



**PRESS RELEASE
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LSL PHARMA GROUP REPORTS RECORD REVENUES FOR THE SECOND QUARTER 2024

- Record Revenues of \$4.2 million in Q2-24 up 106% over Q2-23
- Operating profits of \$0.3 million for Q2-24 compared to a loss of \$0.6 million for Q2-23
- Adjusted EBITDA was \$0.7 million for Q2-24, compared to Adjusted EBITDA loss of \$0.3 million for Q2- 23
- Net loss for Q2-24 was \$0.5 million, down 50% from the \$1.0 million net loss in Q2-23
- Completed the acquisition of Virage Santé in June 2024
- YTD Revenues of \$8.4 million up 106% over YTD-23
- YTD Operating Profit of \$0.4 million compared to an operating loss of \$0.9 million last year
- YTD Adjusted EBITDA of \$1.2 million, up \$1.4 million over YTD-23
- YTD Net loss was \$0.8 million, down 88% from the \$6.4 million loss for YTD-23
- Strengthened the balance sheet with financings and debt conversions totalling \$12.7 million

BOUCHERVILLE, QUÉBEC, August 26, 2024 - [LSL PHARMA GROUP INC.](#) (TSXV: LSL) (the "**Corporation**" or "**LSL Pharma**"), a Canadian integrated pharmaceutical company, today reported its financial and operating results for the three- and six-months periods ended on June 30, 2024.

"Again during the quarter, LSL Pharma experienced strong demand for our Steri-Med products while our CDMO operations continued to ramp up production following the site relocation, and the implementation of new equipment and services", commented Francois Roberge, President and Chief Executive Officer of LSL Pharma. "Virage Santé contributed some revenues and margins during the quarter, and we expect to take full advantage of this acquisition over the coming quarters. Following a series of financial transactions aimed at strengthening our balance sheet and provide liquidities to fund our growth initiatives, we are now focussing on executing our organic and strategic growth plan", added Francois Roberge.

Commenting on the Q2-24 and YTD-24 financial results, Luc Mainville, Executive Vice-President and Chief Financial Officer said, "The second quarter was another strong quarter as we saw all three businesses operations contribute to our overall results and helping LSL Pharma generate operating profits for the second quarter in a row. Also, our YTD adjusted EBITDA performance is a clear indication of our substantial progress, by improving from a loss of \$0.3 million for YTD-23 to a \$1.2 million adjusted EBITDA profit this year."

Q2-24 Financial

- The Corporation achieved record revenues in Q2-24, at \$4.2 million, up 106% compared to Q2-23 and 1% above the prior quarter Q1-24. During Q2-24 our Steri-Med operations experienced strong domestic demand for its products while our CDMO business continued to take advantage of the increased capacity that followed the site expansion/relocation last year. Revenues also benefited from the revenues from Virage Santé acquired in June.
- Adjusted gross profit for Q2-24 was of \$1.9 million, a 99% increase over Q2-23 and 27% over Q1-24.
- Second consecutive quarterly operating profit stood at \$0.3 million compared to a \$0.6 million operating loss in Q2-23.
- SG&A stood at \$1.3 million for Q2-24, a 5% reduction compared to Q2-23.
- Adjusted EBITDA for Q2-24 was a \$0.7 million profit compared to a \$0.3 million loss for Q2-23 and \$0.2 million or 31% over the prior quarter.
- Net loss for the Q2-24 was \$0.5 million compared to the net loss of \$1.0 million in Q2-23. Net loss in Q2-24 was negatively impacted by the non-recurrent impact of \$0.4 million of share-based compensation, partly offset by a small \$40,000 gain recorded on the acquisition of Virage Santé.

YTD-24 Financial

- For the YTD periods, revenues were \$8.4 million, up \$4.3 million or 106% over YTD-23.
- For the YTD-24 period, our Gross Profit was up 149% at \$2.7 million compared to \$1.1 million.
- Adjusted Gross Profit was \$3.4 million for the YTD-24 period compared to \$1.6 million for YTD-23, a 92% increase.
- Same as for the Q2-23 period, the EBITDA for YTD-23 had been impacted by the LSL plant shut-down and the impact of the RTO.
- For YTD-24, the (A) EBITDA was a \$1.2 million profit compared to a \$0.3 million loss, a \$1.5 million improvement.
- For the YTD-24 period, net loss was \$0.8 million down \$5.6 million compared to the \$6.4 million loss for YTD-23. Net loss for YTD-23 was impacted by \$4.7 million non-recurrent expenses related to the Iledor reverse acquisition, and share-based compensation. Our net results prior to considering such non-cash items improved significantly between the 2 periods, from a \$1.2 million loss for YTD-23 to a \$0.3 million profit for YTD-24.

Q2-24 Corporate Highlights

April 23, 2024, LSL Pharma Group closed the second tranche of its private placement financing of Units for \$3.8 million. The second tranche follows an initial first closing of \$2.7 million announced on March 19, 2024, bringing the total gross cash proceeds from that private placement to \$6.5 million.

On May 22, 2024, the Corporation announced that the Convertible Unsecured Redeemable Debentures issued pursuant to a \$3.3 million brokered private placement completed in tranches on November 1, 2023 and December 8, 2023 had been approved for listing on the TSXV under the symbol "LSL.DB" and began trading on

May 24, 2024. For additional details regarding the Debentures, please refer to the Debenture Indenture dated November 1, 2023, which is available under LSL Pharma's issuer profile on www.sedarplus.ca.

On June 18, 2024, the Corporation announced the acquisition of Virage Santé ("VSI"), a company specializing in the manufacturing and marketing of natural health products, based in Lévis, Quebec. This acquisition increases LSL Pharma's contract development and manufacturing activities, while creating synergies with its subsidiary LSL Laboratory Inc. ("LSL"). The purchase price for the acquisition of VSI was \$2.5 million, was paid in cash, and will be subject to post-closing adjustments. (See "Overview of the Business" in the Management's Discussion and Analysis for more information on VSI).

On June 26, 2024, the Corporation closed the first tranche of a new private placement financing. Pursuant to the financing, the Corporation raised \$1.5 million and issued 3,727,000 units (the "Units") at a price of \$0.40 per unit. Each Unit consists of one class A share of the Corporation (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder, subject to adjustments in certain cases, to purchase one (1) Common Share (a "Warrant Share") at a price of \$0.70 for a period of 24 months following the closing of the Financing.

On June 28, 2024, LSL Pharma Group announced addition to its Board of Directors with Stuart W. Fowler and Joseph Soccodato joining as new members.

- Mr. Fowler has over 25 years of experience in the Health Sciences space in North America. He led two of Canada's largest ophthalmic pharmaceutical and medical device organizations as President and General Manager of Allergan Canada (AbbVie) from 2010 to 2015, as well as President and General Manager for Alcon Canada from 2016 to 2020. Mr. Fowler is the Co-Founder and President of the Aesthetic Medicine Network Inc. AMNI is Canada's largest group of independently owned and operated aesthetically oriented physicians. Mr. Fowler also served as director of Aequus Pharmaceuticals (AQS-TSXV) from February 2020 to March 2023 and Valeo Pharma (VPH-TSX) from April 2023 to February 2024.
- Mr. Soccodato is a Certified Public Accountant and brings 30 years of experience with public, privately held, and private equity backed enterprises in areas such as accounting, treasury, budgeting, M&A, operations, and risk management. Mr. Soccodato also worked for some of the world's largest accounting firms. He is currently the Chief Financial Officer of Jacent, the industry leader in strategic impulse merchandising solutions and premier clip strip partner to some of the largest retailers in the United States and Canada.

Q2-24 Subsequent events

On July 15, 2024, the Corporation announced the closing of the second tranche of the June 26, 2024 private placement. Financing, for \$1.0 million and issued 2,400,000 June 2024 Units at a price of \$0.40 per unit. Concurrent to the second tranche, the Corporation also settled certain debts outstanding representing \$0.6 million by issuing 1,400,206 Units at a price of \$0.40 per unit. The Corporation used part of the proceeds of the financing to repay secured debentures totaling \$0.5 million.

Financial Statements and MD&A

LSL Pharma Group's financial statements and Management's Discussion and Analysis for the second quarter of fiscal year 2024 are available on SEDAR+ at www.sedarplus.ca and on the Corporation website.

Caution regarding forward-looking statements

This press release may contain forward-looking statements as defined under applicable Canadian securities legislation. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "continue" or similar expressions. Forward-looking statements are based on a number of assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond the Corporation's ability to control or predict, that could cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements. These risks and uncertainties include, but are not limited to, those identified in the Corporation's filings with Canadian securities regulatory authorities, such as legislative or regulatory developments, increased competition, technological change and general economic conditions. All forward-looking statements made herein should be read in conjunction with such documents.

Readers are cautioned not to place undue reliance on forward-looking statements. No assurance can be given that any of the events referred to in the forward-looking statements will transpire, and if any of them do, the actual results, performance or achievements of the Corporation may differ materially from those expressed or implied by the forward-looking statements. All forward-looking statements contained in this press release speak only as of the date of this press release. The Corporation does not undertake to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

About LSL Pharma Group Inc.

LSL Pharma Group Inc. is an integrated Canadian pharmaceutical company specializing in the development, manufacturing, and commercialization of high-quality sterile ophthalmic pharmaceuticals, as well as natural health products in solid and liquid dosage forms. For further information, please visit the following website www.groupelslpharma.com.

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