

# Valeo Pharma Reports Record Third Quarter 2022 Results and Highlights

written by Igor Makarov | September 14, 2022

- Record revenues of \$6.1 million in Q3-22, a 27% increase over Q2-22
- Record Gross Margins of \$2.2 million in Q3-22, up 34% over Q2-22
- Record YTD-22 revenues of \$15.1 million, up 48% over YTD 2021
- Q4-22 projected revenues to exceed \$11 million
- XIIDRA®, SIMBRINZA® and ALLERJECT® to boost revenues starting Q4-22
- Non-dilutive US \$30 million financing from Sagard Healthcare Partners to accelerate growth

September 13, 2022 ([Source](#)) – [Valeo Pharma Inc.](#) (TSX: [VPH](#)) (OTCQB: [VPHIF](#)) (FSE: [VP2](#)) (“**Valeo**” or the “**Company**”), a Canadian pharmaceutical company, today reported its financial results for the third quarter ended July 31, 2022.

## **Q3 and year to date 2022 Financial Highlights:**

- Record revenues of \$6.1 million in Q3-22 compared to \$5.7 million for Q3-21, up 7%, and 27% over Q2-22
- Record Gross Margins in Q3-22 at \$2.2 million up 3% over Q3-21, and up 34% over Q2-22
- Record YTD 2022 revenues of \$15.1 million up 48% compared to \$10.2 million for YTD 2021
- YTD 2022 gross margins of \$5.3 million up 63% compared to \$3.3 million for YTD 2021
- Net loss of \$4.7 million for Q3-22 compared to \$3.0

million for Q3-21

- Q3-22 Adjusted EBITDA loss of \$2.9 million down from \$3.8 million in Q2-22
- Q3-22 Net loss and EBITDA loss down 7% and 10% compared to prior Q2-22
- Cash and liquidities of \$27.7 million as at July 31, 2022

### **Q3 2022 Business Highlights**

- Entered into a Commercialization and Supply Agreement with Novartis Pharmaceuticals Canada Inc. for the Canadian commercialization rights to two innovative ophthalmic therapies, XIIDRA® and SIMBRINZA®;|
- 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; and
- Closed a non-dilutive US\$30 million Secured Term Loan from Sagard Healthcare Partners.

### **Q3 2022 Subsequent Events**

- Appointed Mr. Kyle Steiger to the role of Senior Vice-President and Chief Commercial Officer in August 2022. 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.

“Our quarterly revenues increased to record levels as a result of the continued commercial progress of our lead products. We are also very proud to have added three core commercial assets

during this third quarter that will help more than double our annual revenues over the coming year,” said Steve Saviuk, Valeo’s CEO. “Our product portfolio now includes 6 core products that are strongly positioned to contribute significantly to our revenue growth. Given the immediate impact of our acquisitions and the organic growth of our existing products, we expect fourth quarter revenues to exceed \$11.0 million.”

Commenting on the third quarter 2022 results, Luc Mainville, Senior Vice-President and Chief Financial Officer said, “We have seen our revenues and product mix continue to improve during the third quarter, while continuing to maintain tight control over our expenses and reducing our quarterly loss. The new products added at the end of Q3-22 are already materially impacting both our revenues and margins and will help accelerate our path towards profitability. In addition, the US\$30 million non-dilutive term loan secured from Sagard Healthcare Partners has significantly strengthened our balance sheet by providing the capital required to support our operations and working capital requirements for the coming year,” added Mr. Mainville.

### **Q3 2022 Financial Results**

- Record revenues of \$6.1 million for the quarter ended July 31, 2022 compared to \$5.7 million for the quarter ended July 31, 2021 and \$4.8 million for the second quarter ended April 30, 2022, representing a 7% and 27% increase respectively. These increases resulted mainly from the continued commercial gains of each of Redesca, Enerzair and Atectura;
- Record Gross margin of \$2.2 million for the quarter ended July 31, 2022 up 3% over Q3-21 and up 34% over the prior quarter ended April 30, 2022;

- Net loss was \$4.7 million for the quarter ended July 31, 2022 compared to \$3.0 million for the quarter ended July 31, 2021 and \$5.1 million for the second quarter ended April 30, 2022, representing an increase of 59% and decrease of 7% respectively. The increase in net loss reflect the expansion of Valeo's commercial, medical and H0 teams in the second part of FY-21. These initiatives were required to capture the significant market opportunities for Redesca, Enerzair and Atectura as well as to accelerate the growth of other existing products; and
- Adjusted EBITDA loss was \$2.9 million for the quarter ended July 31, 2022 compared to \$1.0 million for the quarter ended July 31, 2021 and \$3.8 million for the second quarter ended April 30, 2022, representing an increase of 201% and decrease of 23% respectively.

### **Year to Date 2022 Financial Results**

- Record YTD Revenues of \$15.1 million for the nine months ended July 31, 2022 compared to \$10.1 million for the nine months ended July 31, 2021 representing a 48% increase;
- Gross margin was \$5.3 million for the nine months ended July 31, 2022 up 63% compared to \$3.3 million for the nine months ended July 31, 2021;
- Net loss of \$15.7 million for the nine months ended July 31, 2022 compared to \$6.6 million for the nine months ended July 31, 2021. The increase in net loss reflect the incremental costs involved in the expansion of Valeo's commercial, medical and H0 teams. These initiatives were required to capture the significant market opportunities for Redesca, Enerzair and Atectura as well as to accelerate the growth of other existing products; and

- Adjusted EBITDA loss of \$11.1 million for the nine months ended July 31, 2022 compared to an adjusted EBITDA loss of \$3.2 million for the nine months ended July 31, 2021.

### **Q3-2022 Webcast and Conference Call**

Valeo will host a conference call to discuss its third quarter 2022 results and highlights on Wednesday September 14, 2022 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 (670463 #).

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

<https://app.webinar.net/bKVqJ5MJrgD>

### **Grant of Options and RSUs**

The Company announces that its Board of Directors has approved the grant of an aggregate 650,000 incentive share options (“Options”) and 30,303 restricted share units (“RSU’s”) to one newly hired senior officer and two new senior managers. The Options have an exercise price of \$0.66, vest over a maximum of four (4) years and have a seven-year term expiring September 13, 2029. The RSUs will vest after one year.

### **Financial Statements and MD&A**

Valeo Pharma’s financial statements and Management’s Discussion and Analysis for the three and nine months period ended July 31, 2022 are available on SEDAR at [www.sedar.com](http://www.sedar.com)

### **About Valeo Pharma Inc.**

Valeo Pharma is a fast growing pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada with a focus on Respirology/Allergy, Ophthalmology and 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](http://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.

SOURCE Valeo Pharma Inc. 

For further information: Steve Saviuk, CEO, 514-693-8830, [saviuk@valeopharma.com](mailto:saviuk@valeopharma.com); or Luc Mainville, Senior Vice-President and Chief Financial Officer, 514-693-8854, [mainville@valeopharma.com](mailto:mainville@valeopharma.com); or Frederic Dumais, Director, Communications and Investor Relations, 514-782-8803, [dumais@valeopharma.com](mailto:dumais@valeopharma.com)