PRESS RELEASE
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LSL PHARMA GROUP REPORTS ITS FOURTH QUARTER AND YEAR-END 2025 RESULTS

BOUCHERVILLE, QUÉBEC, April 30, 2026 - LSL PHARMA GROUP INC. (TSXV: LSL) (the "**Corporation**" or "**LSL Pharma** "), a Canadian integrated pharmaceutical company, today reported its financial results for the fourth quarter and fiscal year ended December 31, 2025 ("Q4-25" and "FY-25"). All amounts are presented in millions ("M") of Canadian dollars.

Financial Highlights

- Record annual revenues for FY-25;
- Dermolab and Virage Santé contributed for the 12-months to the CMO results;
- Du-Var results incorporated starting November 17, 2025;
- Q4-25 and FY-25 results materially impacted by the Health Canada ("HC") and Food & Drug Administration ("FDA") certification of the Steri-Med plant, (see "Regulatory Compliance" below) as well as other non-recurrent charges;
- $12M convertible debenture closed in December 2025 contributed to our $13.8M working capital;
- Juno OTC results to be incorporated starting January 1, 2026.

FY-25 vs FY-24

- Total revenues were $28.7M compared to $17.7M, up 62%;
- CMO revenues stood at $25.5M compared to $10.5M, a 142% increase;
- Eye-care segment revenues were $3.2M down from $7.2M;
- Net loss of $2.8M compared to a net income of $3.3M;
- EBITDA of $2.7M compared to $6.8M;
- Adjusted EBITDA of $2.5M up from $2.4M.

Q4-25 vs Q4-24

- Total revenues were $7.3M compared to $5.4 M, up 36%;
- CMO revenues increased 56% at $6.7M compared to $4.3M;
- Eye-care segment revenues were $0.6M down 42% from $1.1M, due to $0.4M adjustments;
- Net loss of $1.1M compared to a net income of $4.5M;
- EBITDA loss of $0.3M compared to $5.6M EBITDA profit;
- Adjusted EBITDA of nil down from $0.8M.

FY-25 Corporate Development

- Entered into two strategic agreements to acquire the Canadian rights to 16 eye-drop products;
- Secured marketing approval by Health Canada for six (6) sterile ophthalmic solutions for the treatment of glaucoma and allergies;
- Secured $23.2M of long-term debt and capital to fund the corporations' growth initiatives, including a 4-yr $12M convertible debenture and a $2.3M private placement;

- Secured a $7.5M line of credit to support working capital investments, increased to $11M in April 2026;
- Expanded CMO activities by acquiring Laboratoire Du-Var Inc. in November 2025;
- Acquired a second manufacturing line to increase 8-fold the production capacity at the Steri-Med Pharma plant and help accelerate the development of new eye-care ointment products.

Subsequent to year-end

- On January 1st, 2026, acquisition of Juno OTC Inc. ("Juno OTC"), a Toronto-based company commercializing private label products;
- Secured US-FDA certification of Steri-Med to manufacture ophthalmic ointment for the US market;
- Signed a binding term sheet with Instapill Private Limited ("Instapill") for the Canadian rights to private label Loratadine 10 mg Orally Disintegrating Tablets (ODT), a bioequivalent product to Claritin® Rapid Dissolve™.

"We are very pleased with the strong progress achieved over the past year to position LSL for growth and shareholders' value creation. The acquisition of Laboratoire Du-Var strengthened our CMO platform and expanded our manufacturing capacity. The recent addition of Juno OTC brings over 40 products to our portfolio and will play a key strategic role in accelerating the commercialization of our expanding eye-care pipeline through major Canadian retail pharmacy networks", said François Roberge, President and CEO of LSL Pharma Group. "As we continue to invest in our ophthalmic pipeline and significantly scale up our manufacturing capabilities with the addition of a new 10-million-unit production line, the US FDA certification of eye-care plant represents a major milestone, opening the door to substantial growth opportunities in the U.S. market," added Mr. Roberge.

"While we have reached record annual revenues in Q4-25 and for the full year 2025, we look forward to consolidating the Juno OTC results starting January 1, 2026. During the last year, we have completed a series of transactions aimed at funding our growth and strengthening our balance sheet. These transactions give the Corporation the flexibility to properly integrate the recent acquisitions while reducing the financial burden associated with our debt " said Luc Mainville, Executive Vice-president and CFO of LSL Pharma. "Our Q4-25 results have been impacted by negative adjustments. These adjustments were necessary to address non-recurring situations and to harmonize accounting standards across all units within the LSL Pharma Group, thereby enabling the Corporation to more accurately reflect the value and performance of the group going forward," added M. Mainville.

Financial Results

The Corporation reports its revenues by business segment with revenues from LSL Laboratory, Dermolab Pharma ("Dermolab"), Virage Santé ("VSI") and Laboratoire Du-Var ("Du-Var") grouped into the CMO segment, and the Steri-Med Pharma ("Steri-Med") revenues presented in the eye-care segment. Starting January 1st, 2026, revenues of Juno OTC will be presented as a third business segment.

Fiscal Year Financial Results – Twelve-Month Period Ended December 31, 2025

- LSL Pharma generated revenues of $28.7M for FY-25, up 62% compared to FY-24, despite special provisions of $0.5 M. FY-25 CMO revenues were up 142% compared to FY-24 and similar to the quarterly revenues, benefited from the acquisition of Dermolab, VSI and Du-Var, as well as the growing revenues of LSL Laboratory. Eye-care revenues for FY-25 period were down 55% compared to the prior fiscal year. The FY-25 revenues were impacted by the special provisions on sales, while the FY-24 revenues benefited from the non-recurrent sales of Erythromycin to the US who were experiencing a nation-wide product shortage situation. FY-24 results also benefited from the OOS situation experienced in Canada by Steri-Med's largest competitor.

- Adjusted Gross Profit for the FY-25 was $9.1M, up 34% over the prior year by benefiting from the contribution of Dermolab and Virage Santé acquired in 2024, as well as the increased production at the Steri-Med plant. Our Gross Profit performance for Q4-25 and FY-25 has been significantly impacted by the lower production at the Steri-Med plant as well as material adjustments. Steri-Med production activity was reduced by more than 50% during the last quarter of 2025 as the site was addressing requirements for its biennial audit with Health Canada as well as making plant adjustments to comply with stringent FDA regulatory requirements. While the reduced activity had a material negative impact on Steri-Med's results it was required for ensuring a successful renewal of the HC licence and more importantly for the successful approval of the site for manufacturing US labelled products. Following the FDA certification of the site announced in January 2026, the total addressable market for Steri-Med's sterile manufacturing activities in now estimated at more than $1.5 billion (IQVIA 2025).
- SG&A expenses for FY-25 were $7.2M compared to $4.5M for FY-24 representing a 60% increase. The YoY increase was mainly due to the addition of Dermolab and VSI. The SG&A ratio to sales decreased slightly as we continue to take advantage of our HO infrastructure when incorporating acquisitions.
- Operating Loss was $2.1M for FY-25, compared to an operating profit of $0.8M last year. The quarterly and FY results were impacted by the gross profit, and SG&A performance described above.
- Financial expenses for FY-25 increased by 53% at $2.9M compared to $1.9M for FY-24. Despite the conversions and repayment of several debt/loans during the year, financial expenses were impacted by the increased expenses on lease facilities at LSL laboratory, and the addition of the Dermolab and Laboratoire Du-Var lease starting December 2024, and November 2025 respectively. FY-25 expenses have been impacted slightly by the $12M convertible debt offering closed late in December 2025, which was used to fund operations and the acquisition of Juno OTC. The fiscal year financial expenses were also impacted by the $0.1M penalty on redemption of the convertible debentures in August 2025.
- Gain on Acquisitions. Our results for FY-25 included a $2.4M gain on acquisition of Du-Var, while the FY-24 results were impacted by the $4.9M gain on acquisition of Dermolab and Virage Santé.
- Net Income (Loss). The Corporation generated a net loss of $2.8M compared to a $3.3M net income for FY-24. The FY-25 results included a $0.8M loss on settlement of the public debentures. Net income for FY-25 benefited from the $2.4M gain on the acquisition of Du-Var while the FY-24 performance included a $4.9M gain on acquisition of Dermolab and VSI.
- EBITDA. For the FY periods, EBITDA was $2.7M for FY-25 compared to $6.8M for FY-24. During FY-24 EBITDA benefited from strong margins generated during the first half of the year by Steri-Med due to the shortage of Erythromycin in the US.
- Adjusted (A) EBITDA for FY-25 was $2.5M compared to $2.4M for FY-24, a 2% increase. EBITDA % dropped from 14% in 2024 to 9% in 2025. The FY-24 EBITDA benefited from strong margins generated during the first half of the year by Steri-Med due to the shortage of Erythromycin in the US while the adjusted EBITDA for FY-25 reflected the impact of new costs and expenses related to the investments and expansion of the product pipeline in the eye-care segment.

Fourth Quarter Financial Results – Three-Month Period Ended December 31, 2025

- The Corporation delivered strong revenues in Q4-25 at $7.3M, up 36% compared to Q4-24, despite revenue provisions of $0.5M (See "Adjusted Gross Profit adjustments"). The quarterly increase results mainly from to the addition of revenues from Dermolab acquired in December 2024, and to a lessor extent from the impact of the Du-Var acquisition completed in November 2025. CMO revenues increased by 56% at $6.7M in Q4-25 compared to $4.3M for Q4-24. Revenues from the Eye-care segment were $0.6M for Q4-25, down 42% compared to Q4-24. Before the special provisions for returns, the revenues for the Eye-care segment in Q4-25 were similar to last year.

- Adjusted Gross Profit for Q4-25 stood at $1.6M; a 13% decrease compared to Q4-24. Adjusted Gross Profit % in Q4-25 was down compared to Q4-24 due to the mix of revenues as the % of revenues from Steri-Med dropped from 20% to 8%.

- Adjustments to Gross Margins._During Q4-25, in addition to the material impact of the reduced production at Steri-Med, our results were impacted by non-recurrent adjustments that were related to 1) prior year operations and transactions, 2) harmonization of inventory valuation for the CMO segment following 3 acquisitions over the last 2 years, and 3) inventory/COGS adjustments

- SG&A expenses for Q4-25 were $2.0M compared to $1.2M in Q4-24, a 73% increase. The quarterly increase was mainly due to the addition of Dermolab and Du-var.

- LSL Pharma generated an operating loss of $3.4M in Q4-25 compared to a $0.3M operating profit in Q4-24. The quarterly and FY results were impacted by the gross profit, and SG&A performance described above.

- Financial Expenses for Q4-25 were 48% higher than Q4-24 at $0.8M compared to $0.6M. Despite the conversions and repayment of several debt/loans during the year, financial expenses were impacted by the increased expenses on lease facilities at LSL laboratory, and the addition of the Dermolab lease starting December 2024.

- Loss (Gain) of settlement of debt was a gain of $0.7M for Q4-25 compared to nil last year. The gain for Q4-25 related to impact of an interest rate reduction on a portion of our term loans. For the FY-25 period, the gain was offset by a $0.6M loss on repayment of the convertible debenture last August.

- Gain on Acquisitions for Q4-25 reflected the $2.4M gain on acquisition of Du-Var, while the Q4-24 results were impacted by the $4.8M net gain on acquisition of Dermolab and VSI.

- Net Loss in Q4-25 was $1.1M, compared to $4.5M net income for Q4-24. The net loss for the Q4-25 included the $0.7M gain on settlement of debt and benefited from the $2.4M gain on the acquisition of Du-Var. The net income performance for Q4-24 included a $4.8M gain on acquisition of Dermolab.

- EBITDA for Q4-25 was a loss of $0.3M, compared to $5.6M positive EBITDA for Q4-24. Both Q4-25 and Q4-24 EBITDA results were impacted by non-recurrent gain on acquisitions.

- Adjusted (A) EBITDA loss for Q4-25 was a nil compared to a $0.8M Adjusted EBITDA profit for Q4-24. The Adjusted EBITDA performance for Q4-25 was impacted by the slower production at Steri-Med, lower-than-expected gross margin due to revenue mix and the increase in the SG&A compared to last year.

Balance Sheet and Liquidities

- As a result of the Laboratoire Du-Var acquisition and continued investment to support our growth, our current assets have increased by $8.6M or 56% at YE-25 compared to YE-24 while current liabilities increased slightly by $0.6M. Our working capital ratio stood at 2.34 at YE-25 compared to 1.6:1 at YE-24, a 47% improvement. At the end of FY-25, our cash stood at $0.5 M. On December 31, 2025, we were using $2.5M under our $7.5M line of credit, which was recently increased to $11M.

- Total assets have increased by 39% at YE-25 compared to YE-24, a $21.1M increase. The increase reflects the investment in working capital to support our growth, the addition of production equipment as well as the acquisition of Du-Var which added $10.3M in total assets.

- Total labilities increased by $19.1M at YE-25 compared to YE-24 due to a series of debt financings required to support our growth and provide capital for the Juno OTC acquisition closed on January 1, 2026. This compares well with the $21.1M increase in total assets.

Regulatory Compliance

- One of the most important value drivers for the eye-care segment is the compliance of the Steri-Med site for sterile ointment manufacturing. Compliance to local regulatory standards is a requirement for commercializing products in each territorial jurisdiction. Manufacturing plants must adhere to strict guidelines outlined by Health Canada, a Standing Regulatory Member of the International Council for Harmonization ("ICH") for ensuring the efficacy and safety of aseptic processes in sterile pharmaceutical facilities. Aseptic processing is critical in pharmaceutical sterile manufacturing to prevent contamination and ensure product sterility. Health Canada and ICH provide a comprehensive framework for the validation of aseptic processes, encompassing facility design, equipment qualification, process validation, and ongoing monitoring. Aseptic validation is a systematic process that ensures sterile products are consistently manufactured under controlled conditions.
- Since 2019, Steri-Med holds a manufacturing licence from Health Canada, and has recently been inspected by the FDA to manufacture sterile ointments for the US market. (See "Product pipeline - Avaclyr" below).
- Health Canada certification allows for commercialization in Canada. Canada has established a Mutual Recognition Agreements (MRAs) with several foreign countries such as European countries, covering drug/medicinal products Good Manufacturing Practices (GMP) Compliance Programs. Consequently, Health Canada and its MRA partners mutually recognize each other's regulation and inspection records. As a consequence of the MRAs, products manufactured by Steri-Med can be registered and sold to several foreign territories without further inspection. Due to the scarcity of high quality sterile ophthalmic ointment manufacturers worldwide, international demand for our products has been increasing.
- Over the recent years, regulatory guidelines for sterile manufacturing have become increasingly stringent, and regulators have increased requirements prior to granting "compliance" status. Many manufacturing sites in Canada, in the US and other countries have ceased to operate, due to their inability to meet or adapt to these increasing standards.
- During the last quarter of FY-25, Steri-Med underwent its biennial Health Canada inspection and was required to implement enhanced operational and administrative procedures to maintain and further strengthen its compliance status.
- While the site was allowed to continue non-filling activities, it had to postpone filling activities for a 3-month period (Jan to March 2026) in order to develop the corrective and preventive action plan requested by HC (the "Plan"). Because of this regulatory request, no filling activity took place at the Steri-Med plant during Q1-26 and the financial impact of such production halt will be addressed in our Q1-26 financial reporting. The latter production halt had no impact on sales activity and revenues as our inventory levels for each commercial products were increased in anticipation of the Health Canada inspection.
- As of April 2, 2026, the plan submitted by Steri-Med was accepted by Health Canada and full production resumed at that time. The site can continue all manufacturing activities in parallel with the plan being executed over the coming quarters. Implementation of this plan is well advanced, and the Corporation does not anticipate any issues in completing the plan within the agreed timelines.

Steri-Med's ability to renew its HC license and to secure FDA compliance is a great asset for the Corporation as more companies are turning to LSL Pharma for their manufacturing requirements. With sterile ointment CMO alternatives becoming more and more scarce, and with barriers to enter the market increasing, the Corporation is well positioned to capitalize on global market opportunities.

Financial Statements and MD&A

LSL Pharma Group's financial statements and Management's Discussion and Analysis for the fourth quarter and fiscal year 2025 are available on SEDAR+ at www.sedarplus.ca and on the Corporation's website.

Cautionary Note Regarding Forward-Looking Statements

This press release may contain forward-looking statements as defined under applicable Canadian securities legislation. Forward looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition, belief, estimate or opinion, or result to occur. Forward-looking statements may be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "believe", "aim", "plan" "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 Company'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, potential changes in market conditions.

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.

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About LSL Pharma Group Inc.

LSL Pharma Group Inc. is a Canadian integrated pharmaceutical company specializing in the development, manufacturing and commercialization of high-quality sterile ophthalmic pharmaceutical products, as well as pharmaceutical, cosmetic and natural health products in solid, semi-solid and liquid dosage forms. Leveraging its technical expertise, certified facilities, and experienced team, LSL Pharma delivers high-quality solutions that meet the highest industry standards. The wholly-owned subsidiaries of LSL Pharma include Steri-Med Pharma Inc., LSL Laboratory Inc., Virage Santé Inc., Dermolab Pharma Ltd., Laboratoire Du-Var Inc. and Juno OTC Inc. For more information, please visit our website at www.groupelslpharma.com.

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