Valeo Pharma Announces $10 Million Bought Deal Private Placement of Convertible Debentures With Concurrent $10 Million Private Placement From Investissement Quebec

written by Raj Shah | November 24, 2021

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November 24, 2021 (Source) – Valeo Pharma Inc. (**CSE:VPH, OTCQB: VPHIF, FSE: VP2**) ("**Valeo Pharma**" or the "**Company**"), a Canadian pharmaceutical company, today announced that it has entered into an agreement with Desjardins Capital Markets, as lead underwriter and sole bookrunner, together with a syndicate of underwriters (collectively, the "**Underwriters**"), pursuant to which the Underwriters have agreed to purchase for resale, on a bought deal private placement basis, $10,000,000 aggregate principal amount of convertible unsecured debentures of the Company (the "**Debentures**") at a price of $1,000 per Debenture (the "**Offering**").

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 of the Company at any time and from time to time, up to the

Maturity Date, at a conversion price of $1.15 per common share. The Company will use commercially reasonable efforts to list the Debentures on the Canadian Securities Exchange (the "**CSE**").

Concurrently with the Offering, Investissement Québec has committed to a concurrent private placement of $10,000,000 of convertible unsecured debentures issuable on the same terms as those issuable pursuant to the Offering (the "**Concurrent Private Placement**"), resulting in aggregate gross proceeds from the Offering and Concurrent Private Placement of $20,000,000.

The net proceeds of the Offering and Concurrent Private Placement 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 Company 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.

The Company has granted the Underwriters an option to purchase up to an additional $1,500,000 aggregate principal amount of Debentures, exercisable at any time up to 48 hours prior to the closing of the Offering.

The Debentures and any common shares issuable upon conversion thereof will be subject to a statutory hold period lasting four months and one day following the Closing Date.

The closing of the Offering and Concurrent Private Placement is expected to occur on or about December 9, 2021 (the "**Closing Date**") and 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.

The Debentures will be offered and sold (i) in Canada on a

private placement basis to “accredited investors” within the meaning of *Regulation 45-106 respecting Prospectus Exemptions* and other exempt purchasers in each province of Canada, (ii) in the United States on a private placement basis only under Regulation D, Rule 144A or other available exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and (iii) in such other jurisdictions outside of Canada and the United States, in each case in accordance with applicable securities laws provided that no prospectus, registration statement or similar document is required to be filed in such jurisdictions and the Company does not thereafter become subject to continuous disclosure obligations in such jurisdictions.

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 U.S. Securities Act, 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 Investissement Québec

Investissement Québec’s mission is to actively participate in Québec’s economic development by stimulating business innovation, entrepreneurship and takeover, as well as investment and export growth. Present in every administrative region of Québec, the Corporation supports the creation and development of businesses of all sizes through investments and adapted financial solutions. Investissement Québec also offers a number

of consulting services, including technological support provided by Investissement Québec – CRIQ. And through Investissement Québec International, it also assists Québec companies in exporting and prospecting for foreign talent and investment in Québec.

About Valeo Pharma

Valeo Pharma is a pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada with a focus on Respirology, Neurodegenerative Diseases, Oncology and other 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 and follow us on LinkedIn and Twitter.

Forward Looking Statements

This press release contains forward-looking statements about Valeo Pharmas's objectives, strategies and businesses that involve risks and uncertainties, including statements about the Offering, the Concurrent Private Placement and the anticipated use of proceeds therefrom. 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.

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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