

Valeo Pharma Closes Previously Announced Upsized \$15 Million Bought Deal Private Placement and Concurrent \$10 Million Private Placement from Investissement Quebec

written by Raj Shah | December 10, 2021

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December 9, 2021 ([Source](#)) – Valeo Pharma Inc. (**CSE:VPH, OTCQB: VPHIF, FSE: VP2**) (“**Valeo**” or the “**Company**”), a Canadian pharmaceutical company, is pleased to announce it has closed its previously announced upsized bought deal private placement (the “**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, through a syndicate of underwriters led by Desjardins Capital Markets (the “**Lead Underwriter**”), acting as sole bookrunner, and including iA Private Wealth Inc., Leede Jones Gable Inc., Paradigm Capital Inc. and Research Capital Corporation (collectively, with the Lead Underwriter, the “**Underwriters**”). Valeo is also pleased to announce it has closed 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.

“In the last few months, we have consolidated our product portfolio and transformed our organizational structure. This financing is in line with our development strategy and supports our current strong growth, particularly by allowing us to accelerate the launches of our lead products,” said Steve Saviuk, Valeo’s Chief Executive Officer. “Our goal is to make Valeo a leading Canadian pharmaceutical company in our areas of therapeutic focus. While we operate in Canada, our scope is international. We have created more than 65 high-level jobs in 2021 and have expanded and strengthened the team at our Montreal head office. We are proud to now count Investissement Québec among our strategic institutional investors”.

“By supporting the discovery and commercialization of innovative drugs, we are giving ourselves the means to improve the quality of life of many citizens in Quebec and around the world. Our government is proud to accelerate the growth, at home, of dynamic companies such as Valeo Pharma, which pursue this important mission every day,” said Pierre Fitzgibbon, Minister of Economy and Innovation and Minister responsible for Regional Economic Development.

“Our team is proud to help propel promising Quebec companies that, like Valeo Pharma, give themselves all the tools to become leaders in their industry,” said Guy LeBlanc, President and CEO of Investissement Québec. “Here and abroad, our mandate is clear: to accompany and support our entrepreneurs and leaders who promote the economic development and growth of key sectors of our economy”.

The Company issued a total of 25,000 Debentures accruing interest at the rate of 12% 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 (the "**CSE**").

The Company intends to use the net proceeds of the Offering and Concurrent Private Placement 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.

The Debentures and any common shares issuable upon conversion thereof will be subject to a statutory hold period lasting four months and one day following December 9, 2021.

This press release is not an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification or registration under the securities laws of such jurisdiction. The securities being offered have not been, nor will they be, registered under the U.S. Securities Act, and such securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from U.S. registration requirements and applicable U.S. state securities laws.

About Investissement Québec

Investissement Québec's mission is to actively participate in Québec's economic development by stimulating business

innovation, entrepreneurship and takeover, as well as investment and export growth. Present in every administrative region of Québec, the Corporation supports the creation and development of businesses of all sizes through investments and adapted financial solutions. Investissement Québec also offers a number of consulting services, including technological support provided by Investissement Québec – CRIQ. And through Investissement Québec International, it also assists Québec companies in exporting and prospecting for foreign talent and investment in Québec.

About Valeo Pharma

Valeo Pharma is a pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada with a focus on Respiriology, 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 Pharmas's objectives, strategies and businesses that involve risks and uncertainties, including statements about the Offering, the Concurrent Private Placement and the anticipated use of proceeds therefrom. 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.

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