



VALEO PHARMA™

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## **Valeo Pharma Announces Short Form Prospectus Unit Offering and Refiling of Its Condensed Consolidated Interim Financial Statements and Related MD&A**

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MONTREAL, May 01, 2019 (GLOBE NEWSWIRE) -- Valeo Pharma Inc. (CSE:VPH) ("**Valeo Pharma**" or the "**Company**") a Canadian specialty pharmaceutical company dedicated to commercializing innovative prescription products, is pleased to announce that it has filed a preliminary short form prospectus in each of the provinces and territories of Canada in connection with a fully marketed offering (the "**Offering**") of units of the Company ("**Units**"). The Offering is being conducted by Mackie Research Capital Corporation and Echelon Wealth Partners Inc. (together, the "**Agents**") on a commercially reasonable "best efforts" agency basis.

Each Unit will consist of one class A share in the capital of the Company (a "**Share**") and a to be determined number of Share purchase warrants of the Company (each whole warrant being a "**Warrant**"). Each Warrant will be exercisable into one Share in the capital of the Company (a "**Warrant Share**"). Final pricing of the Units (the "**Offering Price**"), the number of Warrants to be included in each Unit, the Warrant exercise price and the determination of the number of Units to be sold pursuant to the Offering will be determined in the context of the market prior to the filing of the final short form prospectus in respect of the Offering.

The Company has granted to the Agents an option (the "**Over-Allotment Option**"), exercisable from time to time, in whole or in part, in the sole discretion of the Agents, up to 30 days from the Closing, to purchase up to an additional 15% of the number of Units, Shares and/or Warrants sold pursuant to the Offering on the same terms as the Offering to cover over-allotments, if any, and for market stabilization purposes.

Closing of the Offering is expected to be on or about May 23, 2019 (the "**Closing Date**").

The Agents will receive an aggregate cash fee equal to 7% of the gross proceeds from the Offering (the "**Agents' Fee**"), including in respect of any exercise of the Over-Allotment Option. In addition, the Company will grant the Agents, on date of Closing, non-transferable compensation options (the "**Compensation Options**") equal to 7% of the total number of Units under the Offering (including in respect of any exercise of the Over-Allotment Option). Each Compensation Option will entitle the holder thereof to purchase one Unit (a "**Compensation Option Unit**") at an exercise price per Compensation Option Unit equal to the Offering Price for a period of 24 months after the Closing Date.

The net proceeds raised under the Offering will be used for the purchase of inventory, funding product milestones and acquisitions, product launch expenses, new products filing fees, general corporate and working capital purposes.

In conjunction with the Offering, all currently outstanding loans to companies controlled by Steve Saviuk, CEO of the Company, as well as other related party loans, totalling \$968,746 as at January 31, 2019, plus accrued interest, will be converted into Units at the Offering Price.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the CSE, and the entering into of an agency agreement between the Company and the Agents.

Immediately prior to the filing of its preliminary short form prospectus, Valeo Pharma has re-filed its condensed consolidated interim financial statements for the interim period ending January 31, 2019 and 2018 and related MD&A. The Company has changed the accounting treatment for a sales adjustment transaction from a net basis treatment to a gross basis treatment impacting both its revenues and cost of sales for the quarter ending January 31, 2019 by an immaterial amount of \$37,570. The correction has no impact on gross margins and net loss for the period. Other changes included additional disclosure added in Note 10 related to share options as well as minor clarifications and typographical errors which were corrected in the re-filed condensed consolidated interim financial statements.

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 United States Securities Act of 1933, as amended, 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 Valeo Pharma**

Valeo Pharma is a specialty pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada. With a focus on Neurodegenerative Diseases, Oncology, Women's health and Hospital products, Valeo Pharma has a growing portfolio of innovative products and the proper infrastructure to manage these products through all stages of commercialization. Headquartered in Kirkland, Quebec, Valeo Pharma has all capabilities internally to register and market health care solutions for Canadian patients. For more information, please visit [www.valeopharma.com](http://www.valeopharma.com)

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

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### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This news release contains "forward-looking information" as defined under Canadian securities laws (collectively, "forward-looking statements"). All statements other than statements of historical fact contained in this news release, or in the documents incorporated by reference herein, are forward-looking statements, including, without limitation, the Company's statements regarding the Company's business and the environment in which it operates, the intention of the Company to complete the Offering on the terms and conditions described herein, expected timing regarding completion of the Offering, the use of proceeds of the Offering, the granting of an Over-Allotment Option, listing of the Shares, Warrants and Warrant Shares on the CSE, Offering Pricing, number of Warrants to be included in the Units and determination of the number of Units to be sold under the Offering, the application of the net proceeds of the Offering, the conditions to the Offering, including but not limited to, regulatory and stock exchange

approvals, the entry by the Company into an agency agreement with the Agents, the payment of an Agents' Fee, and the issuance of Compensation Options and the terms thereof. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "projects" or "believes", "pro forma" or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will", "occur" or "be achieved" and similar words or the negative thereof. Although management of the Company believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct.

The forward-looking statements in this news release are based on certain assumptions, including without limitation that all conditions to completion of the Offering will be satisfied or waived. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risk Factors" in the preliminary short form prospectus.

There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.