



H I G H L A N D
THERAPEUTICS

www.highlandtherapeutics.com

For Immediate Release:

HIGHLAND THERAPEUTICS ANNOUNCES CLOSING OF US\$25 MILLION FINANCING

TORONTO, Canada, October 16, 2014—Highland Therapeutics Inc. (“Highland”), a pharmaceutical company, today announced it has completed a US\$25 million offering of Class A Common Shares. The financing was led by a private equity partner that is committed to Highland’s long-term success.

The funds raised will provide, among other things, the necessary resources for Highland, through its wholly owned subsidiary Ironshore Pharmaceuticals & Development, Inc. to (i) complete the clinical development of HLD-200 (under development for the treatment of symptoms associated with ADHD) through to a New Drug Application, (ii) conduct a Phase IIB/III study of HLD-100 (amphetamine), (iii) expand manufacturing capacity and (iv) pursue pipeline expansion opportunities.

“I am delighted by the strong show of support evidenced by this financing, which recognizes the progress made by Highland in its evolution to becoming an international pharmaceutical company with a proprietary drug delivery technology and two late-stage products in development,” said David Lickrish, Highland’s President & Chief Executive Officer. “Looking forward, we anticipate reaching a number of critical near-term milestones, including Phase III data for HLD-200.”

HLD-200 Phase III Clinical Trial Update

Highland’s lead compound, HLD-200 (methylphenidate) is being investigated in an ongoing Phase III clinical trial entitled Clinical Endpoint Evaluation Study, or CEES. A total of 43 pediatric ADHD patients were enrolled in the study, all of whom have now completed their participation. Top-line results are anticipated in November 2014.

The primary objective of CEES is to generate data that will inform the design of a pivotal trial for HLD-200 that Highland anticipates initiating in the first half of 2015. The ‘Clinical Endpoint’ in the CEES title is in reference to a novel rating scale that is being used to measure early morning

functioning as part of the trial's key secondary endpoint – to demonstrate that evening treatment with HLD-200 improves control of ADHD symptoms, compared to placebo, during the at-home morning routine in pediatric subjects with ADHD. Given the scale's relative novelty, data from CEES will be instrumental in properly powering the pivotal study.

About Highland Therapeutics Inc.

Highland Therapeutics Inc. is a specialty pharmaceutical company that, through its wholly owned subsidiary Ironshore Pharmaceuticals & Development, Inc., is leveraging its proprietary technology, DELEXIS™, to optimize the delivery of previously approved drug products. The Company's lead product candidates, HLD-200 and HLD-100, are novel formulations of the psychostimulants (methylphenidate and amphetamine, respectively) used to treat ADHD and are being developed to address a prevalent unmet medical need in the treatment of the disease – inadequate symptom control during the morning routine. Intended for nighttime dosing, DELEXIS™ is designed to provide a consistent delay in the initial release of the active drug, followed by a period of extended release; with the objective of providing control of ADHD symptoms immediately upon waking and throughout the day.

Highland Therapeutics Inc. is a client of MaRS Discovery District's Health Venture Services group, which provides advisory services, connections to talent, customer & capital networks, and market intelligence to high-impact, Ontario-based life sciences ventures, helping them commercialize their ideas and build globally competitive companies.

For further information, please visit the Company's website at www.highlandtherapeutics.com, or contact:

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Forward-Looking Statements

This press release contains forward-looking information, which reflects Highland's current expectations regarding future events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Highland's control that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. These forward-looking statements are made as of the date of this press release and, except as expressly required by applicable law, Highland assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.