

Valeo Pharma Inc.

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Valeo Pharma making progress as it bids to become leading Canada-focused specialty pharma group

- Strategy to acquire, license, and commercialize high quality products for patients and healthcare professionals in Canada
- Experienced management team with relationships with key industry leaders
- A large product portfolio

What Valeo Pharma does:

Founded in 2003, Valeo Pharma Inc (CSE:VPH) (OTCQB:VPHI) (FRA:VP2) aims to be a leading Canada-focused specialty pharma group, bringing drugs to clinicians and patients, and to partner with international firms who want to enter the country's market.

Initially focused on dermatology, which it exited in 2014, Valeo, headquartered in Quebec, has to date brought more than 20 products to market since inception through acquisitions and licensing.

It is focused, though not exclusively, in the fields of neurodegenerative diseases, cancer and hospital specialty products.

It boasts a large product portfolio, which includes nine marketed therapeutics, including Onstryv (Parkinson's disease), Hersperco (for the immune system), Ondansetron (to prevent nausea) and M-Eslon (for pain management).

It also has six products, which it aims to launch, with filed or approved regulatory status. Valeo has also bought the Canadian rights to seven additional hospital products not yet approved in the territory from four different partners. Regulatory filings are expected to take place over the coming year, with marketing approval to follow within nine to 15 months.

The firm also wants to pursue further products and opportunities in neurology, women's health, and hospital products.

How's it doing:

It has been an active year for the group so far. Valeo struck a deal in April with Ingenew Pharma Inc for the development, manufacture, and commercialization of Hesperco capsules, and on October 12, the firm revealed it had started shipping online orders. Hesperco capsules contain an antioxidant to support the immune system.

And in September, Valeo qualified and started to trade on the OTCQB market in the US, broadening its shareholder base.

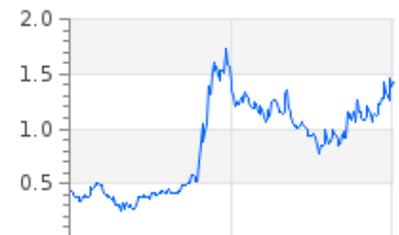
On November 12, the company also announced a milestone, with shipments of Ethacrynate Sodium used in kidney disorder in the US market - the first-ever product launch in the US.

Meanwhile, its Amikacin antibiotic, for use in hospitals, was granted market authorization by Health Canada.

Price: 1.43

Market Cap: \$83.04 m

1 Year Share Price Graph



January 2020 August 2020 January 2021

Share Information

Code: VPH

Listing: CSE

52 week High Low
1.86 0.25

Sector: Pharma & Biotech

Website: www.valeopharma.com

Company Synopsis:

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.

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Valeo also said it saw strong revenue growth in the fourth quarter ended October 31, which was aided by the recent launches of Yondelis and Ametop. Combined, the products contributed 20% of the quarter's revenues.

"We look for revenue growth to accelerate in the coming quarters through both organic growth and additional product launches," said CEO Steve Saviuk in a statement.

Valeo Pharma lists the following as milestones it has achieved in 2020 so far:

- Approval from Health Canada received for the transfer of commercial rights to Yondelis in Canada
- Approval received for abbreviated new drug application from FDA for Ethacrynate Sodium 50mg
- Closing of \$1.7 million oversubscribed private placement
- Approval from Health Canada received for the transfer of commercial rights to Ametop in Canada
- Onstryv receives positive recommendation for public reimbursement in Quebec
- Licensing agreement with PharmaMar to commercialize Yondelis in Canada

Meanwhile, in its third-quarter results to July 31, the firm said it had seen some impact from the coronavirus (COVID-19) pandemic but that it expects to see operational metrics continue to improve, positioning the firm to exit the fourth quarter as a profitable EBITDA company.

The firm posted a net loss of C\$1.6 million for the period compared to a loss of C\$0.1 million for the same quarter in 2019 on revenue of C\$1.5 million for the quarter, versus C\$2.6 million for 3Q in 2019.

The period saw four more products added to its commercial pipeline.

Inflection points:

- Launch of Amikacin
- Fourth-quarter results
- More product/deal/partnership newsflow

What the boss says:

Talking to Proactive's Steve Darling following the Amikacin and Ethacrynate Sodium news, Valeo Pharma CEO Steve Saviuk said that Amikacin was part of the firm's hospital specialty portfolio - a solid revenue-generating side of the business - which is expected to grow further in the coming years. The antibiotic should be launched around February, March next year, he said.

Speaking about the company's fourth-quarter to October 31, Saviuk said the period had been a "very strong" quarter for the group. "We exited the year on a US\$12 million run rate so that's very exciting for us. It was also nice just to show the incremental value of some of the new drugs we've launched."

Earlier, in its 3Q results statement released in September, Saviuk had said: "We have high expectations for HesperCo, which will be launched nationally in the coming weeks, as the immune support it provides is needed in the current healthcare environment.

"We continue interacting with Health Canada in the review of Redesca (Low Molecular Weight Heparin biosimilar) and are preparing for an early 2021 launch pending its expected approval," he added.

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