new Senior Vice-President and CCO, as well as a new Business Unit head for our Ophthalmology Products Business unit. They bring years of experience within the pharmaceutical Industry in commercial leadership roles.

Environment

The Corporation does not own or operate any manufacturing facilities. Further to consultations with its legal counsel, the Corporation is of the view that it does not require a certificate of authorization.

RISK FACTORS

An investment in Shares of the Corporation involves a number of risks. Readers should carefully consider the risks and uncertainties described below, together with all of the other information included in this AIF. If any of the following risks actually occurs, the Corporation's business, financial position or results of operations could be materially adversely affected. In such an event, the value of the Shares could decline. Additional risks and uncertainties that we do not presently know about or that we currently believe to be immaterial may also adversely impact our business, financial condition, results of operation or the value of your Shares.

Risks Related to Valeo and its Business Operations

Our success depends, in large measure, on our ability to enter into in-licensing, distribution and acquisitions agreements with other pharmaceutical companies as the primary source for new products and keep such agreements in effect.

Factors that may affect the success of our business include, but are not limited to, the following:

- the ability to locate new products that are attractive and complement Valeo's business;
- the price to acquire or obtain the license for these products may be too costly to justify the acquisition;
- Valeo faces ongoing competition from other pharmaceutical companies in acquiring rights to products, which makes it difficult for Valeo to find attractive products on acceptable terms;
- our partners may terminate their collaborations with the Corporation, which could make it difficult for us to attract new partners or adversely affect how Valeo is perceived in the business and financial communities.

While the Corporation attempts to minimize risk by maintaining strong relationships with its partners, the marketing and commercialization of pharmaceutical products are processes that require large investments and can take years to complete. Projects can be abandoned along the way or Regulatory Authorities can refuse to approve new products.

At present, we are actively pursuing products that may require substantial capital resources. There are no present agreements or commitments with respect to any such relationships. There can be no assurance that any of those product acquisitions will be completed by Valeo.

Our current revenues are highly dependent on a limited number of products.

The Corporation currently generates revenues from a limited number of products that we have in-licensed and commercialized. The loss of a single source of revenue for any reason could have a material adverse effect on our business, financial condition and results of operations.

In addition, each of these products faces competition and the ability to grow the market and our market share may be limited.

We have negative cash flows from operating activities.

During the twelve-month period ended on October 31, 2022, the Company incurred a net loss of $25,726 and used cash in operations of $28,503. As at October 31, 2022, the Company had a working capital surplus of $24,190. This raises significant doubt about the Corporation's ability to continue as a going concern. Accordingly, the ability of the Corporation to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to obtain additional financing and ultimately on generating future profitable operations. Management anticipates that the generation of additional revenues out of its existing products and the commercialization of new products will enable the Corporation to achieve profitability. There is no assurance that any of these initiatives will be successful. Factors within and outside the Corporation's control could have a significant bearing on its ability to obtain additional financing or on the generation of additional revenues.

The regulatory approval process for products is highly unpredictable and may take longer than expected.

The sale of pharmaceutical products in Canada, the U.S. and other jurisdictions is highly regulated, which significantly increases the difficulty and costs involved in obtaining and maintaining regulatory approval for marketing new and existing products.

The regulatory approval process procedure can be long and may involve significant delays despite Valeo's best efforts. Moreover, TPD regulations are rigorous, time consuming and costly, and Valeo cannot predict the extent to which it may be affected by changes in regulatory developments and its ability to meet such regulations. There is also a risk that Valeo's current or future products may be withdrawn from the market and the required approvals suspended because of non-compliance with regulatory requirements.

We do not manufacture products and rely, and intend to rely, on third parties to manufacture our products. The commercialization of our products could be stopped or delayed if any such third party fails to provide us with sufficient quantities of product or fails to do so at acceptable quality levels or prices or fails to maintain or achieve satisfactory regulatory compliance.

Third parties manufacture Valeo's current products and will likely manufacture all of Valeo's future products. Valeo does not have manufacturing facilities, personnel or access to raw materials to independently manufacture its products. Except for any contractual rights and remedies which Valeo may have with its manufacturers, Valeo has no control over the availability of its products, their quality or cost. If for any reason, Valeo is unable to obtain or retain third-party manufacturers on commercially acceptable terms, it may not be able to distribute its products as planned. If Valeo encounters delays or difficulties with contract manufacturers in producing or packaging its products, the distribution, marketing and subsequent sales of these products would be adversely affected, and Valeo may have to seek alternative sources of supply or abandon or sell product lines on unsatisfactory terms. Valeo may not be able to enter into alternative supply arrangements on commercially acceptable rates, if at all. There can be no assurance that the manufacturers that Valeo will have engaged will be able to provide sufficient quantities of these products or that the products supplied will meet with Valeo's specifications. In addition, production of Valeo's future products may require raw materials for which the sources and quantities are limited. Our inability to obtain adequate supplies of raw materials could significantly delay the development, regulatory approval and marketing of Valeo's existing and future products.

We may be subject to product liability claims, which can be expensive, difficult to defend and may result in large judgments or settlements.

Valeo may face an inherent business risk of exposure to product liability claims in the event that the use of its products are alleged to have resulted in adverse effects. Side effects, or marketing or manufacturing problems pertaining to any of Valeo's current or future products could result in product liability claims or adverse publicity. Unexpected safety or efficacy concerns can also arise with respect to marketed products, whether or not scientifically justified, leading to product recalls, withdrawals or declining sales, as well as product liability, consumer fraud and/or other claims.

Although Valeo intends to take what it believes to be appropriate precautions, including obtaining and maintaining product liability coverage (subject to certain deductibles and maximum payouts) and obtaining indemnification from its partners (subject to the terms of each specific agreement), Valeo may not be able to avoid significant product liability exposure. In addition, not all risks are covered by insurance and no assurance can be given that the insurance coverage obtained and maintained by Valeo will be sufficient to cover losses or claims that may occur involving Valeo's business.

The pharmaceutical industry is highly competitive and may be impacted by rapid technological change.

The Corporation competes to obtain licenses for products and competes to secure distribution channels. Moreover, our products compete with other products.

The pharmaceutical industry is subject to rapid and substantial technological change. Our products will face intense competition from conventional forms of drug delivery systems and from delivery systems, which are similar to those in-licensed by the Corporation. We will compete with companies in North America and abroad, including major pharmaceutical and chemical companies, research and development firms, universities and other research institutions.

Many of the Corporation's competitors have greater financial resources and market capabilities, have greater experience in the area of drug development and have greater experience in obtaining TPD and other regulatory approvals. The Corporation's competitors may succeed in developing technologies and products that are more effective or cheaper to use than any products that Valeo may develop or license. These developments could render the Corporation's technologies and products obsolete or uncompetitive, which could have a material adverse effect on our business, financial condition and results of operations. These competitors could also be viewed as more favourable partners to licensors and/or distributors.

It will be difficult for us to profitably market and sell our products if reimbursement for products is limited by government authorities and third-party payor policies.

The success of many of Valeo's current and future products and, in turn, its future growth and profitability, will depend to a significant extent upon its ability to obtain competitive levels of reimbursement for those drugs from public Formularies (federal, provincial and territories) and other third-party private payers.

In order to reduce drug prices in Canada, the Council of the Federation of Canadian provinces established the pCPA in 2010 for the purpose of conducting joint provincial/territorial negotiations for prescription drugs in Canada, thereby achieving greater value for all Formularies.

All brand name drugs receiving a favourable review from the Common Drug Review are now subject to a negotiation process managed by the pCPA. Through this negotiation, the pCPA attempts to reach an agreement directly with drug companies like Valeo. Once this agreement or Letter of Intent ("LOI") is reached, it becomes the basis upon which individual Formularies determine if they will list – reimburse – the drug in their territory.

As drug costs have increased, public Formularies have become more restrictive in both the number of products they reimburse and the conditions under which they will be reimbursed. The failure to achieve Formulary listings and/or specific conditions attached to restricted listings may affect patients' and physicians' decisions regarding the use of Valeo's future products. There can be no assurance that the current conditions and rigor or timing of review related to submissions for public and private Formulary listings will not change or become more onerous in the future. Furthermore, there can be no assurance that the Formularies will list or continue to list Valeo's future products. If any of Valeo's future products fail to achieve a negotiated LOI with the pCPA or are not listed on the provincial Formularies, this may have a material adverse effect on Valeo's financial condition, results of operations or cash flows.

We will require additional capital to fund future operations.

We will have a need for capital resources to fund possible future operational requirements, regulatory and commercial expenditures as well as future strategic initiatives. These expenditures may cause us to incur operating losses and cash flow deficiencies for the near future and until such time as our product sales generate sufficient additional revenues. We attempt to mitigate the risk associated with drug development costs through the terms of our in-licensing agreements, where the risk of additional research and development costs is borne by our development partners and Valeo pays milestone amounts only when development, regulatory and commercial-stage milestones are achieved.

Additional funding will be required for regulatory and commercial launch activities related to new products in-licensed from our partners and/or for additional product acquisitions. Although we believe that the Corporation could obtain additional capital through future equity or debt financing, there can be no assurance that it will be able to do so on terms acceptable to us or at all. Should Valeo be unable to obtain sufficient additional capital, the regulatory development and commercial launch of our existing and/or new products could be disrupted, which could have a material adverse effect on our business, financial condition and operating results.

COVID-19

The outbreak of the coronavirus, also known as COVID-19, has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the pandemic continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The Company's business, operations and financial condition could be materially adversely affected by COVID-19 or the outbreak of other epidemics, pandemics or other health crises.

The Company is not currently experiencing any significant negative impacts from the COVID-19 outbreak; however, as conditions surrounding the pandemic continue to evolve, the Company may in the future experience negative impacts from the COVID-19 outbreak. Such impacts could include, with respect to its operations, its suppliers' operations and its customers' operations, forced closures, mandated social distancing, isolation and/or quarantines, impacts of declared states of emergency, public health emergency and similar declarations and could include other increased government regulations, a material reduction in demand for the Company's products, reduced sales, higher costs for new capital, licensing delays, increased operating expenses, delayed performance of contractual obligations, and potential supply and staff shortages, all of which would be expected to negatively impact the business, financial condition and results of operations of the Company and thus may impact the ability of the Company to comply with financial covenants, and its ability to satisfy its obligations pursuant to licensing arrangements, obligations to its lenders and obligations to other parties.

The risks to the Company of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in the Company's facilities or a supplier's facilities. Should an employee or visitor in any of the Company's facilities or a supplier's facilities become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce at risk. The 2020 outbreak of COVID-19 is one example of such an illness.

The COVID-19 pandemic and measures to prevent its spread may negatively impact the Corporation, its customers, counterparties, employees, third-party service providers and other stakeholders, as applicable, in a number of ways, including, but not limited to, by: (i) adversely affecting the business operations of the Corporation, including access to its products by patients, the Corporation's planned sales and marketing processes for its approved products and the Corporation's ability to source, evaluate and pursue acquisition opportunities; (ii) disrupting the Corporation's supply chain, including the manufacture and/or delivery of its products by third-party manufacturers on which the Corporation relies; (iii) adversely affecting local, national or international economies and employment levels; (iv) causing business interruptions, including as a result of steps taken by the Corporation in compliance with government recommendations and orders, such as requiring employee to work remotely, which may cause strain on such existing resources as information technology systems, and suspension of all non-essential travel; (v) disrupting public and private infrastructure, including communications and financial services, which could disrupt the Corporation's normal business operations; (vi) adversely affecting the Corporation's ability to comply with the covenants in its credit facility or requiring modifications to such covenants, for which there can be no assurance that such modifications would be provided; (vii) disrupting health care delivery; (viii) disrupting operations at Health Canada, which may result in delays in reviews and approvals, including with respect to products for which the Corporation has made or may make new drug submissions; (ix) disrupting operations at public or private payors and related agencies, such as CADTH, PMPRB, pCPA, which may result in delays in gaining access or reimbursement with respect to products for which the Corporation has made or may make submissions. At this point, the extent to which the COVID-19 pandemic will or may impact the Corporation is uncertain and these factors are beyond the Corporation's control; however, any of these events, in isolation or in combination, could have a material adverse effect on the Corporation's business, results of operations and financial condition and the market price of the Corporation's securities.

We depend on key managerial personnel and external collaborators for our continued success.

The success of Valeo is dependent, to a great extent, on the ability to attract and retain highly qualified staff. The competition in the industry in which the Corporation operates is intense. Valeo's success will be highly dependent upon our Chief Executive Officer, the Corporation's team of senior officers, our scientific and commercial personnel as well as our consultants and collaborators. The loss of key employees or collaborators, if any, could compromise the pace and success of our product development.

Although we obtained regulatory approval in Canada for our commercialized products, there is no assurance that the Corporation will receive regulatory approvals in Canada for future products.

The cost of obtaining and complying with government regulation can be substantial. Regulatory Authorities in Canada regulate the research and development, manufacture, testing and safety of pharmaceutical products as well as the approval and commercialization of such products. The regulations applicable to our existing and future products may change. There can be long delays in obtaining required clearances from Regulatory Authorities.

Any failure or delay in obtaining regulatory approvals could adversely affect the market for any products Valeo develops and commercialize and therefore our business, financial condition and results of operations.

We expect the healthcare industry to face increased limitations on reimbursement, rebates and other payments as a result of healthcare reform, which could adversely affect third-party coverage of our products and how much, or under what circumstances, healthcare providers will prescribe or administer our products, if approved.

Sales of our products, if approved for marketing, will depend in part upon the availability of reimbursement from public Formularies (federal, provincial and territories government authorities) and other third-party private payors, which include managed care organizations and other private health insurers. Third-party payors are increasingly challenging the price and examining the cost effectiveness of medical products and services.

Rising insurance costs could negatively impact our profitability.

The cost of insurance, including director and officer, product liability and general liability insurance, has risen significantly in recent years and is expected to continue to increase. In response, Valeo could increase deductibles and/or decrease certain coverage to mitigate these costs. These increases, and our increased risk due to increased deductibles and reduced coverage, could have a material adverse effect on our business, financial condition and results of operations.

Under applicable employment laws, we may not be able to enforce covenants not to compete.

Valeo generally enters into non-competition agreements as part of employment agreements with employees. These agreements generally prohibit Valeo's employees, if they cease working for the Corporation, from competing directly with us or working for our competitors or clients for a limited period. We may be unable to enforce these agreements under the laws of the jurisdictions in which employees work and it may be difficult to restrict our competitors from benefitting from the expertise our former employees or consultants developed while working for us.

We are subject to risks associated with the industry in which we operate.

Currently, the Corporation operates in the Canadian healthcare industry. Accordingly, the Corporation is subject to risks associated with operating in a single industry in a concentrated geographic location. Any event affecting this industry could have a material adverse effect on the Corporation's business, financial condition and results of operations. Moreover, our projected revenues and operating results are based on assumptions concerning certain levels of product purchases in this market. Any failure to attain the Corporation's projected revenues and operating results as a result of adverse economic or market conditions could have a material adverse effect on the Corporation's business and financial condition.

Our policies regarding returns, allowances and chargebacks may reduce revenues in future fiscal periods.

We cannot ensure that our estimated reserves are adequate or that actual product returns, allowances and chargebacks will not exceed the estimates, which could have a material adverse effect on our results of operations, financial condition, and cash flows.

We may be subject to certain regulations that could restrict our activities and abilities to generate revenues as planned.

From time-to-time, governments, government agencies and industry self-regulatory bodies in Canada, have adopted statutes, regulations and rulings that directly or indirectly affect the activities of Valeo and our future clients. These regulations could adversely impact on our ability to execute our business strategy and generate revenues as planned.

We are subject to risks related to additional regulatory burden and controls over financial reporting.

The Corporation is subject to the continuous and timely disclosure requirements of Canadian securities laws and the rules, regulations and policies of the TSX. These rules, regulations and policies relate to, among other things, corporate governance, corporate controls, internal controls, disclosure controls and procedures and financial reporting and accounting systems. The Corporation has made, and will continue to make, changes in these and other areas, including the Corporation's internal controls over financial reporting. However, there is no assurance that these and other measures that it may take will be sufficient to allow the Corporation to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies create additional costs for the Corporation and require the time and attention of management of the Corporation. The Corporation cannot predict the amount of the additional costs that the Corporation may

incur, the timing of such costs or the impact that management's attention to these matters will have on the Corporation's business.

In addition, the Corporation's inability to maintain effective internal controls over financial reporting could increase the risk of an error in its financial statements. Valeo's management, with the participation of the Corporation's CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. The Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives due to its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is therefore subject to error, improper override or improper application of the internal controls. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis, and although it is possible to incorporate into the financial reporting process safeguards to reduce this risk, they cannot be guaranteed to entirely eliminate it. If the Corporation fails to maintain effective internal control over financial reporting, then there is an increased risk of an error in the Corporation's financial statements that could result in the Corporation being required to restate previously issued financial statements at a later date.

We are subject to risks related to general commercial litigation, class actions, employment claims and other litigation claims, as well as potential administrative and regulatory actions, as part of our operations.

In the course of its business, the Corporation could receive general commercial claims related to the conduct of its business and the performance of its products and services, employment claims and other litigation claims and the Corporation also could become subject to class actions. Litigation resulting from these claims could be costly and time- consuming and could divert the attention of management and other key personnel from the Corporation's business and operations. The complexity of any such claims and the inherent uncertainty of commercial, class action, employment and other litigation increases these risks. In recognition of these considerations, the Corporation could suffer significant litigation expenses in defending any of these claims and may enter into settlement agreements. If the Corporation is unsuccessful in its defense of material litigation claims or is unable to settle the claims, the Corporation may be faced with significant monetary damage awards or other remedies against it including injunctive relief that could have a material adverse effect on the Corporation's business, financial condition and results of operations. Administrative or regulatory actions against the Corporation or its employees could also have a material adverse effect on the Corporation's business, financial condition and results of operations.

If we infringe or are alleged to infringe or otherwise violate intellectual property rights of third parties, our business could be harmed.

Our commercialization activities may infringe, or otherwise violate or be claimed to infringe or otherwise violate, patents or patent applications owned or controlled by other parties. Competitors in Valeo's focused therapeutic areas may have developed large portfolios of patents and patent applications relating to our business. There may be granted patents that could be asserted against us in relation to such product candidates. There may also be granted patents held by third parties that may be infringed or otherwise violated by our other product candidates and activities, and Valeo does not know whether or to what extent the Corporation is infringing or otherwise violating third party patents. There may also be third party patent applications that, if approved and granted as patents, may be asserted against us in relation to our products or any of our product candidates or activities. These third parties could bring claims against Valeo that would cause us to incur substantial expenses and, if successful against us, could cause us to pay substantial damages and legal fees. Further, if a patent infringement suit were brought against us, we could be temporarily or permanently enjoined or otherwise forced to stop or delay research, development, manufacturing, marketing or sales of the product candidate or method that is the subject of the suit.

As a result of patent infringement claims, or to avoid potential claims, Valeo may choose or be required to seek licenses from third parties. These licenses may not be available on acceptable terms, or at all. Even if Valeo is able to obtain a license, the license would likely obligate the Corporation to pay license fees or royalties or both, and the rights granted to the Corporation might be nonexclusive, which could result in competitors gaining access to the same intellectual property, or such rights might be restrictive and limit our present and future activities. Ultimately, Valeo or a licensee could be prevented from commercializing a product, or be forced to cease some aspect of business operations if, as a result of actual or threatened patent infringement claims, the Corporation is unable to enter into or maintain licenses on acceptable terms.

Risks Related to Our Shares

Shareholders of the Corporation may be further diluted.

The Corporation has financed its operations to date through the sale of securities. We may need to continue our reliance on the sale of such securities for future financing, resulting in dilution to our existing shareholders. Our long-term capital requirements will depend on many factors. In order to meet such capital requirements, Valeo will consider additional financing (including the issuance of additional equity securities) to fund all or part of our particular programs.

Our business, financial condition and results of operations may depend on our ability to obtain additional financing, which may not be available under favourable terms, if at all. Our ability to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as our business performance. If our capital resources are exhausted and adequate funds are not available, Valeo may have to reduce substantially, or eliminate, expenditures for marketing of our products.

Our Share price could be volatile and an investment in our Shares could suffer a decline in value.

Market prices for the securities of pharmaceutical and biotechnology companies have historically been highly volatile and the market has, from time to time, experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. In addition to the risk factors described herein, factors such as fluctuations in our operating results, the aftermath of any public announcements made by us, concern as to the safety of any drugs distributed by us, and general market conditions can, and have had an adverse effect on the market price of the Shares. In the past, when the market price of a stock has been volatile, shareholders have often instituted securities class action litigation against that company. If any of our shareholders brought a lawsuit against us, the Corporation could incur substantial costs defending the lawsuit. The lawsuit could also divert the time and attention of our management.

We have a significant shareholder.

Manitex, owns 23,830,130 Shares, representing 29% of the total outstanding Shares (on a fully diluted basis) as of the date of this AIF. If Manitex were to sell a significant portion interest in the Corporation into the public market, or even if the market was to perceive that such a sale may occur, such event might lower the market price of the Shares. Manitex's interests as a shareholder may not be aligned at all times with the interests of all of the other shareholders of the Corporation.

We do not currently intend to pay dividends on our Shares.

We do not currently intend to declare or pay any cash dividend on our Shares for the foreseeable future. We currently anticipate that Valeo will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Therefore, the success of an investment in our Shares will depend upon any future appreciation in their value. There is no guarantee that our Shares will appreciate in value or even maintain the price at which our shareholders have purchased their shares. See "Dividends".

We are exposed to risks of foreign exchange rate fluctuation

The Corporation is exposed to fluctuations of the Canadian dollar against certain other currencies because it publishes its financial statements in Canadian dollars, while a portion of its liabilities, revenues and costs could be denominated in other currencies. Exchange rates for currencies of the countries in which the Corporation operates may fluctuate in relation to the Canadian dollar, and such fluctuations may have a material adverse effect on our future earnings or assets when translating foreign currency into Canadian dollars. In general, the Corporation does not execute hedging transactions to reduce its exposure to foreign currency exchange rate risks. Accordingly, the Corporation may experience economic loss and a negative impact on earnings solely as a result of foreign exchange rate fluctuations, which include foreign currency devaluations against the Canadian dollar. The Corporation does not typically carry currency convertibility risk insurance.

Our operating results may fluctuate significantly and any failure to meet financial expectations may disappoint securities analysts or investors and result in a decline in the price of our Shares.

Our operating results have fluctuated in the past and are likely to do so in the future. These fluctuations could cause the price of the Shares to decline. Some of the factors that could cause operating results to fluctuate include the following:

- the inability to enter into in-licensing, acquisitions and/or distribution agreements in a timely manner that results in a failure or delay in receiving the required regulatory approvals to commercialize products;
- the timing of regulatory submissions and approvals;
- the timing and willingness of any current or future collaborators to invest the resources necessary to commercialize our product candidates, and the timing of payments Valeo may make or receive under these arrangements;
- any intellectual property infringement or other lawsuits in which Valeo may become involved;
- foreign currency fluctuations;
- the timing of achievement and the receipt of milestone payments from current or future third parties;
- failure to enter into new or the expiration or termination of current agreements with third parties;
- failure to introduce the products to the market in a manner that generates anticipated revenues;
- changes in costs and/or reimbursement for the Corporation's products;
- costs related to business development transactions;
- changes in the amount the Corporation spends to market its products;
- delays between the Corporation's expenditures to acquire new products, technologies or businesses and the generation of revenues from those acquired products, technologies or businesses;
- changes in treatment practices of physicians that currently prescribe certain of the Corporation's products;
- increases in the cost of raw materials used to manufacture the Corporation's products;
- manufacturing and supply interruptions;
- the Corporation's responses to price competition; and
- general economic and industry conditions, including potential fluctuations in interest rates.

As a result, the Corporation believes that quarter-to-quarter comparisons of results from operations, or any other similar period-to-period comparisons, should not be construed as reliable indicators of the Corporation's future performance. The above factors may cause the Corporation's operating results to fluctuate and could have a material adverse effect on the Corporation's business, financial condition and results of operations. In any period, the Corporation's results may be below the expectations of market analysts and investors, which could cause the trading price of the Shares to decline.

DIVIDENDS OR DISTRIBUTIONS

The Corporation's current intention is to re-invest future earnings to finance the growth of its business. Consequently, it does not intend to pay dividends in the foreseeable future. Any decision to pay cash dividends is left to the judgment of the Board and will depend on financial position, results of operations, capital requirements and such other factors as the Board shall deem relevant.

DESCRIPTION OF SHARE CAPITAL

The Corporation's authorized share capital consists in an unlimited number of Shares without par value, of which 82,265,348 Shares are issued and outstanding as fully paid and non-assessable as of the date hereof. The holders of the Shares shall be entitled (i) to receive notice to all meetings of the shareholders of the Corporation; (ii) to one (1) vote for each Share held by them at all meetings of the holders of the Shares, (iii) to receive at all times, and from time to time, in the sole, absolute and unfettered discretion of the directors, to an unfixed non-cumulative dividend in any amount; and (iv) to participate in the distribution of the Corporation's property or assets upon liquidation, dissolution or wind-up.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Corporation as at October 31, 2022 based on the financial statements of the Corporation for the fiscal year ended October 31, 2022, and as of the date of this AIF.

Designation of Security	Authorized Amount	Outstanding as at October 31, 2022	Outstanding as at the date of this AIF
Class "A" Shares	Unlimited	82,190,348	82,265,348
Share Options	10% of issued and outstanding Shares	7,287,222	5,237,222
Share Purchase Warrants	Unlimited	14,097,418	14,097,418
Restricted Share Units	5% of issued and outstanding Shares	681,229	633,015
Deferred Share Units	5% of issued and outstanding Shares	-	395,850
Brokers' Compensation Warrants/Options	Unlimited	1,547,700	1,547,700
Convertible Debentures	Unlimited	$25,733,000	$25,733,000

PRINCIPAL SECURITYHOLDERS

At the date of this AIF, no person beneficially owns, directly or indirectly, or exercises control or direction over, a number of Shares carrying more than 10% of the outstanding voting rights attached to the Shares, other than the following:

Name	Number of Securities Held	Percentage of Total Issued and Outstanding Shares
Manitex Capital Inc.(1)	23,830,130	29%
100079 Canada Inc.(2)	11,997,884	14.6%

(1) Mr. Saviuk is President and CEO and a significant shareholder of Manitex through Simcor Canada Holdings Inc.

(2) 100079 Canada Inc. is a company controlled by Richard Mackay, Chairman of the Board.

OPTIONS TO PURCHASE SECURITIES

Option Plan

On January 2, 2016, the Board of the Corporation adopted a share option plan (the "**Option Plan")**. Further to a review of the Option Plan, the Board approved, on September 24, 2018, amendments to the Option Plan to stay in line with current market practices and make minor changes of a housekeeping nature. The Option Plan provides that the maximum number of Shares that may be reserved for issuance under outstanding share options shall be 10% of the Corporation's issued and outstanding Shares on a non-diluted basis, as constituted on the date of any grant of options under the Option Plan.

The purpose of the Option Plan is to allow the Corporation to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Corporation. The granting of such options is intended to align the interests of such persons with that of the Corporation's shareholders.

Under the Option Plan, options will be exercisable over periods of up to 10 years as determined by the Board at the date of grant and are required to have an exercise price no less than the greater of (i) $0.10 and (ii) the closing market price of the Shares on the trading day immediately preceding the day on which the Corporation announces the grant of options (or, if the grant is not announced, the date specified in an Option Agreement as the date on which the option is granted), less the applicable discount, if any, permitted by the policies of the TSX and approved by the Board. Pursuant to the Option Plan, the Board may from time to time authorize the issue of options to directors, senior officers, employees and consultants of the Corporation and its subsidiaries or employees of companies providing management or consulting services to the Corporation or its subsidiaries. The maximum number of Shares which may be issued pursuant to options previously granted and those granted under the Option Plan or any other stock option plan of the Corporation will be 10% of the issued and outstanding Shares at the time of the grant. In addition, the number of Shares which may be reserved for issuance to any one individual may not exceed (without the requisite disinterested shareholder approval) 5% of the issued Shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Option Plan permits the Board to specify a vesting schedule in its discretion, subject to the TSX minimum vesting requirements, if any. Unless otherwise specified by the Board at the time of granting an option, and subject to the other limits on option grants set out in the Option Plan, all options granted under the Option Plan shall vest and become exercisable in full upon grant, except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one-quarter of the options vesting in any three-month period.

The Option Plan provides that if a change of control (as defined in the Option Plan) occurs, or if the Corporation is subject to a take-over bid, all Shares subject to options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Board may also accelerate the expiry date of outstanding options in connection with a take-over bid.

The Option Plan contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Corporation become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Corporation's shareholders, or the exchange with the Corporation's shareholders, of securities of the Corporation or securities of another company.

The Option Plan provides that on the death of an option holder, all vested options will expire at the earlier of 365 days after the date of death and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) shall be cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Corporation other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Corporation.

All outstanding options of the Corporation shall be governed by the Option Plan, including those issued prior to the implementation of the Option Plan; however, any vesting schedule imposed by the Corporation's previous stock option plan or stock option agreements in respect of any options issued prior to the implementation of the Option Plan will remain in full force and effect.

In accordance with good corporate governance practices and as recommended by *National Policy 51-201–Disclosure Standards*, the Corporation imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that holders of outstanding options are not prejudiced by the imposition of such black- out periods, the Option Plan shall contain a provision to the effect that any outstanding options with an expiry date occurring during a management imposed black-out period or within five trading days thereafter will be automatically extended to a date that is 10 trading days following the end of the black- out period.

As of the date of this AIF, the following table provides information about options to purchase Shares of the Corporation that are held by employees, officers and directors as a group, indicating the aggregate number of employees, officers and directors to whom the information applies:

Name	Designation and Number of Securities under option at the date hereof	Exercise Price ($)	Expiry Date
Employees and consultants, as a group	225,000 Shares	$0.50	July 31, 2024
	322,500 Shares	$0.60	June 30, 2027
	50,000 Shares	$0.60	May 30, 2023
	25,000 Shares	$1.32	September 29, 2027
	10,000 Shares	$0.86	November 11, 2027
	155,000 Shares	$1.12	May 25, 2028
	120,000 Shares	$1.12	August 12, 2028
	80,000 Shares	$0.71	September 1, 2028
	435,000 Shares	$0.66	April 27, 2029
	120,000 Shares	$0.66	June 13, 2029
	150,000 Shares	$0.66	September 13, 2029
Officers of the Corporation, as a group	975,000 Shares	$0.40	September 24, 2025
	222,222 Shares	$0.40	February 19, 2024
	675,000 Shares	$0.60	June 30, 2027
	150,000 Shares	$1.12	June 15, 2028
	212,500 Shares	$0.66	April 27, 2029
	500,000 Shares	$0.66	September 13, 2029
Directors of the Corporation, as a group	200,000 Shares	$0.40	September 24, 2025
	200,000 Shares	$0.40	November 19, 2025
	200,000 Shares	$0.40	September 25, 2024
	100,000 Shares	$0.60	May 30, 2027
	110,000 Shares	$0.66	April 27, 2029
Total	**5,237,222 Shares**	**-**	**-**

MARKET FOR SECURITIES

Price Range and Volume of Trading of Shares

The Shares are listed and posted for trading on the TSX under the symbol “VPH”. The following table showsthe monthly range of high and low prices per Share and total monthly volumes traded on the TSX for the 12-month period prior to the date of this Prospectus.

	Price per Share($)		
Month	**Monthly High**	**Monthly Low**	**Total Monthly Volume**
2022			
February 2022	$0.68	$0.59	964,981
March 2022	$0.71	$0.49	2,132,312
April 2022	$0.66	$0.50	791,474
May 2022	$0.54	$0.45	461,688
June 2022	$0.63	$0.46	1,163,182
July 2022	$0.68	$0.55	653,599
August 2022	$0.68	$0.59	984,489
September 2022	$0.61	$0.52	273,307
October 2022	$0.69	$0.52	1,689,361
November 2022	$0.67	$0.60	525,823
December 2022	$0.64	$0.49	489,023
2023			
January 1-27, 2023	$0.61	$0.53	360,942

Prior Sales

The following table summarizes the issuance of securities by the Corporation during the most recently completed fiscal year:

Date of Issue	Type of Security and Conversion Price
April 27, 2022	822,500 Options with an exercise price of $0.66
June 13, 2022	120,000 Options with an exercise price of $0.66
July 29, 2022	1,268,418 Warrants with an exercise price of $0.63, issued as compensation to Sagard Healthcare Partners, following the closing of a non-dilutive US$40 million Secured Term Loan from Sagard Healthcare Partners
September 13, 2022	650,000 Options with an exercise price of $0.66
January 27, 2023	395,850 DSUs with a market price of $0.56 26,786 RSUs with a market price of $0.56

DIRECTORS AND EXECUTIVE OFFICERS

Current Directors

The following table sets forth the name, province or state, and country of residence of each of the directors of the Corporation as at January 30, 2023, as well as their position with the Corporation, as applicable, or their principal occupation, as well as the year in which they became directors of the Corporation. Each director's term of office will expire at the next annual general meeting of the Corporation.

Name, Province and Country of Residence	Director since	Principal Occupation During the Past Five Years	Number and Percentage of Shares (1)
Steve Saviuk(2) Quebec, Canada	March 27, 2003	President & CEO of Valeo President & CEO of Manitex.	26,225,020(3) (31.9%)
Richard J. Mackay Quebec, Canada	July 25, 2018	Chairman of Valeo Member of the Advisory Board at Health Edge Investment Partners	11,997,884(4) (14.6%)
Vincent P. Hogue(2) Quebec, Canada	July 25, 2018	Vice-President and Market Leader, BMO Private Wealth Senior VP Retail Division, Laurentian Bank Securities VP Brokerage and Private Management for the Desjardins Group Executive VP and Head of Personal Services with Desjardins Securities	252,406 (0.3%)
Maureen C. Brennan Quebec, Canada	Nov. 19, 2018	Consultant for the private and public health sectors	nil
Michel Trudeau (2) Quebec, Canada	Sept. 24, 2019	Member of the Board of Directors of Canadian Net REIT Vice-Chairman, Laurentian Bank Securities Inc. President & CEO, Laurentian Bank Securities, Executive VP Capital Markets, Laurentian Bank of Canada	200,000 (0.2%)
Frédéric Fasano Quebec, Canada	January 18, 2021	CEO of Servier Canada, a major pharmaceutical company President and COO of Valeo	199,300 (0.2%)
Marc Léger Quebec, Canada	April 27, 2022	Former SVP Chief Commercial Officer of Valeo	2,303,636 (2.8%)

(1) Shares Beneficially Owned, or Controlled Directly or Indirectly

(2) Member of the Audit Committee (refer to "Audit Committee")

(3) Mr. Saviuk holds his Shares directly (180,745 Shares) and also through Manitex. (23,830,130 Shares) and Simcor Canada Holdings Inc., (2,214,145 Shares), companies over which he has control or effective control.

(4) Mr. Mackay holds his Shares through 100079 Canada Inc., a company he controls.

Current Officers

The following table sets forth the name, province and country of residence and position within the Corporation of each person who is an executive officer as of the date hereof.

Name, Province and Country of Residence	Position with the Corporation	Officer since	Other Principal Occupation During the Past Five Years	Number and Percentage of Shares[(1)]
Steve Saviuk Quebec, Canada	President & CEO	March 27, 2003	President & CEO of Valeo President & CEO of Manitex.	26,225,020 (31.9%)
Luc Mainville Quebec, Canada	SVP & CFO	September 17, 2018	SVP and CFO of ChitogenX Inc. Chairman of Zucara Therapeutics Inc. Interim CEO at Acerus Pharmaceuticals Executive VP at Cardiome Pharma Corp. President at Neopharm Labs Inc.	2,292,055 (2.8%)
Kyle Steiger Quebec, Canada	SVP and Chief Commercial Officer	August 29, 2022	Vice-President Ophthalmology at Novartis Pharmaceuticals Canada Inc. Franchise Head Hematology, Vice-President Primary Care at Novartis Pharmaceuticals Canada Inc.	nil
Helen Saviuk Quebec, Canada	VP Operations	January 7, 2008	CFO at Valeo Pharma Inc. CFO at Manitex	2,612,127 (3.2%)
Nelly Komari Quebec, Canada	SVP Scientific and Medical Affairs	June 15, 2021	Medical Director at Akcea Therapeutics Medical Advisor at Sanofi Aventis	nil
Jeff Skinner Ontario, Canada	VP Business Development	July 16, 2014	Director, Business Development at SteriMax Inc.	1,402,150 (1.7%)
Nathalie Therrien Quebec, Canada	VP QA and Regulatory Affairs	January 25, 2016	Corporate Director of Quality Assurance and Regulatory Affairs at A.R. Medicom	1,308,369 (1.6%)
Guy Paul Allard Quebec, Canada	VP Legal Affairs & Corporate Secretary	April 1, 2016	VP Legal Affairs & Corporate Secretary of ChitogenX Inc. and Manitex Inc.	396,500 (0.5%)

(1) Shares beneficially owned, or controlled, directly or indirectly

The term of office of the officers expires at the discretion of the Corporation's directors.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, no director or executive officer or promoter of the Corporation is, at the date of this AIF, or has been, within the 10 years prior to the date this AIF, a director, chief executive officer or chief financial officer of any issuer (including the Corporation) that:

(a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

"**Order**" means a cease trade order or similar order or an order that denied an issuer access to any statutory exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

In addition, except as disclosed below, no director or executive officer or promoter of the Corporation or shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is, at the date this AIF, or has been within the 10 years before the date hereof, a director or executive officer of any issuer (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or

(c) has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Steve Saviuk, the CEO of the Corporation, was a Director and the CFO of Cabia Goldhills Inc. (CGH.V) ("Cabia") until October 28, 2015. On April 5, 2013 a cease trade order, which is still in effect, was issued by the *Autorité des marchés financiers, the Alberta Securities Commission and the British Columbia Securities Commission* against Cabia for failing to file its annual financial statements within the required time period. In June 2017, Cabia filed for bankruptcy.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interest of the Corporation and to disclose any interests which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required to disclose his interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management of Valeo serve as directors, officers, promoters and members of management of other private and public companies, namely Manitex, the Promoter of Valeo.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers, in accordance with the *Canada Business Corporations Act* are required to disclose all such conflicts and are expected to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

AUDIT COMMITTEE

(a) Audit Committee Charter

The Corporation's Board and Audit Committee have adopted an audit committee charter in accordance with National Instrument 52-110- *Audit Committees* ("**NI 52-110**"). The Corporation's audit committee charter is attached to this AIF as Schedule A.

(b) Composition of the Audit Committee

The members of the audit committee are Michel Trudeau, Vincent Hogue and Frédéric Fasano Mr. Trudeau and Mr. Hogue are considered to be "independent" within the meaning of NI 52-110. Each member of the committee is financially literate within the meaning of NI 52-110 - *Audit Committees*. They are able to assess the general application of the accounting principles in connection with the preparation of financial statements and the accounting for estimates, accruals and reserves as well as having an understanding of internal controls and procedures for financial reporting.

Mr. Trudeau is the chair of the audit committee. Mr. Trudeau holds a degree in Commerce and an MBA in Finance and has extensive experience in analyzing financial statements as director and officer of various public companies, including Laurentian Bank of Canada.

Mr. Hogue gained extensive experience in finance and internal controls procedures during his career in banking and finance, namely as Vice-President Brokerage and Private Management for the Desjardins Group.

Mr. Fasano has extensive experience in analyzing financial statements, serving for many years as CEO of Servier Canada, a major pharmaceutical company.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not yet adopted specific policies and procedures for the engagement of non-audit services. However, the Charter of the Audit Committee provides that the provision of any non-audit services must first be considered by the Audit Committee.

Fees paid to External Auditor

The table below sets out the fees incurred by the Corporation for the fiscal year ending on October 31, 2021, and 2022.

	2021	2022
Audit Fees [(1)]	$120,910	$221,000
Tax Fees [(2)]	$5,885	$4,200
Other Audit-Related Fees [(3)]	$89,245	$26,782
Total	**$216,040**	**$251,982**

(1) Aggregate fees billed by the Corporation's external auditor for audit services.

(2) Aggregate fees billed by the Corporation's external auditor for professional services rendered for tax compliance, tax advice and tax planning.

(3) Aggregate fees billed by the Corporation's external auditor and not included above.

APPOINTMENT OF AUDITORS AND AUDITORS' REMUNERATION

The Audit Committee is directly responsible for the appointment (subject to shareholder ratification), compensation and oversight of the independent auditor of the Corporation, who reports directly to the Audit Committee. PricewaterhouseCoopers LLP became the Corporation's auditor on November 15, 2019.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation currently has no material legal proceedings and regulatory actions pending.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Board, as of the date of this AIF, except as described under DESCRIPTION OF SHARE CAPITAL, no person or Corporation beneficially owns, controls or directs, directly or indirectly, Shares carrying more than 10% of the voting rights attached to the Shares.

To the knowledge of the Board, as of the date of this AIF except for the agreements described under MATERIAL CONTRACTS and for the other relationships described in this AIF, no director nor officer and no person or company beneficially owning, controlling or directing, directly or indirectly, Shares carrying more than 10% of the voting rights attached to Shares, nor any associates or affiliates of the foregoing, has any material interest in any transactions involving the Corporation.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Corporation is Computershare Investor Services Inc., at its office in Montréal, Quebec, Canada.

MATERIAL CONTRACTS

Except for contracts entered into the ordinary course of business, the only contracts entered into by Valeo since the last financial year, or before the beginning of the last financial year that are still in effect, which may be regarded as material, are as follows:

- Loan Agreement among the Company and Sagard Healthcare Royalty Partners, LP, dated as of July 29, 2022
- Debenture Indenture Agreement entered into on December 9, 2021 between the Corporation and Computershare Trust Company of Canada.
- Underwriting Agreement entered into on December 9, 2021 between the Corporation and Desjardins Securities Inc., as lead underwriter, and iA Private Wealth Inc., Leede Jones Gable Inc., Paradigm Capital Inc. and Research Capital Corporation.
- Warrant Indenture Agreement entered into on June 29, 2021 between the Corporation and Computershare Trust Company of Canada.
- Underwriting Agreement entered into on June 14, 2021 between the Corporation and Research Capital Corporation, as lead underwriter, Paradigm Capital Inc. and Desjardins Securities Inc.
- Underwriting Agreement entered into on August 26, 2020 between the Corporation and Stifel Nicolaus Canada Inc., as lead underwriter, Desjardins Securities Inc., Industrial Alliance Securities Inc. and Mackie Research Capital Corporation.
- Warrant Indenture Agreement entered into on September 10, 2020 between the Corporation and Computershare Trust Company of Canada.
- Warrant Indenture Agreement entered into on July 25, 2019 between the Corporation and Computershare Trust Company of Canada.
- Agency Agreement entered into on July 11, 2019 between the Corporation and Mackie Research Capital Corporation and Echelon Wealth Partners Inc.
- Transfer Agent Agreement entered into on August 24, 2018 between the Corporation and Computershare Investor Services Inc.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, the external auditor of the Corporation, advised the Corporation that it is independent of the Corporation in accordance with the Rules of Professional Conduct of the *Ordre des CPA du Québec*.

ADDITIONAL INFORMATION

The Corporation's proxy circulars contain more information, including directors' and executive officers' compensation. The most recent circular is dated March 23, 2022, in connection with the Corporation's Annual Meeting of Shareholders on April 27, 2022. The Corporation's expects its next proxy circular to be approved in March 2023, in connection with the Company's Annual Meeting of Shareholders to be held in April 2023.

Additional information relating to Valeo may be found under the Corporation's profile on SEDAR at www.sedar.com and the Corporation's website www.valeopharma.com.

SCHEDULE A

AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee is appointed by the Board to assist in fulfilling its oversight responsibilities of the Corporation. In so doing, the Committee provides an avenue of communication among the independent auditors, management, and the Board. The Committee's primary duties and responsibilities are to gain reasonable assurance of the following:

- That the Corporation complies with the applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;
- The independence and satisfactory performance of duties by the Corporation's independent auditors;
- That the accounting principles, significant judgments and disclosures that underlie or are incorporated in the Corporation's financial statements are the most appropriate in the prevailing circumstances;
- That the Corporation's quarterly and annual financial statements present fairly the Corporation's financial position and performance in accordance with generally accepted accounting principles; and
- That appropriate information concerning the financial position and performance of the Corporation is disseminated to the public in a timely manner.

COMPOSITION AND OPERATING PROCEDURES

Audit Committee members shall meet the requirements of the exchange upon which the Corporation is listed as well as all government regulatory bodies. The Committee shall be comprised of at least three Directors as determined by the Board, a majority of whom shall be independent, non-executive Directors, free from any relationship that would interfere with the exercise of his independent judgment. All members of the Committee shall be financially literate.

The Committee members shall be appointed by the Board. The Board shall designate the Chairman of the Committee annually.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Quorum shall be a majority of the members.

The Committee, in consultation with management and the independent auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Corporation's financial policies and disclosures.

The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.

The Committee expects that, in discharging their responsibilities to the shareholders, the independent auditors shall be accountable to the Board through the Committee. The independent auditors shall report all material issues or potentially material issues to the Committee.

RESPONSIBILITIES AND DUTIES

A. Financial Accounting and Reporting Process

- Review the Corporation's annual audited financial statements and the accompanying Management Discussion and Analysis prior to filing or distribution and report its findings for approval to the Board. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments.
- Review the Corporation's quarterly unaudited financial statements and the accompanying Management Discussion and Analysis prior to filing or distribution and report its findings for approval to the Board.
- Ensure that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of those procedures.

- In consultation with management and the independent auditors, consider the integrity of the Corporation's financial reporting processes and controls. Review significant findings prepared by the independent auditors together with management's responses.
- Review with management and the independent auditors the appropriateness of the Corporation's accounting policies, disclosures, key estimates and judgments, including changes or alternatives thereto and to obtain reasonable assurance that they are in compliance with IFRS, and report thereon to the Board.
- Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

B. Independent Auditors

- The independent auditors are ultimately accountable to the Committee and the Board. The Committee shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.
- Assume direct responsibility for overseeing the work of the independent auditors engaged to prepare or issue an audit report or perform other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the independent auditors regarding financial reporting.
- Evaluate and recommend to the Board the independent auditors to be nominated to prepare or issue an audit report or perform other audit, review or attest services for the Corporation, and the compensation of the independent auditors.
- Pre-approve all non-audit services to be provided to the Corporation by its independent auditors.

Consider the independent auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.