



HLS Therapeutics Inc.

News Release

HLS Therapeutics Announces Q2 2026 Financial Results

2026-08-12

- Cardiovascular portfolio net sales grew 25% year-over-year, driving Q2 consolidated revenue growth of 3.5%
- NILEMDO™ reimbursement secured with the largest private payers in Canada, plus a unanimous positive CDA-AMC recommendation supporting public reimbursement
- Cash from operations of \$9.3 million year-to-date, up 14% year-over-year; net debt reduced to \$28.5 million, down 26% from December 31, 2025

TORONTO, Aug. 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 six months ended June 30, 2026. All amounts are in thousands of United States ("U.S.") dollars unless otherwise stated.

Q2 & YTD F2026 FINANCIAL HIGHLIGHTS (comparisons are to the respective 2025 period)

- Q2 2026 revenue was \$14.7 million, Adjusted EBITDA was \$4.7 million and cash from operations was \$2.9 million, compared to \$14.2 million, \$5.2 million and \$4.6 million, respectively.
- Year-to-date 2026 revenue was \$27.5 million, Adjusted EBITDA was \$8.1 million and cash from operations was \$9.3 million, compared to \$26.8 million, \$9.0 million and \$8.1 million, respectively.
- Vascepa net sales increased 18% in Q2 2026, the second consecutive quarter of double-digit growth.
- NILEMDO™ net sales exceeded \$300 thousand in its first full quarter on the market.
- Q2 2026 Canadian Clozaril net sales narrowed to a 1% decline over prior year, supported by five consecutive months of growth in the patient base.
- Q2 2026 direct brand contribution from Clozaril to Adjusted EBITDA was \$6.7 million (\$12.4 million year-to-

date), and the direct brand contribution from the cardiovascular portfolio, including incremental NILEMDO launch investment, was essentially breakeven in both the Q2 and year-to-date periods.

CORPORATE HIGHLIGHTS

- NILEMDO full commercial launch took place in April.
- Reimbursement now secured with the largest private payers in Canada, representing approximately 80% of privately insured Canadians.
- Unanimous recommendation from Canada's Drug Agency (CDA-AMC) for reimbursement of NILEMDO by participating public drug plans.
- Launched a normal course issuer bid ("NCIB") in June 2026 for up to 1,500,000 common shares; through July 31, 2026, the Company has repurchased 339,880 shares, returning C\$1.4 million to shareholders.
- Submitted responses to Health Canada's outstanding queries for NEXLIZET® in Q2 2026 and remain on track for an end of year decision and launch in the first half of 2027.

"Our cardiovascular growth engine accelerated in the second quarter," said Craig Millian, Chief Executive Officer at HLS. "Our CV portfolio delivered 25% net sales growth, with Vascepa double-digit growth and NILEMDO ahead of plan in its first full quarter on the market. We also reached a significant milestone for NILEMDO, securing reimbursement with the largest private payers in Canada and a unanimous positive recommendation for reimbursement from Canada's Drug Agency, both important steps toward broad patient access. In Canada, our Clozaril patient base has now grown for five consecutive months, a positive sign that the business is stabilizing. With the strongest balance sheet in recent years and solid cash generation, we are investing in growing the Company while also returning capital to shareholders through our buyback."

"NILEMDO and NEXLIZET represent a significant growth opportunity for HLS," added Mr. Millian. "With an estimated half a million eligible Canadians, and with expanding private payer coverage and a positive public reimbursement recommendation in hand, we are well positioned to build on our early momentum. We plan to begin pCPA negotiations later this year, which we expect will support initial provincial listings in the first half of 2027. We expect the NEXLIZET launch to follow as an important addition to the armamentarium for physicians already writing NILEMDO. Along with the disciplined pursuit of business development opportunities, this gives HLS multiple paths to growth over the coming years."

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

reflecting NILEMDO launch costs.

- Of note, future results could be impacted by continued exchange rate volatility.

Mr. Millian added: "Our results through the first half of the year keep us on track against our 2026 guidance. We expect margins to expand as NILEMDO revenue continues to ramp through the back half of the year establishing momentum heading into 2027."

Q2 F2026 FINANCIAL REVIEW

The Company's Management's Discussion and Analysis and Consolidated Financial Statements for the three and six months ended June 30, 2026, are available at the **Company's website** and at its profile at **SEDAR+**.

Revenue

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Product sales				
Canada	11,502	10,521	21,467	20,229
United States	2,966	3,502	5,619	6,220
	14,468	14,023	27,086	26,449
Royalty revenue	205	148	451	345
	14,673	14,171	27,537	26,794

Revenue for Q2 2026 increased 3.5% compared to Q2 2025, and increased 2.8% year-to-date compared to the same period of 2025. Both increases were driven by growth in Vascepa net sales as well as approximately \$0.3 million in revenue from NILEMDO in its first full quarter on the market.

Product sales – Canada

000's of CAD	Three months ended June 30,			Six months ended June 30,		
	2026	2025	% change	2026	2025	% change
Clozaril	8,505	8,589	(1.0) %	15,521	16,518	(6.0) %
Vascepa	6,940	5,884	17.9 %	13,492	11,862	13.7 %
NILEMDO	427	--		456	--	
Other	58	76		127	108	
	15,930	14,549	9.5 %	29,596	28,488	3.9 %

In local currency, Canadian product sales increased 9.5% in Q2 2026 and 3.9% year-to-date, reflecting strong Vascepa growth and the initial contribution from NILEMDO, partially offset by a modest decline in Clozaril. Vascepa's double-digit net sales growth in both Q2 and the year-to-date period reflects the changes made to the cardiovascular sales team in 2025. NILEMDO, in its first full quarter on the market, generated net sales slightly ahead of forecast, which is particularly encouraging given that meaningful private payer coverage only began taking effect late in the quarter. At the same time, Clozaril net sales in Canada were down just 1% in Q2 2026 compared to Q2 last year, a narrowing decline that reflects a patient base that has grown sequentially for five consecutive months, an encouraging early indicator for the balance of the year.

Product Sales – United States

In the U.S. market, Clozaril revenue in Q2 2026 and year-to-date declined compared to the same periods last year. The decrease was due in part to a slight decline in demand and also reflected a challenging Q2 year-over-year comparison, as the timing of the July 4 holiday in 2025 pulled some ordering into Q2 last year. The Company's specialty pharmacy program continues to help offset patient attrition, and this remains a high-margin, cash-generating business.

Royalty revenues

Royalty revenue for Q2 2026 was \$0.2 million compared to \$0.1 million in Q2 2025, and year-to-date was \$0.5 million compared to \$0.3 million in the same period last year.

Operating Expenses

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Cost of product sales	2,853	2,505	5,534	4,903
Selling and marketing	3,257	3,046	6,241	5,876
Medical, regulatory and patient support	1,704	1,366	3,213	2,802
General and administrative	2,196	2,084	4,423	4,223
	10,010	9,001	19,411	17,804

Cost of product sales increased in Q2 2026 and year-to-date, due primarily to demand growth in Vascepa and initial sales of NILEMDO.

Operating expenses, comprising sales and marketing, medical, regulatory and patient support, and G&A, were \$7.2 million in Q2 2026, up 10% compared to Q2 last year, and up 8% year-to-date, reflecting the Company's investment in the NILEMDO launch.

Adjusted EBITDA¹

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Net loss for the period	(1,020)	(2,741)	(3,317)	(7,177)
Stock-based compensation	293	465	435	1,116
Amortization and depreciation	5,526	5,483	11,062	10,843
Finance and related costs, net	(222)	1,690	(229)	3,662
Other costs	73	31	160	327
Income tax expense	13	242	15	219
Adjusted EBITDA	4,663	5,170	8,126	8,990

Adjusted EBITDA declined in Q2 2026 and year-to-date due to incremental investment related to the NILEMDO launch. As NILEMDO revenue increases in the coming quarters, the Company expects sequential Adjusted EBITDA growth, driven in part by margin expansion in the cardiovascular portfolio. Even with incremental NILEMDO launch investment and only one full quarter of sales, the direct brand contribution from the cardiovascular portfolio was breakeven for both the Q2 and year-to-date periods.

For Q2 2026, the direct brand contribution from Clozaril to Adjusted EBITDA was \$6.7 million, and for the year-to-date period was \$12.4 million.

Net Loss

Q2 2026 net loss was \$(1.0) million, or \$(0.03) per share, compared to a net loss of \$(2.7) million, or \$(0.09) per share, in Q2 2025. Year-to-date net loss was \$(3.3) million, or \$(0.11) per share, compared to a net loss of \$(7.2) million, or \$(0.23) per share, in the same period of 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 Q2 2026 was \$2.9 million compared to \$4.6 million in Q2 2025. Year-to-date, cash from operations was \$9.3 million, up 14% compared to \$8.1 million in the same period last year, reflecting the operational improvements made over the past two-and-a-half years, along with significantly lower interest expense of \$1.3 million year-to-date compared to \$3.1 million in the same period last year.

HLS continues to strengthen its balance sheet through disciplined capital allocation. In Q2 2026, the Company made a principal repayment of \$1.1 million. At June 30, 2026, the principal balance on the Company's term loan stood at \$42.2 million, down 16% from the end of 2025, and net debt stood at \$28.5 million, down 26% from the end of 2025.

Cash was \$13.7 million at June 30, 2026, up from \$11.7 million at December 31, 2025.

Under its Normal Course Issuer Bid, launched in June 2026 for up to 1,500,000 common shares, the Company has purchased for cancellation 339,880 shares at a total cost of C\$1.4 million through July 31, 2026.

Q2 F2026 CONFERENCE CALL

HLS will hold a conference call today at 10:00 am Eastern Time to discuss its Q2 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: 73365

DATE: Wednesday, August 12, 2026

TIME: 10:00 a.m. ET

WEBCAST LINK: <https://app.webinar.net/r71WPd4PI5Y>

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/4f4NScC>

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

REPLAY CODE: 73365#

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 that address unmet needs in the treatment of psychiatric disorders and cardiovascular disease. 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 August 11, 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 June 30, 2026	As at December 31, 2025
ASSETS		
Current		
Cash	13,730	11,723
Accounts receivable	8,507	7,862
Inventories	6,136	8,139
Other current assets	1,928	1,370
Total current assets	30,301	29,094
Property, plant and equipment	1,023	1,338
Intangible assets	95,415	105,626
Deferred tax asset	1,347	1,143
Other non-current assets	253	328
Total assets	128,339	137,529
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	8,186	10,438
Provisions	14,634	10,456
Debt and other liabilities	5,788	4,817
Income taxes payable	273	410
Total current liabilities	28,881	26,121
Debt and other liabilities	41,298	46,678
Deferred tax liability	2,924	3,060
Total liabilities	73,103	75,859
Shareholders' equity		
Share capital	256,298	256,338
Contributed surplus	15,342	16,164
Accumulated other comprehensive loss	(8,964)	(6,680)
Deficit	(207,440)	(204,152)
Total shareholders' equity	55,236	61,670
Total liabilities and shareholders' equity	128,339	137,529

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

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Revenue	14,673	14,171	27,537	26,794
Expenses				
Cost of product sales	2,853	2,505	5,534	4,903
Selling and marketing	3,257	3,046	6,241	5,876
Medical, regulatory and patient support	1,704	1,366	3,213	2,802
General and administrative	2,196	2,084	4,423	4,223
Stock-based compensation	293	465	435	1,116
Amortization and depreciation	5,526	5,483	11,062	10,843
Finance and related costs, net	(222)	1,690	(229)	3,662
Other costs	73	31	160	327
Loss before income taxes	(1,007)	(2,499)	(3,302)	(6,958)
Income tax expense	13	242	15	219
Net loss for the period	(1,020)	(2,741)	(3,317)	(7,177)
Other comprehensive income (loss)				
Translation of foreign operations	(1,253)	3,440	(2,284)	3,752
Comprehensive income (loss) for the period	(2,273)	699	(5,601)	(3,425)
Net loss per share:				
Basic and diluted	\$(0.03)	\$(0.09)	\$(0.11)	\$(0.23)

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

	Share capital	Contributed surplus	AOCI	Deficit	Total
Balance, December 31, 2025	256,338	16,164	(6,680)	(204,152)	61,670
Stock options exercised	5	(1)	--	--	4
Shares repurchased	(45)	--	--	29	(16)
Change in share purchase obligation	--	(1,194)	--	--	(1,194)
Stock option expense	--	366	--	--	366
RSU expense	--	7	--	--	7
Net loss for the period	--	--	--	(3,317)	(3,317)
Foreign currency translation adjustment	--	--	(2,284)	--	(2,284)
Balance, June 30, 2026	256,298	15,342	(8,964)	(207,440)	55,236
Balance, 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)
Foreign currency translation adjustment	--	--	3,752	--	3,752
Balance, June 30, 2025	258,063	14,788	(6,458)	(199,834)	66,559

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,	
	2026	2025	2026	2025
OPERATING ACTIVITIES				
Net loss for the period	(1,020)	(2,741)	(3,317)	(7,177)
Adjustments to reconcile net loss to cash provided by operating activities				
Stock-based compensation	293	465	435	1,116
Amortization and depreciation	5,526	5,483	11,062	10,843
Accreted interest	99	302	205	610
Foreign exchange	(956)	--	(1,749)	--
Deferred income taxes	(271)	(189)	(340)	(478)
Changes in non-cash working capital balances related to operations	(771)	1,284	2,971	3,233
Cash provided by operating activities	2,900	4,604	9,267	8,147
INVESTING ACTIVITIES				
Other intangible additions	(60)	--	(443)	--
Capital expenditures	--	(87)	--	(108)
Cash used in investing activities	(60)	(1,087)	(443)	(1,108)
FINANCING ACTIVITIES				
Stock options exercised	4	--	4	--
Shares repurchased	(16)	(833)	(16)	(1,009)
Repayment of credit agreement borrowing	(1,056)	--	(6,155)	--
Lease payments	(159)	(151)	(321)	(294)
Cash used in financing activities	(1,227)	(9,465)	(6,488)	(12,744)
Net change in cash in the period	1,613	(5,948)	2,336	(5,705)
Foreign exchange	(209)	367	(329)	402
Cash, beginning of period	12,326	17,734	11,723	17,456
Cash, end of period	13,730	12,153	13,730	12,153

SOURCE HLS Therapeutics Inc.