



**PRESS RELEASE  
FOR IMMEDIATE DISTRIBUTION**

## **LSL PHARMA GROUP REPORTS RECORD REVENUES AND MARGINS FOR THE FIRST QUARTER 2024**

- Record Revenues of \$4.2 million in Q1-24 up 106% over Q1-23
- Record Adjusted Gross margins for Q1-24 of \$1.6 million up 141% over Q1-23
- Operating profits of \$0.2 million for Q1-24 compared to a loss of \$0.3 million for Q1-23
- \$0.65 million Adjusted EBITDA profit for Q1-24, up \$0.65 million over Q1-23
- 2 non-brokered private placements completed for \$10.1 million
- Binding agreement signed to acquire a Quebec-based competing CDMO
- Listing of Convertible debentures on TSXV under the symbol "LSL.DB"

**BOUCHERVILLE, QUÉBEC, May 30, 2024** - [LSL PHARMA GROUP INC.](#) (TSXV: LSL) (the "**Corporation**" or "**LSL Pharma**"), a Canadian integrated pharmaceutical company, today reported its financial results for the first quarter of fiscal year 2024 ended on March 31, 2024.

"During the quarter, LSL Pharma kept implementing its operating and strategic plan. We continued to invest in our plants to take advantage of strong demand for our products and services. We took additional steps to advance our ophthalmic ointment product development pipeline. We also entered into an agreement to acquire a profitable competitor to be integrated into our contract manufacturing activities. Finally, we successfully completed a series of financial transactions aimed at strengthening and deleveraging our balance sheet" commented Francois Roberge, President and Chief Executive Officer."

Commenting on the Q1-24 financial results, Luc Mainville, Executive Vice-President and Chief Financial Officer said, "So far in 2024, our operating units have delivered record revenues and margins. We look forward to solid quarters ahead, including the positive impact of the acquisition which we hope to complete before the end of the second quarter."

### **Q1-24 Financial**

- The Corporation achieved record revenues in Q1-24, at \$4.2 million, up 106% compared to Q1-23. Same as for Q4-23, revenues continued to be positively impacted by strong sales of Erythromycin ophthalmic ointment in the US market following a product shortage. LSL Pharma successfully secured (via its US partner – Fera) a temporary licence granted by the FDA to sell our Canadian labelled product to US hospitals. The license expires in June 2024. In Q1-24, our CDMO business have started to take advantage of the increased capacity that followed the site expansion/relocation last year.

- Record gross margins for Q1-24 totaled \$1.1 million compared to \$0.4 million for Q1-23. Similar to our revenues, our gross margins have been positively impacted with sales of our Erythromycin product into the US. Also, the margins have been impacted by the increase of production levels at both plants.
- Adjusted Gross margins for Q1-24 stood at a record level of \$1.6 million, a 141% increase over Q1-23. Adjusted gross margin % was also up at 39%, compared to 36% for Q1-23.
- Adjusted EBITDA for Q1-24 was a \$0.65 million profit compared to nil for Q1-23.
- Net loss for the Q1-24 was \$0.3 million a strong performance compared to the \$5.4 million loss in Q1-23.

### **Q1-24 Business Highlights**

**On March 19, 2024**, the Corporation announced the closing of a non-brokered private placements for \$6.4 million. Pursuant to the Financing, the Corporation issued 16,086,893 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 Common Share (a “Warrant Share”) at a price of \$0.70 for a period of 36 months following the closing of the Financing. The Financing included \$2.7 million in cash proceeds, and the conversion of \$3.7 million of the Corporation’s debts in Units.

### **Subsequent Events**

**On April 23, 2024**, LSL Pharma announced the addition of Ms. Diane Beaudry and Mario Paradis, as new members to its Board of Directors. Ms. Diane Beaudry is a Certified Professional Accountant and Certified Director by the Institute of Corporate Director, and has extensive experience in the field of finance and boards of directors. Mario Paradis is actually the interim CFO of EXFO Inc. Prior to this, he was Vice President and Chief Financial Officer of Neptune Wellness Solutions from 2015 to 2019. Prior to 2015, he was Vice President and Chief Financial Officer at Atrium Innovations.

**On April 24, 2024**, the LSL Pharma Group announced the second and final tranche of its non-brokered private placement financing of Units for \$3.8 million.

**On May 6, 2024**, the Corporation announced the signing of a binding agreement to acquire a profitable privately held Quebec-based competing CDMO offering complementary manufacturing capabilities and providing important synergies with its existing operations (the “Target”). The \$2.5 million purchase price which will be funded by the proceeds from March/April 2024 private placements, includes a fully operational manufacturing plant. The transaction is expected to boost LSL Group’s revenues by 15-20% on an annual basis. LSL Pharma anticipates closing the transaction by the end of Q2-24.

**On May 22, 2024**, the Corporation announced that the Convertible 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. The Debentures which may be redeemable by the Corporation, have a maturity date of October 31, 2028 (the “Maturity Date “), and accrue interest at the rate of 11% per annum. For additional details, please refer to the Debenture Indenture dated November 1, 2023, available under LSL Pharma’s issuer profile on [www.sedarplus.ca](http://www.sedarplus.ca).

## **Financial Statements and MD&A**

LSL Pharma Group's financial statements and Management's Discussion and Analysis for the first quarter of fiscal year 2024 are available on SEDAR+ at [www.sedarplus.ca](http://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 dosage forms. For further information, please visit the following website [www.groupelslpharma.com](http://www.groupelslpharma.com).

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## **CONTACT :**

François Roberge  
President and Chief Executive Officer  
(514) 664-7700  
E-mail: [Investors@groupelslpharma.com](mailto:Investors@groupelslpharma.com)

Luc Mainville  
Executive VP & Chief Financial Officer  
(514) 664-7700 ext.: 301  
E-mail : [lmainville@groupelslpharma.com](mailto:lmainville@groupelslpharma.com)