



HLS Therapeutics®

Investor Presentation | November 2023



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.

Historical financials are per HLS filed quarterly and annual statements

Forward-looking financial estimates are converted at an exchange rate of 1 USD = 1.333 CAD and 1 CAD = 0.75 USD

Provided as part of an oral presentation and qualified by such, contains forward-looking statements, actual results may vary materially; HLS disclaims any duty to update

HLS is a North American Commercially-Focused Pharmaceutical Company



* HLS also has a corporate office in Barbados

2 THERAPEUTIC AREAS:



Neuroscience



Cardiovascular

Foundation of cash flow generating assets combined with significant organic growth potential

US\$ 61.5M

2022 Revenue

US\$ 23.8M

2022 Adj. EBITDA

C\$ 130M

Market Cap
as at 11.13.23



HLS Therapeutics®

- **New leadership**
-

- **Driving operational effectiveness**
-

- **Poised for organic growth**



Life-changing medicine for
Treatment Resistant Schizophrenia

Clozaril (Clozapine): A Life Changing Medicine

~3.3M

Americans &

~400,000

Canadians are living with schizophrenia

1/3

of all patients with schizophrenia have treatment-resistant schizophrenia (TRS)¹



The Only Approved Treatment for TRS

- 60% response rate² with TRS patients
- On the WHO's list of essential medicines
- Reduces overall healthcare costs
- HLS owns US and Canadian product rights

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1. Treatment Resistance is considered a non-response to conventional therapy (2 failed trials)

2. Land R, Siskind D, McArdle P, Kisely S, Winckel K, Hollingworth SA. The impact of clozapine on hospital use: a systematic review and meta-analysis. Acta Psychiatr Scand. 2017 Apr;135(4):296-309. doi: 10.1111/acps.12700. Epub 2017 Feb 3. PMID: 28155220.

Under-Served Market: <1 in 4 TRS Patients are on Clozapine Treatment

CSAN Patient Support Platform is Our Competitive Advantage



- The Clozaril Support & Assistance Network (CSAN) supports prescribers & patients
- Patients enrolled in CSAN have a compliance rate 32% higher than those using the leading generic¹

>65,000 patient follow ups per year

>225,000 blood test results per year



DEDICATED TEAM:

Nurse Educators
Clinical Coordinators
Physician Consultants

INNOVATIVE TECH:

CSAN Pronto
– Easy point-of-care
fingerstick blood
sampling eliminates the
need for lab testing

Key Differentiator for Maintaining the Leading Market Share in Canada

Consistent Brand Performance Generates Stable Cash Flow



US\$42.2M

Revenue 2022

US\$32.7M

Direct contribution to
Adjusted EBITDA 2022

8

consecutive years
of patient growth in Canada
since acquired by HLS



Vascepa[®]

A New Paradigm in the Treatment
of Cardiovascular Risk

Cardiovascular Disease is a Leading Cause of Death

~3M

Canadians on statins with diagnosed heart disease and/or diabetes¹



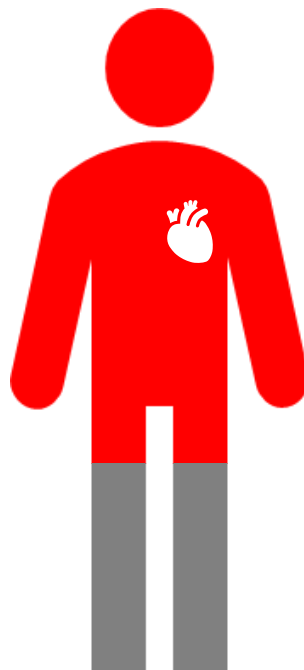
With CV disease



With diabetes



With CV disease and diabetes



Significant CV risk remains

Statins reduce risk of a major CV event by 15-44%²

Reduce-IT: Landmark Clinical Study



The NEW ENGLAND
JOURNAL of MEDICINE

CRITERIA:

8,200 statin-treated patients
11 countries

5-year trial in:

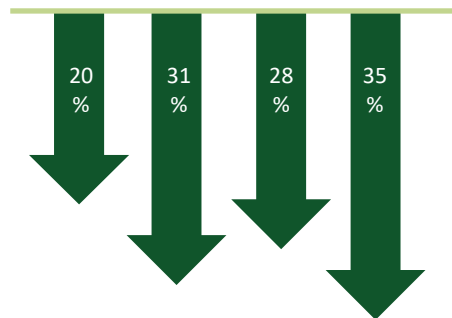
- Patients who have had a CV event
- Diabetic patients with additional CV risk factors

RESULTS:

25%

Relative Risk Reduction in
major adverse CV events in
patients on statin treatment¹

CV Death Heart
Attack Stroke Surgical
bypass



European
Heart Journal

EVAPORATE TRIAL:

Vascepa patients
showed a **17%**
reduction in low-
attenuation plaque
over baseline at 18
months²

² Budoff MJ, Bhatt DL, Kinninger A, Lakshmanan S, Muhlestein JB, Le VT, May HT, Shaikh K, Shekar C, Roy SK, Tayek J, Nelson JR. Effect of icosapent ethyl on progression of coronary atherosclerosis in patients with elevated triglycerides on statin therapy: final results of the EVAPORATE trial. Eur Heart J. 2020 Oct 21;41(40):3925-3932. doi: 10.1093/eurheartj/ehaa652. PMID: 32860032; PMCID: PMC7654934.

Significant Near-Term Growth Potential

Vascepa®

~800,000 Canadians¹ in-label
with access to reimbursement

C\$1B+

Total Addressable Market

Reimbursement in place:

- >90% private payer coverage
- >70% public payer coverage

25 international medical societies or journals recommend the use of Vascepa



Canadian
Cardiovascular
Society



American
Diabetes
Association®



Canadian Stroke
Best Practices



American
Heart
Association.

Portfolio of issued and listed patents extends through 2030s

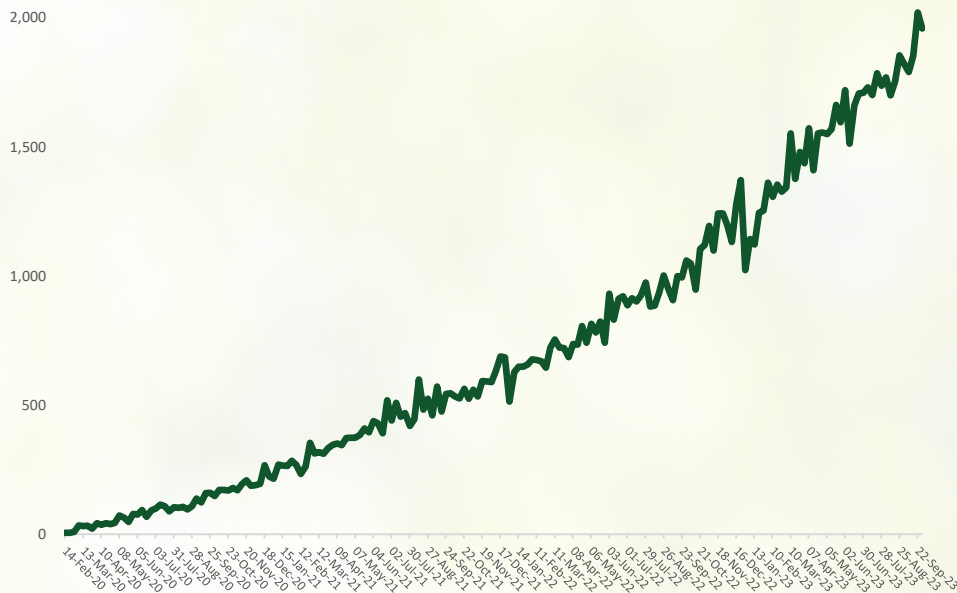
HLS has in-licensed the exclusive rights to Vascepa for the Canadian market

¹ Meets criteria per prescribing label and with current reimbursement coverage through private or public plan

Continued Prescription Momentum



Weekly script data since launch



89% increase
in total prescriptions*



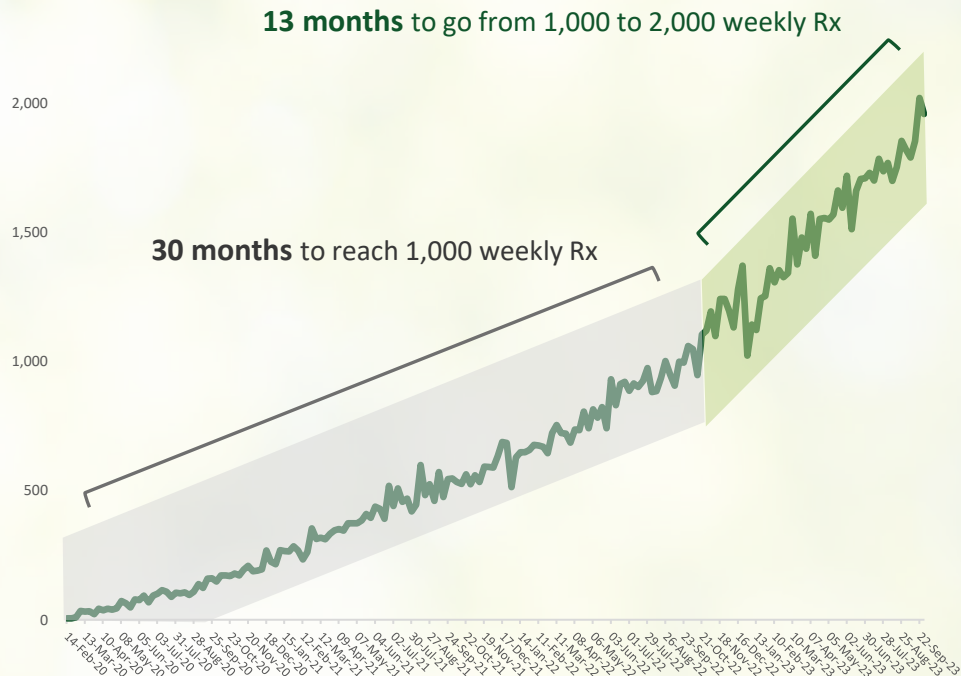
86% increase
in prescribers*



97% increase
in consistent prescribers*

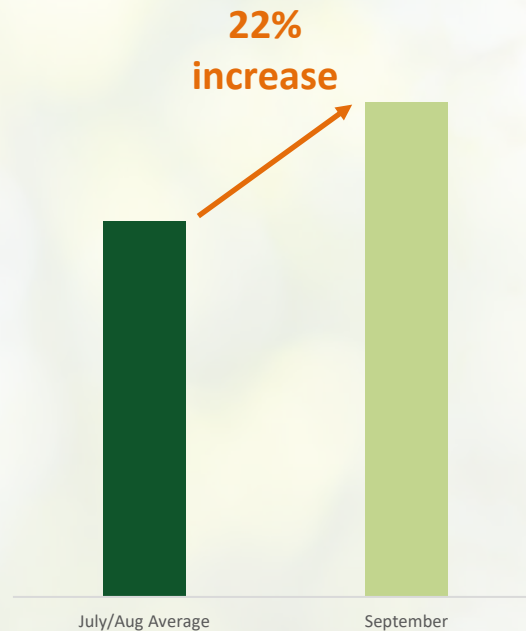
(*Q3 2023 compared to Q3 2022)

2,000 Weekly Rx Milestone Reached in September



NRx Momentum in September

Number of NRx in September vs July/August Average



Drive Growth & Accelerate the Path to Profitability

1



Adapt go-to-market model

- Focused sales force effort on specialists & promotionally-responsive GPs
- Augment with cost-effective multi-channel marketing

2



Improve reimbursement dynamics

- Reduce administrative burden for physician practices
- Improve level of access in public plans

3



Increase utilization across patient populations

- Increase usage in both public and private payer segments
- Drive adoption in diabetes patient segment



HLS Therapeutics®

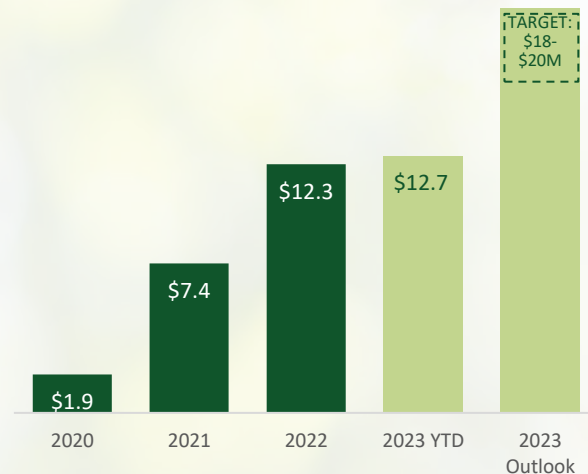
**Financial Strength:
Solid Foundation
to support our growth**

Cash-Flow Generating Assets and Organic Growth

(USD\$ millions)		FY 2022	% change	% change (constant currency)	YTD 2023	% change	% change (constant currency)
REVENUE	Product	51.7	+2%	+4.5%	38.4	0%	+4%
	Royalty	9.8	+4%	+4%	8.8	+16%	+16%
	Total	61.5	+2%	+5%	47.2	+3%	+6%
ADJUSTED EBITDA ¹		23.8	(10%)		15.7	(15%)	

Numbers in columns may not add-up due to rounding to one decimal place

Annual Vascepa Revenue (CDN\$ M)

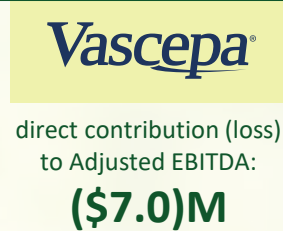
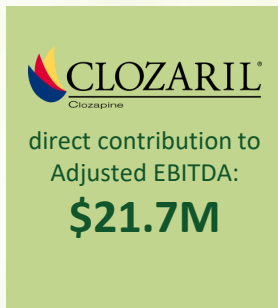


YTD 2023 Cash Flow From Operations \$12.1M

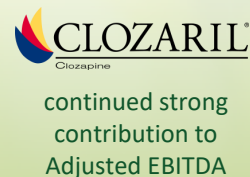
Vascepa to Become a Positive Contributor to Adjusted EBITDA

Adjusted EBITDA Contribution

ACTUAL (YTD 2023)



OUTLOOK (H2 2024)



Vascepa to generate
positive contribution
to Adjusted EBITDA
in 2H 2024



Strong Balance Sheet with Capacity for Expansion

Summary Balance Sheet & Capitalization

(US\$ millions)	At Dec 31, 2022	At Sept 30, 2023
Cash and Cash Equivalents	20.7	21.8
Senior Secured Term Loan and Revolver	97.1	91.7
Net Debt (Term Loan less Cash)	75.9	69.9

	At Dec 31, 2022	At Sept 30, 2023
Shares Outstanding ('000's)	32,451	32,356

Share Buyback



- Return of capital via NCIB (share buyback)
- >3x increase in Q3 compared to Q1 & Q2

Updated Credit Agreement



- Syndicate Led by JP Morgan
- Term extended to August 2026
- \$30M revolver capacity (undrawn)
- \$70M expansion facility available
- Interest rate of L+ 275-425 bp

MANAGEMENT

Craig Millian, MBA

Chief Executive Officer

Tim Hendrickson, MBA

Chief Financial Officer

Brian T. Walsh, MBA

Senior Vice President, Commercial

Ryan C. Lennox, JD

Senior Vice President, Legal,
HR and Compliance

Patricia Perry

Vice President, Human Resources

Jason A. Gross, PharmD

Vice President, Scientific Affairs

Pauline Dapena-Cherry

Head, Corporate & Business Development

BOARD OF DIRECTORS

John Welborn, Chair of the Board

Senior Advisor, Stadium Capital Management, LLC

Craig Millian, Chief Executive Officer

Laura A. Brege

Managing Director, Cervantes Life Science Partners, LLC

Rodney Hill

Global Head of Technology, Data and Security, OMERS

Norma Beauchamp

Corporate director at Dialogue Health, Extencicare and Aurora Cannabis, and former healthcare industry executive

Dr. Kyle Dempsey

Partner, MVM Partners

Christian Roy

Healthcare industry consultant; previously Partner at TANK Worldwide and Vice President, Marketing, Pfizer Canada

John Hanna

Chief Financial Officer, Inca Networks Incorporated

Management & Board Ownership ~25%¹

¹ Includes holdings of Stadium Capital and MVM, who are represented on the board of directors
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HLS Therapeutics®

- **Stable cash flow & significant organic growth potential**

- **Near-term operational catalysts for Vascepa**
 - Improved promotional effectiveness
 - Enhanced reimbursement
 - Target positive Adj. EBITDA in 2H 2024

- **~3x increase in share buy-back**

- **Financial capacity for future expansion**



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Growing Evidence Supporting Vascepa Clinical Benefits



Vascular 2023

Poster Presentations

Montreal, QC
October 25-29



- Eicosapentaenoic Acid (EPA) Modulated Expression Of Proteins Linked To Platelet Activation In Vascular Endothelial Cells During Inflammation
- Combination Of Eicosapentaenoic Acid (EPA) And A Statin Increased Expression Of Detoxification Proteins In Vascular Endothelial Cells During Inflammation
- An Increased Ratio Of Eicosapentaenoic Acid (EPA) To Arachidonic Acid (EPA/AA) Reduced Inflammatory Changes In Vascular Endothelium
- Comparing The Effects Of Omega-3 Fatty Acids And Different Placebo Oils On Rates Of APO-B Containing Lipoprotein Oxidation In Vitro
- Benefits Of Icosapent Ethyl In Patients With Recent Acute Coronary Syndrome (ACS): REDUCE-IT ACS

American Heart Association Scientific Sessions 2023

Poster Presentations

Philadelphia, PA
November 11-13



- Cross-Sectional Analysis of Demographic and Clinical Characteristics of Patients Using Icosapent Ethyl, With a Focus on Patients With Diabetes
- Eicosapentaenoic Acid Inhibits Lipoprotein(a) With Higher Rates of Oxidation Compared to Non-Modified Low-Density Lipoprotein In Vitro
- Eicosapentaenoic Acid (EPA) and Docosahexaenoic Acid (DHA) have Competing Effects on Membrane Lipid Dynamics due to Differences in Structure
- **Oral Presentation:** Effectiveness of Icosapent Ethyl on First and Total Cardiovascular Events in the Metabolic Syndrome: REDUCE-IT MetSyn