

HLS Therapeutics Announces Updates to its Credit Agreement

- ***Term is extended, borrowing capacity increases, financial flexibility improves, and interest rates remain relatively unchanged.***

TORONTO, Aug. 14, 2023 /CNW/ - HLS Therapeutics Inc. ("HLS" or the "Company") (TSX: HLS), a pharmaceutical company focusing on central nervous system and cardiovascular markets, announces an extension to its credit agreement, senior secured term loan, revolver facility and expansion facility (the "Amended Agreement") with a syndicate of leading bank lenders (the "Syndicate") led by JPMorgan Chase Bank as Admin Agent and Arranger, and TD Bank, as Documentation Agent, and that also includes National Bank of Canada, Canadian Western Bank, Royal Bank of Canada and ICICI Bank Canada. All dollar amounts are stated in U.S. currency.

Under the terms of the Amended Agreement, the maturity date has been extended to August 11, 2026. In addition, total borrowing capacity increases. The remaining debt drawn on the prior revolving facility to fund a \$10 million regulatory approval milestone in 2022 is being combined with the principal amount remaining on the secured term loan for a new senior secured term loan balance of \$93.8 million at the time of closing of the Amended Agreement. In addition, there is a new revolving facility of \$30.0 million and an expansion facility of up to \$70.0 million through which the Company can access incremental loans to support growth opportunities. Finally, interest rates under the Amended Agreement are essentially unchanged at Adjusted SOFR +2.75% to +4.25%, depending on the net leverage of the Company over time.

"We'd like to thank JPMorgan and the entire syndicate for their ongoing support and collaboration, and we are pleased to welcome TD Bank and Canadian Western Bank as two new members of the lending group bringing additional diversification and expanded financial capacity," said Tim Hendrickson, CFO at HLS. "The Amended Agreement enhances our already strong financial position with an extended term, increased borrowing capacity, and greater financial flexibility to pursue growth opportunities and other value creation initiatives, such as our share buyback."

Under the terms of the Amended Agreement, the Company is required to comply with similar financial covenants related to the maintenance of liquidity and coverage ratios as before 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 the composition of HLS's board of directors. 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 15, 2023, and Management's Discussion and Analysis dated August 9, 2023, 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.

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