

Valeo Pharma Reports Its Second Quarter 2022 Results and Highlights

written by Raj Shah | June 15, 2022

- Q2-22 revenues of \$4.8 million, up 80% over Q2-21
- Q2-22 gross margins of \$1.7 million, up 134% over Q2-21
- Canadian provincial public reimbursement now complete for Enerzair® Breezhaler® and Ateectura® Breezhaler® with the addition of British Columbia and Newfoundland
- TSX listing of common shares and warrants
- Enerzair and Ateectura demonstrating fast market penetration against established asthma brands

June 14, 2022 ([Source](#)) – [Valeo Pharma Inc.](#) (TSX: [VPH](#)) (OTCQB: VPHIF) (FSE: VP2) (“**Valeo**” or the “**Company**”), a Canadian pharmaceutical company, today reported its financial results for the second quarter ended April 30, 2022.

Q2 and year to date 2022 Financial Highlights:

- Q2-22 revenues of \$4.8 million compared to \$2.6 million for Q2-21, up 80%
- Q2-22 gross margin of \$1.7 million compared to \$0.7 million for Q2-21 up 134%
- H1-22 revenues of \$9.0 million compared to \$4.5 million for H1-21 up 100%
- H1-22 gross margins of \$3.1 million compared to \$1.1 million for H1-21 up 180%
- Net loss of \$5.1 million for Q2-22 compared to \$1.9 million for Q2-21
- Q2-22 Adjusted EBITDA loss of \$3.8 million compared

to \$1.1 million for Q2-21

- Q2-22 Net loss and EBITDA loss down 13% and 22% compared to prior Q1-22 quarter.

Q2 2022 Business Highlights

- TSX listing of the 12% convertible unsecured subordinated debentures issued pursuant to the \$15.0 million bought deal private placement closed on December 9, 2021 under the symbol “VPH.DB”;
- Uplisting of the Company’s common shares and warrants from the CSE and start of trading on the TSX as of market open on Tuesday March 29, 2022;
- Enerzair and Atectura accepted for listing and public reimbursement in Ontario, Manitoba, New Brunswick, Saskatchewan, PEI and with the NIHB and VAC federal programs;
- Listing and public reimbursement of Redesca™ in British Columbia completes public coverage across all provinces; and
- Issuance of 2,800,419 common shares of the Corporation following the conversion of \$1.04 million of convertible debenture maturing February 27, 2023 plus accrued interest, as well as 200,000 stock options held by insiders.

Q2 2022 Subsequent Events

- Enerzair and Atectura public reimbursement secured for British Columbia and Newfoundland completing public coverage across all provinces.

“Our second quarter 2022 results and other key performance indicators are confirming the strong commercial progress of our 3 lead brands, Redesca, Enerzair and Atectura. Redesca has captured a 54% share of the Canadian low molecular weight

heparin biosimilar market, while Enerzair and Ateectura are experiencing significant monthly increases in both number of prescribing physicians and prescriptions and fast market penetration against the established asthma brands”, said Steve Saviuk, Valeo’s CEO. “Our dedicated commercial teams within each of our two business units are fully deployed and operational. Valeo remains focused on maximizing market share of its lead products while also actively looking to add strategic assets to leverage and take full advantage of its corporate structure and commercial platform”.

Commenting on the second quarter 2022 results, Luc Mainville, Senior Vice-President and Chief Financial Officer said, “Our base business has contributed lower than expected revenues and margins during the quarter due to timing issues. However, the continued strong sequential revenue growth of our three transformative products, Redesca, Enerzair and Ateectura, has contributed to expand our margins and improve our operating results during Q2-22 over prior quarters. Already, the next quarter is evidencing continued growth of our lead products as we leverage our strong working capital position to support the execution of our plan”.

Q2 2022 Financial Results

- Revenues were \$4.8 million for the quarter ended April 30, 2022 compared to \$2.6 million for the quarter ended April 30, 2021 and \$4.2 million for the first quarter ended January 31, 2022, representing a 80% increase and 14% increase respectively. The increase resulted mainly from the added contribution of Redesca and the continued monthly sales increases of Enerzair and Ateectura;
- Gross margin was \$1.7 million for the quarter ended April 30, 2022 compared to \$0.7 million for the quarter ended April 30, 2021 and \$1.4 million for the first

quarter ended January 31, 2022, representing a 134% increase and 21% increase respectively. The significant growth of revenues from new branded products and improvement in product mix contributed to the increase in gross margin recorded;

- Net loss was \$5.1 million for the quarter ended April 30, 2022 compared to \$1.9 million for the quarter ended April 30, 2021 and \$5.9 million for the first quarter ended January 31, 2022, representing an increase of 173% and decrease of 13% respectively. The increase in net loss results from the addition of staff and expenses required to position Valeo for a solid revenue growth in FY-22 and beyond, as well as the expansion of Valeo's commercial, medical and support staff required to capitalize on the significant market opportunities for Redesca, Enerzair Breezhaler and Ateectura Breezhaler. G&A expenses for the quarter were impacted by a \$0.4 million partial recovery of loss associated with the bank fraud which impacted our FY-21 result; and
- Adjusted EBITDA loss was \$3.8 million for the quarter ended April 30, 2022 compared to \$1.1 million for the quarter ended April 30, 2021 and \$4.4 million for the first quarter ended January 31, 2022, representing an increase of 232% and decrease of 14% respectively.

Year to Date 2022 Financial Results

- Revenues were \$9.0 million for the six months ended April 30, 2022 compared to \$4.5 million for the six months ended April 30, 2021. The 100% increase in net revenues is mainly due to the strong contribution of Redesca, and the continued commercial progress of Enerzair and Ateectura;
- Net loss of \$11.0 million for the six months ended April 30, 2022 compared to \$3.6 million for the six months ended April 30, 2021. The increase in net loss reflect the

incremental costs involved in the creation of the 2 Business Units, as well as expansion of Valeo's commercial, medical and H0 teams. These initiatives were required to capture the significant market opportunities for Redesca, Enerzair and Atectura as well as to accelerate the growth of other existing products; and

- Adjusted EBITDA loss of \$8.2 million for the six months ended April 30, 2022 compared to an adjusted EBITDA loss of \$2.2 million for the six months ended April 30, 2021. Adjusted EBITDA was negatively impacted during the quarter by the \$0.4 million recovery on the bank fraud which had been previously presented as an improvement of the Adjusted EBITDA loss.

Q2-2022 Webcast and Conference Call

Valeo will host a conference call to discuss its second quarter 2022 results and highlights on Wednesday June 15, 2022 at 8.30am (ET). The telephone numbers to access the conference call are 416-764-8659 and 1-888-664-6392. An audio replay of the call will be available. The numbers to access the audio replay are 416-764-8677 and 1-888-390-0541 using the following access code (147207 #).

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

https://produceredition.webcasts.com/starthere.jsp?ei=1553257&tp_key=74c181ca17

Financial Statements and MD&A

Valeo Pharma's financial statements and Management's Discussion and Analysis for the three and six month period ended April 30, 2022 are available on SEDAR at www.sedar.com

About Valeo Pharma

Valeo Pharma is a pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada with a focus on Respiriology, 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'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.

SOURCE Valeo Pharma Inc. 

For further information: Steve Saviuk, CEO, 514-693-8830, saviuk@valeopharma.com; or Luc Mainville, Senior Vice-President and Chief Financial Officer, 514-693-8854, mainville@valeopharma.com; or Frederic Dumais, Director, Communications and Investor Relations, 514-782-8803, dumais@valeopharma.com