

HLS Therapeutics Announces Updates to its Credit Agreement

TORONTO, Oct. 3, 2022 /CNW/ - HLS Therapeutics Inc. ("HLS" or the "Company") (TSX: HLS), a pharmaceutical company focusing on central nervous system and cardiovascular markets, announces updates to its credit agreement and senior secured term loan with its existing syndicate of bank lenders co-led by JPMorgan Chase Bank, N.A. and Silicon Valley Bank. All dollar amounts are stated in U.S. currency.

The maturity date on the senior secured term loan has been extended by one year to August 15, 2024. The required annual amortization of loan value reverts back to 5%, thereby increasing financial flexibility. Interest on the senior secured term loan and revolving facility remain substantially the same level as before.

Total borrowing and unused borrowing capacity remain unchanged. The principal amount remaining on the secured term loan at September 29, 2022 was \$91.1 million and there is a \$35.0 million revolving facility, of which \$10.0 million was drawn in July 2022 to fund a regulatory milestone approval payment. In addition to undrawn revolver facilities, there is an expansion facility through which the Company can access incremental loans, for a maximum additional loan amount of \$70.0 million to support growth opportunities. The Company's interest rate swap, in place since October 2019 and covering a majority of the debt outstanding, will remain in place through August 15, 2023, which provides rate stability in a changing rate environment.

"We are pleased with the ongoing support from our lending syndicate," said Tim Hendrickson, CFO of HLS. "This updated credit agreement provides continuity, stability and improved flexibility for the business needs we may encounter as we execute on our strategic priorities."

Under the terms of the updated senior secured term loan, the Company is required to comply with financial covenants related to the maintenance of liquidity and coverage ratios and the lenders continue to have security over substantially all the assets of the Company. The Company may also be required to make additional payments from surplus cash-flow, or the Company could choose to repay some or all of the amount outstanding at any time during the term without penalty.

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.

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 16, 2022, and Management's Discussion and Analysis dated August 10, 2022, both of which have been filed on SEDAR and can be accessed at www.sedar.com. 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.

SOURCE HLS Therapeutics Inc.

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