HLS Therapeutics Inc.

News Release

HLS Therapeutics Announces Q3 2026 Financial Results

2026-11-12

- Q3 revenue of $14.2 million, up 5% year-over-year; Adjusted EBITDA of $5 million, up 1% year-over-year
- Cardiovascular portfolio net sales grew 21% year-over-year in local currency, with NILEMDO™ net sales up 91% sequentially
- Direct brand contribution from the cardiovascular portfolio turned positive at $0.7 million in Q3, up from breakeven in the first half of 2026
- HLS expands CV portfolio into heart failure with agreement to commercialize VERQUVO® in Canada in partnership with Bayer

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

Q3 & YTD F2026 FINANCIAL HIGHLIGHTS (comparisons are to the respective 2025 period)

- Q3 2026 revenue was $14.2 million, Adjusted EBITDA was $5.0 million and cash from operations was $1.8 million, compared to $13.5 million, $4.9 million and $2.5 million, respectively.
- Year-to-date 2026 revenue was $41.7 million, Adjusted EBITDA was $13.1 million and cash from operations was $11.0 million, compared to $40.3 million, $13.9 million and $10.6 million, respectively.
- Cardiovascular portfolio net sales increased 21% in local currency in Q3 2026 and 19% year-to-date.
- Vascepa net sales increased 8% in local currency in Q3 2026 and 12% year-to-date.
- NILEMDO net sales were C$0.8 million in Q3 2026, its second full quarter on the market, up 91% from Q2

2026.

- Q3 2026 Canadian Clozaril net sales declined 2.6% in local currency, with the national patient base growing sequentially in each month of the quarter. U.S. Clozaril net sales were in line with Q3 2025.
- Q3 2026 direct brand contribution from the cardiovascular portfolio to Adjusted EBITDA was $0.7 million, up from breakeven in the first half of 2026. Direct brand contribution from Clozaril was $6.3 million ($18.7 million year-to-date).

CORPORATE HIGHLIGHTS

- NILEMDO reimbursement agreements with Canada's largest private payers took effect in Q3 2026; coverage now extends to approximately 80% of privately insured Canadians.
- HLS amended its normal course issuer bid ("NCIB") to increase the maximum number of common shares that may be repurchased to 1.9 million from 1.5 million.
- Appointed Dr. Linda Maxwell and Mark DeLong to the Board of Directors as independent directors, effective October 1, 2026.
- On November 3, HLS announced an agreement with Bayer Inc. to commercialize VERQUVO® (vericiguat) in Canada, marking the Company's entry into heart failure.

"Our cardiovascular growth engine continued to deliver in the third quarter," said Craig Millian, Chief Executive Officer at HLS. "Cardiovascular portfolio net sales grew 21% in local currency, and NILEMDO grew 91% over the second quarter as private coverage ramped. That growth is starting to translate into improved cardiovascular margins, with the direct brand contribution from our CV portfolio turning positive in the quarter. At the same time, Clozaril continues to generate significant cash flow, which, together with a strong balance sheet, gives us the flexibility to invest in our launches, pursue business development and return capital to shareholders."

"The addition of VERQUVO extends our cardiovascular franchise into heart failure, and Bayer's choice of HLS is a vote of confidence in our commercial capabilities," added Mr. Millian. "While VERQUVO will be a modest contributor in the near term, it reinforces our position as an emerging partner of choice for pharmaceutical companies seeking operational expertise in Canada. We have several important catalysts ahead of us, including securing public reimbursement for NILEMDO and the Health Canada decision on NEXLIZET, and we will continue to pursue business development opportunities that fit our strategy."

2026 OUTLOOK

HLS is refining its 2026 financial targets within previously guided ranges as follows:

- Consolidated revenue of $56-60 million. The Company expects revenue to be around the midpoint of the range.

- Consolidated Adjusted EBITDA of $18.5-21 million. Adjusted EBITDA is expected to be in the lower half of the range. The Company is investing further to drive the momentum of the NILEMDO launch into 2027. In addition, product revenue mix is shifting more rapidly toward the cardiovascular portfolio, where margins are improving, but remain lower than Clozaril.
- Of note, future results could be impacted by continued exchange rate volatility.

Mr. Millian added: "Encouraged by the early momentum of the NILEMDO launch, we expect a step-up in growth in both revenue and Adjusted EBITDA in 2027, with further acceleration in 2028 as public listings and NEXLIZET contribute more fully. We expect greater clarity in the coming months regarding these key catalysts and will provide detailed 2027 guidance with the release of our Q4 results in March 2027."

Q3 F2026 FINANCIAL REVIEW

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

Revenue

	Three months ended September 30, 2026	2025	Nine months ended September 30, 2026	2025
Product sales				
Canada	11,136	10,519	32,603	30,748
United States	2,825	2,813	8,444	9,033
	13,961	13,332	41,047	39,781
Royalty revenue	194	179	645	524
	14,155	13,511	41,692	40,305

Revenue for Q3 2026 increased 5% compared to Q3 2025, and increased 3% year-to-date compared to the same period of 2025. Both increases were driven by growth in Vascepa net sales and the contribution from NILEMDO, which generated revenue of approximately $0.6 million in Q3 2026 and $0.9 million year-to-date, partially offset by lower Clozaril sales in Canada and, for the year-to-date period, in the U.S.

Product sales – Canada

	Three months ended		Nine months ended	

000's of CAD	September 30,			September 30,		
	2026	2025	% change	2026	2025	% change
Clozaril	8,008	8,222	(2.6) %	23,529	24,740	(4.9) %
Vascepa	6,717	6,207	8.2 %	20,209	18,069	11.8 %
NILEMDO	817	--		1,273	--	
Other	45	65		172	173	
	15,587	14,494	7.5 %	45,183	42,982	5.1 %

In local currency, Canadian product sales increased 8% in Q3 2026 and 5% year-to-date, reflecting continued Vascepa growth and the contribution from NILEMDO, partially offset by a decline in Clozaril. Cardiovascular portfolio net sales increased 21% in Q3 2026 and 19% year-to-date.

Product Sales – United States

In the U.S. market, Clozaril net sales were $2.8 million in Q3 2026, in line with Q3 2025. Year-to-date, U.S. Clozaril net sales were $8.4 million compared to $9.0 million in the same period last year, reflecting lower sales in the first half of the year.

Royalty revenues

Royalty revenue for Q3 2026 was $0.2 million, consistent with Q3 2025, and year-to-date was $0.6 million compared to $0.5 million in the same period last year.

Operating Expenses

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Cost of product sales	2,809	2,537	8,343	7,440
Selling and marketing	2,837	2,669	9,078	8,545
Medical, regulatory and patient support	1,299	1,272	4,512	4,074
General and administrative	2,256	2,111	6,679	6,334
	9,201	8,589	28,612	26,393

Cost of product sales increased 11% in Q3 2026 and 12% year-to-date, due primarily to demand growth in Vascepa and sales of NILEMDO.

Operating expenses, comprising selling and marketing, medical, regulatory and patient support, and G&A, were $6.4 million in Q3 2026, up 6% compared to Q3 last year, and up 7% year-to-date, reflecting the Company's investment in the NILEMDO launch.

Adjusted EBITDA[1]

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net loss for the period	(2,226)	(3,918)	(5,543)	(11,095)
Stock-based compensation	230	785	665	1,901
Amortization and depreciation	5,514	5,511	16,576	16,354
Finance and related costs, net	901	2,027	672	5,689
Other costs	544	534	704	861
Income tax expense (recovery)	(9)	(17)	6	202
Adjusted EBITDA	4,954	4,922	13,080	13,912

Adjusted EBITDA was $5.0 million in Q3 2026, up slightly from $4.9 million in Q3 2025, following year-over-year declines in the first half of the year as the Company invested in the NILEMDO launch. Year-to-date, Adjusted EBITDA was $13.1 million compared to $13.9 million in the same period last year, due primarily to incremental investment to support the NILEMDO launch.

Cardiovascular margins are expanding as NILEMDO revenue increases. The direct brand contribution from the cardiovascular portfolio was $0.7 million in Q3 2026, up from breakeven in the first half of the year, and $0.7 million year-to-date. For Q3 2026, the direct brand contribution from Clozaril to Adjusted EBITDA was $6.3 million, and for the year-to-date period was $18.7 million.

Net Loss

Q3 2026 net loss was $(2.2) million, or $(0.07) per share, compared to a net loss of $(3.9) million, or $(0.12) per share, in Q3 2025. Year-to-date net loss was $(5.5) million, or $(0.18) per share, compared to a net loss of $(11.1) million, or $(0.35) per share, in the same period of 2025. The improvement reflects lower finance and related costs, lower stock-based compensation and higher revenue, partially offset by incremental NILEMDO launch investment.

Cash from Operations and Financial Position

Cash generated from operations for Q3 2026 was $1.8 million compared to $2.5 million in Q3 2025, reflecting the timing of working capital, including the annual settlement of certain provincial rebates that typically occurs in the third quarter. Year-to-date, cash from operations was $11.0 million, up 4% compared to $10.6 million in the same period last year, supported by significantly lower interest expense of $2.0 million year-to-date compared to $4.3 million in the same period last year.

In Q3 2026, the Company made a principal repayment of $1.1 million. At September 30, 2026, the principal balance on the Company's term loan stood at $41.3 million, down 17% from the end of 2025, and net debt stood at $29.9 million, down 22% from the end of 2025.

Cash was $11.4 million at September 30, 2026, compared to $11.7 million at December 31, 2025. Year-to-date, cash from operations of $11.0 million was largely offset by $7.2 million in debt repayments and $3.0 million in share repurchases.

In September 2026, the Company amended its NCIB to increase the maximum number of common shares that may be repurchased for cancellation from 1,500,000 to 1,872,685. Through October 31, 2026, the Company has purchased for cancellation 1,107,177 common shares at a total cost of C$4.3 million.

Q3 F2026 CONFERENCE CALL

HLS will hold a conference call today at 9:30 am Eastern Time to discuss its Q3 2026 financial results. The call will be hosted by Mr. Craig Millian, CEO, Mr. John Hanna, CFO and Mr. Brian Walsh, COO. To view the slides that accompany management's discussion, please use the webcast link.

CONFERENCE ID: 32045

DATE: Thursday, November 12, 2026

TIME: 9:30 a.m. ET

WEBCAST LINK: **https://app.webinar.net/zm4G7dl7bXY**

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/4iUuMcM**

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

REPLAY CODE: 32045#

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**

[1]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 November 11, 2026, both of which have been filed on SEDAR+ and can be accessed at **www.sedarplus.ca**. 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
Unaudited
[in thousands of U.S. dollars]

	As at September 30, 2026	As at December 31, 2025
ASSETS		
Current		
Cash	11,411	11,723
Accounts receivable	8,995	7,862
Inventories	5,940	8,139
Other current assets	1,720	1,370
Total current assets	28,066	29,094
Property, plant and equipment	930	1,338
Intangible assets	90,311	105,626
Deferred tax asset	1,207	1,143
Other non-current assets	254	328
Total assets	120,768	137,529
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	8,318	10,438
Provisions	12,587	10,456

Debt and other liabilities	5,524	4,817
Income taxes payable	314	410
Total current liabilities	26,743	26,121
Debt and other liabilities	40,401	46,678
Deferred tax liability	2,734	3,060
Total liabilities	69,878	75,859
Shareholders' equity		
Share capital	247,605	256,338
Contributed surplus	15,920	16,164
Accumulated other comprehensive loss	(8,703)	(6,680)
Deficit	(203,932)	(204,152)
Total shareholders' equity	50,890	61,670
Total liabilities and shareholders' equity	120,768	137,529

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Revenue	14,155	13,511	41,692	40,305
Expenses				
Cost of product sales	2,809	2,537	8,343	7,440
Selling and marketing	2,837	2,669	9,078	8,545
Medical, regulatory and patient support	1,299	1,272	4,512	4,074
General and administrative	2,256	2,111	6,679	6,334
Stock-based compensation	230	785	665	1,901
Amortization and depreciation	5,514	5,511	16,576	16,354
Finance and related costs, net	901	2,027	672	5,689
Other costs	544	534	704	861
Loss before income taxes	(2,235)	(3,935)	(5,537)	(10,893)
Income tax expense (recovery)	(9)	(17)	6	202
Net loss for the period	(2,226)	(3,918)	(5,543)	(11,095)
Net loss per share:				
Basic and diluted	$(0.07)	$(0.12)	$(0.18)	$(0.35)

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net loss for the period	(2,226)	(3,918)	(5,543)	(11,095)

Item that may be reclassified subsequently to net loss				
Unrealized foreign currency translation adjustment	261	(1,240)	(2,023)	2,512
Comprehensive loss for the period	(1,965)	(5,158)	(7,566)	(8,583)

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 options exercised	5	(1)	--	--	4
Shares repurchased	(8,738)	--	--	5,763	(2,975)
Change in share purchase obligation	--	(846)	--	--	(846)
Stock option expense	--	452	--	--	452
Restricted share unit expense	--	151	--	--	151
Net loss for the period	--	--	--	(5,543)	(5,543)
Unrealized foreign currency translation adjustment	--	--	(2,023)	--	(2,023)
Balance as at September 30, 2026	247,605	15,920	(8,703)	(203,932)	50,890
Balance as at December 31, 2024	260,595	15,136	(10,210)	(194,180)	71,341
Shares repurchased	(4,244)	--	--	2,452	(1,792)
Stock option expense	--	773	--	--	773
Net loss for the period	--	--	--	(11,095)	(11,095)
Unrealized foreign currency translation adjustment	--	--	2,512	--	2,512
Balance as at September 30, 2025	256,351	15,909	(7,698)	(202,823)	61,739

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
OPERATING ACTIVITIES				
Net loss for the period	(2,226)	(3,918)	(5,543)	(11,095)
Adjustments to reconcile net loss to cash provided by operating activities				
Stock-based compensation	230	785	665	1,901
Amortization and depreciation	5,514	5,511	16,576	16,354
Accreted interest expense	126	1,331	331	1,941
Foreign exchange	168	(432)	(1,581)	(432)
Deferred income taxes	(50)	(62)	(390)	(540)
Net change in non-cash working capital balances related to operations	(1,990)	(739)	981	2,494
Cash provided by operating activities	1,772	2,476	11,039	10,623
INVESTING ACTIVITIES				
Intangible asset acquisition	--	--	--	(1,000)

Other intangible additions	--	(215)	(443)	(215)
Additions to property, plant and equipment	--	(64)	--	(172)
Cash used in investing activities	--	(279)	(443)	(1,387)
FINANCING ACTIVITIES				
Stock options exercised	--	--	4	--
Shares repurchased	(2,959)	(783)	(2,975)	(1,792)
Repayment of credit agreement borrowing	(1,061)	(54,718)	(7,216)	(69,959)
Credit agreement borrowing	--	57,236	--	57,236
Debt costs	--	(1,220)	--	(1,220)
Lease payments	(156)	(159)	(477)	(453)
Cash used in financing activities	(4,176)	(3,444)	(10,664)	(16,188)
Net decrease in cash during the period	(2,404)	(1,247)	(68)	(6,952)
Foreign currency translation	85	(128)	(244)	274
Cash, beginning of period	13,730	12,153	11,723	17,456
Cash, end of period	11,411	10,778	11,411	10,778

SOURCE HLS Therapeutics Inc.