

Unaudited Condensed Interim Consolidated Financial Statements

HLS Therapeutics Inc.

For the Three and Nine Months Ended September 30, 2025

HLS THERAPEUTICS INC.**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****Unaudited**

[in thousands of U.S. dollars]

	Notes	As at September 30, 2025	As at December 31, 2024
ASSETS			
Current			
Cash		10,778	17,456
Accounts receivable	3	8,183	7,454
Inventories		7,106	9,058
Income taxes recoverable		38	71
Other current assets		1,389	1,361
Total current assets		27,494	35,400
Property, plant and equipment		1,267	997
Intangible assets	4	109,675	122,122
Deferred tax asset		1,247	857
Other non-current assets		545	528
Total assets		140,228	159,904
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		10,587	8,709
Provisions	5	7,725	8,367
Debt and other liabilities	6	4,754	5,317
Income taxes payable		390	152
Total current liabilities		23,456	22,545
Debt and other liabilities	6	51,109	61,944
Deferred tax liability		3,924	4,074
Total liabilities		78,489	88,563
Shareholders' equity			
Share capital	7	256,351	260,595
Contributed surplus		15,909	15,136
Accumulated other comprehensive loss		(7,698)	(10,210)
Deficit		(202,823)	(194,180)
Total shareholders' equity		61,739	71,341
Total liabilities and shareholders' equity		140,228	159,904

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

HLS THERAPEUTICS INC.
INTERIM CONSOLIDATED STATEMENTS OF LOSS
Unaudited

[in thousands of U.S. dollars, except per share amounts]

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
Revenue	9	13,511	14,085	40,305	41,077
Expenses					
Cost of product sales		2,537	2,235	7,440	6,312
Selling and marketing		2,669	4,208	8,545	13,295
Medical, regulatory and patient support		1,272	1,439	4,074	4,124
General and administrative		2,111	2,077	6,334	6,255
Stock-based compensation	10	785	511	1,901	1,194
Amortization and depreciation		5,511	5,508	16,354	17,283
Finance and related costs, net	11	2,027	2,389	5,689	7,998
Other costs (income)	12	534	621	861	(2,740)
Loss before income taxes		(3,935)	(4,903)	(10,893)	(12,644)
Income tax expense (recovery)	8	(17)	(59)	202	3,988
Net loss for the period		(3,918)	(4,844)	(11,095)	(16,632)
Net loss per share:					
Basic and diluted	7	\$(0.12)	\$(0.15)	\$(0.35)	\$(0.52)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

HLS THERAPEUTICS INC.**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS****Unaudited**

[in thousands of U.S. dollars]

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Net loss for the period	(3,918)	(4,844)	(11,095)	(16,632)
Item that may be reclassified subsequently to net loss				
Unrealized foreign currency translation adjustment	(1,240)	1,158	2,512	(2,178)
Comprehensive loss for the period	(5,158)	(3,686)	(8,583)	(18,810)

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

HLS THERAPEUTICS INC.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Unaudited

[in thousands of U.S. dollars]

	Notes	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	7	(4,244)	—	—	2,452	(1,792)
Stock option expense	10	—	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
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	10	—	742	—	—	742
Net loss for the period		—	—	—	(16,632)	(16,632)
Unrealized foreign currency translation adjustment		—	—	(2,178)	—	(2,178)
Balance as at September 30, 2024		260,595	14,907	(5,016)	(191,157)	79,329

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

HLS THERAPEUTICS INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

[in thousands of U.S. dollars]

	Notes	Nine months ended September 30,	
		2025	2024
OPERATING ACTIVITIES			
Net loss for the period		(11,095)	(16,632)
Adjustments to reconcile net loss to cash provided by operating activities			
Stock-based compensation	10	1,901	1,194
Amortization and depreciation		16,354	17,283
Gain on royalty sale	12	—	(3,381)
Accreted interest expense	11	1,941	912
Foreign exchange		(432)	—
Fair value adjustment on financial assets and liabilities	11	—	523
Deferred income taxes	8	(540)	3,753
Net change in non-cash working capital balances related to operations	13	2,494	1,146
Cash provided by operating activities		10,623	4,798
INVESTING ACTIVITIES			
Intangible asset acquisition	4	(1,000)	—
Other intangible additions	4	(215)	—
Additions to property, plant and equipment		(172)	(2)
Proceeds from royalty sale	12	—	13,250
Payment of purchase consideration		—	(1,500)
Cash provided by (used in) investing activities		(1,387)	11,748
FINANCING ACTIVITIES			
Shares repurchased	7	(1,792)	(600)
Repayment of original credit agreement borrowing	6	(67,441)	(18,533)
New credit agreement borrowing	6	57,236	—
Repayment of new credit agreement borrowing	6	(2,518)	—
Debt costs	6	(1,220)	(1,191)
Lease payments		(453)	(386)
Cash used in financing activities		(16,188)	(20,710)
Net decrease in cash during the period		(6,952)	(4,164)
Foreign currency translation		274	(248)
Cash, beginning of period		17,456	21,952
Cash, end of period		10,778	17,540

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

HLS THERAPEUTICS INC.

Notes to the unaudited condensed interim consolidated financial statements

For the three and nine months ended September 30, 2025

[expressed in thousands of U.S. dollars, unless otherwise noted]

1. CORPORATE INFORMATION

HLS Therapeutics Inc. (the “Company”) is a specialty pharmaceutical company, which acquires and commercializes pharmaceutical products for the North American markets.

The Company’s common shares are listed on the Toronto Stock Exchange under the symbol “HLS”.

The registered office, head office and principal address of the Company is located at 10 Carlson Court, Suite 701, Toronto, Ontario M9W 6L2.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Company’s Board of Directors on November 12, 2025.

2. BASIS OF PREPARATION

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board.

The accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements conform with those used in the preparation of the Company’s audited consolidated financial statements for the year ended December 31, 2024.

These unaudited condensed interim consolidated financial statements do not include all the information and disclosures required in annual financial statements and, accordingly, should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2024.

Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The Company’s presentation currency is the United States dollar. All dollar amounts are rounded to the nearest thousand (\$000), except where otherwise indicated.

Coincident with the refinancing described in note 6, the Company concluded that the functional currency of the parent company had changed from United States dollars to Canadian dollars. The Company will continue to present its financial statements in United States dollars.

Significant estimates, judgments and assumptions

The unaudited condensed interim consolidated financial statements have been prepared on a going concern basis. The preparation of the Company’s unaudited condensed interim consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amounts of the assets or liabilities affected, and corresponding revenue and expenses, in future periods.

HLS THERAPEUTICS INC.**Notes to the unaudited condensed interim consolidated financial statements****For the three and nine months ended September 30, 2025**

[expressed in thousands of U.S. dollars, unless otherwise noted]

Commitments and contingencies

There have been no material changes in the commitments undertaken or contingencies faced by the Company since the year ended December 31, 2024, except as described in note 4.

3. ACCOUNTS RECEIVABLE

	September 30, 2025	December 31, 2024
Trade accounts receivable	7,561	6,529
Royalties receivable	155	193
Other receivables	467	732
	8,183	7,454

4. INTANGIBLE ASSETS

	Product rights	Distribution rights	Acquired royalties	Total
Cost				
As at December 31, 2024	302,538	21,589	2,320	326,447
Additions	—	1,215	—	1,215
Foreign exchange	5,484	655	—	6,139
As at September 30, 2025	308,022	23,459	2,320	333,801
Accumulated amortization				
As at December 31, 2024	189,362	13,888	1,075	204,325
Amortization	15,359	396	163	15,918
Foreign exchange	3,475	408	—	3,883
As at September 30, 2025	208,196	14,692	1,238	224,126
Net book value				
As at September 30, 2025	99,826	8,767	1,082	109,675

On May 8, 2025, the Company entered into an agreement with Esperion Therapeutics Inc. to in-license and commercialize NEXLETOL® and NEXLIZET® in Canada. These cardiovascular products are approved for use in the United States and several European countries but are not approved for use in Canada.

Under the terms of the agreement, the Company made an upfront payment of \$1,000 with an additional \$1,000 due contingent upon receiving regulatory approval in Canada. The Company may also pay customary royalties on future sales and has contingent obligations for milestone payments tied to pricing and reimbursement of up to \$7,000 and achievement of commercial sales targets of up to an additional \$76,000.

HLS THERAPEUTICS INC.**Notes to the unaudited condensed interim consolidated financial statements****For the three and nine months ended September 30, 2025**

[expressed in thousands of U.S. dollars, unless otherwise noted]

5. PROVISIONS

	Chargebacks and rebates	Returns	Total
Balance as at December 31, 2024	7,847	520	8,367
Charges	12,341	334	12,675
Utilization	(13,055)	(262)	(13,317)
Balance as at September 30, 2025	7,133	592	7,725

6. DEBT AND OTHER LIABILITIES

	September 30, 2025	December 31, 2024
Current		
Credit agreement borrowing	4,257	4,828
Performance share units	—	33
Lease obligation	497	456
	4,754	5,317
Non-current		
Credit agreement borrowing	48,834	60,740
Deferred share units	1,773	778
Lease obligation	502	426
	51,109	61,944
	55,863	67,261

Credit agreement*Original credit agreement*

Until the third quarter of fiscal 2025, the Company had a credit agreement with a syndicate of bank lenders led by JPMorgan Chase Bank, N.A. The maturity date of the credit agreement was August 11, 2026. The credit agreement comprised a senior secured term loan, a revolver facility and an expansion facility.

On August 19, 2025, the Company entered into a new credit agreement with a syndicate of bank lenders, and the principal balance of the original credit agreement was repaid in full.

This transaction was accounted for as an extinguishment, rather than a modification, of debt and resulted in the Company amortizing the full amount of remaining unamortized debt costs associated with the original credit agreement.

Carrying amount as at December 31, 2024	65,568
Repayments	(67,441)
Accreted interest	1,873
Carrying amount as at September 30, 2025	—

HLS THERAPEUTICS INC.**Notes to the unaudited condensed interim consolidated financial statements****For the three and nine months ended September 30, 2025**

[expressed in thousands of U.S. dollars, unless otherwise noted]

New credit agreement

On August 19, 2025, the Company entered into a new credit agreement with National Bank of Canada as administrative agent which provides for committed credit facilities denominated in Canadian dollars of up to C\$107,000.

The new credit agreement replaces the Company's original credit agreement with JPMorgan Chase Bank, N.A. and, on closing, the proceeds from the new term facility were used to repay the original credit agreement in full. The new credit agreement has a maturity date of August 19, 2029.

The new credit agreement consists of a C\$79,000 term credit facility, a C\$14,000 delayed draw facility and a C\$14,000 revolving credit facility. In addition, the Company can increase the available facilities further through an uncommitted C\$40,000 accordion facility (subject to lender agreement).

The principal amount of the term facility outstanding as at September 30, 2025 is \$54,260 (C\$75,519), of which \$4,257 is classified as current.

Interest on the new credit agreement borrowing accrues at a rate per month equal to the sum of the Canadian Overnight Repo Rate Average ("CORRA") plus a range of 2.25% to 3.5% depending on the leverage ratio of the Company at the time.

The Company may choose to repay some or all of the amount outstanding at any time during the term.

Under the terms of the new credit agreement, the lenders have security over substantially all of the assets of the Company.

Under the terms of the new credit agreement, the Company is required to comply with financial covenants related to the maintenance of liquidity, operational results and coverage ratios. As at September 30, 2025, the Company is in compliance with the covenants.

Transaction costs associated with the new credit agreement have been included as a reduction to the carrying amount of the liability and will be amortized through interest expense using the effective interest rate method.

The terms of the new credit agreement permit the Company, under certain conditions, to return capital to shareholders through dividends and share repurchases.

Drawdown on August 19, 2025	57,236
Debt costs	(1,220)
Net borrowing	56,016
Repayments	(2,518)
Accreted interest	41
Foreign exchange	(448)
Carrying amount as at September 30, 2025	53,091
Less current portion	4,257
Non-current portion as at September 30, 2025	48,834

HLS THERAPEUTICS INC.**Notes to the unaudited condensed interim consolidated financial statements****For the three and nine months ended September 30, 2025**

[expressed in thousands of U.S. dollars, unless otherwise noted]

7. SHARE CAPITAL**Authorized**

The Company is authorized to issue an unlimited number of common shares.

Issued and outstanding

The issued and outstanding common shares are as follows:

	#	\$
Balance as at December 31, 2024	31,793,047	260,595
Shares repurchased	(517,766)	(4,244)
Balance as at September 30, 2025	31,275,281	256,351

Stock option plan

A summary of the changes to the stock options outstanding is presented as follows:

	Number of options (#)	Weighted average exercise price per share (\$)
Outstanding as at December 31, 2024	2,858,971	5.24
Granted	700,000	2.74
Forfeited/expired	(700,311)	8.01
Outstanding as at September 30, 2025	2,858,660	4.12

The fair value of each option granted since inception of the plan was estimated on the date of the grant using the Black-Scholes option pricing model. The weighted average fair value per stock option granted in fiscal 2025 was \$1.33. Significant assumptions used in determining the fair value of options granted in fiscal 2025 are a weighted average volatility rate of 49% and an expected option life of between four and seven years. The estimated fair value of the options is amortized to income over the options' vesting period (note 10) and is credited to contributed surplus.

Return of capital

On March 13, 2025, the Company announced a normal course issuer bid, pursuant to which the Company may purchase for cancellation over the following 12 months up to an aggregate of 1,100,000 common shares.

During the first three quarters of fiscal 2025, the Company purchased for cancellation 517,766 common shares at an average price of C\$4.80 per common share for total consideration of \$1,792. The weighted average carrying value of the shares repurchased exceeded the total cash consideration paid by \$2,452, which was adjusted to deficit.

HLS THERAPEUTICS INC.**Notes to the unaudited condensed interim consolidated financial statements****For the three and nine months ended September 30, 2025**

[expressed in thousands of U.S. dollars, unless otherwise noted]

Loss per share

Basic loss per share is calculated by dividing net loss for the period by the weighted average number of common shares outstanding during the period.

Diluted loss per share is calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period plus the weighted average number of common shares that would be issued on conversion of all dilutive potential securities into common shares.

The following is a reconciliation of the numerator and denominator used for the computation of the basic and diluted loss per share amounts:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net loss for the period	(3,918)	(4,844)	(11,095)	(16,632)
Weighted average number of common shares outstanding – basic	31,402,795	31,793,047	31,611,000	31,855,062
Effect of dilutive securities	—	—	—	—
Weighted average number of common shares outstanding – diluted	31,402,795	31,793,047	31,611,000	31,855,062

The calculation of diluted loss per share in the first three quarters of fiscal 2025 excludes 3,183,524 (2024 – 3,646,710) weighted average common shares issuable upon the exercise of options, because the effect of their issuance would be anti-dilutive.

HLS THERAPEUTICS INC.**Notes to the unaudited condensed interim consolidated financial statements****For the three and nine months ended September 30, 2025**

[expressed in thousands of U.S. dollars, unless otherwise noted]

8. INCOME TAXES

The significant components of the Company's income tax expense (recovery) are as follows:

	Three months ended September 30, 2025		Nine months ended September 30, 2024	
Current income tax expense (recovery)	45	(12)	742	235
Deferred income tax recovery resulting from temporary differences	(62)	(47)	(540)	3,753
	(17)	(59)	202	3,988

The difference between the amount of the income tax expense and the amount computed by multiplying loss before income taxes by the statutory Canadian, United States and Barbados income tax rates is reconciled as follows:

	Three months ended September 30, 2025		Nine months ended September 30, 2024	
Loss before income taxes	(3,935)	(4,903)	(10,893)	(12,644)
Tax recovery at Canadian corporate tax rate	(1,043)	(1,309)	(2,887)	(3,376)
Items not included or deducted for income tax purposes	(71)	101	53	326
Income subject to tax in foreign jurisdictions	101	97	349	464
Tax losses not recognized	996	1,052	2,687	3,458
Impact of rate change on opening balance of taxable temporary differences	—	—	—	3,116
	(17)	(59)	202	3,988

In the second quarter of fiscal 2024, the Government of Barbados passed tax measures to increase the Barbados corporate tax rate to 9% effective January 1, 2024. This change resulted in an increase of \$3,116 to the Company's deferred tax liability.

HLS THERAPEUTICS INC.**Notes to the unaudited condensed interim consolidated financial statements****For the three and nine months ended September 30, 2025**

[expressed in thousands of U.S. dollars, unless otherwise noted]

9. SEGMENTED INFORMATION

The Company is composed of a single reportable segment.

Revenue is generated from the following sources:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Product sales				
Canada	10,519	11,087	30,748	30,878
United States	2,813	2,803	9,033	8,907
	13,332	13,890	39,781	39,785
Royalties	179	195	524	1,292
	13,511	14,085	40,305	41,077

Revenue is generated from the following geographic sources, by location of customer:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Canada	10,537	11,090	30,809	30,910
United States	2,851	2,867	9,163	9,481
Rest of the world	123	128	333	686
	13,511	14,085	40,305	41,077

10. STOCK-BASED COMPENSATION

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Performance share unit recovery	—	—	(34)	(7)
Deferred share unit expense	542	202	1,162	459
Stock option expense	243	309	773	742
	785	511	1,901	1,194

HLS THERAPEUTICS INC.**Notes to the unaudited condensed interim consolidated financial statements****For the three and nine months ended September 30, 2025**

[expressed in thousands of U.S. dollars, unless otherwise noted]

11. FINANCE AND RELATED COSTS, NET

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Interest expense	1,114	2,099	4,255	6,872
Accreted interest expense	1,331	353	1,941	912
Interest income	(24)	(49)	(89)	(283)
Net interest expense	2,421	2,403	6,107	7,501
Foreign exchange gain	(394)	(32)	(418)	(26)
Fair value adjustment on financial assets and liabilities	—	18	—	523
	2,027	2,389	5,689	7,998

12. OTHER COSTS (INCOME)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Gain on royalty sale	—	—	—	(3,381)
Other costs	534	621	861	641
	534	621	861	(2,740)

Gain on royalty sale

In the second quarter of fiscal 2024, the Company completed a sale of its royalty interest and milestone payment obligations in the global sales of olipudase alfa (marketed as Xenpozyme®). The transaction was accounted for as an asset sale and resulted in a gain of \$3,381.

13. INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	Nine months ended September 30,	
	2025	2024
Accounts receivable	(484)	(46)
Inventories	2,206	1,637
Income taxes recoverable	33	(12)
Other assets	1	111
Accounts payable and accrued liabilities	1,142	(637)
Provisions	(642)	225
Income taxes payable	238	(132)
	2,494	1,146

Net interest of \$4,166 (2024 – \$6,589) and income taxes of \$287 (2024 – \$379) were paid during the nine months ended September 30, 2025.