



HLS Therapeutics[®]

INVESTOR PRESENTATION

Greg Gubitz | CEO

Gilbert Godin | President & COO

Spring 2019

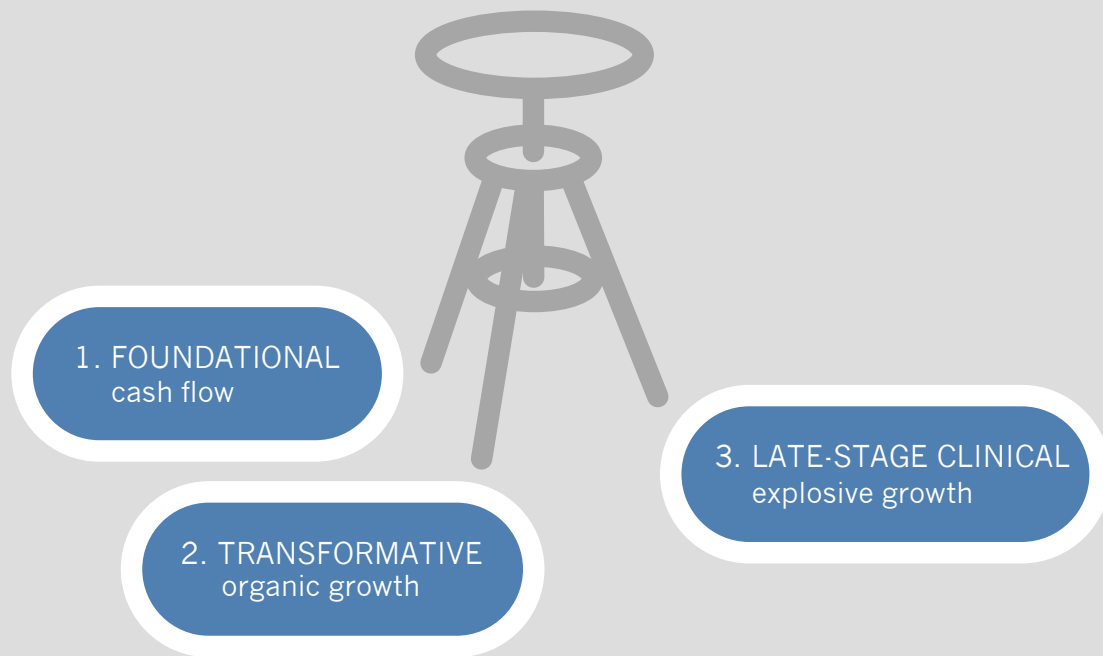
Forward-looking statements

Certain statements in this presentation are “forward-looking statements”. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always using words or phrases such as “project”, “forecast”, “target”, “expect”, “seek”, “endeavour”, “anticipate”, “plan”, “estimate”, “believe”, “intend”, or stating that certain actions, events or results may, could, should, would, might or will occur or be taken, or achieved) are not statements of historical fact and may be “forward-looking statements”. Forward-looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of known and unknown risks and uncertainties which would cause actual results or events to differ materially from those presently anticipated. A number of factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this presentation. These factors should be considered carefully and prospective investors should not place undue reliance on these forward-looking statements. Although the forward-looking statements contained in this presentation are based upon what HLS currently believes to be reasonable assumptions, HLS cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. Except as required by law, HLS does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forward-looking statement, nor does it intend, or assume any obligation, to update or revise these forward-looking statements to reflect new events or circumstances.

*** All figures in USD unless otherwise noted.**

HLS's methodical strategy

Staged approach



KEY STRENGTHS

Operational pharma know-how
Business development expertise
Efficient corporate platform
Strong balance sheet

Canadian-based, North American-focused pharmaceutical company

Leading healthcare investors behind HLS

HEALTHCOR

\$3.6B AUM

ATHYRIUM

\$3.5B AUM

ORBIMED

\$14B AUM

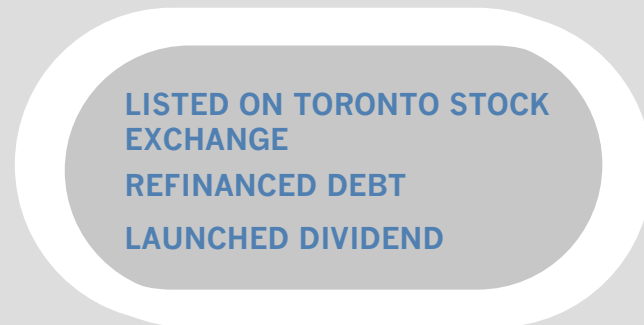
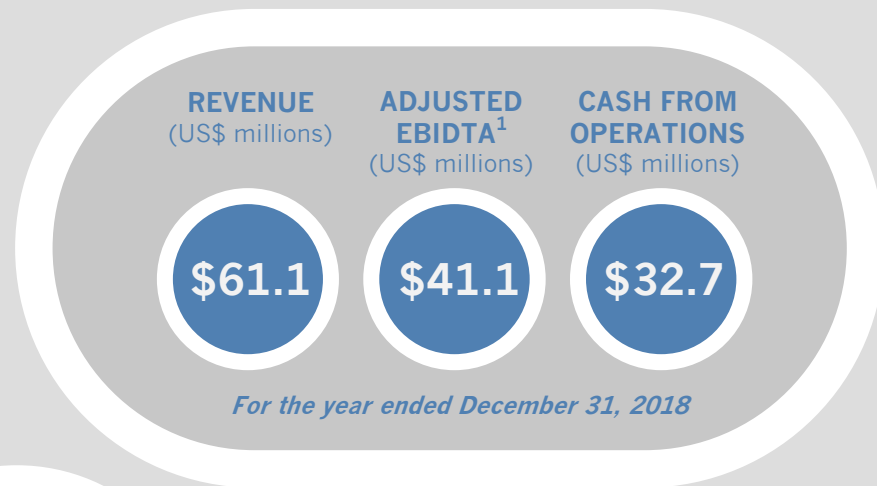
HLS Therapeutics

\$385M

debt and equity

Refinanced debt in 2018: ~\$10M in annual savings

Rapid scale since inception



REDUCE-IT trial delivers blockbuster results for Vascepa

¹ net loss adjusted for (i) "stock-based compensation", (ii) "amortization and depreciation", (iii) "acquisition costs", (iv) "finance and related costs", and (v) "provision for (recovery of) income taxes"

Our portfolio

FOUNDATIONAL PRODUCTS

Clozaril	Schizophrenia	U.S./Canada	Acquired 2015	marketed
Absorica	Acne	U.S.	Acquired 2016	marketed by third party

TRANSFORMATIVE PRODUCTS

Vascepa	Hypertriglyceridemia	Canada	In-licensed 2017	pre-filing
Trinomia	CV risk reduction	Canada	In-licensed 2017	pre-filing

Vascepa granted Priority Review

Clozaril: Well established antipsychotic in North America

WHO essential medicine

Schizophrenia

1% of population

1/3 patients

refractory to first line treatment

LIFE CHANGING

Clozaril can be life changing,
often the only and last recourse
for refractory patients

80%

response rate

Clozaril

15,000

active patients

US\$29.7 Million

revs in Canada in 2018

US\$20.1 Million

revs in U.S. in 2018



Great foundational product with strong consistent cash flow

CSAN: Our patient portal and registry is an economic moat for Clozaril in Canada

Created resilient demand for product

25 dedicated resources

Sales reps

Nurses

Physician consultants

24/7 availability

CSAN: Clozaril Support and Assistance Network

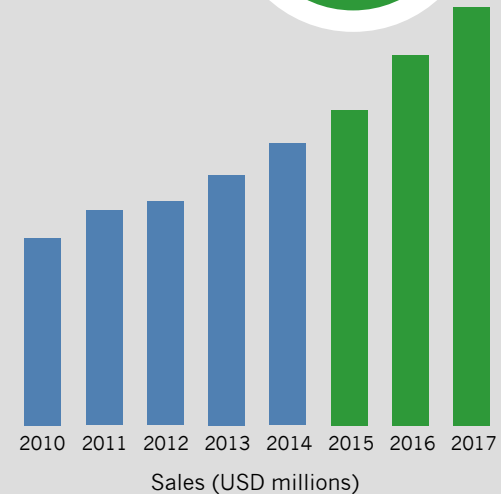
200,000
blood
tests/year



50,000
calls to
customers/
year

Every week
Follow-up with
1,300 patients
to ensure
compliance

55%
market
share



Growing franchise in a genericized Canadian market

Vascepa: On path to become a first-in-class Rx cardiovascular product

Vascepa is the only 96% purified Rx Icosapent Ethyl (EPA) In-licensed from Amarin Corp (NASDAQ: AMRN)

VASCEPA U.S. INDICATION

Reduction of very high TRIGLYCERIDES
(Very High) (>500 mg/dl)

Prospective Indication: CV¹ Protection

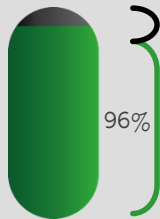
Versus LOVAZA

LOVAZA is an Omega-3 mixture that
lowers triglycerides, but
ELEVATES LDL (bad cholesterol)

**Vascepa purified EPA is the
only Omega-3 to show a CV¹
benefit on top of a statin**

**All other Omega-3 and fish-
oil trials have failed to
demonstrate CV¹ benefits**

Vascepa



Other

EPA

Lovaza



(never launched in Canada)
peak sales of US\$960M
before LOE

Lovaza contains
42% DHA which
Elevates LDL
(bad cholesterol)

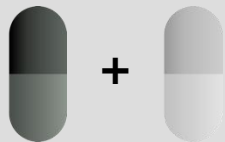
Transformational anchor to launch our second therapeutic franchise

Vascepa: REDUCE-IT trial delivers **Blockbuster** results

Trial design

8,200 PATIENTS

statin + placebo



statin + Vascepa



Trial results

Primary endpoint

25%

Reduction in Major
Adverse CV¹ Events

Significant reductions on secondary endpoints

CV¹
Death

20%

Heart
Attack

31%

Stroke

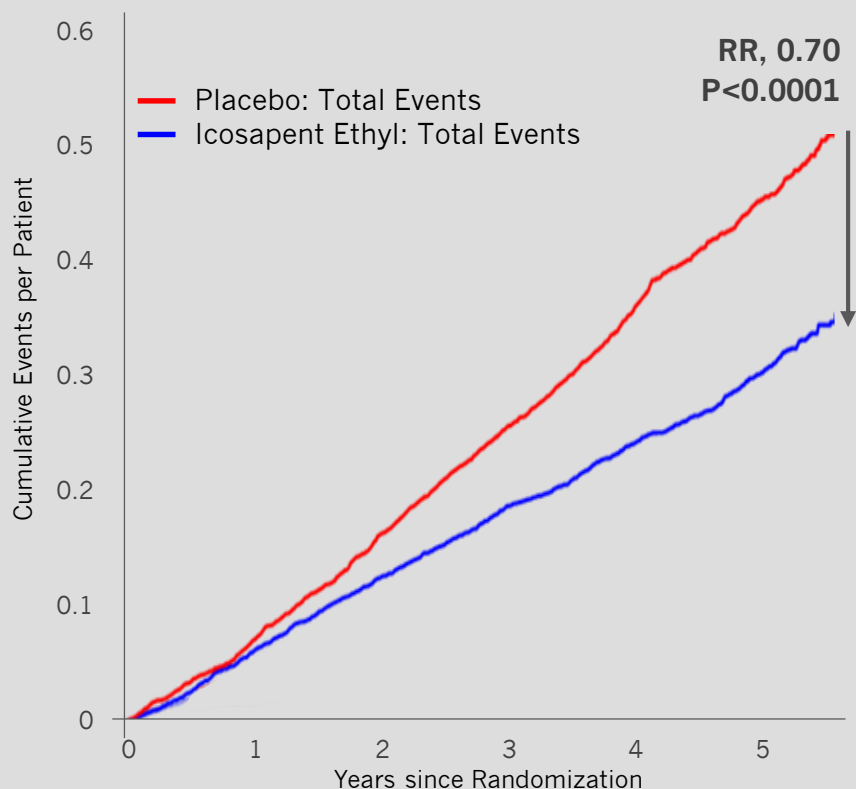
28%

Number Needed to Treat (NNT) for Vascepa: 21. For Lipitor: 45*

*LaRosa JC, Grundy SM, Waters DD, et al. Intensive lipid lowering with atorvastatin in patients with stable coronary disease. N Engl J Med 2005; 352: 1425-35

Vascepa: 30% Reduction in First and Subsequent Events

Primary Composite Endpoint



“This may be the biggest development in cardiovascular prevention since statins.”¹

Deepak L. Bhatt, MD, MPH

- Professor of Medicine at Harvard Medical School
- Exec Director of Interventional Cardiovascular Programs at Brigham and Women’s Hospital Heart and Vascular Center
- Global Principal Investigator and Steering Committee Chair for REDUCE-IT

¹ Brigham and Women’s REDUCE-IT results press release November 10, 2018

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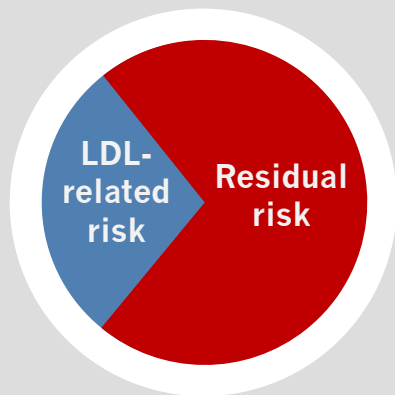
fewer MACE per
1,000 patients
for those treated
for five-years with
Vascepa vs placebo

Vascepa: Characteristics of a category leader

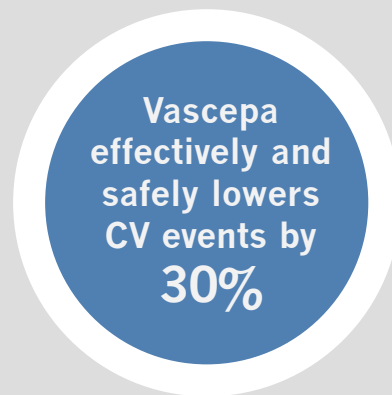
The Problem



Unmet Need



The Solution



7-8M

Canadians have elevated Triglyceride levels

40M

Rx/year written for statins

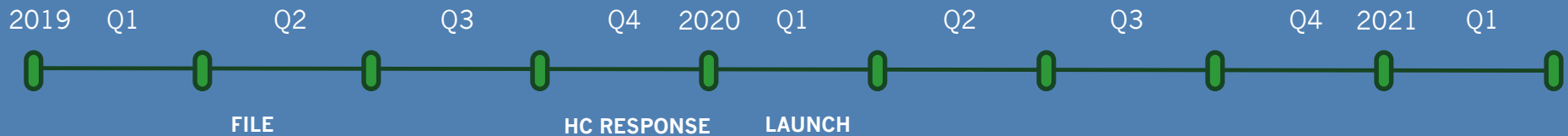
Estimated revenue opportunity of C\$150-250M per year

Vascepa – Strong differentiator and market position

HLS has exclusive Canadian rights to Vascepa

Vascepa (96% EPA) is the ONLY Omega-3 product to show improved cardiovascular outcomes in a large placebo controlled trial

Numerous Omega-3 EPA + DHA mixture products exist, but DHA has been linked to increased LDL (bad) cholesterol



Vascepa granted Priority Review

Trinomia: Expanding our cardiovascular franchise

In-licensed from Ferrer Internacional, S.A. (Spain private)

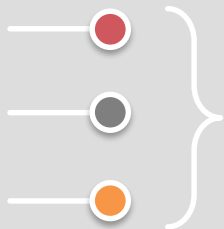
INDICATION

SECONDARY
PREVENTION OF
CARDIOVASCULAR
EVENTS

Aspirin
(anti-coagulant)

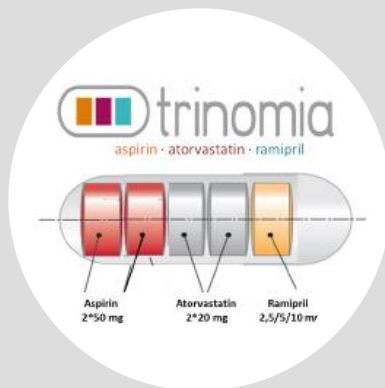
Atorvastatin
(lipid lowering)

Ramipril
(anti-hypertensive)



DIFFERENTIATION

TRI-COMBO CAPSULE
“Polypill”



COMPLIANCE/ADHERENCE IMPROVEMENT

Patients at risk following an initial CV event are poly medicated (7-8 drugs).



Pill burden is biggest reason for non-adherence to treatment

Complementary therapy to cardiovascular franchise

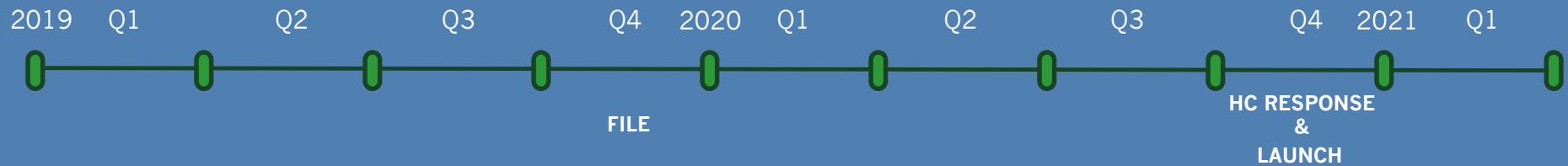
Trinomia: Exclusive Canadian rights

46,000

Rx/month 36 months
post launch (Spain)

30+

countries approved in



Leverages Vascepa sales and marketing infrastructure

A large, gnarled tree stands on a grassy hill under a cloudy sky. The tree's trunk is thick and textured, and its branches are covered in green leaves. To the right of the tree, five green circular callouts with white text are connected by a thick green line. The callouts list: 'Market trends', 'Balance sheet strength', 'Organic growth', 'Robust pipeline', and 'Rich proprietary deal flow'. On the left, a black rounded rectangle with a white border contains the text 'Positive tailwinds' in green.

Positive tailwinds

Market
trends

Balance
sheet
strength

Organic
growth

Robust
pipeline

Rich
proprietary
deal flow

Proprietary deals

Proven approach to acquisitions

BACKGROUND



Makes strategic decision to divest global rights to Clozaril



OUTCOME



HLS Therapeutics®

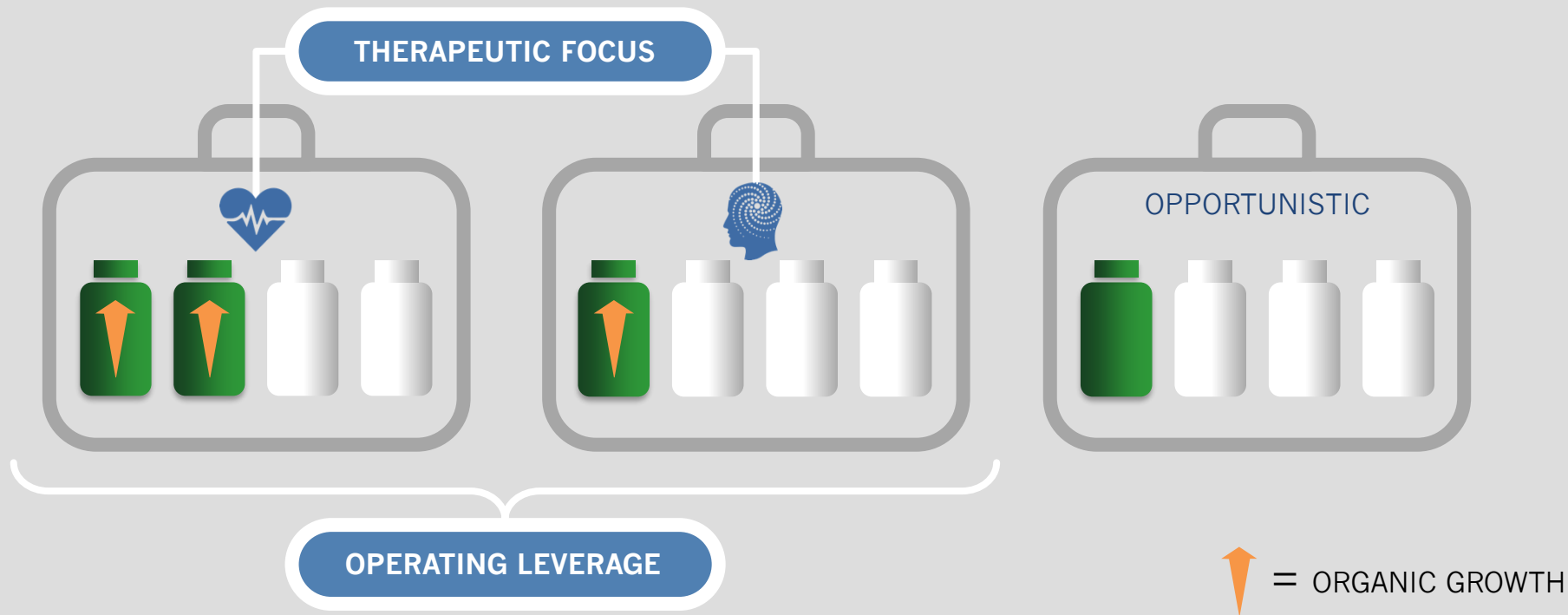
Negotiated a North American carve out



Rationale:
increased value for
both North America
and ROW

Access and ability to execute growth plans

Strong organic growth built in with rich proprietary deal flow



Significant head room to grow portfolio

Veteran specialty pharma leadership team

MANAGEMENT

William Wells | Executive Chairman

Former CEO and Director of Biovail

Greg Gubitz | Chief Executive Officer

Former Senior Vice President, Corporate Development and General Counsel of Biovail

Gilbert Godin | President and Chief Operating Officer

Former Executive Vice President and COO of Biovail, CEO of Duchesnay (USA), President of MDS Pharma (USA); VP at Schering-Plough (FR) and L'Oreal

Tim Hendrickson | Chief Financial Officer

Formerly of Cubist Pharmaceuticals; Procter & Gamble; P&G Pharmaceuticals; and Warner Chilcott

Ryan Lennox | General Counsel

Former Senior Counsel at Amgen Inc., where he was responsible for all of the legal affairs of their Canadian affiliate

Dr. Jason Gross | VP, Scientific Affairs

Former VP of Scientific and Medical Affairs at Crown, MDS Capital, and Zenith Goldline, ex-National Institutes of Health (NIH) and Food & Drug Administration (FDA)

Sanjiv Sharma | Chief Commercial Officer

Former SVP Worldwide Commercial & Country Head-US for NicOx; and VP Commercial for Duchesnay USA, Biovail, Aventis

Dr. Hemanth Varghese, PhD | Head of Corporate Strategy and Business Development

Former senior executive with Valeant and Endo in Business Development and in Operations, prior to which he was VP of Business Development for Biovail

BOARD

William Wells | Executive Chairman

Current or former Board roles with: Biovail/Valeant, Medgenesis, ACADIA Pharmaceuticals, EnerCare and Evizone

Greg Gubitz | Director

Former Board roles with: biOasis, Telesta, Drug Royalty and Imperial Plastech

J. Spencer Lanthier | Lead Director

Former Chairman and CEO of KPMG Canada, formerly board member of TMX Group, Torstar Corp., Biovail Corp., Rona Inc., Ellis-Don Inc.

Yvon Bastien | Independent Director

Former CEO of Sanofi Aventis in Canada, formerly held executive positions with Eli Lilly, IMS Canada, Delta Healthcare

Rodney Hill | Independent Director

Chief Risk Officer with OMERS

Laura Brege | Independent Director

Managing Director of Cervantes Life Science Partners, LLC, current Board roles with Acadia Pharmaceuticals, Aratana Therapeutics, Pacira Pharmaceuticals, Portola Pharmaceuticals and Dynavax Technologies formerly served as CEO and President of Nodality, Inc.

Don DeGolyer | Independent Director

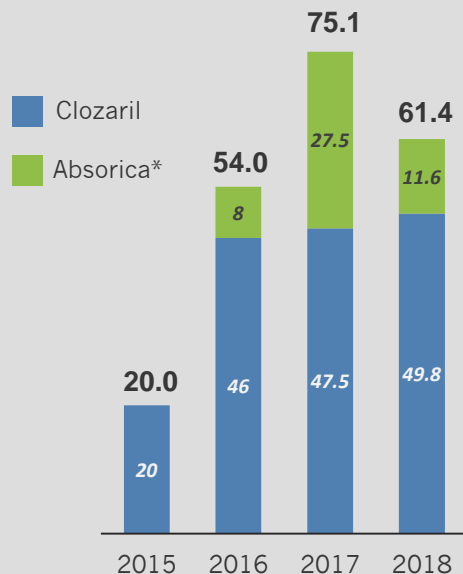
President and CEO of Vertice Pharma, formerly COO with ENDO Pharmaceuticals and Sandoz North America

A business of scale based on two foundational products

With two potentially transformative products on deck

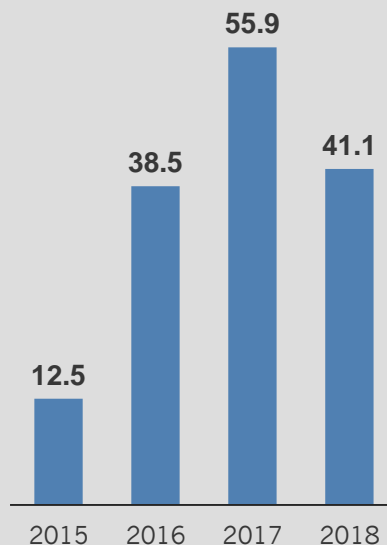
REVENUE*

(\$ millions)



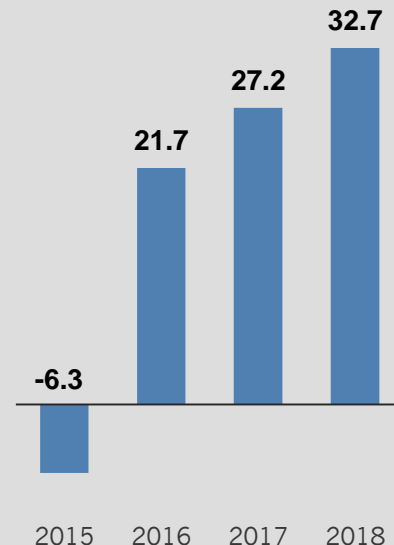
ADJUSTED EBITDA*¹

(\$ millions)



CASH FROM OPERATIONS

(\$ millions)



¹ Net loss adjusted for (i) "stock-based compensation", (ii) "amortization and depreciation", (iii) "acquisition costs", (iv) "finance and related costs", and (v) "provision for (recovery of) income taxes"

Cap table

SUMMARY BALANCE SHEET & CAPITALIZATION

(in USD '000,000's,
unless otherwise noted)

	At Dec 31, 2017	At Dec 31, 2018
Cash and Cash Equivalents	36.2	10.9
Senior Secured Term Loan	151.3	98.7
Net Debt (Term Loan less Cash)	115.1	87.8
Shares Outstanding ('000's)	25,278	27,295

Market Cap at 03/29/2019: **\$437M CDN**

SHAREHOLDERS

	Shareholdings*	
	# ('000's)	%
HealthCor	5,500	20.2%
Athyrium	4,125	15.1%
OrbiMed	3,300	12.1%
Stadium Capital	3,300	12.1%
Management & Founders**	4,811	17.6%
All other	6,259	22.9%
Total	27,295	100.0%

* Issued and outstanding at 3/18/19; does not include dilutive securities.

** Includes HLS Directors and Officers; four HLS Founders hold 4,713,500 shares (17.2%).

Strong balance sheet supported by reliable cash flows

Strength

Strong cash flow and balance sheet
Dividend: \$0.20 per share per year
Debt Refi: ~\$10M annual savings

Execution

Clear value creating strategy
Cash flow/Growth/Explosive growth
2 cash flowing assets
2 pre-registration assets
1 filed with Health Canada (Pronto)

Opportunity

Vascepa: Blockbuster results
Scalable platform
Robust deal flow for acquisitions

