HLS Therapeutics Inc.

HLS Therapeutics Announces Q4 and Year-End 2018 Financial Results

- **Revenue of $61.4 million, Adjusted EBITDA of $41.1 million and Cash from Operations of $32.7 million for the year-ended December 31, 2018**
- **REDUCE-IT™ cardiovascular outcomes study of Vascepa®, for which HLS has in-licensed exclusive Canadian rights, exceeded primary endpoint demonstrating an approximately 25% relative risk reduction in major adverse cardiovascular events**
- **Debt refinancing co-led by JPMorgan Chase Bank, N.A. and Silicon Valley Bank; annual interest savings estimated at $10.0 million**
- **Established a quarterly dividend policy of C$0.05 per common share**
- **Subsequent to year-end, named experienced healthcare executive Laura A. Brege to the Board of Directors and Audit Committee**
- **Subsequent to year-end, graduated to a listing on the Toronto Stock Exchange from the TSX-Venture Exchange**

TORONTO, March 21, 2019 /CNW/ - HLS Therapeutics Inc. ("HLS" or the "Company") (TSX: HLS), a specialty pharmaceutical company focusing on central nervous system and cardiovascular markets, announces its financial results for the three- and twelve-month periods ended December 31, 2018. Unless otherwise noted, all dollar amounts are expressed in United States ("U.S.") dollars.

Q4 & FISCAL 2018 HIGHLIGHTS

- Q4 2018 revenue was $16.7 million compared to $20.4 million in Q4 2017. Full year 2018 revenue was $61.4 million compared to $75.1 million in 2017. As expected, royalty revenue was lower in 2018, which accounts for the year-over-year change in revenue;
- Q4 2018 Adjusted EBITDA was $11.2 million compared to $15.5 million in Q4 2017. Full year 2018 Adjusted EBITDA was $41.1 million compared to $55.9 million in 2017;
- Q4 2018 cash from operations was $11.2 million compared to $8.9 million in Q4 2017. Full year 2018 cash from operations was $32.7 million compared to $27.2 million in 2017;
- Q4 2018 net income of $0.4 million, or $0.01 per common share, compared to net loss of $(0.4) million, or $(0.02) per common share, in Q4 2017. Full year 2018 net loss of $(24.8) million, or $(0.92) per share, compared to net loss of $(6.1) million, or $(0.24) per common share in 2017. Net loss in 2018 included $19.0 million of one-time costs related to the debt refinancing, of which $12.2 million was a non-cash charge to expense the remaining unamortized costs associated with the previous debt agreement;
- Amarin Corporation plc's ("Amarin") REDUCE-IT™ cardiovascular outcomes study of Vascepa®, for which HLS has in-licensed exclusive Canadian rights, exceeded its primary endpoint target demonstrating an approximately 25% relative risk reduction in major adverse cardiovascular events ("MACE") such as cardiovascular death, heart attack and stroke. Vascepa is not approved for use in Canada. HLS will file for approval with Health Canada following Amarin's supplemental filing with the FDA;
- Refinanced outstanding senior secured debt; reduced the principal amount outstanding by $37.9 million and secured a lower interest rate, which are expected to result in annual interest expense savings of approximately $10.0 million. The refinancing was led by JPMorgan Chase, N.A. and Silicon Valley Bank and included a syndicate of Canadian Banks;
- Established a quarterly dividend policy of $0.05 per outstanding common share; and
- Completed reverse take-over onto the TSX Venture Exchange and began trading March 14, 2018.

SUBSEQUENT TO YEAR-END

- Graduated to the Toronto Stock Exchange on February 7, 2019;
- Announced the in-licensing of the exclusive Canadian rights from Athelas Inc. for *Athelas One*, a medical device that may help to simplify the mandatory safety blood monitoring process for patients that are prescribed Clozaril®. Following its filing in January 2019, the device was accepted for review by Health Canada on March 13, 2019;
- Amarin released new data showing that Vascepa provided a statistically significant 30% risk reduction in total (first and subsequent) cardiovascular events compared to placebo in the statin-treated patient population studied in REDUCE-IT;
- Appointed experienced healthcare executive Laura A. Brege to the Board of Directors and Audit Committee, replacing Daniel Tassé who has accepted the CEO role at DBV Technologies; and
- Declared a dividend of C$0.05 per outstanding common share to be paid on June 14, 2019, to shareholders of record as of April 30, 2019.

"2018 was a busy and memorable year for HLS; one in which we continued to deliver solid financial performance while achieving a number of important developments in the growth and evolution of our business," said Greg Gubitz, CEO of HLS. "Early in the year, we went public on the TSX Venture Exchange bringing our story to a wider investor audience, and subsequent to year-end, we further expanded our potential investor audience by graduating to the Toronto Stock Exchange, Canada's premier exchange. With our strong cash flow generation, sound fundamentals and promising outlook we were able to successfully refinance our debt on terms that saw us reduce the principal outstanding by $37.9 million and reduce our interest rate, such that we will save approximately $10.0 million annually in interest expense. Finally, with a portion of those savings, we introduced a $0.05 per share quarterly dividend, which will return approximately $4.2 million per year to shareholders."

"The key development of the year, however, was the release of positive results from Amarin's REDUCE-IT cardiovascular outcomes trial related to Vascepa (icosapent ethyl). These results were very strong as REDUCE-IT exceeded its primary endpoint demonstrating an approximately 25% relative risk reduction, to a high degree of statistical significance, in first occurrence of MACE. The results showed that patients taking Vascepa as an add-on to a statin in a population presenting a residual cardiovascular risk, demonstrated a 20% reduction in cardiovascular death, 31% reduction in heart attacks and 28% reduction in strokes when compared to a placebo. These are exceptional numbers and are on top of the benefits obtained from statin therapy."

"Earlier this week, Amarin released positive new data that extends the scope of consistent effects of Vascepa beyond a patient's first cardiovascular event to all subsequent cardiovascular events, including cardiovascular death. The new data showed that Vascepa reduced total events—first and subsequent—by 30% compared to placebo, reflecting that 159 MACE events could be prevented for every 1,000 patients treated with Vascepa versus placebo over a five-year period. Also, this week, Amarin commented on data and analysis that underscores that people with elevated triglycerides without known cardiovascular disease could be at a high risk for cardiovascular events. Thus, elevated triglyceride levels may provide a means of identifying increased cardiovascular risk beyond cholesterol levels."

"Overall, these results greatly exceeded our internal expectations suggesting that Vascepa has the potential to be a very significant drug for the treatment of patients with cardiovascular disease as well as a catalyst to drive significant organic growth in our business. With cardiovascular disease the leading cause of death worldwide, we look forward to bringing this important FDA-approved medication to Canadians. Vascepa is not approved for use in Canada and we expect to file for approval with Health Canada following Amarin's supplemental filing with the FDA."

"Our momentum continued into 2019 with the recent announcement on a new initiative in the central nervous system therapeutic area, which has the potential to be synergistic to our Clozaril operations. Regarding Athelas One, or CSAN® Pronto™ as it would be branded in Canada, we look to bring to market a product that may help reduce the burden associated with the blood draw regimen for clozapine patients, which ultimately could help lower a barrier to a proven treatment for those who need it. Assuming it were to receive Health Canada approval, we believe CSAN Pronto can be a meaningful product for us. In terms of transaction details, Athelas will earn performance-based fees and milestone payments that are contingent on commercial success."

DIVIDEND

On March 20, 2019, the Company's Board of Directors declared a dividend of C$0.05 per outstanding common share to be paid on June 14, 2019, to shareholders of record as of April 30, 2019.

These dividends paid on the Company's common shares are designated to be "eligible dividends" for purposes of section 89(1) of the *Income Tax Act* (Canada).

BOARD OF DIRECTORS UPDATE

Subsequent to year-end, Laura A. Brege, an experienced healthcare executive with an extensive public company background, was appointed to the HLS Board of Directors and will serve as a member of the Company's Audit Committee. Ms. Brege replaces Daniel Tassé, who has accepted the position of CEO at DBV Technologies and is stepping down from the HLS Board to focus his time on his new role.

"We are very pleased to add an individual to our Board with the breadth of skills and background that Laura possesses," said William (Bill) Wells, Chairman of the Board of HLS. "Laura has extensive public company life sciences experience in the U.S. as both a C-level executive and as a Board member. We look forward to her insights and guidance as we execute further on our organic and acquisitive growth opportunities in both Canada and the U.S."

Mr. Wells added: "At the same time, on behalf of the Board and management team, I would like to thank Daniel for his contributions as a Board member during a very busy and productive period for HLS and we wish him all the best in his future endeavors."

Ms. Brege is Managing Director of Cervantes Life Science Partners, LLC., a health care advisory and consulting company. Prior to joining Cervantes Life Science Partners, Ms. Brege served as Chief Executive Officer and President of Nodality, Inc., a privately held biotechnology company focused in oncology and immunology from September 2012 to July 2015. Previously, Ms. Brege held several senior-level positions at Onyx Pharmaceuticals, Inc. from June 2006 to December 2011, including Executive Vice President and Chief Operating Officer. Before joining Onyx, Ms. Brege was a general partner at Red Rock Capital Management, a venture capital firm specializing in early stage financing for technology companies. Prior to Red Rock, she was Senior Vice President and Chief Financial Officer at COR Therapeutics. Earlier in her career, Ms. Brege served as Vice President and Chief Financial Officer at Flextronics and Vice President and Treasurer of The Cooper Companies. Ms. Brege serves on the boards of Acadia Pharmaceuticals (NASDAQ: ACAD), Aratana Therapeutics (NASDAQ: PETX), Pacira Pharmaceuticals (NASDAQ: PCRX), Portola Pharmaceuticals (NASDAQ: PTLA), and Dynavax Technologies (NASDAQ: DVAX). Ms. Brege earned her undergraduate degree from Ohio University and has an M.B.A. from the University of Chicago.

FINANCIAL REVIEW

Revenue

The following table provides revenue segmentation by revenue type and geography for the three- and twelve-month

periods ended December 31, 2018:

	Three months ended December 31,		Twelve months ended December 31,	
	2018	2017	2018	2017
Product sales				
Canada	8,065	7,600	29,726	28,637
United States	4,909	4,077	20,097	18,801
	12,974	11,677	49,823	47,438
Royalty revenue	3,687	8,698	11,592	27,644
	16,661	20,375	61,415	75,082

Fourth quarter results are typically stronger than other quarters due to customer inventory dynamics that then resolve in the first quarter of the following year. In the Canadian market, where Clozaril is actively promoted and supported by a team of HLS employees, product sales increased by 6% and 4% in the fourth quarter and full-year, respectively. HLS believes that Clozaril is underutilized in the Canadian market relative to certain other comparable Western countries, which the Company believes presents a long-term growth opportunity for the product.

In 2018, Clozaril continued to experience modest volume declines in the U.S. market, while gross sales were mitigated by a nominal price increase. Although increased seasonal demand in the fourth quarter moderated volume declines, product sales in the fourth quarter benefited primarily from lower than previously estimated expired product returns and increased efficiency in distribution programs under Company management. Full year product sales increased by 7% in the U.S. market as lower than estimated expired product returns and greater sales deduction efficiency were offset by lower authorized generic supplies.

Total revenue was lower year-over-year as royalty revenue declined in 2018 compared to 2017. Royalty revenue in 2017 benefited from competitive disruptions and the positive impact of a promotional campaign undertaken by the marketer of Absorica in the U.S. which provided windfall royalties in that year that reached a peak in Q4 2017. Royalty revenues in 2018 stabilized at levels that were more consistent with the pre-2017 period. On a sequential quarterly basis, royalty revenues for Q4 2018 were $3.7 million compared to $2.6 million in Q3 2018 reflecting, in part, that Q3 is traditionally a seasonally slower quarter for Absorica sales.

Operating Expenses

Operating expenses, which consist of cost of product sales, selling and marketing expense, medical, regulatory and patient support expense, and general and administrative expense, were $5.5 million in Q4 2018, compared to $4.9 million in Q4 2017. For the year-ended December 31, 2018, operating expenses were $20.3 million, compared to $19.2 million in 2017.

Cost of product sales decreased in 2018 in-line with reduced authorized generic supplies and improved manufacturing costs as a result of the completion of the manufacturing transition for the U.S. market.

The year-over-year increase in other operating expenses was driven primarily by the addition of public company costs, the development of the HLS team to support the Company's growth plans, an increase in patient support and regulatory compliance costs in the U.S. after a short-term decrease in cost a year earlier, and the costs associated with initial work to develop commercial plans for potential new cardiovascular product launches.

Adjusted EBITDA

The year-over-year change in Adjusted EBITDA is due to lower royalty revenue from Absorica and additional operating costs related to the expansion of the business, partially offset by the decrease in the cost of product sales and the year-to-date increase in Clozaril product sales. Adjusted EBITDA is a non-IFRS measure and is defined below.

	Three months ended December 31,		Year ended December 31,	
	2018	2017	2018	2017
Net income (loss) for the period	369	(421)	(24,806)	(6,097)
Stock-based compensation	537	92	1,062	363
Amortization and depreciation	8,042	8,136	32,395	32,233
Acquisition and transaction costs	143	5	891	166
Finance and related costs	1,210	5,558	35,551	24,264
Provision for (recovery of) income taxes	890	2,091	(3,997)	4,952
Adjusted EBITDA	11,191	15,461	41,096	55,881

Interest Expense and Debt

Interest on the senior secured term loan was $1.4 million in Q4 2018, compared to $4.2 million in Q4 2017. For the year-

ended December 31, 2018, interest on the senior secured term loan was $12.2 million, compared to $16.6 million in 2017. The decrease in interest expense is primarily due to the Company's debt reduction and debt refinancing completed in August 2018. Following the debt refinancing, the Company expects to save up to $10.0 million per year in interest expense due to lower principal amount outstanding and the lower interest rate.

As at December 31, 2018, the principal debt balance outstanding under the new senior secured term facility was $98.75 million compared to $100.0 million at September 30, 2018. This compares with the original senior secured loan borrowing of $185.0 million at the Company's inception and the $137.9 million original loan balance at the end of Q2 2018.

Net Income (Loss)

Net income in Q4 2018 was $0.4 million, or $0.01 per share, compared to a net loss of $(0.4) million, or $(0.02) per share in Q4 2017. For the year-ended December 31, 2018, net loss was $(24.8) million, or $(0.92) per share, compared to $(6.1) million, or $(0.24) per share, in 2017.

Net loss in 2018 included $19.0 million of one-time costs related to the debt refinancing, of which $12.2 million was a non-cash charge to expense the remaining unamortized costs associated with the previous debt agreement.

Cash from Operations and Financial Position

Cash generated from operations was $11.2 million in Q4 2018, compared to $8.9 million in Q4 2017. Cash generated from operations for the year-ended December 31, 2018 was $32.7 million, compared to $27.2 million in 2017. The year-over-year increase is due to the debt refinancing in August 2018 and a reduction in working capital.

As at December 31, 2018, the Company had cash and cash equivalents of $10.9 million, compared to $36.2 million at December 31, 2017. The decrease in cash is primarily due to the use of surplus cash to reduce the loan principal outstanding. Accordingly, the loan principal outstanding decreased from $137.9 million at June 30, 2018 to $98.75 million at December 31, 2018.

Q4 & FISCAL 2018 CONFERENCE CALL

HLS will hold a conference call today at 8:30 am Eastern Time to discuss their Q4 and full-year 2018 financial results. The call will be hosted by Mr. Greg Gubitz, Chief Executive Officer, Mr. Gilbert Godin, President and Chief Operating Officer and Mr. Tim Hendrickson, Chief Financial Officer.

DATE:	Thursday, March 21, 2019
TIME:	8:30 am ET
DIAL-IN NUMBER:	(888) 231-8191 or (647) 427-7450
WEBCAST LINK:	https://event.on24.com/wcc/r/1933814/841BE360430C54EE39E4E3B19E0767E9
TAPED REPLAY:	(855) 859-2056 or (416) 849-0833
REPLAY PASSCODE:	9374206

A link to the live audio webcast of the conference call will also be available on the events page of the investors section of HLS Therapeutics' website at www.hlstherapeutics.com. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to hear the webcast. The taped replay will be available for 14 days and the archived webcast will be available for 90 days.

ABOUT HLS THERAPEUTICS INC.

Formed in 2015, HLS is a specialty pharmaceutical company focused on the acquisition and commercialization of late stage development, commercial stage promoted and established branded pharmaceutical products in the North American markets. HLS's focus is on products targeting the central nervous system and cardiovascular therapeutic areas. HLS's management team is composed of seasoned pharmaceutical executives with a strong track record of success in these therapeutic areas and at managing products in each of these lifecycle stages.

CAUTIONARY NOTE REGARDING NON-IFRS MEASURES

This press release refers to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of HLS's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of HLS's financial information reported under IFRS. HLS uses non-IFRS measures to provide investors with supplemental measures of its operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. HLS also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. HLS's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess HLS's ability to meet its future debt service, capital expenditure and working capital requirements.

In particular, management uses Adjusted EBITDA as a measure of HLS's performance. To reconcile net loss for the year with Adjusted EBITDA, each of (i) "stock-based compensation", (ii) "amortization and depreciation", (iii) "acquisition costs",

(iv) "finance and related costs", and (v) "provision for (recovery of) income taxes" appearing in the Consolidated Statement of Net Loss are added to net loss for the year to determine Adjusted EBITDA. Adjusted EBITDA does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. Adjusted EBITDA should not be considered in isolation or as a substitute for net income (loss) prepared in accordance with IFRS as issued by the IASB.

FORWARD LOOKING INFORMATION

This release includes forward-looking statements regarding HLS and its business. Such statements are based on the current expectations and views of future events of HLS's management. In some cases the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements, including, among others, statements with respect to HLS's pursuit of additional product and pipeline opportunities in certain therapeutic markets, statements regarding growth opportunities and expectations regarding financial performance. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting HLS, including risks relating to the specialty pharmaceutical industry, risks related to the regulatory approval process, economic factors and many other factors beyond the control of HLS. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause HLS's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks and assumptions associated with this release can be found in the Company's Annual Information Form dated October 26, 2018, which has been filed on SEDAR and can be accessed at www.sedar.com. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and HLS undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

HLS THERAPEUTICS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
[in thousands of U.S. dollars]

	As at December 31, 2018	As at December 31, 2017
ASSETS		
Current		
Cash and cash equivalents	10,930	36,219
Accounts receivable	17,569	25,846
Inventories	1,505	1,354
Foreign currency forward contract	755	—
Prepaid expenses and other current assets	919	1,617
Total current assets	31,618	65,036
Property, plant and equipment	363	441
Intangible assets	271,153	312,659
Restricted assets	2,290	5,555
Deferred tax asset	1,001	955
Total assets	306,425	384,646
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	12,405	12,596
Provisions	6,574	6,976
Debt and other financial liabilities	18,920	14,160
Income taxes payable	369	870
Total current liabilities	38,268	34,602
Debt and other financial liabilities	104,459	158,114
Deferred tax liability	5,209	11,548
Total liabilities	147,936	204,264
Shareholders' equity		
Share capital	210,360	192,743
Contributed surplus	12,973	12,330
Accumulated other comprehensive income (loss)	(7,455)	5,941
Deficit	(57,389)	(30,632)
Total shareholders' equity	158,489	180,382
Total liabilities and shareholders' equity	306,425	384,646

HLS THERAPEUTICS INC.

CONSOLIDATED STATEMENTS OF NET INCOME (LOSS)
[in thousands of U.S. dollars, except per share amounts]

	Three months ended December 31,		Year ended December 31,	
	2018	**2017**	**2018**	**2017**
Revenue	16,661	20,375	61,415	75,082
Expenses				
Cost of product sales	592	633	2,595	4,136
Selling and marketing	1,380	1,137	4,323	3,551
Medical, regulatory and patient support	1,153	1,393	4,437	3,875
General and administrative	2,345	1,751	8,964	7,639
Stock-based compensation	537	92	1,062	363
Amortization and depreciation	8,042	8,136	32,395	32,233
Operating income	2,612	7,233	7,639	23,285
Acquisition and transaction costs	143	5	891	166
Finance and related costs, net	1,210	5,558	35,551	24,264
Loss before income taxes	1,259	1,670	(28,803)	(1,145)
Income tax expense (recovery)	890	2,091	(3,997)	4,952
Net income (loss) for the period	369	(421)	(24,806)	(6,097)
Net loss per share:				
Basic and diluted	$0.01	$(0.02)	$(0.92)	$(0.24)

HLS THERAPEUTICS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
[in thousands of U.S. dollars]

	Three months ended December 31,		Year ended December 31,	
	2018	**2017**	**2018**	**2017**
Net income (loss) for the period	369	(421)	(24,806)	(6,097)
Item that may be reclassified subsequently to net income (loss)				
Unrealized foreign currency translation adjustment	(7,978)	(403)	(13,396)	10,552
Comprehensive income (loss) for the period	(7,609)	(824)	(38,202)	4,455

HLS THERAPEUTICS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
[in thousands of U.S. dollars]

	Share capital	**Contributed surplus**	**Accumulated other comprehensive income (loss)**	**Deficit**	**Total**
Balance, December 31, 2016	192,743	11,967	(4,611)	(24,535)	175,564
Stock option expense	—	363	—	—	363
Net loss for the year	—	—	—	(6,097)	(6,097)
Unrealized foreign currency translation adjustment	—	—	10,552	—	10,552
Balance, December 31, 2017	192,743	12,330	5,941	(30,632)	180,382
Common shares issued	19,905	—	—	—	19,905
Share issuance costs	(1,252)	—	—	—	(1,252)
Shares repurchased	(1,036)	—	—	112	(924)
Stock option expense	—	643	—	—	643
Net loss for the year	—	—	—	(24,806)	(24,806)
Dividends declared	—	—	—	(2,063)	(2,063)
Unrealized foreign currency translation adjustment	—	—	(13,396)	—	(13,396)
Balance, December 31, 2018	210,360	12,973	(7,455)	(57,389)	158,489

HLS THERAPEUTICS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

[in thousands of U.S. dollars]

	Three months ended December 31,		Year ended December 31,	
	2018	**2017**	**2018**	**2017**
OPERATING ACTIVITIES				
Net income (loss) for the period	369	(421)	(24,806)	(6,097)
Adjustments to reconcile net income (loss) to cash provided by operating activities				
Stock option expense	248	92	643	363
Amortization and depreciation	8,042	8,136	32,395	32,233
Debt refinancing costs	—	—	18,951	—
Accreted interest	613	1,656	4,895	6,770
Fair value adjustment on financial assets and liabilities	(635)	(409)	(775)	770
Listing expense	—	—	435	—
Deferred income taxes	251	1,103	(5,446)	1,570
Net change in non-cash working capital balances related to operations	2,268	(1,260)	6,455	(8,443)
Cash provided by operating activities	11,156	8,897	32,747	27,166
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(7)	(129)	(99)	(179)
Acquisitions	(4,325)	(1,825)	(13,800)	(9,800)
Other additions to intangible assets	(363)	(209)	(682)	(554)
Cash used in investing activities	(4,695)	(2,163)	(14,581)	(10,533)
FINANCING ACTIVITIES				
Common shares issued	—	—	19,470	—
Common share issuance costs	—	—	(1,699)	—
Common shares repurchased	—	—	(924)	—
Dividends paid	(1,047)	—	(1,047)	—
Repayment of original senior secured term loan		(4,550)	(151,271)	(13,132)
Drawdown of new senior secured loan	—	—	100,000	—
Repayment of new senior secured term loan	(1,250)	—	(1,250)	—
Cash portion of debt refinancing costs	(3,000)	—	(11,453)	—
Decrease (increase) in restricted cash	—	(1,500)	5,555	(4,600)
Lender royalty payment	—	(121)	(237)	(478)
Cash used in financing activities	(5,297)	(6,171)	(42,856)	(18,210)
Net increase (decrease) in cash and cash equivalents	1,164	563	(24,690)	(1,577)
Foreign exchange on cash and cash equivalents	(141)	(56)	(599)	33
Cash and cash equivalents, beginning of period	9,907	35,712	36,219	37,763
Cash and cash equivalents, end of period	10,930	36,219	10,930	36,219

SOURCE HLS Therapeutics Inc.

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