HLS Therapeutics®

Q3 Fiscal 2024 Conference Call
November 7, 2024

Craig Millian, CEO
John Hanna, CFO
Brian Walsh, CCO



Forward-Looking Statements

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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 financial information in this presentation is derived from HLS filed quarterly and annual statements

Q4 2024 forward-looking financial estimates are converted at an exchange rate of 1 USD = 1.39 CAD

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

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Q3 2024: Financial Highlights

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Revenue:
$14.1M

Adjusted EBITDA:
$4.1M

Cash from operations:
$1.5M

11% ↑ HLS Canadian product sales*

30% ↑ Vascepa net sales*

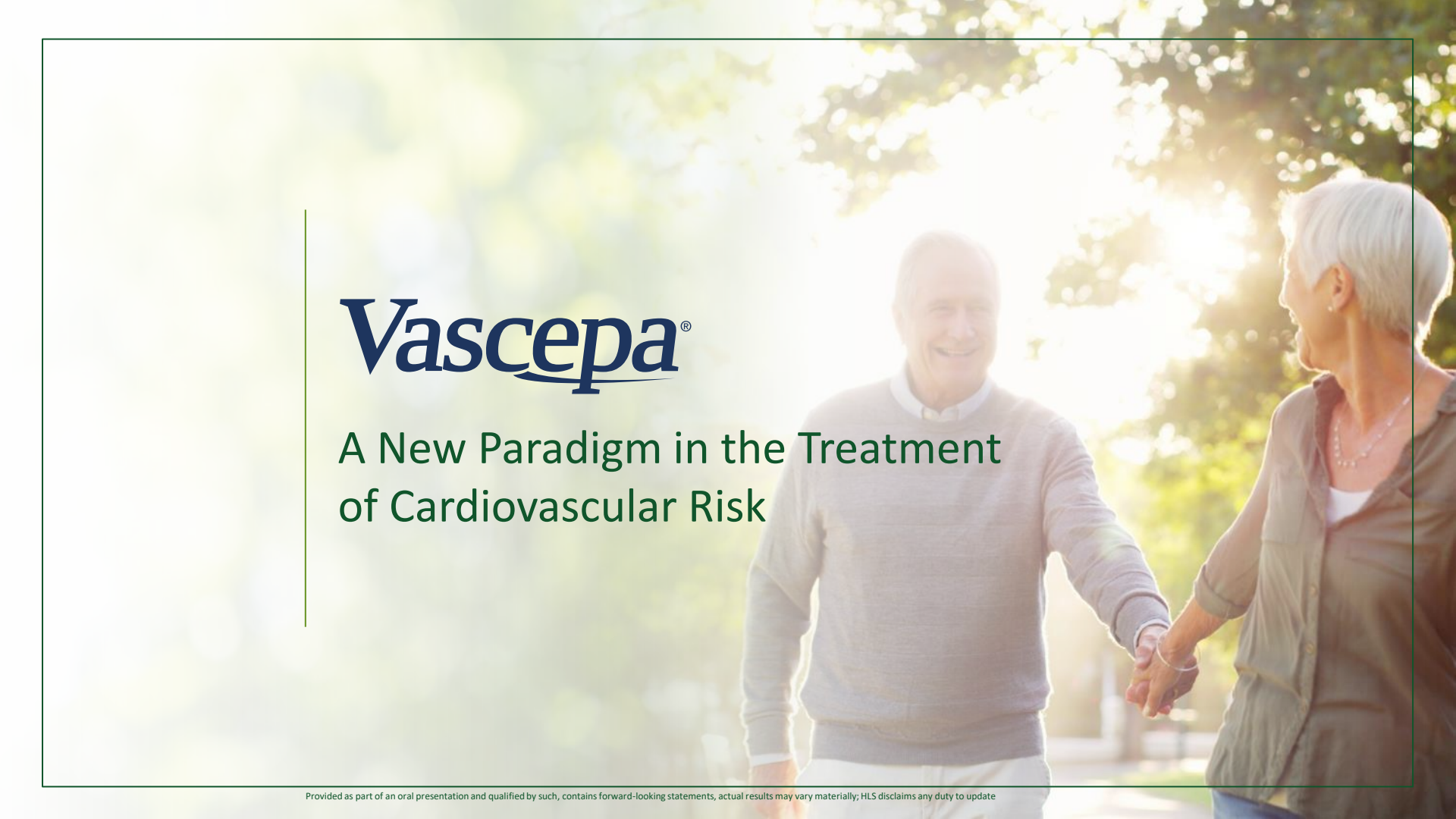
15% ↓ Operating expenses

$15M Debt repayment

*in constant currency

John Hanna now permanent CFO; Brian Walsh promoted to Chief Commercial Officer

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Vascepa®

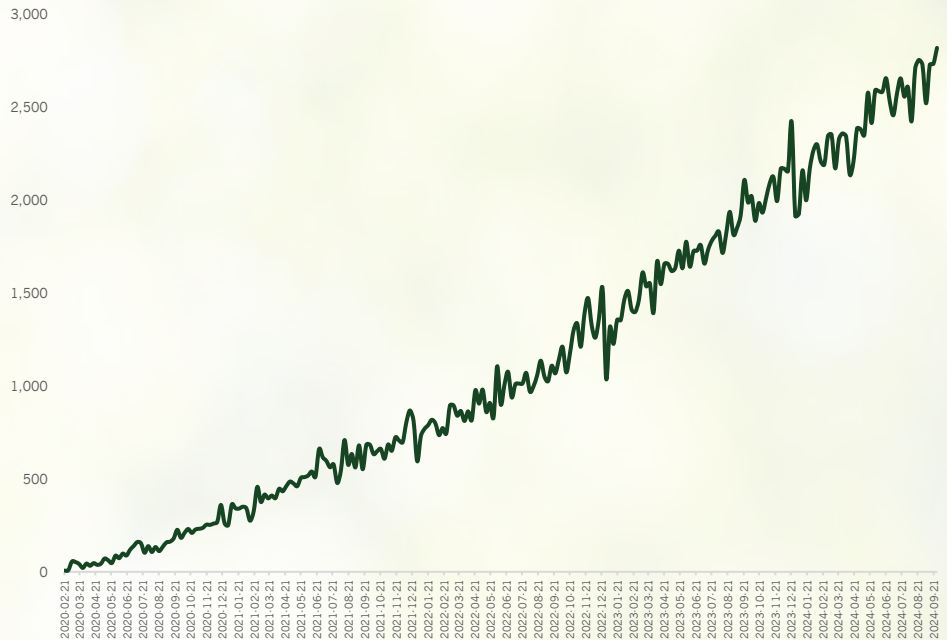
A New Paradigm in the Treatment of Cardiovascular Risk

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Continued Growth in Prescribing

Vascepa®

Weekly TRx Units Since Launch



30% increase
in revenue (in C$)*

45% increase
in unit demand*

66% increase
in consistent prescribers*

*Q3 2024 compared to Q3 2023

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HLS Sales Force Now Responsible for Specialists and Primary Care

Vascepa®

Drive new patient starts

Increase focus on physician practices with privately insured patients

Augment with reimbursement and patient support

> 80% Vascepa prescribers are covered in new model

> 90% Vascepa prescribers who have initiated a patient in past 12 months are covered in new model

Provides high level of prescriber coverage despite reduction in size/expense

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New Selling Model is Built for Efficiency and Effectiveness

Vascepa®

2/3 Sales force effort on existing prescribers

1/3 Sales force effort on high potential writers who have yet to prescribe

1. Coverage
2. Targeting
3. Focus
4. Ownership
5. Flexibility

Bringing primary care "in house" should yield $4M in annual savings

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CLOZARIL®
Clozapine

Life-changing medicine for Treatment Resistant Schizophrenia

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Consistent, Profitable Brand Performance

US$9.4M
Revenue Q3 2024

US$28.0M
Revenue YTD 2024

US$6.8M
Direct contribution to Adjusted EBITDA Q3 2024

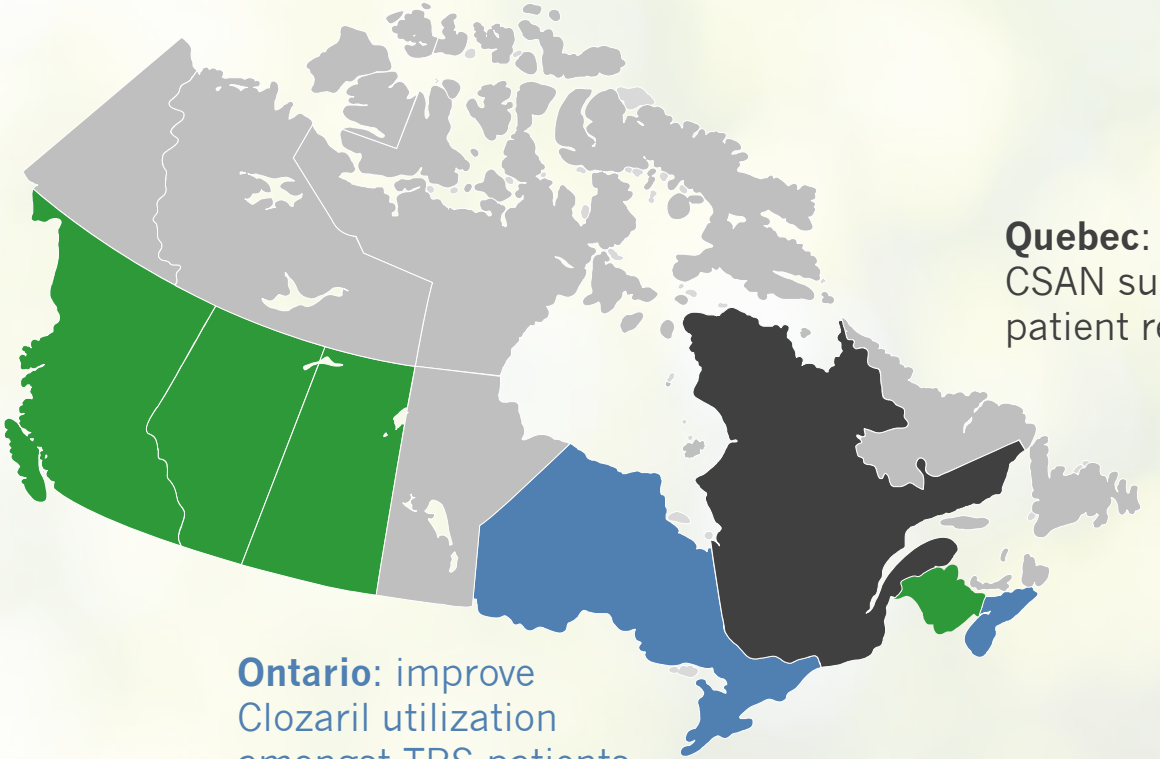
US$20.4M
Direct contribution to Adjusted EBITDA YTD 2024

8
consecutive years
of patient growth in Canada since acquired by HLS
(up 1.8% in Q3 2024)

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Clozaril Provincial Strategies Having Impact

West: market share growth through CSAN differentiation



Quebec: leverage CSAN support for patient retention

Ontario: improve Clozaril utilization amongst TRS patients

*Nova Scotia strategy similar to Ontario
*New Brunswick strategy similar to western provinces

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Guidance

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2024 Guidance

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Consolidated Revenue:
$56.5-57.2M

from
$58.5-59.7M

Adjusted EBITDA:
$16-16.7M

from
$15.5-16.7M

Vascepa expected to make positive contribution to Adjusted EBITDA in Q4 2024

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2024 Guidance & 2025 Preliminary Outlook

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$56.5-57.2M

from
$58.5-59.7M

Adjusted EBITDA:
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from
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2025

Promoted Product Revenue:
high single digit % growth

Consolidated Adj EBITDA:
growth in mid 20's % range

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Financial Review: Solid Foundation to support our growth

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Q3 2024: Financial Review

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Revenue: $14.1M

- ↑ 3% Excluding royalties
- ↑ 11% Canadian product sales*
- ↑ 30% Vascepa*
- ↑ 1% Clozaril Canada*
- ↓ 15% Clozaril U.S.

*in constant currency

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Operating Expenses

- ↓ 15% OPEX excluding cost of sales
- ↓ 17% Selling & marketing
- ↓ 10% General & admin

*in Canadian dollars

Q4 will be the first full quarter of OPEX savings from the new primary care sales model for Vascepa

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Operating Expenses

- 15% OPEX excluding cost of sales
- 17% Selling & marketing
- 10% General & admin

Adjusted EBITDA: $4.1M

- 55% AEBITDA excluding royalties
- $6.8M Direct to brand contribution from Clozaril
- ($0.6)M Direct to brand contribution from Vascepa

*in Canadian dollars

Q3 2024 loss attributed to Vascepa is the lowest since the product launch

Strong Balance Sheet

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Summary Balance Sheet & Capitalization

(US$ millions)	At Dec 31, 2023	At Sept 30, 2024
Cash and Cash Equivalents	22.0	**17.5**
Senior Secured Term Loan and Revolver	88.5	**70.0**
Net Debt (Term Loan less Cash)	66.5	**52.4**

	At Dec 31, 2023	At Sept 30, 2024
Shares Outstanding (‘000’s)	31,980	**31,793**

De-levering the Balance Sheet

Made $15M in debt payments in Q3 2024

Have reduced term loan by more than $18M in 2024

2024 debt reduction will save ~ $1.8M in interest expense

Q3 2024 Cash Flow From Operations $1.5M

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Q3 Summary

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1. Growth from promoted product portfolio
2. Delivering on our promise to reduce costs
3. De-levering the balance sheet strengthens financials and increases flexibility
4. Actions set HLS up for future growth and profitability

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