Valeo Pharma Reports its First Quarter 2021 Results and Highlights

written by Raj Shah | April 1, 2021
March 31, 2021 (Source) –

- **Valeo secured the Canadian rights to Enerzair® Breezhaler® and Atectura® Breezhaler®, two new innovative Asthma therapies**
- **Q1-21 net revenues of $1.9 million, up 11 % vs Q1-20**
- **Frederic Fasano appointed as President and Chief Operating Officer**
- **Redesca® and Redesca HP® receive Health Canada approval, launching in Q3**
- **Hesperco™ capsules at the core of a Montreal Heart Institute's COVID-19 study**

Valeo Pharma Inc. (CSE: VPH) (OTCQB: VPHIF) (FSE: VP2) ("**Valeo**" or the "**Company**"), a Canadian pharmaceutical company, today reported its financial results for the first quarter ended January 31, 2021.

"Our first quarter has laid the foundation for a transformational year for Valeo. The commercialization agreement with Novartis Canada positions Valeo as one of the leading Canadian companies in respirology . We are excited about the opportunity to enter the growing asthma market with two innovative drugs, Enerzair® Breezhaler® and Atectura® Breezhaler®. The Canadian asthma market exceeds $700 million annually[1] and is expected to growth at 2-3% per year over the next ten years. We expect combined peak sales of these two new drugs to exceed $100 million annually.", said Steve

Saviuk, Valeo's CEO. "With the coming launch of Redesca, our low-molecular-weight-heparin biosimilar, and the Montreal Institute of Cardiology's ongoing Covid-19 clinical trial involving Hesperco capsules, 2021 marks a turning point in Valeo's history".

Commenting on the first quarter 2021 results, Luc Mainville, Senior Vice-President and Chief Financial Officer said, "Our net revenues for the quarter continued to grow and reflected the addition of several products during the latter part of our 2020 fiscal year. Our first quarter results were impacted by calendar year-end slowdown of the pharma sector as well as increase in operating expenses to support our growth initiatives. Sales & Marketing expenses increased due to the addition of Redesca's national key account manager team. Our General & Administrative expenses also increased during the quarter as a result of the addition to the Head Office personnel and increased marketing related expenses. We expect additional investments to be made in 2021 as we prepare ourselves to support the Canadian commercialization of Enerzair® Breezhaler® and Atectura® Breezhaler® already approved by Health Canada and available for sale. We anticipate strong revenue growth in the second quarter of fiscal 2021 and accelerated growth in the coming quarters as a result of these product additions which will derive incremental margins and drive our profitability going forward.

References:

1. IQVIA CDH June 2020

First Quarter 2021 Financial Results and Highlights

- Net revenues were $1.9 million for the quarter ended January 31, 2021 compared to $1.7 million for the quarter ended January 31, 2020. The increase over the previous comparable period is mainly due to the Onstryv

revenue growth and the launch of new products such as Ametop, Yondelis and the launch of Sodium Ethacrynate in the U.S. ;

- Net loss of $1.7 million for the quarter ended January 31, 2021 compared to $1.1 million for the quarter ended January 31, 2020. The increase in net loss is a result of the increase in Sales & Marketing and General & Administrative expenses required to position Valeo for solid revenue growth in 2021; and

- Adjusted EBITDA loss of $1.1 million for the quarter ended January 31, 2021 compared to $0.9 million for the quarter ended January 31, 2020.

First Quarter 2021 Business and Product Highlights

- In January 2021, the Company received notice of a positive recommendation by Quebec's Institut national d'excellence en santé et en services sociaux ("INESSS") to the Health Minister for the inclusion of Redesca® and Redesca® HP, on the list of medications covered by the Régie de l'assurance maladie du Québec (RAMQ);

- In January 2021, the Company appointed Mr. Frederic Fasano to the newly created position of President and Chief Operating Officer. Mr. Fasano is a seasoned Canadian and international pharma executive having lead pharmaceutical organizations in Europe and Canada. His addition augments Valeo's senior leadership team and support expansion of Valeo's commercial activities;

- In December 2020, the Company announced that its shares were eligible for electronic clearing and settlement in the U.S. through the Depository Trust Company ("DTC");

- In December 2020, the Company received a Notice of Compliance from Health Canada for its Redesca and Redesca HP low molecular weight heparin ("LMWH") biosimilars; and

- In November 2020, the Company received a Notice of Compliance from Health Canada granting market authorization for Amikacin and commenced shipments of Ethacrynate Sodium in the U.S. market.

Subsequent Events

- In March 2021, the Company entered into a Commercial and Supply Agreement with Novartis Pharmaceuticals Canada Inc. for the Canadian commercialization by Valeo of two innovative asthma therapies, Enerzair® Breezhaler® (indacaterol (as acetate), glycopyrronium (as bromide) and mometasone furoate) and Atectura® Breezhaler® (indacaterol (as acetate) and mometasone furoate); and

- In February 2021, the Company announced that Hesperco™ capsules, approved by Health Canada for immune support, will be at the core of the Montreal Heart Institute's ("MHI") clinical trial, "The Hesperidin Coronavirus Study";

Q1 2021 Webcast and Conference Call

Valeo will host a conference call to discuss the first quarter 2021 results and highlights on Thursday April 1, 2021 at 8.30am (EST). The telephone numbers to access the conference call are 1-888-231-8191 and 647-427-7450. An audio replay of the call will be available. The numbers to access the audio replay are 1-855-859-2056 and 416-849-0833 using the following access code (5555964).

A live audio webcast of the conference call will be available via:

https://produceredition.webcasts.com/starthere.jsp?ei=1444812&tp_key=929d96e070

Financial Statements and MD&A

Valeo Pharma's financial statements and Management's Discussion and Analysis for the three-month ended January 31, 2021 are available on SEDAR at www.sedar.com

About Valeo Pharma

Valeo Pharma is a Canadian pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada with a focus on Respiratory Diseases, Neurodegenerative Diseases, Oncology and Hospital Specialty Products. Headquartered in Kirkland, Quebec Valeo Pharma has all the required capabilities and the full 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's objectives, strategies and businesses that involve risks and uncertainties. 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. The Company is not making

any express or implied claims that its product has the ability to eliminate, cure or contain the Covid-19 (or SARS-2 Coronavirus) at this time.

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