



HLS Therapeutics Inc.

News Release

# HLS Therapeutics Announces Fiscal 2025 Financial Results

2026-03-12

- Adjusted EBITDA<sup>1</sup> grew 18% to \$19.6 million in fiscal 2025
- Cash from operations grew 114% to \$17.1 million in fiscal 2025
- In-licensed NILEMDO™ and NEXLIZET® for the Canadian market; NILEMDO approved by Health Canada in November 2025 and is now commercially available
- Announced new credit facility with lower rates, increased flexibility and reduced F/X risk; reduced long term debt by 26%, achieving 43% reduction in annual interest expense

TORONTO, March 12, 2026 /CNW/ - HLS Therapeutics Inc. ("HLS" or the "Company") (TSX: HLS), a pharmaceutical company focused on addressing unmet needs in the treatment of psychiatric disorders and cardiovascular disease, announces its financial results for the three and twelve months ended December 31, 2025 ("Q4 2025" and "fiscal 2025"). All amounts are in thousands of United States ("U.S.") dollars unless otherwise stated.

## Q4 & F2025 FINANCIAL HIGHLIGHTS (comparisons are to the respective 2024 periods)

- Fiscal 2025 revenue was \$55.5 million, Adjusted EBITDA was \$19.6 million and cash from operations was \$17.1 million, compared to \$56.6 million, \$16.6 million and \$8 million, respectively.
- Q4 2025 revenue was \$15.2 million, Adjusted EBITDA was \$5.7 million and cash from operations was \$6.5 million, compared to \$15.5 million, \$5.6 million and \$3.2 million, respectively.
- Canadian product sales increased 1.5% in fiscal 2025 in local currency and decreased 0.5% in Q4 2025. Foreign exchange negatively impacted fiscal 2025 reported revenue by approximately \$0.8 million.
- U.S. Clozaril sales decreased 1.6% in fiscal 2025, an improvement from the prior four-year average annual decline of 6%, reflecting the success of the Company's specialty pharmacy program. Q4 2025 sales decreased

9% due primarily to timing of year-end customer shipments.

- Excluding cost of sales, operating expenses decreased 17% in fiscal 2025 and 6% in Q4 2025.
- For direct brand contribution to Adjusted EBITDA in fiscal 2025 - Clozaril contributed \$26.9 million and Vascepa contributed \$1 million, marking a pivot to full year profitability for Vascepa.

## Q4 & F2025 CORPORATE HIGHLIGHTS

- Expanded cardiovascular portfolio by licensing Canadian rights to NILEMDO™ and NEXLIZET® from Esperion Therapeutics. Received Health Canada approval for NILEMDO in Q4 2025 with product available as of March 2026.
- Made principal repayments on long-term debt totaling \$17.8 million for fiscal 2025, including \$5.0 million in Q4 2025.
- Secured new credit agreement with improved terms, helping to reduce fiscal 2025 interest expense by 43% compared to fiscal 2024.

"In 2025, HLS made considerable progress against our objectives to drive profitable growth, strengthen our balance sheet, and lay the foundation for future growth," said Craig Millian, Chief Executive Officer at HLS. "We achieved 18% Adjusted EBITDA growth for the full year while generating \$17.1 million in cash from operations, up 114% compared to 2024. Changes to our cardiovascular sales force are making an impact, with Vascepa unit growth of 23% for the year and strengthening new-to-brand momentum. We've de-levered our balance sheet, reduced our cost structure, and executed on our business plan. In 2026, we will leverage the efficiency and profitability gains we've made to advance towards our next stage of growth "

"NILEMDO and NEXLIZET represent a significant opportunity. NILEMDO offers physicians and patients an effective, well-tolerated oral treatment option at a fraction of the cost of injectable alternatives. With an estimated 500,000 eligible patients in Canada and compelling data from the CLEAR Outcomes trial, we believe this franchise will more than double the size of our cardiovascular business. We were pleased to announce that NILEMDO is now available with a full commercial launch coming in early April."

## 2026 OUTLOOK

2026 financial targets are as follows:

- Consolidated revenue of \$56-60 million, representing mid-single-digit percentage growth.
- Consolidated Adjusted EBITDA of \$18.5-21 million, representing relatively flat year-over-year performance largely due to NILEMDO launch costs.
- Of note, future results could be impacted by continued exchange rate volatility.

Mr. Millian added: "Our 2026 guidance reflects modest growth in our base business along with some increased investment to drive a successful NILEMDO launch. The real growth story accelerates beyond this year as NILEMDO gains traction throughout 2026, as we expand public payer access in early 2027, and then launch NEXLIZET in 2027. Our base business is stable and profitable, our balance sheet is strong, and we have financial flexibility to pursue additional portfolio expansion. We've built the foundation and are now positioned to drive sustained profitable growth."

## Q4 & F2025 FINANCIAL REVIEW

The Company's Management's Discussion and Analysis and Consolidated Financial Statements for the three and twelve months ended December 31, 2025, are available at the [Company's website](#) and at its profile at [SEDAR+](#).

### Revenue

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Product sales				
Canada	11,637	11,694	42,385	42,572
United States	3,337	3,661	12,370	12,568
	14,974	15,355	54,755	55,140
Royalty revenue	221	187	745	1,479
	15,195	15,542	55,500	56,619

Revenue for fiscal 2025 decreased 2% to \$55.5 million compared to \$56.6 million in fiscal 2024. Excluding the impact of foreign exchange, revenue from marketed products increased 1%, with Vascepa growth offset, in part, by Clozaril regional competitive dynamics as noted in the Company's Q3 2025 reporting.

Revenue for Q4 2025 decreased 2% to \$15.2 million compared to \$15.5 million in Q4 2024, primarily due to softer revenue in the U.S. business.

### Product sales – Canada

000's of CAD	Three months ended December 31,			Year ended December 31,		
	2025	2024	% change	2025	2024	% change
Clozaril	9,637	9,712	(0.8) %	34,377	35,721	(3.8) %

Vascepa	6,540	6,595	(0.8) %	24,609	22,550	9.1 %
Other	55	6		228	60	
	16,232	16,313	(0.5) %	59,214	58,331	1.5 %

For fiscal 2025, Canadian product sales in local currency increased 1.5%. Vascepa sales and unit volumes grew 9% and 23%, respectively, reflecting the Company's sales force changes and expanded provincial access, while Clozaril Canada sales declined 4% due to regional competitive dynamics. Canadian product sales for Q4 2025 decreased 0.5%.

#### Product Sales – United States

In the U.S. market, Clozaril revenue for fiscal 2025 decreased 1.6% compared to fiscal 2024, a considerable improvement over the prior four-year average annual decline of 6%. This reflects the success of the Company's specialty pharmacy program in offsetting patient attrition. Q4 2025 revenue decreased 9% year-over-year primarily due to timing of orders and shipments.

#### Royalty revenues

Royalty revenue for fiscal 2025 decreased 50% compared to fiscal 2024, as expected following the sale of the Company's Xenpozyme royalty interest in Q2 2024. The Company's remaining royalty interest in Obizur generated \$0.22 million in Q4 2025 compared to \$0.19 million in Q4 2024.

### Operating Expenses

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Cost of product sales	2,643	2,685	10,083	8,997
Selling and marketing	2,841	3,438	11,386	16,733
Medical, regulatory and patient support	1,634	1,539	5,708	5,663
General and administrative	2,366	2,323	8,700	8,578
	9,484	9,985	35,877	39,971

Cost of product sales for fiscal 2025 increased due primarily to higher Vascepa sales volumes and were relatively flat in Q4 2025.

HLS continues to demonstrate strong operational discipline. Operating expenses for fiscal 2025, comprising sales and marketing, G&A, and medical, regulatory, and patient support, decreased 17% compared to fiscal 2024. This

reflects the Company's August 2024 discontinuation of co-promotional activities and ongoing cost optimization initiatives. For Q4 2025, operating expenses decreased 6% year-over-year.

## Adjusted EBITDA<sup>1</sup>

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Net loss for the period	(1,335)	(3,023)	(12,430)	(19,655)
Stock-based compensation	11	423	1,912	1,617
Amortization and depreciation	5,463	5,434	21,817	22,717
Finance and related costs, net	1,702	2,295	7,391	10,293
Other costs (income)	517	343	1,378	(2,397)
Income tax expense (recovery)	(647)	85	(445)	4,073
Adjusted EBITDA	5,711	5,557	19,623	16,648

Adjusted EBITDA for fiscal 2025 increased 18% compared to fiscal 2024, driven by strong operational discipline and cost optimization initiatives, partially offset by foreign exchange fluctuations and the decline in royalty revenue.

Adjusted EBITDA for Q4 2025 increased 3% year-over-year, reflecting continued operational efficiencies.

For fiscal 2025, the direct brand contribution from Clozaril to Adjusted EBITDA was \$26.9 million, while the direct brand contribution from Vascepa to Adjusted EBITDA improved to \$1 million from negative \$3.6 million in fiscal 2024. In Q4 2025, the direct brand contribution from Clozaril to Adjusted EBITDA was \$7.7 million, while the direct brand contribution from Vascepa to Adjusted EBITDA was \$0.3 million.

## Net Loss

Fiscal 2025 net loss was (\$12.4) million, or (\$0.39) per share, compared to a net loss of (\$19.7) million, or (\$0.62) per share, in fiscal 2024. Q4 2025 net loss was (\$1.3) million, or (\$0.04) per share, compared to a net loss of (\$3.0) million, or (\$0.10) per share, in Q4 2024. Net loss improved in both periods of 2025 due in part to the previously noted factors that have positively impacted Adjusted EBITDA this year.

## Cash from Operations and Financial Position

Cash generated from operations for fiscal 2025 was \$17.1 million, up 114% compared to \$8.0 million in fiscal 2024. For Q4 2025, cash from operations was \$6.5 million, up 103% compared to \$3.2 million in Q4 2024.

In 2025, the Company strengthened its balance sheet through disciplined capital allocation. During fiscal 2025, HLS made debt principal repayments totaling \$17.8 million, reducing total borrowings under the credit agreement to

\$50.0 million at December 31, 2025, compared to \$67.4 million at December 31, 2024. Net debt decreased to \$38.3 million at December 31, 2025, compared to \$50.0 million at December 31, 2024.

Under its Normal Course Issuer Bid, the Company purchased 519,366 shares at a cost of \$1.8 million during fiscal 2025.

Cash was \$11.7 million at December 31, 2025, compared to \$17.5 million at December 31, 2024. The decrease reflects the debt principal repayments and share buyback activity, offset in part by the significant increase in cash from operations.

### Q4 2025 CONFERENCE CALL

HLS will hold a conference call today at 8:30 am Eastern Time to discuss its Q4 and fiscal 2025 financial results. The call will be hosted by Mr. Craig Millian, CEO, Mr. John Hanna, CFO and Mr. Brian Walsh, CCO. To view the slides that accompany management's discussion, please use the webcast link.

CONFERENCE ID: 88550

DATE: Thursday, March 12, 2026

TIME: 8:30 a.m. ET

WEBCAST LINK: <https://app.webinar.net/vM10bgxNP5g>

TRADITIONAL DIAL-IN NUMBER: 1-888-699-1199 or 1-416-945-7677

**RAPIDCONNECT:** To instantly join the conference call by phone, please use the following URL to easily register and be connected into the conference call automatically: <https://emportal.ink/4jRnIfD>

TAPED REPLAY: 1-888-660-6345 or 1-289-819-1450

REPLAY CODE: 88550#

The taped replay will be available for seven days and the archived webcast will be available for 365 days.

A link to the live audio webcast and replay of the conference call will also be available on the events page of the investors section of HLS Therapeutics' website at [www.hlstherapeutics.com](http://www.hlstherapeutics.com).

## ABOUT HLS THERAPEUTICS INC.

Formed in 2015, HLS is a 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. For more information visit: [www.hlstherapeutics.com](http://www.hlstherapeutics.com)

### <sup>1</sup>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 income (loss) for the period with Adjusted EBITDA, each of (i) "stock-based compensation", (ii) "amortization and depreciation", (iii) "finance and related costs, net", (iv) "other costs (income)", and (v) "income tax expense (recovery)" appearing in the Consolidated Statement of Net Income (Loss) are added to net income (loss) for the period 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, expectations regarding financial performance, and the NCIB and ASPP. 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 March 11, 2026, and Management's Discussion and Analysis dated March 11, 2026, both of which have been filed on SEDAR+ and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca). 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, 2025	As at December 31, 2024
<b>ASSETS</b>		
Current		
Cash	11,723	17,456
Accounts receivable	7,862	7,454
Inventories	8,139	9,058
Income taxes recoverable	—	71
Other current assets	1,370	1,361
<b>Total current assets</b>	<b>29,094</b>	<b>35,400</b>
Property, plant and equipment	1,338	997
Intangible assets	105,626	122,122
Deferred tax asset	1,143	857
Other non-current assets	328	528
<b>Total assets</b>	<b>137,529</b>	<b>159,904</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current		
Accounts payable and accrued liabilities	10,438	8,709
Provisions	10,456	8,367
Debt and other liabilities	4,817	5,317
Income taxes payable	410	152
<b>Total current liabilities</b>	<b>26,121</b>	<b>22,545</b>
Debt and other liabilities	46,678	61,944
Deferred tax liability	3,060	4,074

Total liabilities	75,859	88,563
<b>Shareholders' equity</b>		
Share capital	256,338	260,595
Contributed surplus	16,164	15,136
Accumulated other comprehensive loss	(6,680)	(10,210)
Deficit	(204,152)	(194,180)
<b>Total shareholders' equity</b>	<b>61,670</b>	<b>71,341</b>
<b>Total liabilities and shareholders' equity</b>	<b>137,529</b>	<b>159,904</b>

HLS THERAPEUTICS INC.  
CONSOLIDATED STATEMENTS OF LOSS  
Unaudited  
[in thousands of U.S. dollars, except per share amounts]

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Revenue	15,195	15,542	55,500	56,619
<b>Expenses</b>				
Cost of product sales	2,643	2,685	10,083	8,997
Selling and marketing	2,841	3,438	11,386	16,733
Medical, regulatory and patient support	1,634	1,539	5,708	5,663
General and administrative	2,366	2,323	8,700	8,578
Stock-based compensation	11	423	1,912	1,617
Amortization and depreciation	5,463	5,434	21,817	22,717
Finance and related costs, net	1,702	2,295	7,391	10,293
Other costs (income)	517	343	1,378	(2,397)
Loss before income taxes	(1,982)	(2,938)	(12,875)	(15,582)
Income tax expense (recovery)	(647)	85	(445)	4,073
<b>Net loss for the period</b>	<b>(1,335)</b>	<b>(3,023)</b>	<b>(12,430)</b>	<b>(19,655)</b>
<b>Net loss per share:</b>				
Basic and diluted	\$(0.04)	\$(0.10)	\$(0.39)	\$(0.62)

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

	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Net loss for the period	(1,355)	(3,023)	(12,430)	(19,655)
Item that may be reclassified subsequently to net loss				
Unrealized foreign currency translation adjustment	1,018	(5,194)	3,530	(7,372)
<b>Comprehensive loss for the period</b>	<b>(317)</b>	<b>(8,217)</b>	<b>(8,900)</b>	<b>(27,027)</b>

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

	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2023	262,127	13,865	(2,838)	(175,457)	97,697
Shares repurchased	(1,532)	—	—	932	(600)
Change in share purchase obligation	—	300	—	—	300
Stock option expense	—	971	—	—	971
Net loss for the year	—	—	—	(19,655)	(19,655)
Unrealized foreign currency translation adjustment	—	—	(7,372)	—	(7,372)
Balance, December 31, 2024	260,595	15,136	(10,210)	(194,180)	71,341
Shares repurchased	(4,257)	—	—	2,458	(1,799)
Stock option expense	—	1,028	—	—	1,028
Net loss for the year	—	—	—	(12,430)	(12,430)
Unrealized foreign currency translation adjustment	—	—	3,530	—	3,530
Balance, December 31, 2025	256,338	16,164	(6,680)	(204,152)	61,670

HLS THERAPEUTICS INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Unaudited  
[in thousands of U.S. dollars]

	Three months ended		Year ended	
	December 31,	December 31,	December 31,	December 31,
	2025	2024	2025	2024
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	(1,335)	(3,023)	(12,430)	(19,655)
Adjustments to reconcile net loss to cash provided by operating activities				
Stock-based compensation	11	423	1,912	1,617
Amortization and depreciation	5,463	5,434	21,817	22,717
Gain on royalty sale	—	—	—	(3,381)
Accreted interest expense	115	314	2,056	1,226
Foreign exchange	773	—	341	—
Fair value adjustment on financial assets and liabilities	—	3	—	526
Deferred income taxes	(76)	59	(1,300)	3,812
Net change in non-cash working capital balances related to operations	2,240	(5)	4,734	1,141
Cash provided by operating activities	6,507	3,205	17,130	8,003
<b>INVESTING ACTIVITIES</b>				
Intangible asset acquisition	—	—	(1,000)	—
Other intangible additions	(283)	—	(498)	—
Additions to property, plant and equipment	(33)	—	(205)	(15)
Proceeds from royalty sale	—	—	—	13,250
Payment of purchase consideration	—	(13)	—	(1,500)
Cash provided by (used in) investing activities	(316)	(13)	(1,703)	11,735
<b>FINANCING ACTIVITIES</b>				
Shares repurchased	(7)	—	(1,799)	(600)
Repayment of old credit agreement borrowing	—	(2,510)	(67,441)	(21,043)
New credit agreement borrowing	—	—	57,236	—
Repayment of new credit agreement borrowing	(5,032)	—	(7,550)	—
Debt costs	(168)	—	(1,388)	(1,191)
Lease payments	(161)	(144)	(614)	(530)

Cash used in financing activities	(5,368)	(2,654)	(21,556)	(23,364)
Net increase (decrease) in cash during the period	823	538	(6,129)	(3,626)
Foreign currency translation	122	(622)	396	(870)
Cash, beginning of period	10,778	17,540	17,456	21,952
Cash, end of period	11,723	17,456	11,723	17,456

SOURCE HLS Therapeutics Inc.