Cipher Pharmaceuticals Reports Fourth Quarter Results and Full Year 2025 Record Revenue and Earnings

(All figures are presented in U.S. Dollars)

- *Achieved record-high full year revenue, net income and adjusted EBITDA[1]*
- *Full year total revenue of $50.5 million in 2025, an increase of 51% over fiscal 2024*
- *Full year net income of $27.3 million, an increase of 137% over fiscal 2024*
- *Full year adjusted EBITDA[1] of $28.1 million, an increase of 79% over fiscal 2024*
- *Generated $8.7 million in cash from operations during Q4 2025 and $29.7 million for the full year*
- *Debt repayments of $35.0 million in fiscal 2025, with $7.5 million cash balance which exceeds outstanding long-term debt of $5.0 million at December 31, 2025*
- *$5.4 million in share repurchases under Normal Course Issuer Bid during fiscal 2025*

MISSISSAUGA, ON, March 12, 2026 /CNW/ - Cipher Pharmaceuticals Inc. (TSX: CPH) (OTCQX: CPHRF) ("**Cipher**" or the "**Company**") today announced its financial and operating results for the year ended December 31, 2025.

Full Year 2025 Financial Highlights
(All figures in U.S. dollars, compared to full year 2024, unless otherwise noted)

- Total revenue was $50.5 million in 2025, compared to $33.4 million in 2024, an increase of 51%
- Revenue from the U.S.-based business was $30.0 million in 2025, an increase of $18.0 million or 150%, compared to $12.0 million in 2024
- Revenue from the Canadian product portfolio increased by $2.2 million or 15%, compared to 2024
- Net income of $27.3 million, compared to $11.5 million in 2024, an increase of 137%
- Adjusted EBITDA[1] of $28.1 million, compared to $15.7 million in 2024, an increase of 79%
- Basic earnings per share of $1.07, compared to $0.47 in 2024, an increase of $0.60 or 128%
- Positive operating cash flows of $29.7 million in 2025, compared to $19.5 million in 2024, an increase of 52%

Q4 2025 Financial Highlights
(All figures in U.S. dollars, compared to Q4 2024, unless otherwise noted)

- Total revenue was $12.2 million, compared to $11.8 million in Q4 2024, an increase of 3%
- Revenue from Natroba™ was $7.4 million, compared to $6.5 million in Q4 2024, an increase of 14%
- Revenue from Epuris was $3.7 million, compared to $3.5 million in Q4 2024, an increase of 6%
- Net income of $13.3 million, compared to $3.3 million in Q4 2024, an increase of 303%
- Adjusted EBITDA[1] was $7.0 million, compared to $5.0 million in Q4 2024, an increase of 40%

Management Commentary

Craig Mull, Interim CEO, commented: "In 2025, Cipher achieved the goal it set for itself in connection with its acquisition of the Natroba™ business during the second half of 2024, to double the Company's revenue and earnings. In fact, we have exceeded our goal with a more than doubling of both, with revenue of $50.5 million in 2025, a 138% increase compared to $21.2 million in 2023, the most recent full year prior to the Natroba™ acquisition, and Adjusted EBITDA of $28.1 million in

2025, a 121% increase compared to $12.7 million in 2023.

As the U.S. business, led by Natroba™ continues to perform well, we are looking forward to our next acquisition. In doing so, we are spending a significant amount of our time identifying, evaluating and pursuing various business development opportunities, including opportunities for accretive acquisitions of companies with strategic value to Cipher."

Ryan Mailling, CFO, commented: "During 2025, once we substantially completed the integration of the acquired U.S. business, led by Natroba™, an area of focus was purposeful allocations of capital to better position Cipher for its next leg of growth, including the near full repayment of our revolving credit facility that was negotiated and drawn upon to partially fund the Natroba™ acquisition.

With minimal outstanding debt, strong cash flows from operations, and access to capital through $85 million of available debt financing, we are well positioned to execute on our strategy of pursuing growth opportunities, however we remain selective in our approach to pursuing these opportunities to ensure they are the right fit for Cipher. We look forward to being able to provide further updates on the progress of our business development activities."

Corporate Highlights

- On April 29, 2025, Cipher announced its product Natroba™ received preferred step-through status on Medicaid in the state of Illinois, whereby its main product competitor Permethrin 5% was downgraded to non-preferred status on the state's preferred drug listing. This move by Illinois Medicaid requires all prescriptions for Permethrin 5% to first 'step-through' Natroba™ making it the treatment of choice in the state.
- On May 1, 2025, Cipher announced that the Toronto Stock Exchange had approved the Company's Notice of Intention to Make a Normal Course Issuer Bid ("NCIB") under which the Company may purchase for cancellation, from time to time until May 4, 2026, up to an aggregate of 1,485,260 of its issued and outstanding common shares, being 10% of its public float of 14,852,604 common shares as of April 22, 2025. As at December 31, 2025, the Company had purchased for cancellation 532,940 common shares since the commencement of the NCIB, with a total value of $5.4 million.
- The Company has made repayments totaling $35.0 million of the outstanding balance on its revolving credit facility, during the year ended December 31, 2025. As a result of these repayments, the outstanding balance on the Company's revolving credit facility has been reduced to $5.0 million, with $7.5 million of cash remaining on hand. Due to the revolving nature of the credit facility, an additional $60.0 million remains available to the Company to draw upon, plus a $25.0 million accordion option, should additional financing be required.
- On January 28, 2026, Cipher announced that Health Canada had accepted for review its New Drug Submission (NDS) for Natroba™ (Spinosad), a topical treatment for head lice and scabies. Upon regulatory approval, Cipher intends to commercialize Natroba™ in Canada directly through its existing sales and distribution infrastructure.

Q4 2025 Financial Review

(All figures in U.S. dollars, compared to Q4 2024, unless otherwise noted))

- Total revenue was $12.2 million, compared to $11.8 million in Q4 2024, an increase of 3%.
- Total gross profit was $9.9 million, compared to $6.7 million in Q4 2024, an increase of 48%.
- Gross margin percentage increased by 24% to 81%, from 57% in Q4 2024, primarily due to the impact of non-cash fair value adjustments on acquired inventory in connection with the Company's acquisition of Natroba™ included in the cost of products sold during Q4 2024, combined with additional product revenues from Natroba™ in Q4 2025 which had gross margins of 85%, partially offset by lower licensing revenue in Q4 2025.
- Net income and earnings per common share were $13.3 million and $0.52, respectively, compared to $3.3 million and $0.13, respectively in Q4 2024, with the increase primarily

attributable to the additional operating income generated from the Company's U.S. based operations, led by Natroba™, in Q4 2025, including reduced operating expenses due to non-recurring acquisition related costs and non-cash fair value adjustments on acquired inventory included in cost of products sold in Q4 2024.
- Adjusted EBITDA[1] in Q4 2025 was $7.0 million, compared to $5.0 million in Q4 2024, an increase of $2.0 million or 40%.
- Adjusted EBITDA[1] per common share in Q4 2025 was $0.27 compared to $0.19 in Q4 2024, an increase of $0.08 per common share or 42%.
- Under the Company's NCIB, 160,962 common shares were repurchased and cancelled during Q4 2025 at an average share price of CDN$14.22.
- Outstanding debt balance reduced to $5.0 million at December 31, 2025, compared to $40.0 million at December 31, 2024, due to $35.0 million of repayments during the year ended December 31, 2025, including $8.0 million in Q4 2025.

Business Strategy & Outlook

Cipher expects to continue to execute on its business strategy in 2026 and remains focused on profitability and driving shareholder value. Key areas of focus include:

- Driving market share growth of Natroba™ in the anti-parasitic market in the U.S. where market leader "Permethrin" is no longer an effective treatment but still holds 75%[2] market share.
- Acquiring complementary products to add to our North American platform to enhance the profitability, size and scale of the business.
- Obtaining Health Canada regulatory approval for Natroba™ and commercializing the product directly in the Canadian market by leveraging Cipher's existing infrastructure in Canada.
- Out-licensing Natroba™ globally where there is high unmet need, such as warm climate regions.
- Pursuing acquisitions of companies or products with specific strategic value.

Financial Statements and MD&A

Cipher's financial statements for the year ended December 31, 2025, and management's discussion and analysis (the "MD&A") for the three and twelve months ended December 31, 2025, are available on the Company's website at www.cipherpharma.com in the "Investors" section under "Financial Reports" and on SEDAR+ at www.sedarplus.ca.

Notice of Conference Call

Cipher will hold a conference call on March 13, 2026, at 8:30 a.m. (ET) to discuss its financial results and other corporate developments.

- To access the conference call by telephone, dial (416) 945-7677 or (888) 699-1199
- A live audio webcast will be available at https://app.webinar.net/G7lE687Woew
- An archived replay of the webcast will be available until March 20, 2026 and can be accessed by dialing (289) 819-1450 or (888) 660-6345 and entering conference replay code 29916#

About Cipher Pharmaceuticals Inc.

Cipher Pharmaceuticals (TSX: CPH) (OTCQX: CPHRF) is a specialty pharmaceutical company with a robust and diversified portfolio of commercial and early to late-stage products. Cipher acquires products that fulfill unmet medical needs, manages the required clinical development and regulatory approval process, and currently markets those products either directly or indirectly in Canada, the U.S., and South America. For more information, visit www.cipherpharma.com.

Forward-Looking Statements and Non-IFRS Measures

This document includes forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to objectives and goals and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. The words "may", "will", "could", "should", "would", "suspect", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "forecast", "objective", "hope" and "continue" (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements. Forward-looking statements in this press release include statements relating to Cipher's strategy to expand product offerings through acquisitions and in-licensing; the pursuit of growth through accretive acquisitions of companies or products of strategic value; Cipher's financial position, expected strong cash flows, and ability to execute its growth strategy utilizing its available $85 million in debt financing; the intent to obtain Health Canada regulatory approval for Natroba™ and commercialize it directly in the Canadian market using existing infrastructure; expectations for driving market share growth for Natroba™ in the U.S. anti-parasitic market; plans to acquire complementary products to enhance the profitability, size, and scale of the North American platform; intentions to out-license Natroba™ globally in regions with high unmet need; and the intention to provide further updates on business development activities.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. These assumptions include, but are not limited to: the company's ability to successfully identify, evaluate, and complete accretive acquisitions and in-licensing opportunities that fit its strategic goals; the timely and successful receipt of regulatory approval from Health Canada for Natroba™; the continued generation of strong cash flows from operations and the continued availability of the $85 million debt financing facility; the ability of Natroba™ to effectively compete against existing treatments, such as Permethrin, and capture significant market share in the U.S.; the adequacy of Cipher's existing Canadian sales and distribution infrastructure to commercialize Natroba™; and the existence of favourable market conditions and global partners willing to enter into out-licensing agreements for Natroba™ in warm climate regions.

We caution readers not to place undue reliance on these statements as a number of important factors, many of which are beyond our control, could cause our actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the inability to identify suitable business development or acquisition targets, or the failure to successfully integrate acquired businesses and achieve expected synergies; delays, restrictions, or the ultimate failure to obtain necessary regulatory approvals, including Health Canada approval for Natroba™; intense competition in the pharmaceutical industry and the U.S. anti-parasitic market, which may hinder Natroba™'s market share growth; changes in macroeconomic conditions, interest rates, or the Company's financial performance that could negatively impact cash flows or restrict access to capital and debt financing; challenges in negotiating favourable out-licensing agreements globally or failure of international partners to successfully commercialize the product; our ability to enter into development, manufacturing and marketing and distribution agreements with other pharmaceutical companies and keep such agreements in effect; our dependency on a limited number of products; our dependency on protection from patents that will expire; the extent and impact of health pandemic outbreaks on our business; integration difficulties and other risks if we acquire or in-license technologies or product candidates; reliance on third parties for the marketing of certain products; the product approval process by regulators which can be highly unpredictable; the timing of completion of clinical trials, regulatory submissions and regulatory approvals;

reliance on third parties to manufacture our products and events outside of our control that could adversely impact the ability of our manufacturing partners to supply products to meet our demands; we may be subject to future product liability claims; unexpected product safety or efficacy concerns may arise; we generate license revenue from a limited number of distribution and supply agreements; the Company's performance depends, in part, on the performance of its distributors and suppliers; the pharmaceutical industry is highly competitive with new competing product entrants; requirements for additional capital to fund future operations; products may be subject to pricing regulation; dependence on key managerial personnel and external collaborators; the ability to receive regulatory approvals for products in development or future products; certain of our products are subject to regulation as controlled substances; limitations on reimbursement in the healthcare industry; the ability to convince public payors and hospitals to include our products on the approved formulary lists; ability to receive timely payment from certain customers; application of various laws pertaining to health care fraud and abuse; the Company's reliance on the success of strategic investments and partnerships; the publication of negative results of clinical trials; unpredictable development goals and projected time frames; rising insurance costs; ability to enforce covenants not to compete; risks associated with the healthcare industry generally; we may be unsuccessful in evaluating material risks involved in completed and future acquisitions; we may be unable to identify, acquire or integrate acquisition targets successfully; success in applying tax loss carry forwards; inability to meet covenants under our long-term debt arrangement; compliance with privacy and security regulation; our policies regarding product returns, allowances and chargebacks may reduce revenues; additional regulatory burden and controls over financial reporting; application of regulations that could restrict our activities and abilities to generate revenues as planned; reliance on third parties to perform distribution, logistics, invoicing, regulatory and sales services; general commercial litigation, class actions, other litigation claims and regulatory actions; the difficulty for shareholders to realize in the United States upon judgments of U.S. courts predicated upon civil liability of the Company and its directors and officers who are not residents of the United States; increases in tariffs, trade restrictions or taxes on our products; the potential violation of intellectual property rights of third parties; our efforts to obtain, protect or enforce our patents and other intellectual property rights related to our products; changes in U.S., Canadian or foreign patent laws; inability to protect our trademarks from infringement; shareholders may be further diluted if we issue securities to raise capital; volatility of our share price; the fact that we have a significant shareholder; our operating results may fluctuate significantly; and our debt obligations will have priority over the common shares of the Company in the event of a liquidation, dissolution or winding up. We caution that the foregoing list of important factors that may affect future results is not exhaustive. When reviewing our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations, and about material factors or assumptions applied in making forward-looking statements, may be found in the "Risk Factors" section of our MD&A for the year ended December 31, 2025 and the Company's Annual Information Form, and elsewhere in our filings with Canadian securities regulators. Except as required by Canadian securities law, we do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf; such statements speak only as of the date made. The forward-looking statements included herein are expressly qualified in their entirety by this cautionary language.

1. *EBITDA and adjusted EBITDA are non-IFRS financial measures. These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are unlikely to be comparable to similar measures presented by other companies. Management uses non-IFRS measures such as Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA to provide investors with supplemental measures of the Company's operating performance and thus highlight trends in*

the Company's core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company defines Adjusted EBITDA as earnings before interest expense, income taxes, depreciation of property and equipment, amortization of intangible assets, non-cash share-based compensation, changes in fair value of derivative financial instruments, costs and provisions for arbitration, gain or loss on disposal of assets and gain or loss on extinguishment of leases, impairment of intangible assets, acquisition costs, restructuring costs, fair value adjustments to acquired inventory and unrealized foreign exchange gains and losses.

2. *IQVIA market data as at December 31, 2025. IQVIA Inc. ("IQVIA") is globally recognized as a leading independent provider of pharmaceutical market intelligence, prescription tracking and healthcare analytics.*

The following is a summary of how EBITDA and Adjusted EBITDA are calculated:

(IN THOUSANDS OF U.S. DOLLARS, except for per share amounts)	**Three months ended December 31, 2025**	**Three months ended December 31, 2024**	**Year ended December 31, 2025**	**Year ended December 31, 2024**
	$	$	**$**	$
Net income and comprehensive income	**13,311**	3,344	**27,329**	11,545
Add back:				
Depreciation and amortization	**1,806**	1,511	**7,232**	4,017
Interest expense (income)	**109**	544	**1,165**	(330)
Income taxes	**(8,698)**	(6,198)	**(10,166)**	(8,590)
EBITDA	**6,528**	(799)	**25,560**	6,642
Unrealized foreign exchange (gain) loss	**(520)**	1,790	**(1,685)**	2,508
Acquisition, restructuring and other costs	**224**	854	**352**	2,715
Fair value adjustments to acquired inventory	**--**	2,747	**777**	2,747
Costs and provisions for arbitration	**211**	--	**1,445**	--
Gain on disposal of assets	**--**	--	**(130)**	--
Share-based compensation	**525**	374	**1,738**	1,072
Adjusted EBITDA	**6,968**	4,966	**28,057**	15,684
Adjusted EBITDA per share – basic	**0.27**	0.19	**1.10**	0.63
Adjusted EBITDA per share – dilutive	**0.27**	0.19	**1.08**	0.62

Consolidated statements of income and comprehensive income

(IN THOUSANDS OF U.S. DOLLARS, except for per share amounts)	**Three months ended December 31,**		**Year ended December 31,**	
	2025	2024	**2025**	2024
	$	$	**$**	$
Revenue				
Licensing revenue	**581**	1,350	**3,554**	6,623
Product revenue	**11,637**	10,472	**46,897**	26,740
Net revenue	**12,218**	11,822	**50,451**	33,363
Operating expenses				
Cost of products sold	**2,304**	5,129	**10,029**	9,260
Research and development	**--**	--	**21**	--
Depreciation and amortization	**1,806**	1,511	**7,232**	4,017
Selling, general and administrative	**3,906**	5,702	**16,656**	14,953
Total operating expenses	**8,016**	12,342	**33,938**	28,230
Other expenses (income)				
Gain on disposal of assets	**--**	--	**(130)**	--
Interest expense (income)	**109**	544	**1,165**	(330)
Unrealized foreign exchange (gain) loss	**(520)**	1,790	**(1,685)**	2,508
Total other (income) expenses	**(411)**	2,334	**(650)**	2,178
Income (loss) before income taxes	**4,613**	(2,854)	**17,163**	2,955
Current income tax expense	**12**	54	**12**	54
Deferred income tax recovery	**(8,710)**	(6,252)	**(10,178)**	(8,644)
Total income tax recovery	**(8,698)**	(6,198)	**(10,166)**	(8,590)
Net income and comprehensive income for the year	**13,311**	3,344	**27,329**	11,545

Income per share				
Basic	**0.52**	0.13	**1.07**	0.47
Diluted	**0.51**	0.13	**1.05**	0.46

Consolidated statements of financial position

(IN THOUSANDS OF U.S. DOLLARS)	**As at December 31, 2025** $	As at December 31, 2024 $
Assets		
Current assets		
Cash and cash equivalents	**7,493**	17,837
Accounts receivable	**11,206**	13,860
Inventory	**8,190**	5,792
Prepaid expenses and other assets	**1,158**	995
Total current assets	**28,047**	38,484
Property and equipment, net	**569**	680
Intangible assets, net	**72,013**	78,754
Deferred financing costs	**236**	386
Goodwill	**17,447**	17,447
Deferred tax assets	**38,190**	26,761
Total assets	**156,502**	162,512
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	**6,391**	5,873
Income taxes payable	**7**	54
Interest payable	**6**	358
Contract liability	**18,349**	13,306
Current portion of lease obligation	**289**	283
Total current liabilities	**25,042**	19,874
Lease obligation	**216**	295
Long-term debt	**5,000**	40,000
Total liabilities	**30,258**	60,169
Shareholders' equity		
Share capital	**27,857**	27,680
Contributed surplus	**7,788**	6,525
Accumulated other comprehensive loss	**(9,514)**	(9,514)
Retained earnings	**100,113**	77,652
Total shareholders' equity	**126,244**	102,343
Total liabilities and shareholders' equity	**156,502**	162,512

SOURCE Cipher Pharmaceuticals Inc.

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For further information: For further information: Graham Farrell, Investor Relations - Cipher Pharmaceuticals, ir@cipherpharma.com, 416-842-9003

CO: Cipher Pharmaceuticals Inc.

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