

## FORM 9

### **NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Name of Listed Issuer:

Symbol(s):

Valeo Pharma Inc. (the "Issuer").	VPH
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Date: November 25, 2021

Is this an updating or amending Notice: ☐ Yes ☒ No

If yes provide date(s) of prior Notices: N/A

Issued and Outstanding Securities of Issuer Prior to Issuance: 78,822,774 .

#### **Pricing**

Date of news release announcing proposed issuance: November 24, 2021 or

Date of confidential request for price protection: N/A

Closing Market Price on Day Preceding the news release: \$0.7200 or

Day preceding request for price protection: N/A

#### **Closing**

Number of securities to be issued: 25,000 convertible unsecured subordinated debentures (the "Debentures"), each having a principal amount of \$1,000 for gross aggregate proceeds of \$25,000,000, bearing an interest rate at 12% per annum and maturing on December 31, 2024. The Debentures are convertible into common shares of the Issuer ("**Common Shares**") at a conversion price of \$1.15 per Common Share.

Issued and outstanding securities following issuance: 78,822,774

#### **Instructions:**

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.

5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction
6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to [listings@thecse.com](mailto:listings@thecse.com) with an appendix that includes the information in Table 1B for ALL placees.

## Part 1. Private Placement

**Table 1A – Summary**

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
To be determined.			
Total number of purchasers:			
Total dollar value of distribution in all jurisdictions:			

**Table 1B – Related Persons**

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date(1)	Describe relations -hip to Issuer (2)
To be determined.							

<sup>1</sup>An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

- Total amount of funds to be raised: Gross proceeds of \$25,000,000, consisting of (i) the offering of \$15,000,000 Debentures (the “**Brokered Offering**”) on a bought deal private placement basis with Desjardins Capital Markets (“**Desjardins**”) as the lead underwriter and sole bookrunner, together

with a syndicate of underwriters (the “**Underwriters**”) and (ii) the concurrent private placement of \$10,000,000 of Debentures (the “**Concurrent Offering**” and, together with the Brokered Offering, the “**Offering**”) having the same terms as those issuable pursuant to the Brokered Offering to Investissement Québec.

2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. The net proceeds of the Offering will be used to (i) support commercial efforts related to the recently launched products (Redesca™, Enerzair®, and Atectura®); (ii) reimburse, at maturity, the non-convertible debentures previously issued by the Issuer 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.
3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: Not applicable.
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities. Not applicable.
5. Description of securities to be issued: Unsecured subordinated debentures convertible into Common Shares. The Debentures will mature on December 31, 2024 (the “**Maturity Date**”) and will accrue interest at the rate of 12.0% per annum, payable quarterly beginning on March 31, 2022. At the holders' option, the Debentures may be converted into Common Shares at any time and from time to time, up to the Maturity Date, at a conversion price of \$1.15 per Common Share.
  - (a) Class Convertible unsecured subordinated debentures.
  - (b) Number Total offering of up to 25,000 Debentures.
  - (c) Price per security \$1,000 per Debenture
  - (d) Voting rights None.
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
  - (a) Number \_\_\_\_\_
  - (b) Number of securities eligible to be purchased on exercise of warrants (or options) \_\_\_\_\_

- (c) Exercise price \_\_\_\_\_ .
- (d) Expiry date \_\_\_\_\_ .

7. Provide the following information if debt securities are to be issued:

- (a) Aggregate principal amount \$25,000,000 .
- (b) Maturity date December 31, 2024 .
- (c) Interest rate 12% .
- (d) Conversion terms the Debentures may be converted into Common Shares at any time and from time to time, up to the Maturity Date, at a conversion price of \$1.15 per Common Share .
- (e) Default provisions An "Event of Default" will be as defined in the Indenture, including if any one or more of the following described events has occurred and is continuing with respect of the Debentures: (a) failure for 30 days to pay interest on the Debentures when due; (b) failure to pay principal or premium (whether by way of payment of cash or delivery of Common Shares), if any, on the Debentures when due, whether at maturity, upon redemption, on a Change of Control, by declaration or otherwise; (c) default in the delivery, when due, of any Common Shares or other consideration, including any make whole premium, payable upon conversion with respect to the Debentures, which default continues for 15 days; (d) default in the observance or performance of any covenant or condition of the Indenture and the failure to cure (or obtain a waiver for) such default for a period of 30 days after notice in writing has been given by the trustee for the Debentures or from holders of not less than 25% in aggregate principal amount of the Debentures to the Issuer specifying such default and requiring the Issuer to rectify or obtain a waiver for same; (e) certain events of bankruptcy, insolvency or reorganization of the Issuer or any material subsidiary under bankruptcy or insolvency laws; (f) if an event of default occurs or exists under any indenture, agreement or other instrument evidencing or governing indebtedness for borrowed money of the Issuer or any material subsidiary thereof and as a result of such event of default (i) indebtedness for borrowed money thereunder in excess of \$10,000,000 (or the equivalent amount in any other currency) has become due and payable before the date it would otherwise have been due and payable and (ii) the holders of such indebtedness are entitled to commence, and have commenced, the enforcement of security they hold for such indebtedness (if any) or the exercise of any other creditors' remedies to collect such indebtedness .

8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): Desjardins as lead underwriter and sole bookrunner, together with the Underwriters in connection with the Brokered Offering.
  - (b) Cash 7% cash commission of gross proceeds raised under the Brokered Offering ("Underwriting Fee"). Certain shareholders and members of the management of the Issuer may subscribe for up to \$5,000,000 of Debentures under the Brokered Offering pursuant to a president's list (the "President's List") as mutually agreed to between the Issuer and Desjardins. Sales up to \$3,000,000 to members of the President's List shall be subject to the full Underwriting Fee. Sales between \$3,000,000 and \$5,000,000 to the members of the President's List shall be subject to a reduced Underwriting Fee of 3.5%.
  - (c) Securities Not applicable.
  - (d) Other Not applicable.
  - (e) Expiry date of any options, warrants etc. Not applicable.
  - (f) Exercise price of any options, warrants etc. Not applicable.
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship Not applicable.
10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.).
11. Not applicable.
12. State whether the private placement will result in a change of control.  
Not applicable.
13. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. Not applicable.

14. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities. Confirmed.

**Part 2. Acquisition Not applicable.**

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: \_\_\_\_\_ .  
\_\_\_\_\_ .
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: \_\_\_\_\_  
\_\_\_\_\_ .
3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
  - (a) Total aggregate consideration in Canadian dollars: \_\_\_\_\_ .
  - (b) Cash: \_\_\_\_\_ .
  - (c) Securities (including options, warrants etc.) and dollar value: \_\_\_\_\_  
\_\_\_\_\_ .
  - (d) Other: \_\_\_\_\_ .
  - (e) Expiry date of options, warrants, etc. if any: \_\_\_\_\_ .
  - (f) Exercise price of options, warrants, etc. if any: \_\_\_\_\_ .
  - (g) Work commitments: \_\_\_\_\_ .
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: \_\_\_\_\_  
\_\_\_\_\_ .
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:



Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(1)</sup>

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: \_\_\_\_\_.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):
  - (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): \_\_\_\_\_.
  - (b) Cash \_\_\_\_\_.
  - (c) Securities \_\_\_\_\_.
  - (d) Other \_\_\_\_\_.
  - (e) Expiry date of any options, warrants etc. \_\_\_\_\_.
  - (f) Exercise price of any options, warrants etc. \_\_\_\_\_.
9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. \_\_\_\_\_.
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. \_\_\_\_\_.

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## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
  - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
  - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated November 25, 2021.

Guy Paul Allard  
Name of Director or Senior  
Officer

"Guy-Paul Allard"  
Signature

Vice-President, Legal Affairs and  
Corporate Secretary  
Official Capacity

## **Appendix A**

### **PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9**

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, “CSE or the “Exchange”) collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

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- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange’s obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.