



HLS Therapeutics Inc.

News Release

HLS Therapeutics Announces Q2 2025 Financial Results

2025-08-14

- Adjusted EBITDA grew 21% in Q2 and 29% year-to-date
- Cash from operations grew 83% in Q2 and 147% year-to-date
- Made principal repayments on the Company's long-term debt totalling \$8.5 million
- Expanded cardiovascular portfolio by licensing Canadian rights to NEXLETOL[®] and NEXLIZET[®] from Esperion Therapeutics

TORONTO, Aug. 14, 2025 /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 six months ended June 30, 2025 ("Q2 2025" and "year-to-date"). All amounts are in thousands of United States ("U.S.") dollars unless otherwise stated.

Q2 & YEAR-TO-DATE 2025 FINANCIAL HIGHLIGHTS (comparisons are to the respective 2024 periods)

- Q2 2025 revenue was \$14.2 million, Adjusted EBITDA¹ was \$5.2 million and cash from operations was \$4.6 million, compared to \$14.5 million, \$4.3 million and \$2.5 million, respectively.
- Year-to-date 2025 revenue was \$26.8 million, Adjusted EBITDA was \$9.0 million and cash from operations was \$8.1 million, compared to \$27 million, \$7 million and \$3.3 million, respectively.
- In local currency, combined Canadian product sales for Vascepa and Clozaril were flat in Q2 2025 and were up 6% year-to-date.
- US sales of Clozaril were up 1% in Q2 2025 and were up 2% year-to-date.
- Excluding cost of sales, operating expenses decreased 18% in Q2 2025 and 19% year-to-date.
- Vascepa made a positive contribution to Adjusted EBITDA in Q2 2025 for the third straight quarter.

Q2 2025 CORPORATE HIGHLIGHTS

- Announced in-license agreement with Esperion Therapeutics Inc. (NASDAQ:ESPR) to commercialize NEXLETOL² and NEXLIZET² in Canada.
- Made principal repayments on the Company's long-term debt totalling \$8.5 million.
- Repurchased \$0.8 million of common stock in Q2 2025. Year-to-date, the Company has purchased \$1.0 million of common stock at an average price of C\$4.56 per share.

"Our year-to-date results reflect continued execution on our key strategic priorities as we position the Company to resume its growth trajectory," said Craig Millian, Chief Executive Officer at HLS. "We remain on track to achieve full-year guidance, with strong underlying performance demonstrated by 29% year-to-date Adjusted EBITDA growth, robust cash flow generation, and continued balance sheet strengthening through significant debt repayments."

"Looking ahead, we're excited to introduce NEXLETOL and NEXLIZET in Canada, addressing an important treatment need for at-risk Canadian patients. These medicines have the potential to more than double the size of our cardiovascular business and will further establish HLS as a leading Canadian-based company focused on cardiovascular risk reduction. With Health Canada approval expected by year-end and launch planned for Q2 2026, we believe HLS is well-positioned for our next phase of growth."

Q2 & YEAR-TO-DATE 2025 FINANCIAL REVIEW

The Company's Management's Discussion and Analysis and Consolidated Financial Statements for the three and six months ended June 30, 2025, are available at the **Company's website** and at its profile at **SEDAR+**.

Revenue

	Three months ended June 30, 2025		Six months ended June 30, 2025	
		2024		2024
Product sales				
Canada	10,521	10,637	20,229	19,791
United States	3,502	3,462	6,220	6,104
	14,023	14,099	26,449	25,895
Royalty revenue	148	420	345	1,097
	14,171	14,519	26,794	26,992

Revenue for Q2 2025 decreased 2%, due primarily to lower royalty revenues and FX rate fluctuations. Year-to-date 2025, revenue was essentially flat with 2% growth in product revenue being offset by a 69% drop in royalty revenue.

Product sales – Canada

000's of CAD	Three months ended			Six months ended		
	2025	June 30, 2024	% change	2025	June 30, 2024	% change
Clozaril	8,589	9,131	(5.9) %	16,518	16,996	(2.8) %
Vascepa	5,884	5,407	8.8 %	11,862	9,878	20.1 %
Other	76	14		108	27	
	14,549	14,552	0.0 %	28,488	26,901	5.9 %

Canadian product sales in local currency were flat in Q2 2025 and up 6% year-to-date, compared to the same periods last year. The Q2 2024 period benefited from the timing of certain orders shifting from Q1 2024 because of the Easter holiday timing last year. For this reason, the Company views year-to-date revenue as a more relevant measure for the comparison of year-over-year revenue performance.

Product Sales – United States

In the U.S. market, Clozaril revenue for the three and six months ended June 30, 2025, increased 1% and 2%, respectively, compared to the same prior year periods.

Royalty revenues

As expected, following the sale of the Xenpozyme royalty interest in Q2 2024, royalty revenue has declined. Royalty revenue for the three and six months ended June 30, 2025, was down 65% and 69%, respectively, compared to the same periods last year. HLS has one remaining royalty interest which generated \$0.15 million in revenue in Q2 2025.

Operating Expenses

	Three months ended		Six months ended	
	June 30, 2025	2024	June 30, 2025	2024
Cost of product sales	2,505	2,303	4,903	4,077
Selling and marketing	3,046	4,561	5,876	9,087
Medical, regulatory and patient support	1,366	1,420	2,802	2,685
General and administrative	2,084	1,977	4,223	4,178
	9,001	10,261	17,804	20,027

Cost of product sales increased for the three and six months ended June 30, 2025, due primarily to higher Vascepa sales volumes.

Operating expenses in Q2 2025, excluding cost of product sales, decreased by 18% compared to Q2 2024, and by 19% for the year-to-date period. This was primarily due to lower selling and marketing expenses following the Company's discontinuation of co-promotional activities with its marketing partner in August 2024. While selling and marketing expenses will remain below 2024 levels throughout the year, quarterly selling and marketing expenses are expected to be moderately higher for the remainder of 2025 as several staff vacancies have now been filled.

Adjusted EBITDA¹

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net loss for the period	(2,741)	(5,682)	(7,177)	(11,788)
Stock-based compensation	465	427	1,116	683
Amortization and depreciation	5,483	5,856	10,843	11,775
Finance and related costs, net	1,690	2,942	3,662	5,609
Other costs	31	(3,361)	327	(3,361)
Income tax expense	242	4,076	219	4,047
Adjusted EBITDA	5,170	4,258	8,990	6,965

Adjusted EBITDA for the three and six months ended June 30, 2025, increased 21% and 29%, respectively, compared to the same periods last year. The increases were primarily due to steady performance from the Company's marketed products and the ongoing focus on cost management and were partially offset by FX fluctuations and the previously mentioned decline in royalty revenue. Excluding royalty revenue, Adjusted EBITDA for the three and six months ended June 30, 2025, would have increased 31% and 47%, respectively, compared to the same periods last year.

In Q2 2025, the direct brand contribution from Clozaril to Adjusted EBITDA was \$7.1 million, while the direct brand contribution from Vascepa to Adjusted EBITDA improved from negative \$1.6 million in Q2 2024 to positive \$0.1 million. Year-to-date, the direct brand contribution from Clozaril to Adjusted EBITDA was \$12.9 million, while the direct brand contribution from Vascepa to Adjusted EBITDA improved from negative \$3.2 million to positive \$0.1 million.

Net Loss

Q2 2025 net loss was (\$2.7) million, or (\$0.09) per share, compared to a net loss of (\$5.7) million, or (\$0.18) per share, in Q2 2024. Year-to-date net loss was (\$7.2) million, or (\$0.23) per share, compared to a net loss of (\$11.8)

million, or (\$0.37) per share, in the same period last year. Net loss improved in both periods of 2025 due primarily to the previously noted factors that have positively impacted Adjusted EBITDA this year.

Cash from Operations and Financial Position

Cash generated from operations for the three and six months ended June 30, 2025, was \$4.6 million and \$8.1 million, compared to \$2.5 million and \$3.3 million in the same periods last year. This represents year-over-year increases of 83% and 147%, respectively.

Total borrowings under the credit agreement at June 30, 2025, were \$56.0 million compared to \$67.4 million at December 31, 2024, and \$84.9 million at June 30, 2024. This represents a reduction of 34% from June 30, 2024.

During Q2 2025, HLS made principal payments on its term loan totaling \$8.5 million and spent \$0.8 million to purchase shares for cancellation under its Normal Course Issuer Bid. Year-to-date, HLS has made debt principal repayments of \$11.4 million and under its share buyback program, has purchased 308,928 shares at a cost of \$1 million since launching the buyback on March 17, 2025.

Cash was \$12.2 million at June 30, 2025, compared to \$17.5 million at December 31, 2024. The decrease reflects the debt principal repayments, and the share buyback activity described previously, offset, in part, by the significant increase in cash from operations.

2025 OUTLOOK

Revenue projections for the Company's Canadian product portfolio are denominated in local currency to account for ongoing FX rate fluctuations.

2025 financial targets are unchanged and as follows:

- Vascepa revenue of C\$26.5-28.5 million (18-26% growth)
- Canada Clozaril sales of C\$35.5-36 million (flat year-over-year)
- U.S. Clozaril sales of \$12-12.3 million (2-4% decline)
- Royalty revenue of \$0.6-0.75 million (50-60% decline)
- Consolidated Adjusted EBITDA of \$19.5-20.5 million (17-23% growth)

Future results could be impacted by continued exchange rate volatility.

Q2 2025 CONFERENCE CALL

HLS will hold a conference call today at 8:30 am Eastern Time to discuss its Q2 and year-to-date 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: 66543

DATE: Thursday, August 14, 2025

TIME: 8:30 a.m. ET

WEBCAST LINK: <https://app.webinar.net/Zo9wjb9V5KR>

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/4kiYISu>

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

REPLAY CODE: 66543#

The taped replay will be available for 14 days and the archived webcast will be available for 365 days.

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 before the conference call to ensure enough time for any software download required to hear the webcast.

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.

REFERENCES

²: NEXLETOL[®] (bempedoic acid) and NEXLIZET[®] (bempedoic acid and ezetimibe) are the commercial brand names in the U.S. The brand names in Canada are to be confirmed upon approval by Health Canada.

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 12, 2025, and Management's Discussion and Analysis dated August 13, 2025, 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]

	June 30, 2025	As at December 31, 2024	As at
ASSETS			
Current			
Cash	12,153		17,456
Accounts receivable	8,968		7,454
Inventories	6,823		9,058
Income taxes recoverable	80		71
Other current assets	2,011		1,361
Total current assets	30,035		35,400
Property, plant and equipment	1,048		997
Intangible assets	116,047		122,122
Deferred tax asset	1,386		857
Other non-current assets	556		528
Total assets	149,072		159,904
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	8,339		8,709
Provisions	11,814		8,367
Debt and other liabilities	7,025		5,317
Income taxes payable	411		152
Total current liabilities	27,589		22,545
Debt and other liabilities	50,799		61,944
Deferred tax liability	4,125		4,074
Total liabilities	82,513		88,563
Shareholders' equity			
Share capital	258,063		260,595
Contributed surplus	14,788		15,136
Accumulated other comprehensive loss	(6,458)		(10,210)
Deficit	(199,834)		(194,180)
Total shareholders' equity	66,559		71,341
Total liabilities and shareholders' equity	149,072		159,904

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	14,171	14,519	26,794	26,992
Expenses				
Cost of product sales	2,505	2,303	4,903	4,077
Selling and marketing	3,046	4,561	5,876	9,087
Medical, regulatory and patient support	1,366	1,420	2,802	2,685
General and administrative	2,084	1,977	4,223	4,178
Stock-based compensation	465	427	1,116	683
Amortization and depreciation	5,483	5,856	10,843	11,775
Finance and related costs, net	1,690	2,942	3,662	5,609
Other costs (income)	31	(3,361)	327	(3,361)
Loss before income taxes	(2,499)	(1,606)	(6,958)	(7,741)
Income tax expense	242	4,076	219	4,047
Net loss for the period	(2,741)	(5,682)	(7,177)	(11,788)
Net loss per share:				
Basic and diluted	\$(0.09)	\$(0.18)	\$(0.23)	\$(0.37)

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net loss for the period	(2,741)	(5,682)	(7,177)	(11,788)
Item that may be reclassified subsequently to net loss				
Unrealized foreign currency translation adjustment	3,440	(963)	3,752	(3,336)
Comprehensive income (loss) for the period	699	(6,645)	(3,425)	(15,124)

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, 2024	260,595	15,136	(10,210)	(194,180)	71,341
Shares repurchased	(2,532)	—	—	1,523	(1,009)

Change in share purchase obligation	—	(878)	—	—	(878)
Stock option expense	—	530	—	—	530
Net loss for the period	—	—	—	(7,177)	(7,177)
Unrealized foreign currency translation adjustment	—	—	3,752	—	3,752
Balance as at June 30, 2025	258,063	14,788	(6,458)	(199,834)	66,559
Balance as at 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	—	433	—	—	433
Net loss for the period	—	—	—	(11,788)	(11,788)
Unrealized foreign currency translation adjustment	—	—	(3,336)	—	(3,336)
Balance as at June 30, 2024	260,595	14,598	(6,174)	(186,313)	82,706

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
OPERATING ACTIVITIES				
Net loss for the period	(2,741)	(5,682)	(7,177)	(11,788)
Adjustments to reconcile net loss to cash provided by operating activities				
Stock-based compensation	465	427	1,116	683
Amortization and depreciation	5,483	5,856	10,843	11,775
Gain on royalty sale	—	(3,381)	—	(3,381)
Accreted interest expense	302	277	610	559
Fair value adjustment on financial assets and liabilities	—	318	—	505
Deferred income taxes	(189)	3,861	(478)	3,800
Net change in non-cash working capital balances related to operations	1,284	843	3,233	1,144
Cash provided by operating activities	4,604	2,519	8,147	3,297
INVESTING ACTIVITIES				
Intangible asset acquisition	(1,000)	—	(1,000)	—
Additions to property, plant and equipment	(87)	—	(108)	(2)
Proceeds from royalty sale	—	13,250	—	13,250
Cash provided by (used in) investing activities	(1,087)	13,250	(1,108)	13,248
FINANCING ACTIVITIES				
Shares repurchased	(833)	(317)	(1,009)	(600)
Repayment of credit agreement borrowing	(8,481)	(1,493)	(11,441)	(3,568)
Debt costs	—	(658)	—	(1,191)
Lease payments	(151)	(112)	(294)	(255)
Cash used in financing activities	(9,465)	(2,580)	(12,744)	(5,614)
Net increase (decrease) in cash during the period	(5,948)	13,189	(5,705)	10,931
Foreign currency translation	367	(117)	402	(368)
Cash, beginning of period	17,734	19,443	17,456	21,952
Cash, end of period	12,153	32,515	12,153	32,515

SOURCE HLS Therapeutics Inc.