

HLS Therapeutics®

Investor Presentation

Greg Gubitz | CEO
Gilbert Godin | President & COO

May 2020

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



1. FOUNDATIONAL
cash flow

2. TRANSFORMATIVE
organic growth

3. LATE-STAGE CLINICAL
explosive growth

KEY STRENGTHS

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

Canadian-based, North American-focused pharmaceutical company

Rapid scale since inception

6
TRANSACTIONS

2
THERAPEUTIC AREAS

REVENUE (US$ millions)	ADJUSTED EBIDTA[1] (US$ millions)	CASH FROM OPERATIONS (US$ millions)
$54.2	$31.6	$26.4

For the year ended December 31, 2019

15,000
MENTAL HEALTH PATIENTS SUPPORTED

90
EMPLOYEES

LISTED ON TSX
DE-LEVERED & REFINANCED DEBT
DIVIDEND PAYING

REDUCE-IT trial delivers blockbuster results for Vascepa

[1] net loss adjusted for (i) "stock-based compensation", (ii) "amortization and depreciation", (iii) "acquisition and transaction costs", (iv) "finance and related costs", and (v) "income tax recovery"

Our portfolio

FOUNDATIONAL PRODUCTS				
Clozaril	Schizophrenia	U.S./Canada	Acquired 2015	Marketed
CSAN Pronto	Safety diagnostic to Clozaril therapy	U.S./Canada	In-licensed 2019	Marketed as of Nov 2019
Absorica	Acne	U.S.	Acquired 2016	Marketed by third party
TRANSFORMATIVE PRODUCTS				
Vascepa	Cardiovascular risk reduction	Canada	In-licensed 2017	Marketed as of Feb 2020
Trinomia	Cardiovascular risk reduction	Canada	In-licensed 2017	Under review by Health Canada
PERSERIS	Schizophrenia	Canada	In-licensed 2019	Under review by Health Canada

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$27.2 Million
revs in Canada in 2019

US$17.4 Million
revs in U.S. in 2019



Great foundational product with strong consistent cash flow

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

Supports 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

55% market share

50,000 calls to customers/ year

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



Growing franchise in a genericized Canadian market

PERSERIS: Exclusive Canadian rights

FDA-approved

First once-monthly risperidone long-acting injectable (LAI)

Strong label and differentiated core claims

Compelling positioning and well-defined marketing plan





Leverages CNS sales and marketing infrastructure

Vascepa (Icosapent Ethyl):
On path to become a first-in-class Rx cardiovascular (CV) product

CV disease is the #1 killer worldwide

Statins alone are not enough

Vascepa is the first and only Health Canada-approved drug to reduce the risk of CV events and death in statin-treated patients with elevated triglycerides and other risk factors

Vascepa has a well-established safety profile

Vascepa is affordable to most patients



Approved in Canada in December 2019

In-licensed from Amarin Corp (NASDAQ: AMRN)

Transformational anchor to launch our second therapeutic franchise

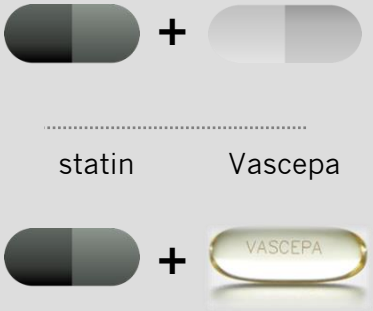
Vascepa: REDUCE-IT trial delivered **Blockbuster** results

Trial design

8,200 PATIENTS

statin + placebo

statin + Vascepa



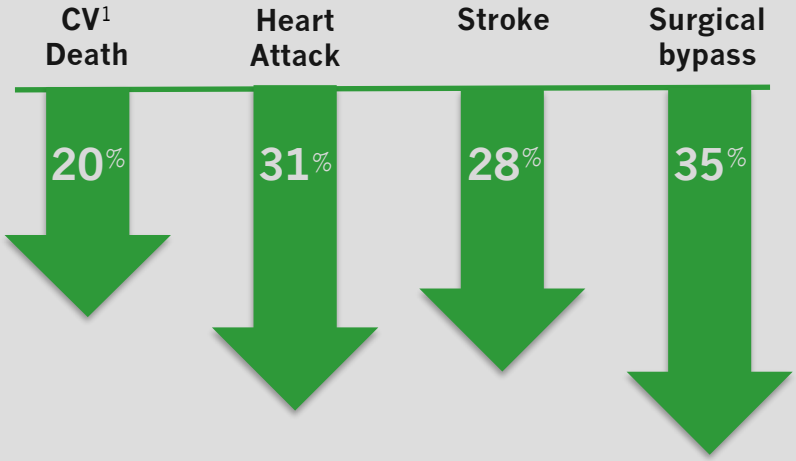
Trial results

Primary endpoint



Reduction in Major Adverse CV[1] Events

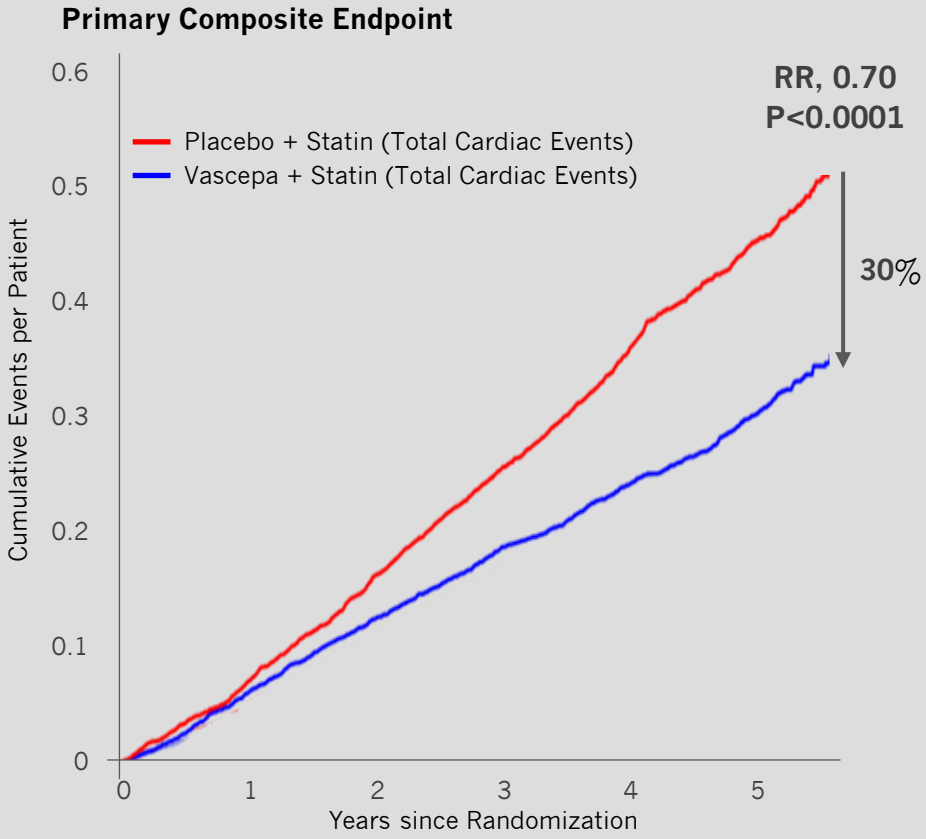
Significant reductions on secondary endpoints



Cost-efficiency and quality of life improvement

[1] CV = Cardiovascular

Vascepa: 30% Reduction in First *and Subsequent* Events



"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

159

fewer cardiac events for every 1000 patients treated over 5 years with Vascepa vs placebo

[1] Brigham and Women's REDUCE-IT results press release November 10, 2018

Vascepa: Characteristics of a category leader

The Problem

#1 Killer globally is CV disease

Unmet Need



The Solution

Vascepa effectively and safely lowers CV events by 30%

Estimated revenue opportunity of C$200-300M per year

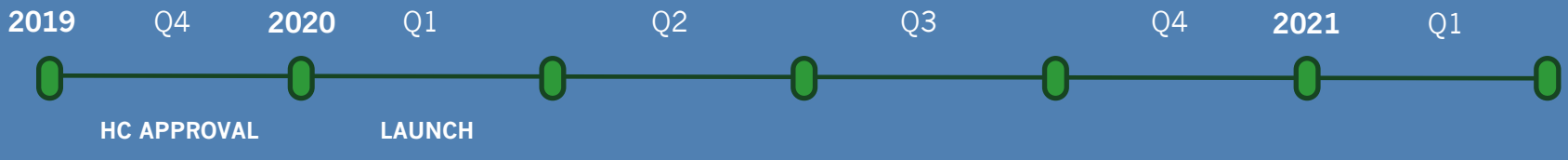
Vascepa – Strong differentiator and market position

HLS has exclusive Canadian rights to Vascepa

Deal Structure:

- $5M paid upfront
- $60M* in milestone payments largely tied to sales
- Double-digit tiered-royalty





Vascepa granted 8 years of Data Protection

* $8.75M in success milestones paid to-date

Trinomia: Expanding our cardiovascular franchise

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

INDICATION

SECONDARY PREVENTION OF CARDIOVASCULAR EVENTS

DIFFERENTIATION

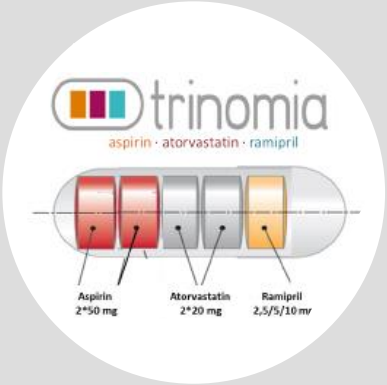
TRI-COMBO CAPSULE
"Polypill"

Aspirin
(anti-coagulant)

Atorvastatin
(lipid lowering)

Ramipril
(anti-hypertensive)





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)

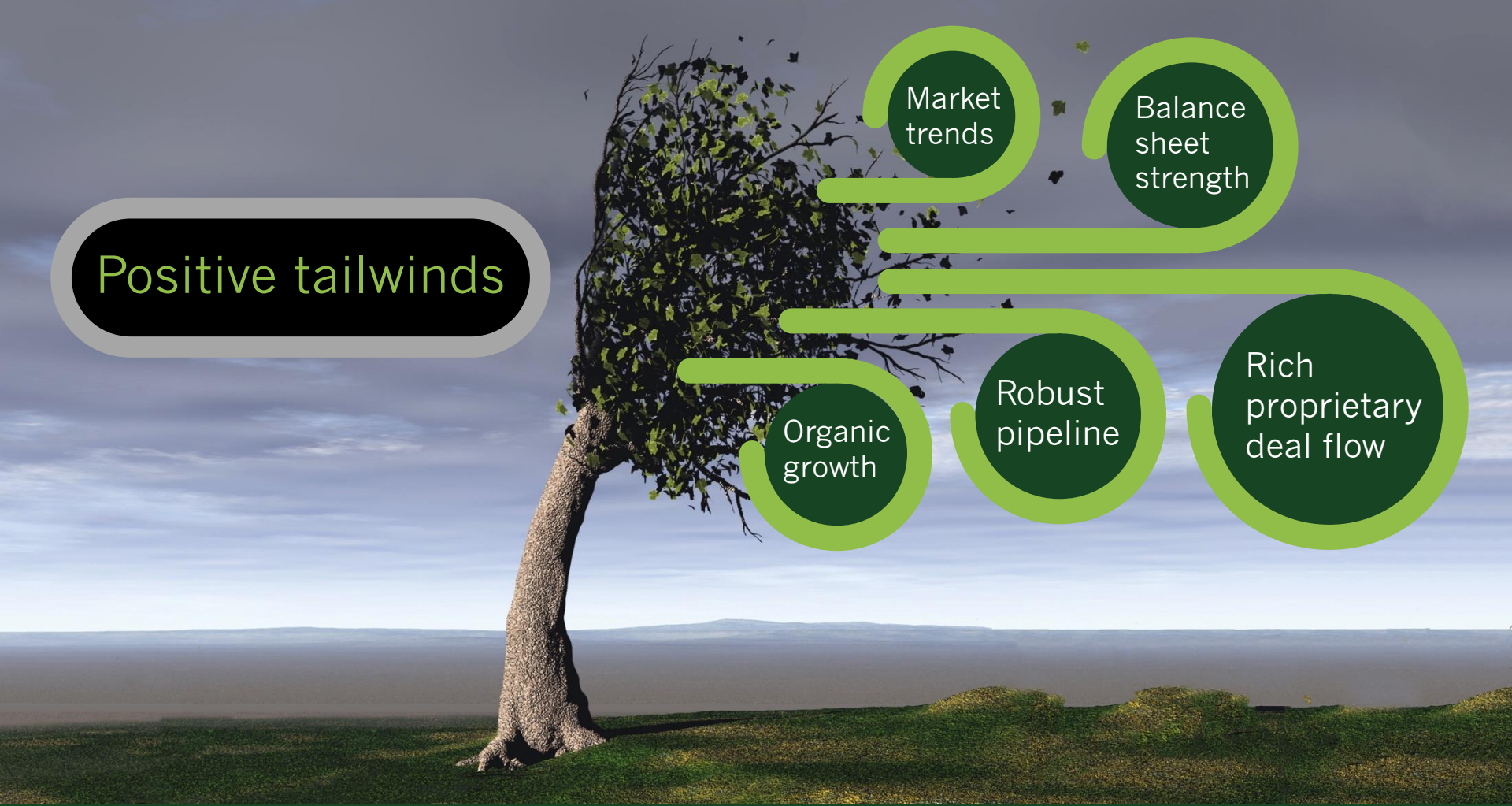
30+
countries approved in



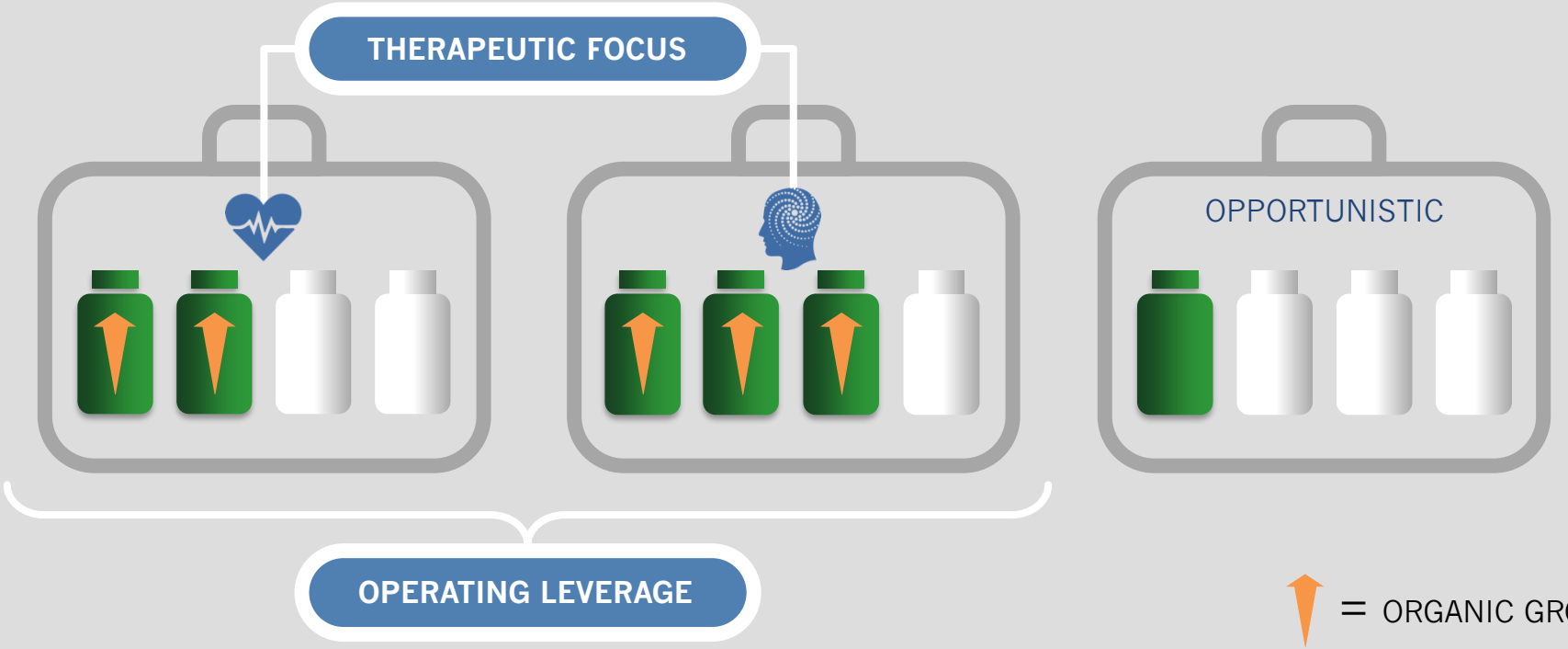


Leverages Vascepa sales and marketing infrastructure

Positive tailwinds



Strong organic growth built-in with rich pipeline of 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.

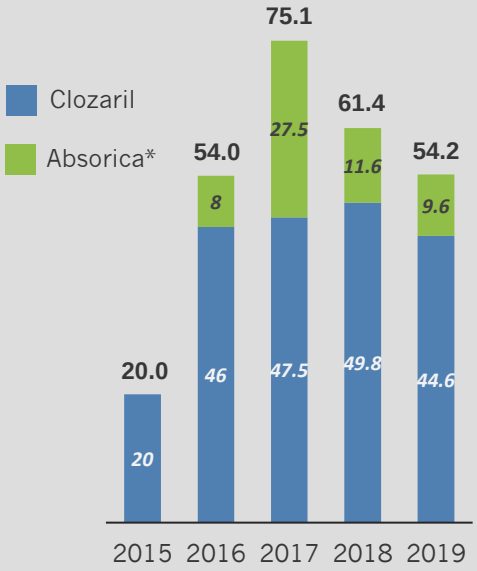
Don DeGolyer | Independent Director
President and CEO of Vertice Pharma, formerly COO with ENDO Pharmaceuticals and Sandoz North America

A business of scale based on two foundational products

With potentially transformative products on deck

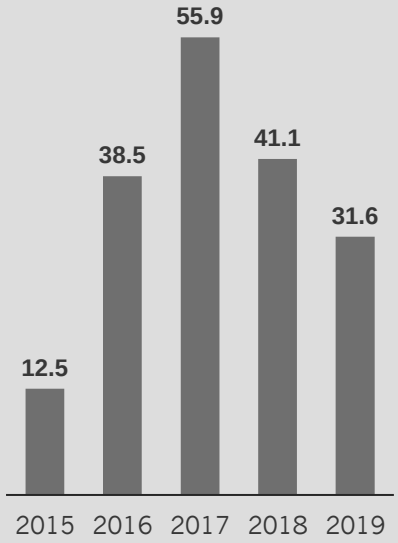
REVENUE*

($ millions)



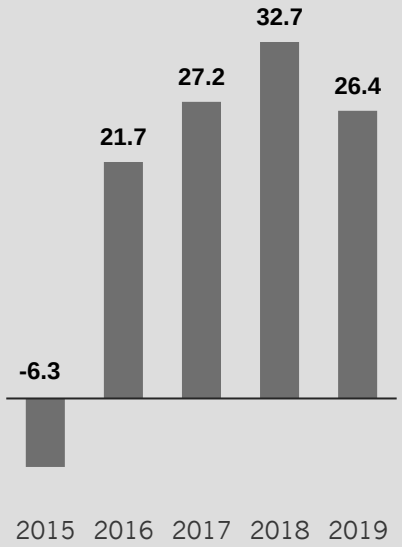
ADJUSTED EBIDTA*[1]

($ millions)



CASH FROM OPERATIONS

($ millions)



[1] net loss adjusted for (i) "stock-based compensation", (ii) "amortization and depreciation", (iii) "acquisition and transaction costs", (iv) "finance and related costs", and (v) "income tax recovery"

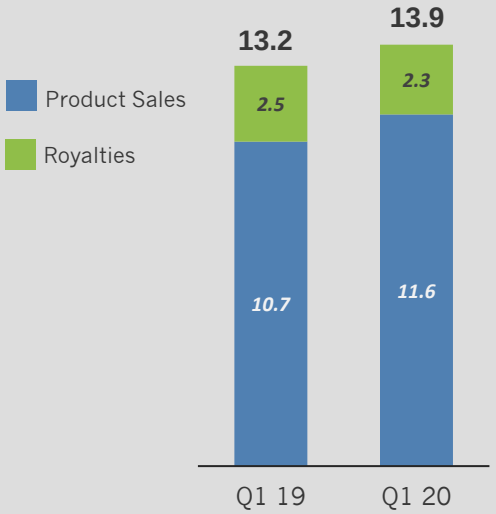
* Absorica included a one-time benefit in 2017 due to competitive disruptions and manufacturer promotions

Q1 2020: Solid Financial Results

With potentially transformative products on the launch-pad

REVENUE

($ millions)



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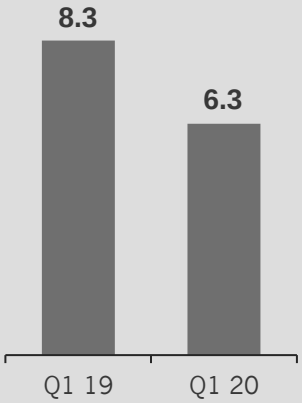

CASH FROM OPERATIONS

($ millions)



Q1 2020 expenses reflect investment in Vascepa launch

[1] net loss adjusted for (i) "stock-based compensation", (ii) "amortization and depreciation", (iii) "acquisition and transaction costs", (iv) "finance and related costs", and (v) "income tax recovery"

Strong balance sheet

SUMMARY BALANCE SHEET & CAPITALIZATION

(in USD '000,000's, unless otherwise noted)	At Dec 31, 2019	At Mar 31, 2020
Cash and Cash Equivalents	47.1	**41.6**
Senior Secured Term Loan	93.8	**92.4**
Net Debt (Term Loan less Cash)	46.7	**50.8**

	At Dec 31, 2019	At Mar 31, 2020
Shares Outstanding ('000's)	31,059	**31,740**

Market Cap at 05/07/2020: ~**$575M CDN**

$100M
debt expansion facility available

$3.75M
Vascepa-related milestone payment made in Q1 2020

Supported by reliable cash flows

Strength

Strong cash flow and balance sheet

Dividend: $0.20 per share per year

Debt Refi: De-levered & ~$10M annual savings

Execution

Clear value creating strategy
Cash flow/Growth/Explosive growth

4 commercial-stage assets

2 assets in review at Health Canada

Opportunity

Vascepa: Launched February 2020

Scalable platform

Robust deal flow for acquisitions

