



HLS Therapeutics Inc.

News Release

HLS Therapeutics Announces Q1 2026 Financial Results

2026-05-15

- Q1 2026 revenue of \$12.9 million, up 2% year-over-year; Vascepa net sales grew 15%, the strongest quarterly growth since Q2 2025
- Cash from operations of \$6.4 million in Q1 2026, up 80% year-over-year; net debt reduced to \$31.9 million, down 32% from Q1 2025
- NILEMDO™ full commercial launch in April
- 2026 financial guidance reaffirmed: revenue of \$56–60 million and Adjusted EBITDA of \$18.5–21 million

TORONTO, May 15, 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 months ended March 31, 2026 ("Q1 2026"). All amounts are in thousands of United States ("U.S.") dollars unless otherwise stated.

Q1 F2026 FINANCIAL HIGHLIGHTS (comparisons are to the respective 2025 period)

- Q1 2026 revenue was \$12.9 million, Adjusted EBITDA was \$3.5 million and cash from operations was \$6.4 million, compared to \$12.6 million, \$3.8 million and \$3.5 million, respectively.
- Vascepa net sales increased 15% to \$4.8 million in Q1 2026, compared to \$4.2 million.
- Vascepa unit growth was 18% in Q1 2026, reflecting sustained demand growth.
- Canada and U.S. combined net sales of Clozaril were \$7.8 million in Q1 2026, compared to \$8.2 million.
- Q1 2026 direct brand contribution for Clozaril was \$5.6 million and the cardiovascular portfolio had a break-even direct brand contribution inclusive of NILEMDO™ launch investment.
- Made principal repayments on long-term debt totaling \$5.1 million in Q1 2026.

Q1 F2026 CORPORATE HIGHLIGHTS

- Completed preparation for NILEMDO's April commercial launch; subsequent to quarter-end, Canada Life and Sun Life - representing ~40% of privately insured Canadians - listed NILEMDO with full benefit and no prior authorization.
- Clozaril patient volumes in Ontario returned to growth in March and April 2026, an encouraging indicator of business stabilization following the contracting dynamics experienced in 2025.

"Q1 results were in line with our expectations and consistent with our annual guidance," said Craig Millian, Chief Executive Officer at HLS. "The increase in revenue was driven by Vascepa, which had its strongest quarterly growth since mid-2025 and is a validation of the changes we made to strengthen the cardiovascular sales team last year. As expected, Adjusted EBITDA was lower year-over-year as we made a modest increase in commercial investment to help ensure a successful NILEMDO launch. Cash from operations was up significantly, reflecting the operational improvements we have made and lower interest expense - the result of our new credit agreement and a debt balance that is down more than 30% from a year ago."

"The NILEMDO launch is off to a positive start with weekly sales running ahead of forecast. In addition, Canada Life and Sun Life - two of the largest private payers in Canada - have added NILEMDO to their plans with no restrictions. These early results reflect the well-established clinical need for this medicine. For the estimated 500,000 Canadians who are not reaching their LDL targets on statins - whether due to intolerance or inadequate response - NILEMDO fills a meaningful treatment gap with an oral, well-tolerated option at a lower cost relative to injectable alternatives. Together, NILEMDO and NEXLIZET® represent a franchise we believe can more than double the size of the Company."

2026 OUTLOOK

HLS reaffirms its 2026 financial targets 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 Q1 performance gives us confidence that 2026 is unfolding as planned. Launch-related investment is largely front-loaded in the first half of the year, with margins expanding as NILEMDO revenue ramps. Near-term catalysts include expanded private payer coverage by mid-year and anticipated public reimbursement and the launch of NEXLIZET in the first half of 2027. Our investments in 2026 are building the foundation for

sustainable growth in 2027 and beyond, and with our balance sheet in the best shape it has been in years, we have the financial flexibility to pursue business development opportunities that can accelerate that growth."

Q1 F2025 FINANCIAL REVIEW

The Company's Management's Discussion and Analysis and Consolidated Financial Statements for the three months ended March 31, 2026, are available at the [Company's website](#) and at its profile at [SEDAR+](#).

Revenue

	Three months ended March 31,	
	2026	2025
Product sales		
Canada	9,965	9,708
United States	2,653	2,718
	12,618	12,426
Royalties	246	197
	12,864	12,623

Revenue for Q1 2026 increased by 2% compared to Q1 2025. The increase is due to growth in Vascepa net sales, which were \$4.8 million, up 15% from Q1 last year, as well as appreciation of the Canadian dollar to the U.S. dollar.

Product sales – Canada

000's of CAD	Three months ended March 31,		
	2026	2025	% change
Clozaril	7,016	7,929	(11.5) %
Vascepa	6,552	5,978	9.6 %
Other	98	32	
	13,666	13,939	(2.0) %

In local currency, Canadian product sales decreased 2% to C\$13.7 million in Q1 2026, with Vascepa net sales growth offset by an expected decline in Clozaril. The Clozaril decrease reflects the residual year-over-year impact from Ontario contracting changes in 2025, which is expected to be concentrated in the first half of 2026. Clozaril patient numbers in Ontario grew sequentially in March and April, signaling stabilization in that business. Vascepa net sales growth reflects the commercial changes made in 2025.

Product Sales – United States

In the U.S. market, Clozaril revenue for Q1 2026 decreased 2% compared to Q1 2025, in line with expectations. The Company's specialty pharmacy program continues to help offset patient attrition.

Royalty revenues

Royalty revenue for Q1 2026 increased to \$0.25 million compared to \$0.2 million in Q1 2025. The Company received a final royalty payment related to the Eraxis royalty interest that was liquidated in Q4 2025.

Operating Expenses

	Three months ended March 31, 2026	2025
Cost of product sales	2,681	2,398
Selling and marketing	2,984	2,830
Medical, regulatory and patient support	1,509	1,436
General and administrative	2,227	2,139
	<u>9,401</u>	<u>8,803</u>

Cost of product sales for Q1 2026 increased due primarily to higher Vascepa sales volumes.

Operating expenses for Q1 2026, comprising sales and marketing, G&A, and medical, regulatory, and patient support, increased 5% compared to Q1 2025, reflecting incremental NILEMDO launch investment.

Adjusted EBITDA¹

	Three months ended March 31, 2026	2025
Net loss for the period	(2,297)	(4,436)
Stock-based compensation	142	651
Amortization and depreciation	5,536	5,360
Finance and related costs, net	(7)	1,972
Other costs	87	296
Income tax expense (recovery)	2	(23)
Adjusted EBITDA	<u>3,463</u>	<u>3,820</u>

Adjusted EBITDA for Q1 2026 was \$3.5 million compared to \$3.8 million in Q1 2025, reflecting incremental investment in the NILEMDO launch, partially offset by revenue growth from the base business.

For Q1 2026, the direct brand contribution from Clozaril to Adjusted EBITDA was \$5.6 million. The cardiovascular portfolio delivered a break-even direct brand contribution in Q1 2026, even after absorbing pre-launch investment ahead of the April NILEMDO launch. HLS expects the brand contribution from the cardiovascular portfolio to be positive for the year.

Net Loss

Q1 2026 net loss was (\$2.3) million, or (\$0.07) per share, compared to a net loss of (\$4.4) million, or (\$0.14) per share, in Q1 2025. The improvement reflects lower finance and related costs and higher revenue, partially offset by incremental NILEMDO launch investment.

Cash from Operations and Financial Position

Cash generated from operations for Q1 2026 was \$6.4 million, up 80% compared to \$3.5 million in Q1 2025.

HLS continues to strengthen its balance sheet through disciplined capital allocation. During Q1 2026, HLS made debt principal repayments totaling \$5.1 million, reducing total borrowings under the credit agreement to \$44.2 million at March 31, 2026, a decrease of 31% compared to \$64.5 million at March 31, 2025. Net debt decreased to \$31.9 million at March 31, 2026, a decrease of 32% compared to \$46.8 million at March 31, 2025.

Cash was \$12.3 million at March 31, 2026, an increase from \$11.7 million at December 31, 2025. This growth reflects an increase in cash from operations and lower interest expense, offset in part by debt principal repayments.

Q1 F2026 CONFERENCE CALL

HLS will hold a conference call today at 10:00 am Eastern Time to discuss its Q1 2026 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: 88954

DATE: Friday, May 15, 2026

TIME: 10:00 a.m. ET

WEBCAST LINK: <https://app.webinar.net/d5b9MbO46zE>

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/4tMxa8d>

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

REPLAY CODE: 88954#

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.

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

¹CAUTIONARY 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 May 14, 2026, both of which have been filed on SEDAR+ and can be accessed at 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.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Unaudited
[in thousands of U.S. dollars]

	As at March 31, 2026	As at December 31, 2025
ASSETS		
Current		
Cash	12,326	11,723
Accounts receivable	8,132	7,862
Inventories	7,362	8,139
Other current assets	1,128	1,370
Total current assets	28,948	29,094
Property, plant and equipment	1,174	1,338
Intangible assets	99,633	105,626
Deferred tax asset	1,010	1,143
Other non-current assets	322	328
Total assets	131,087	137,529
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	9,926	10,438
Provisions	13,699	10,456
Debt and other liabilities	4,716	4,817
Income taxes payable	481	410
Total current liabilities	28,822	26,121
Debt and other liabilities	40,837	46,678
Deferred tax liability	2,858	3,060
Total liabilities	72,517	75,859
Shareholders' equity		
Share capital	256,338	256,338
Contributed surplus	16,392	16,164
Accumulated other comprehensive loss	(7,711)	(6,680)
Deficit	(206,449)	(204,152)
Total shareholders' equity	58,570	61,670
Total liabilities and shareholders' equity	131,087	137,529

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

	Three months ended March 31,	
	2026	2025
Revenue	12,864	12,623
Expenses		
Cost of product sales	2,681	2,398
Selling and marketing	2,984	2,830
Medical, regulatory and patient support	1,509	1,436
General and administrative	2,227	2,139
Stock-based compensation	142	651

Amortization and depreciation	5,536	5,360
Finance and related costs, net	(7)	1,972
Other costs	87	296
Loss before income taxes	(2,295)	(4,459)
Income tax expense (recovery)	2	(23)
Net loss for the period	(2,297)	(4,436)
Net loss per share:		
Basic and diluted	\$(0.07)	\$(0.14)

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

	Three months ended March 31,	
	2026	2025
Net loss for the period	(2,297)	(4,436)
Item that may be reclassified subsequently to net loss		
Unrealized foreign currency translation adjustment	(1,031)	312
Comprehensive loss for the period	(3,328)	(4,124)

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

	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total
Balance as at December 31, 2025	256,338	16,164	(6,680)	(204,152)	61,670
Stock option expense	--	228	--	--	228
Net loss for the period	--	--	--	(2,297)	(2,297)
Unrealized foreign currency translation adjustment	--	--	(1,031)	--	(1,031)
Balance as at March 31, 2026	256,338	16,392	(7,711)	(206,449)	58,570
Balance as at December 31, 2024	260,595	15,136	(10,210)	(194,180)	71,341
Shares repurchased	(459)	--	--	283	(176)
Change in share purchase obligation	--	(495)	--	--	(495)
Stock option expense	--	252	--	--	252
Net loss for the period	--	--	--	(4,436)	(4,436)
Unrealized foreign currency translation adjustment	--	--	312	--	312
Balance as at March 31, 2025	260,136	14,893	(9,898)	(198,333)	66,798

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

	Three months ended March 31,	
	2026	2025
OPERATING ACTIVITIES		
Net loss for the period	(2,297)	(4,436)
Adjustments to reconcile net loss to cash provided by operating activities		
Stock-based compensation	142	651
Amortization and depreciation	5,536	5,360
Accreted interest expense	106	308
Foreign exchange	(793)	--
Deferred income taxes	(69)	(289)
Net change in non-cash working capital balances related to operations	3,742	1,949
Cash provided by operating activities	6,367	3,543
INVESTING ACTIVITIES		
Additions to Intangible assets	(383)	--
Additions to property, plant and equipment	--	(21)
Cash provided by (used in) investing activities	(383)	(21)
FINANCING ACTIVITIES		
Shares repurchased	--	(176)
Repayment of credit agreement borrowing	(5,099)	(2,960)
Lease payments	(162)	(143)
Cash used in financing activities	(5,261)	(3,279)
Net increase in cash during the period	723	243
Foreign currency translation	(120)	35
Cash, beginning of period	11,723	17,456
Cash, end of period	12,326	17,734

SOURCE HLS Therapeutics Inc.