

# Valeo Pharma is cashed up and ready to expand as COVID restrictions end

written by Dean Bristow | February 10, 2022

Are we starting to see the beginning of the end of COVID's reign of terror over humanity? I certainly hope so. But beyond my wishful thinking, you are starting to see many jurisdictions beginning to remove some of the more restrictive pandemic control measures in an effort to head down the path towards normalcy. Assuming policymakers are making informed decisions (a debate that I definitely won't get dragged into) and that we are shifting into more of an endemic versus a pandemic approach to COVID, then there are a lot of potential opportunities for investors just waiting to materialize. The obvious, "opening up", trades are airlines and cruise operators, but there are many other, often smaller, businesses that will finally be able to get out and start drumming up business the old fashion way – face to face. It's probably impossible to measure the impact that COVID has had on the bottom line of businesses of all shapes and sizes. But fingers crossed that everyone could get back to doing business as usual and perhaps actually meet a forecast or two.

One company that has been plugging away throughout the pandemic, building out its platform for growth including expanding its sales and marketing team, is [Valeo Pharma Inc.](#) (CSE: VPH | OTCQB: VPHIF). 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, the Company has the

full capability and complete infrastructure in place to register and properly manage its growing product portfolio through all stages of commercialization. The Company specializes in partnering with pharmaceutical companies that have expertise in research & development and manufacturing while Valeo Pharma concentrates on the regulatory requirements to get a drug approved in Canada and then focuses on marketing the product. The Company benefits from commercializing a drug without the risk and expense of product development.

A great example of what Valeo Pharma brings to the table begins with entering into a [commercialization and supply agreement](#) for two asthma therapies with Novartis Pharmaceuticals Canada Inc., a deal that was inked in March, 2021. Under the Agreement, Valeo Pharma is responsible for medical and commercial activities for Enerzair Breezhaler® and Actectura Breezhaler® for an initial 8-year period. By June, 2021, the Company had secured [reimbursement authorization for these therapies](#) from private payer health plans covering 80% of privately insured lives in Canada. By the end of June [commercialization of the therapies](#) had commenced following product shipments across Canada and the initial deployment of its national respiratory sales force. In October, Valeo Pharma [announced an LOI](#) with the pan-Canadian Pharmaceutical Alliance (pCPA) regarding its two innovative asthma therapies whereby pCPA conducts joint provincial/territorial/federal negotiations for brand name and generic drugs in Canada to achieve greater value for publicly funded drug programs. This all led to the most recent announcement, on December 15, 2021, that Quebec and Nova Scotia have joined Alberta on the list of [provincial public coverage secured](#) for both asthma medications.

All that work means there are a lot of people out there who now have coverage for these drugs. Where the reduction of pandemic restrictions comes into play is the ability to get out and

educate and promote these therapies to all the doctors and pharmacists who prescribe or recommend these medications, so all those with coverage will actually be able to obtain and start using the therapies. The legwork is done, now it's time to get that revenue machine rolling. And this example is of only 2 of Valeo Pharma's 8 marketed brands and 4 additional products contributing revenues.

Granted the Company isn't quite rolling in the green just yet as they recently [raised C\\$25 million](#) via convertible unsecured debentures. But in a vote of confidence, C\$10 million came from Investissement Québec, whose mandate is to accompany and support entrepreneurs and leaders who promote the economic development and growth of key sectors of the Québec economy. The Company intends to use the net proceeds of the offering to (i) support commercial efforts related to the recently launched products (Redesca™, Enerzair®, and Ateectura®); (ii) reimburse, at maturity, the non-convertible debentures previously issued by the Company and maturing on January 31, 2022, and July 10, 2022; (iii) for working capital and general corporate purposes; and (iv) support an upcoming TSX listing application. Yes, they plan to graduate to the big board in the first half of 2022, with their C\$50 million market cap, which could improve exposure and liquidity of the stock. Additionally, the next 6-7 weeks should provide us with year-end and Q1/22 quarterly results to give us insight into the progress being made at Valeo Pharma Inc. Those results will be pivotal for the future of the Company.