

HLS Therapeutics completes negotiations with pCPA for Vascepa®

- **Enters into Letter of Intent (LOI) that paves the way for product listing agreements for Vascepa with all of Canada's provinces and territories.**
- **Public market access is expected to be a significant catalyst to bring Vascepa to Canadians who are at-risk for cardiovascular disease.**
- **HLS updates its peak-year sales estimate to \$250-300 million in revenue with Adjusted EBITDA margin of approximately 30%. Peak-year estimates expected to be reached in 2026.**
- **Conference call to be held today at 8:30am ET to discuss this announcement**

TORONTO, April 26, 2022 /CNW/ - HLS Therapeutics Inc. ("HLS" or the "Company") (TSX: HLS), a pharmaceutical company focusing on central nervous system ("CNS") and cardiovascular markets, announces that it has completed a Letter of Intent ("LOI") with the pan-Canadian Pharmaceutical Alliance ("pCPA") for the terms and conditions under which Vascepa would qualify for public market reimbursement in Canada. All financial figures are in Canadian dollars.

"We are very pleased to have completed the negotiation process with the pCPA. This LOI is a significant milestone for making Vascepa available to Canadians who are at-risk for cardiovascular disease and who are a part of one of the country's public payer plans," said Gilbert Godin, CEO of HLS. "The LOI sets out the terms for reimbursement of Vascepa for statin-treated patients with established cardiovascular diseases and elevated triglycerides, which follows on the patient-population recommendation issued previously by the Canadian Agency for Drugs and Technologies in Health (CADTH)."

"We now look forward to working diligently with all participating jurisdictions to secure coverage from publicly funded drug plans across Canada, and for Vascepa to be added to their respective plans. Based on recent examples, we believe that Vascepa will be progressively added to provincial and territorial formularies over the next few months."

"Having already achieved reimbursement for more than 90% of private payer in-label patients, inclusion of Vascepa in the guidelines from Canada's leading organizations in the field of Cardiovascular health and expansion of our salesforce through an agreement with Pfizer, we believe that the public market access we are announcing today will galvanize and strengthen the impact of these prior accomplishments and that it positions the Company for transformational growth."

PEAK-YEAR SALES OUTLOOK

With greater visibility now available regarding public reimbursement, HLS is updating its peak-year sales estimate. The Company now estimates peak-year sales for Vascepa of between \$250-300 million, along with Adjusted EBITDA¹ margins of approximately 30%, compared to prior estimates of \$275-325 million in sales and an Adjusted EBITDA margin of 35-40%. As COVID-19-related restrictions are being lifted across Canada, HLS now expects to reach its peak-year estimates in 2026 due to the cumulative effect and delays of the pandemic to-date.

Mr. Godin added: "The details of the LOI and the product listing agreements that are to follow are confidential. However, based on Vascepa's favorable feedback from physicians and patients, healthy prescribing and adoption rates, the early results from the Pfizer collaboration and favorable longer term competitive developments, we are confident that the negotiations to achieve broad public market access will be largely compensated for by a higher penetration rate than previously estimated."

"We believe this is a very positive outcome for patients and physicians looking to gain access to this life-saving medication, as well as for HLS as it provides the potential for a nearly four-fold increase in the Company's revenue and Adjusted EBITDA over a five-year time horizon."

CONFERENCE CALL & WEBCAST

HLS will hold a conference call today at 8:30 am Eastern Time to discuss this announcement. The call will be hosted by Mr. Gilbert Godin, Chief Executive Officer and Mr. Tim Hendrickson, Chief Financial Officer.

CONFERENCE ID: 17250252
DATE: April 26, 2022
TIME: 8:30 a.m. ET
DIAL-IN NUMBER: 1-888-664-6392 or 416-764-8659

WEBCAST LINK: https://produceredition.webcasts.com/starthere.jsp?ei=1546132&tp_key=e413a7d87b
TAPED REPLAY: 1-888-390-0541 or 416-764-8677
REPLAY CODE: 250252

The taped replay will be available for 14 days and the archived webcast will be available for 90 days.

A link to the live audio webcast of the conference call will also be available on the events page of the investors section of HLS Therapeutics' website at www.hlstherapeutics.com. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to hear the webcast.

ABOUT HLS THERAPEUTICS INC.

Formed in 2015, HLS is a pharmaceutical company focused on the acquisition and commercialization of late-stage development, commercial stage promoted and established branded pharmaceutical products in the North American markets. HLS's focus is on products targeting the central nervous system and cardiovascular therapeutic areas. HLS's management team is composed of seasoned pharmaceutical executives with a strong track record of success in these therapeutic areas and at managing products in each of these lifecycle stages. For more information visit: www.hlstherapeutics.com

¹CAUTIONARY NOTE REGARDING NON-IFRS MEASURES

This press release refers to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of HLS's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of HLS's financial information reported under IFRS. HLS uses non-IFRS measures to provide investors with supplemental measures of its operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. HLS also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. HLS's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess HLS's ability to meet its future debt service, capital expenditure and working capital requirements.

In particular, management uses Adjusted EBITDA as a measure of HLS's performance. To reconcile net income (loss) for the period with Adjusted EBITDA, each of (i) "stock-based compensation", (ii) "amortization and depreciation", (iii) "acquisition and transaction costs", (iv) "finance and related costs", and (v) "income tax expense (recovery)" appearing in the Consolidated Statement of Net Income (Loss) are added to net income (loss) for the period to determine Adjusted EBITDA. Adjusted EBITDA does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. Adjusted EBITDA should not be considered in isolation or as a substitute for net income (loss) prepared in accordance with IFRS as issued by the IASB.

FORWARD LOOKING INFORMATION

This release includes forward-looking statements regarding HLS and its business. Such statements are based on the current expectations and views of future events of HLS's management. In some cases the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements, including, among others, statements with respect to HLS's pursuit of additional product and pipeline opportunities in certain therapeutic markets, statements regarding growth opportunities, expectations regarding financial performance, and the NCIB and ASPP. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting HLS, including risks relating to the specialty pharmaceutical industry, risks related to the regulatory approval process, economic factors and many other factors beyond the control of HLS. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause HLS's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks and assumptions associated with this release can be found in the Company's

Annual Information Form dated March 16, 2022, and Management's Discussion and Analysis dated March 16, 2022, both of which have been filed on SEDAR and can be accessed at www.sedar.com. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and HLS undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

SOURCE HLS Therapeutics Inc.

For further information: Dave Mason, Investor Relations, HLS Therapeutics Inc., (416) 247-9652, d.mason@hlstherapeutics.com

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