

## **HLS Therapeutics Inc. Announces Acquisition of U.S. and Canadian rights to Clozaril®**

### **Company plans to build on existing Canadian and U.S. Clozaril® franchise and Canadian breadth of services to physicians and patients**

Toronto, Ontario and Montreal, Quebec – September 9th, 2015 – HLS Therapeutics Inc. (“HLS” or the “Company”), a Canadian specialty pharmaceutical company dedicated to acquiring and marketing legacy branded pharmaceutical drugs, today announced that it together with its affiliates has completed the acquisition of the U.S. and Canadian rights to Clozaril® (clozapine), a pharmaceutical product used in the treatment of schizophrenia. Financial terms were not disclosed.

“We are very excited to formally launch HLS in Canada and in the U.S. as an emerging specialty pharma company with the acquisition of such an important therapy as Clozaril®,” said Greg Gubitz, CEO of HLS. “Our management team’s proven expertise with CNS products will allow HLS to effectively service the needs of schizophrenia patients through continued delivery of the benefits of Clozaril® and its associated programs critical to physicians, patients and pharmacists across the territories. We are 100% committed to ensuring customers and patients have continued and improved access to the best service and care currently available” added Mr. Gubitz.

Bill Wells, HLS’s Executive Chairman, stated: “We are also extremely pleased to see the support from our investors for HLS and our vision for Clozaril® as our foundational product to build on.” The financing for the Acquisition was completed with the participation of leading healthcare investors.

“We are very excited about the opportunities that currently exist in the pharma market and we are actively pursuing additional products to complement Clozaril®.” added Mr. Wells.

Gilbert Godin, HLS President and Chief Operating Officer added: “With the acquisition of Clozaril® and our long term support of the Canadian Commercial and the CSAN Clinical teams, our Canadian clients will continue to experience the quality of care and compassionate service that they have come to expect from all personnel involved with Clozaril® and the treatment of schizophrenia in Canada. The Clozaril®/CSAN high standard of care is what Canadians deserve and it is our aim to maintain it across the country.”

#### **HLS’s Proven Management Team**

HLS’s management team has a strong track record of success. They have successfully executed over \$8 billion worth of transactions in the pharmaceutical space, with a focus on CNS products, and managed a rich portfolio of promoted and legacy therapies.

HLS’s management team devised and led the turn-around of Biovail Corporation (“Biovail”) started in 2006, including the structuring and execution of its merger with Valeant Pharmaceuticals, Inc. in Q4-2010, with whom HLS management is no longer associated.

#### **The HLS management team comprises**

**Bill Wells - Executive Chairman of the Board.** Former CEO of Biovail and Chairman of Valeant also serves on the boards of Acadia Pharmaceuticals and Medgenesis Therapeutics.

**Gregory Gubitz - Chief Executive Officer.** Former Senior Vice President of Corporate Development and General Counsel of Biovail. Prior to Biovail, Gregory spent 10 years at MDS Capital focused on life sciences.

**Gilbert Godin - Chief Operating Officer.** Former Executive Vice President and Chief Operating Officer of Biovail. Formerly held Executive and leadership roles at MDS, Duchesnay, Schering-Plough and L’Oreal.

**Joe MacLean - Director, Corporate Development.** Joe also serves as CEO of AOI Capital, LLC, a private investment firm and he was also an early founding investor in Concordia Healthcare Inc.

#### **Chris Fibiger, Ph.D. - Chief Scientific Officer**

Former SVP and CSO at Biovail Corporation. Previous positions include Global Head of Neuroscience at Amgen, Vice President of Neuroscience Discovery Research at Eli Lilly and Professor and Head of the Division of Neuroscience at University of British Columbia.

#### **Jason Gross, Pharm. D. - VP Scientific Affairs**

Dr. Gross is a pharmaceutical executive with 20+ years of experience focused on clinical development,

regulatory affairs, manufacturing and quality assurance as VP Scientific and Medical Affairs at Cipher, MDS Capital and Zenith Goldline among others in addition to 5 years at the NIH and the FDA.

### **Sanjiv Sharma, MBA - VP Commercial Operations**

Mr Sharma has 25 years of General Management, Sales and Marketing credentials launching products, divisions and companies in Canada and in the USA, recently with companies such as Biovail and NicOx, and before that with Nordic, Hoechst Marion Roussel, Aventis and Sanofi-Aventis in executive and leadership roles.

### **Experienced Board of Directors**

In addition to Messrs Wells (Chairman), Gubitz, Godin and MacLean the Board of Directors includes independent directors Spencer Lanthier and Yvon Bastien.

Mr Lanthier is former chief executive officer of KPMG Canada, is a member of the Order of Canada and has served on various Boards including TMX Group and The Bank of Canada. Mr. Bastien is former chief executive officer of Sanofi Canada and currently serves on the boards of Helix BioPharma and Telesta Therapeutics.

### **Financing**

The Acquisition was financed using part of the proceeds of a brokered equity private placement and a syndicated loan. GMP Securities L.P. acted as lead agent and advisor, with Bloom Burton & Co. Limited and Barclays also acting as agents and advisors.

HLS is well positioned to support its strategic investment in Clozaril®, and execute on its acquisitive strategy to create a portfolio of branded legacy products, as well as building a commercial portfolio in strategic therapeutic areas such as CNS.

### **About HLS**

Based in Toronto, and in its soon-to-be operational base in Montreal Quebec, HLS is dedicated to the stewardship of branded pharmaceuticals through their life cycles post-exclusivity, and promotional stage products in selected therapeutic areas. Management's focus is on commercial and legacy stage assets and driving growth in revenue, earnings and cash flow, not on scientific development and the associated regulatory risk.

### **About Clozaril®**

Clozaril® is approved in Canada for the management of symptoms of treatment-resistant schizophrenia in adults over 18 years old.

In the U.S. Clozaril® is indicated for the treatment of severely ill patients with schizophrenia who fail to respond adequately to standard drug treatment. Clozaril® is also indicated for reducing the risk of recurrent suicidal behavior in patients with schizophrenia or schizoaffective disorder who are judged to be at chronic risk for re-experiencing suicidal behavior, based on history and recent clinical state.

Clozaril® is part of a large class of medications that have made a difference in the lives of thousands of patients with this severe mental illness.

**Forward Looking Statements** Certain statements in this news release contain forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements relating to the objectives of HLS, strategies to achieve those objectives, HLS's beliefs, plans, estimates, intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements can generally be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect HLS's current beliefs and are based on information currently available to management. These statements are not guarantees of future performance and are based on HLS's estimates and assumptions that are subject to risks and uncertainties that could cause the actual results and performance of HLS to differ materially from the forward-looking statements contained in this news release. Although the forward-looking statements contained in this news release are based upon what HLS believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. All forward-looking statements in this news release are qualified by these cautionary statements. These forward-looking statements are made as of this day, and HLS, except as required by applicable law, assumes no obligation to update them to reflect new information or the impact of future events

or circumstances.

For further information: Gilbert Godin, Chief Operating Officer, 484-889-6802, [g.godin@hlstherapeutics.com](mailto:g.godin@hlstherapeutics.com)

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