



VALEO PHARMA™

**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION**

VALEO PHARMA CLOSES \$1.7 MILLION OVERSUBSCRIBED PRIVATE PLACEMENT

- **Proceeds to be used to support the summer launch of four products**

MONTREAL, QUEBEC , July 10, 2020 – [Valeo Pharma Inc.](#) (CSE:VPH) (“**Valeo**” or the “**Company**”), a Canadian specialty pharmaceutical company, announced today that it has closed a non-brokered oversubscribed \$1.7 million private placement of non-convertible debenture units (the “Private Placement”).

The Company issued 1,700 unsecured non-convertible debenture units (the “Debenture Units”) at a purchase price of \$1,000 per Debenture Unit for gross proceeds of \$1,700,000. Each Unit consist of one 12% unsecured non-convertible debenture of the Company in the principal amount of \$1,000 (each, a “Debenture”) and 1,500 Class “A” share purchase warrants (each, a “Warrant”) both maturing July 10, 2022 (the “Maturity Date”). Each Warrant entitles the holder thereof to purchase one Class “A” Share of the Company (each, a “Share”) at an exercise price of \$0.60 until the Maturity Date. In the event that the average VWAP of the Company’s Shares (VPH:CSE) over any twenty (20) consecutive trading days is greater or equal to \$1.10, the Company may give notice to the Warrant holder that it must exercise its remaining Warrants within a period of 30 days from the date of receipt of the notice, failing which the Warrants will automatically expire.

The net proceeds of the Offering will be used to support the summer launch of four products and for working capital and general corporate purposes.

The securities issued under the Private Placement are subject to a four-month hold period in accordance with applicable securities legislation. The Company has paid \$36,250 as finder's fees to arm’s-length parties in connection with the Private Placement, in compliance with applicable securities laws. No other broker or agent was involved in the transaction.

Manitex Capital Inc., the Company’s principal shareholder, along with Senior Executives, staff members and three Directors of the Company all participated in the Private Placement for an aggregate amount of \$390,000.

Participation of insiders of the Company in the Private Placement constitutes a “related party transaction” as defined under Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions (“Regulation 61-101”). The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements



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provided under sections 5.5(a) and 5.7(a) of Regulation 61-101 on the basis that participation in the Private Placement by insiders will not exceed 25% of the fair market value of the Company's market capitalization and also because the Company's Common Shares trade only on the Canadian Securities Exchange (CSE). A material change report was not filed in connection with the participation of the insiders in at least 21 days in advance of the closing of the Private Placement, which the Company deemed reasonable in the circumstances, in order to close the transaction as soon as practicable to enable it to use the funds.

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 and Hospital Specialty Products, Valeo Pharma has a growing portfolio of innovative products and the full infrastructure to properly 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 <http://www.valeopharma.com> and follow us on LinkedIn and Twitter.

Forward-Looking Statements

This news release may contain certain forward-looking statements regarding the Company's expectations for future events. Such expectations are based on certain assumptions that are founded on currently available information. If these assumptions prove incorrect, actual results may differ materially from those contemplated by the forward-looking statements contained in this press release. Factors that could cause actual results to differ include, amongst others, uncertainty as to the final result and other risks. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by security laws.

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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