



VALEO PHARMA™

**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION**

VALEO PHARMA REPORTS ITS SECOND QUARTER 2021 RESULTS AND HIGHLIGHTS

- **Q2-21 record revenues of \$2.65 million, up 27% vs Q2-20 and up 42% over prior quarter**
- **Q3-21 revenues expected to increase by more than 50% over Q2-21**
- **Redesca launched in late Q2-21**
- **Enerzair® Breezhaler® and Ateectura® Breezhaler® commercial shipments commenced following national respiratory sales force deployment**
- **Closing of upsized \$6.645 million debenture placement**
- **Closing of \$11.5 million bought deal including full exercise of over-allotment**

MONTREAL, QUEBEC , June 29, 2020 – [Valeo Pharma Inc.](#) (**CSE:VPH, OTCQB: VPHIF, FSE: VP2**) (“**Valeo**” or the “**Company**”), a Canadian pharmaceutical company, today reported its financial results for the second quarter ended April 30, 2021.

“Our record second quarter revenues saw growth coming from our existing portfolio along with the first indication of the material impact that our three important product launches will bring. Redesca™ was launched at the end of the second quarter and has quickly become our best selling product with sales expected to accelerate for quarters to come. Subsequent to the quarter end, we launched Enerzair® Breezhaler® and Ateectura® Breezhaler®, two innovative asthma therapies. As a result of these launches, we expect third quarter revenues to expand by more than 50% over our second quarter.”, commented Steve Saviuk, CEO. “Public and Private reimbursement coverage for Redesca, Enerzair and Ateectura is on track and is a key component to ensure patient’s have access to these important medications. We are making significant additions to our corporate and commercial structure in order to accelerate our growth and properly support the potential of our world class products. With senior talent joining our leadership team and the expansion of our medical and field commercial teams, Valeo is fast positioning itself as a Canadian leader in our defined therapeutic areas”.

Commenting on the second quarter 2021 results, Luc Mainville, Senior Vice-President and Chief Financial Officer said, “Our revenues continued to progress well along with our margin



VALEO PHARMA™

expansion as a result of launching several new products over the last year. Our net results reflected the addition of head office positions from the creation of our 2 distinct Business Units, Respiratory and Specialty products as well as the ongoing integration of our growing national sales force dedicated to the significant market potential of Redesca, Enerzair® Breezhaler® and Ateectura® Breezhaler® products. We expect these three transformative products to fuel our growth over the coming years as we continue adding strategic assets to our portfolio to take full advantage of our new corporate structure and commercial platform.”

Second Quarter 2021 Financial Results

- Revenues were \$2.65 million for the quarter ended April 30, 2021 compared to \$2.1 million for the quarter ended April 30, 2020 representing a 27% increase. The increase over the previous comparable period is mainly due to the strong contribution of new products launched over the past 12 months. The new products launched over the past year, represented 25% of our Q2-21 net revenues and included revenues from Yondelis®, Ametop Gel and Redesca™ which was launched in the final weeks of the quarter but still generated meaningful revenues for the period;
- Net loss of \$1.9 million for the quarter ended April 30, 2021 compared to \$0.9 million for the quarter ended April 30, 2020. The increase in net loss results from the increase in Sales & Marketing, and General & Administrative expenses as Valeo implemented its new commercial structure required to support the expansion of its commercial pipeline including its 3 transformative products, Redesca™ and Enerzair® Breezhaler® and Ateectura® Breezhaler®. Q2-21 results were also impacted by Share-based compensation expenses as Valeo added more senior staff required to position Valeo for revenue growth in 2021 and beyond; and
- Adjusted EBITDA loss of \$1.1 million for the quarter ended April 30, 2021 compared to \$0.6 million for the quarter ended April 30, 2020. The 80% increase can be attributed to respective increase in Sales & Marketing and General & Administrative expenses required to position Valeo for growth in 2021 and beyond.

Year to Date 2021 Financial Results

- Revenues were \$4.5 million for the six months ended April 30, 2021 compared to \$3.8 million for the six months ended April 30, 2020. The 20% increase in net revenues is due to the contribution of new products launched over the past 12 months which represented 20% of YTD-21 net revenues;
- Net loss of \$3.6 million for the six months ended April 30, 2021 compared to \$2.0 million for the six months ended April 30, 2020. the increase is mainly due to the respective increase in Sales & Marketing, General & Administrative and Share-Based Compensation expenses; and



VALEO PHARMA™

- Adjusted EBITDA loss of \$2.2 million for the six months ended April 30, 2021 compared to an Adjusted EBITDA loss of \$1.5 million for the six months ended April 30, 2020.

Second Quarter 2021 Business and Product Highlights

- In April 2021, after signing a Letter of Intent with pCPA, the Company entered into a Product Listing Agreement with the Executive Officer of the Ontario Public Drug Program for the listing of Redesca® and Redesca HP®, its low molecular weight heparin biosimilar, on the Ontario Drug Benefit Formulary effective April 30, 2021;
- In April 2021, the Company upsized and closed a \$6.645 million non-brokered private placement of unsecured non-convertible debenture units (the “Private Placement”). The Company 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 consist of one (1) unsecured non-convertible debenture of the Company in the principal amount of \$1,000 (each, a “Debenture”) and 200 Class “A” share purchase warrants (each, a “Warrant”). Each Warrant entitles the holder thereof to purchase one Class “A” Share of the Company (each, a “Share”) at an exercise price of \$1.60 at any time up to 24 months following the closing date of the Offering (the “Closing Date”). 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 arrear;
- In April 2021, the Company commenced commercial shipments across Canada of Redesca™ and Redesca HP™, its low molecular weight heparin biosimilar;
- In March 2021, the Company entered into a Commercial and Supply Agreement with Novartis Pharmaceuticals Canada Inc. for the Canadian commercialization by Valeo of two innovative asthma therapies, Enerzair® Breezhaler® and Ateectura® Breezhaler®; and
- In February 2021, the Company announced that Hesperco™ capsules, approved by Health Canada for immune support, were at the core of the Montreal Heart Institute's (“MHI”) clinical trial, “The Hesperidin Coronavirus Study”.

Subsequent Events

- In June 2021, the Company commenced shipping Enerzair® Breezhaler® and Ateectura® Breezhaler® across Canada following the start of the deployment of its national respiratory sales force;



VALEO PHARMA™

- In June 2021, the Company entered into an agreement with Research Capital Corporation acting as the lead underwriter and sole bookrunner (the “Lead Underwriter”), on behalf of a syndicate of underwriters (collectively, the “Underwriters”), and issued on a bought-deal basis, 11,500,000 units of the Company (the “Units”) at a price of \$1.00 per Unit for gross proceeds to the Company of \$11,500,000 (the “Offering”), including the full exercise of the over-allotment option. Each Unit were comprised of one common share of the Company (a “Common Share”) and one Common Share purchase warrant of the Company (a “Warrant”). Each Warrant shall entitle the holder thereof to purchase one Common Share at an exercise price of \$1.25 for a period of 36 months following the closing of the Offering. The net proceeds from the Offering will be used for the purposes described in the final short form prospectus of the Company dated June 22, 2021;
- In May 2021, the Company announced that private payer health plans currently covering 80% of privately insured lives in Canada have agreed to provide reimbursement for Enerzair Breezhaler and Ateectura Breezhaler; and
- In May 2021, the Company was 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, mid-size and large national and multi-national companies. The association plays a central advocacy role in all major issues related to the pharmaceutical industry, including price reform and the pan-canadian rare disease strategy, amongst others.

Q2 2021 Webcast and Conference Call

Valeo will host a conference call to discuss its second quarter 2021 results and highlights on Wednesday June 30, 2021 at 8.30am (ET). The telephone numbers to access the conference call are 416-764-8659 and 1-888-664-6392. An audio replay of the call will be available. The numbers to access the audio replay are 416-764-8677 and 1-888-390-0541 using the following access code (069481 #).

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

https://produceredition.webcasts.com/starthere.jsp?ei=1475484&tp_key=8148c88363

Financial Statements and MD&A

Valeo Pharma’s financial statements and Management’s Discussion and Analysis for the three and six month periods ended April 30, 2021 are available on SEDAR at www.sedar.com



VALEO PHARMA™

About Valeo Pharma

About Valeo Pharma Valeo Pharma is a pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada with a focus on Respirology, Neurodegenerative Diseases, Oncology and other specialty products. Headquartered in Kirkland, Quebec, Valeo Pharma has the full capability and complete infrastructure to register and properly manage its growing product portfolio through all stages of commercialization. For more information, please visit www.valeopharma.com and follow us on LinkedIn and Twitter.

Forward Looking Statements

This press release contains forward-looking statements about Valeo's objectives, strategies and businesses that involve risks and uncertainties. These statements are "forward-looking" because they are based on our current expectations about the markets we operate in and on various estimates and assumptions. Actual events or results may differ materially from those anticipated in these forward-looking statements if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate.

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

For more information:

Steve Saviuk
CEO
514-693-8830
saviuk@valeopharma.com

or

Luc Mainville
Senior Vice-President and Chief Financial Officer
514-693-8854
mainville@valeopharma.com

or

Frederic Dumais
Director, Communications and Investor Relations
514-782-8803
dumais@valeopharma.com