

LSL PHARMA GROUP ANNOUNCES ACQUISITION OF JUNO OTC INC. AND A BROKERED PRIVATE PLACEMENT OF CONVERTIBLE DEBENTURES OF \$11M

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UNITED STATES/**

BOUCHERVILLE, QC, Dec. 17, 2025 /CNW/ - **LSL PHARMA GROUP INC.** (TSXV: LSL) (The "**Corporation**" or "**LSL Pharma**"), a Canadian integrated pharmaceutical company, is pleased to announce that it has entered into an arm's length letter of intent dated December 16, 2025 (the "**Agreement**") with Juno Pharmaceuticals LP (the "**Seller**"), to acquire (the "**Acquisition**") all of the outstanding shares of Juno OTC Inc. ("**Juno OTC**"), a Toronto based wholly owned subsidiary of the Seller, for a total purchase price of \$5 million (the "**Purchase Price**") to be paid to the Seller. As set forth in the Agreement, the Purchase Price will be paid as follows: (i) \$2,500,000 in cash on the closing date of the Acquisition (the "**Acquisition Closing Date**"); (ii) such number of Class "A" common shares of the Corporation (the "**Common Shares**") on the Acquisition Closing Date as is equal to \$2,000,000 divided by the volume-weighted average price of the Common Shares for the twenty (20) consecutive trading days preceding the execution of the definitive share purchase agreement; and (iii) \$500,000 in cash on January 1, 2027 (the "**Purchase Price Balance**"). The Purchase Price Balance of \$500,000 payable on January 1, 2027 will be adjusted to reflect variations in working capital, if any.

Overview of the Acquisition

Through this acquisition, LSL Pharma becomes a key supplier to most Canadian pharmacy banners and its revenues will immediately benefit from the existing Juno OTC business. Juno OTC adds a pipeline of innovative products to LSL Pharma, including over 40 Health Canada approved OTC drugs, natural health products and medical devices to the LSL Pharma business. The integration of Juno OTC will enable the Corporation to expand its customer base by adding all leading pharmacy, grocery, mass market, and discount retailers participating in the growing Canadian Consumer Healthcare market. Juno OTC also provides expanded access to new contract manufacturers across a global network of key suppliers offering strategic and innovative product opportunities. Juno OTC anticipates revenues of approximately \$25 million for 2026.

"This acquisition marks a new milestone for LSL Pharma by significantly increasing our overall revenue, adding a large and integrated product portfolio in the healthcare market and supporting our commitment to create sustainable growth for our shareholders while maintaining the highest standards of quality and compliance. OTC consumer healthcare is a growing and reliable business segment with very favourable long-term trends and Juno OTC is a well-positioned and recognized player," said François Roberge, President and CEO of LSL Pharma. "Additionally, the Juno OTC capabilities will help leverage our existing capacity for manufacturing consumer healthcare products. We look forward to working with the new and existing customers and manufacturers this acquisition will bring along. We are proud to welcome the Juno OTC team to LSL Pharma Group," he added.

Completion of the Acquisition is subject to a number of conditions, including but not limited to, the

execution of a definitive share purchase agreement, the Corporation's completion of the Offering (as defined below) and regulatory approvals, including approval by the TSX Venture Exchange. There can be no assurance that the Acquisition will be completed as proposed or at all.

The Offering

As a condition to the completion of the Acquisition and pursuant to the Agreement, the Corporation intends to complete a "best-efforts" brokered private placement offering (the "**Offering**") of unsecured convertible debentures (the "**Debentures**"), led by Bloom Burton Securities Inc. (the "**Lead Agent**"), along with Research Capital Corporation and Leede Financial Inc. (collectively with the Lead Agent, the "**Agents**"), at an issue price of \$1,000 per Debenture, for \$11,000,000 in aggregate gross proceeds. The Debentures will bear interest at 10.0% per annum and will mature on December 31, 2029 (the "**Maturity Date**") at which time the aggregate principal amount of the Debentures will be repayable in cash. The principal amount of each Debenture will be convertible into Common Shares at the conversion price of \$0.45 per Common Share (the "**Conversion Price**") at the option of the holder thereof.

The Corporation has agreed to pay the Agents, upon closing of the Offering, a cash commission equal to 6.0% of the aggregate gross proceeds of the Offering (the "**Agents' Cash Fee**") and to issue such amount of broker warrants equal to 3.0% of the aggregate number of Common Shares issuable upon the conversion of the Debentures issued pursuant to the Offering (the "**Broker Warrants**"). The Broker Warrants will be exercisable for 24 months following the Offering Closing Date (as defined below) entitling the holder thereof to acquire one Common Share at the Conversion Price. The Agents will not receive Broker Warrants with respect to gross proceeds raised in the Offering from certain purchasers noted on a president's list to be agreed between the Agents and the Corporation, and the Agents' Cash Fee will be equal to 2.0% of the aggregate gross proceeds raised from such investors on the president's list in connection with the Offering.

Closing of the Offering is expected to occur on or about December 23, 2025 (the "**Offering Closing Date**") and is subject to certain customary conditions including, but not limited to, the receipt of all necessary regulatory approvals and acceptance of the TSX Venture Exchange. All securities issued pursuant to the Offering will be subject to a statutory hold period of four months plus a day from the Offering Closing Date in accordance with applicable securities legislation.

The net proceeds of the Offering will be used for the Acquisition, working capital and for general corporate purposes.

Insiders and related parties of the Corporation may acquire Debentures under the Offering. Such participation may be considered to be "related party transactions" within the meaning of *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* ("**Regulation 61-101**"). The Corporation intends to rely on the exemptions from the formal valuation and minority shareholder approval requirements of Regulation 61-101 in respect of related party participation in the Offering as neither the fair market value (as determined under Regulation 61-101) of the subject matter of, nor the fair market value of the consideration for the Offering, insofar as it involves interested parties, is expected to exceed 25% of the Corporation's market capitalization. In the event of participation of any director of the Corporation, such director shall disclose such participation and shall abstain from voting on the approval by the board of directors of the Corporation. The Corporation will not file a material change report 21 days prior to the Offering Closing Date because details will not be settled until shortly prior to the Offering Closing Date and the Corporation intends to complete the Offering as soon as commercially possible.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this news release in the United States. Such securities have not been, and will not be, registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or any state securities laws, and, accordingly, may not be offered or sold within

the United States, or to or for the account or benefit of persons in the United States or "U.S. Persons", as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

About Juno OTC Inc.

Juno OTC is a leading supplier in the Canadian private label consumer healthcare OTC market providing key Canadian retailers with core product offerings under the retailers' own recognized private label brands and strategic new opportunities to build the mutual business. With a very strong legacy in this market, Juno OTC is recognized for providing the highest quality products along with a track record of partnership with these Canadian retailers to build their overall presence and success in consumer healthcare. Juno OTC has all required Health Canada licenses for importing and distributing these products along with tremendous expertise in all areas of Regulatory and Quality Assurance that is required for the Canadian market.

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 companies that are part of the LSL Pharma Group are Steri-Med Pharma Inc., LSL Laboratory Inc., Virage Santé Inc., Dermolab Pharma Ltd. and Du-Var Laboratory Inc. For more information, please visit our website at www.groupeislpharma.com.

Caution 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 Corporation's future plans, objectives or goals, including words to the effect that the Corporation 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 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, satisfaction of conditions to the completion of the Acquisition and the Offering, including the receipt of the applicable approvals for the proposed Acquisition and Offering, potential changes in market conditions, the completion of the Offering and the Acquisition on the terms described and the expected benefits to the Corporation resulting from completion of the Acquisition.

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.

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.

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For further information: François Roberge, President and Chief Executive Officer, (514) 664-7700, E-mail: Investors@groupeleslpharma.com; Luc Mainville, Executive Vice-President and Chief Financial Officer, (514) 664-7700 Ext: 301, E-mail: lmainville@groupeleslpharma.com

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