HLS Therapeutics®

Q3 2023 Conference Call
November 9, 2023

Craig Millian, CEO
Tim Hendrickson, CFO



# 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

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# Life-changing medicine for Treatment Resistant Schizophrenia

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# Consistent Brand Performance Generates Stable Cash Flow

**US$28.7M**

Revenue YTD 2023

**US$21.7M**

Direct contribution to Adjusted EBITDA YTD 2023

**8**

**consecutive years**

of patient growth in Canada since acquired by HLS

(up 1% YTD 2023)


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# CSAN Patient Support Platform is Our Competitive Advantage



Patients enrolled in CSAN have a compliance rate 32% higher than those using the leading generic[1]

Twice as many prescribers were “very satisfied” with CSAN vs. generic platforms[2]

## Key Differentiator for Maintaining the Leading Market Share in Canada



1 Peripharm report, September 2022. Economic Impact of Clozapine. Presented at AAPP 2023 Conference April 16-19, 2023, Atlanta ,GA 2 Company market research

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Vascepa®

# A New Paradigm in the Treatment of Cardiovascular Risk



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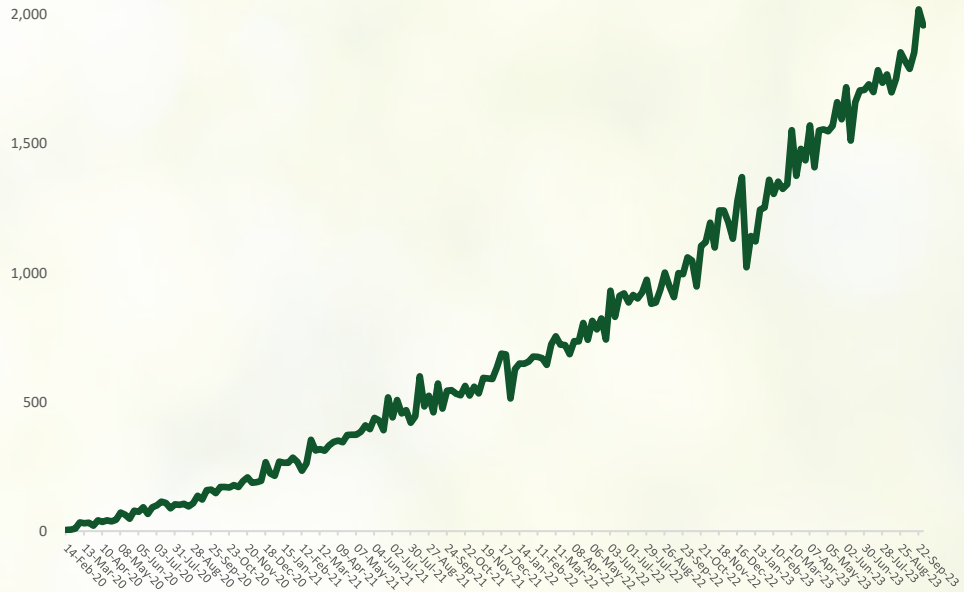
# Continued Prescription Momentum

Vascepa®

## 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)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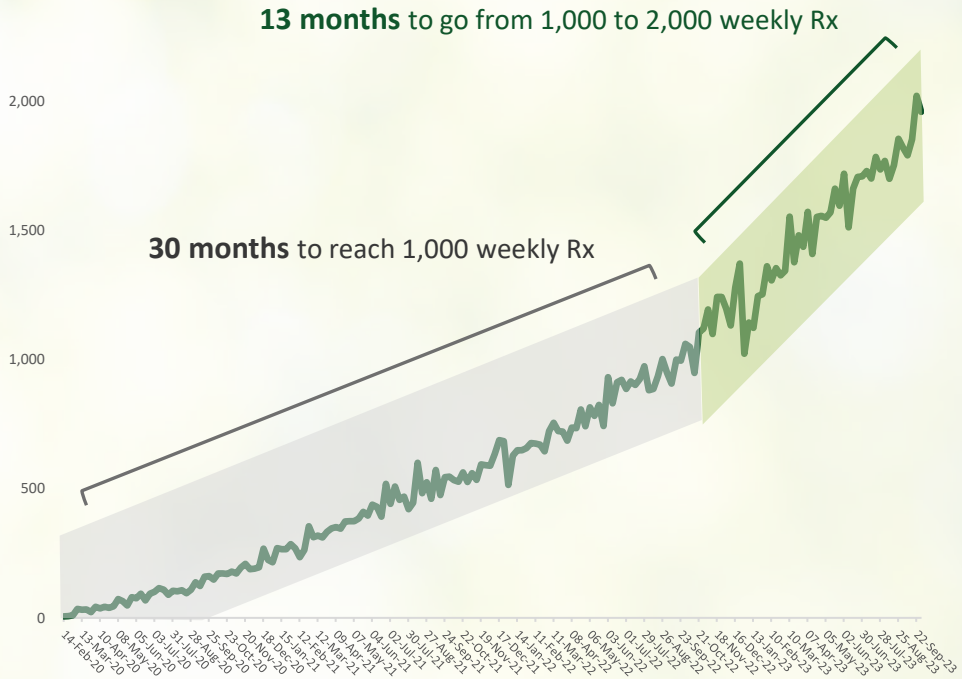
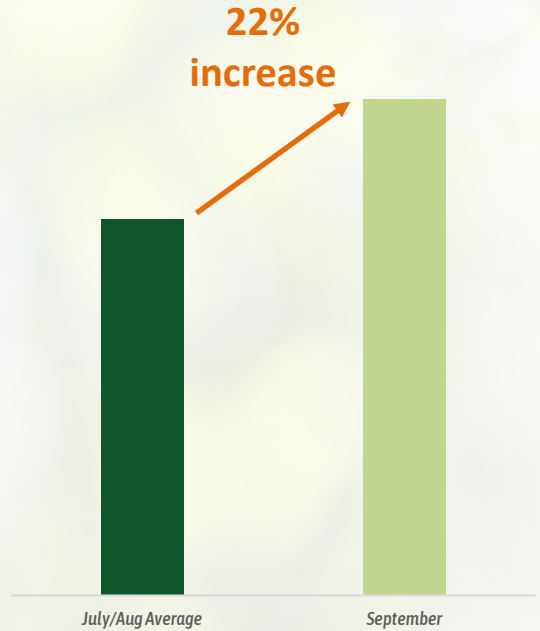
# 2,000 Weekly Rx Milestone Reached in September




## NRx Momentum in September

**Number of NRx in September vs July/August Average**





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# Executing on Priorities for Vascepa Growth & Profitability

Vascepa®

| | | |
|---|---|---|
| Adapt go-to-market model | Updated promotional services agreement with Pfizer | ✓ |
| Improve reimbursement dynamics | Working through coverage implementation with BC Pharmacare | ✓ |
| | Increase in patient authorization volumes in Ontario | ✓ & ongoing |
| | Secure improved public access tier (LU code) in Ontario | Ongoing |


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# Growing Evidence Supporting Vascepa Clinical Benefits

Vascepa®

**Vascular 2023**

***Poster Presentations***

Montreal, QC
October 25-29

VASCULAR2023

- 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

American Heart Association

- 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


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# Financial Strength: Solid Foundation to support our growth

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# Record Product Sales in Q3 of $13.4M

| (USD$ millions) | Q3 2023 | % change | % change (constant currency) |
|---|---|---|---|
| **Total Revenue** | 16.0 | +2% | +4% |
| **Total Product Sales** | 13.4 | +2% | +4% |
| **Canadian Product Sales** | 10.2 | +6% | +9% |

**Annual Vascepa Revenue (CDN$ M)**




## Vascepa Q3 Revenue C$4.7M, up 44%



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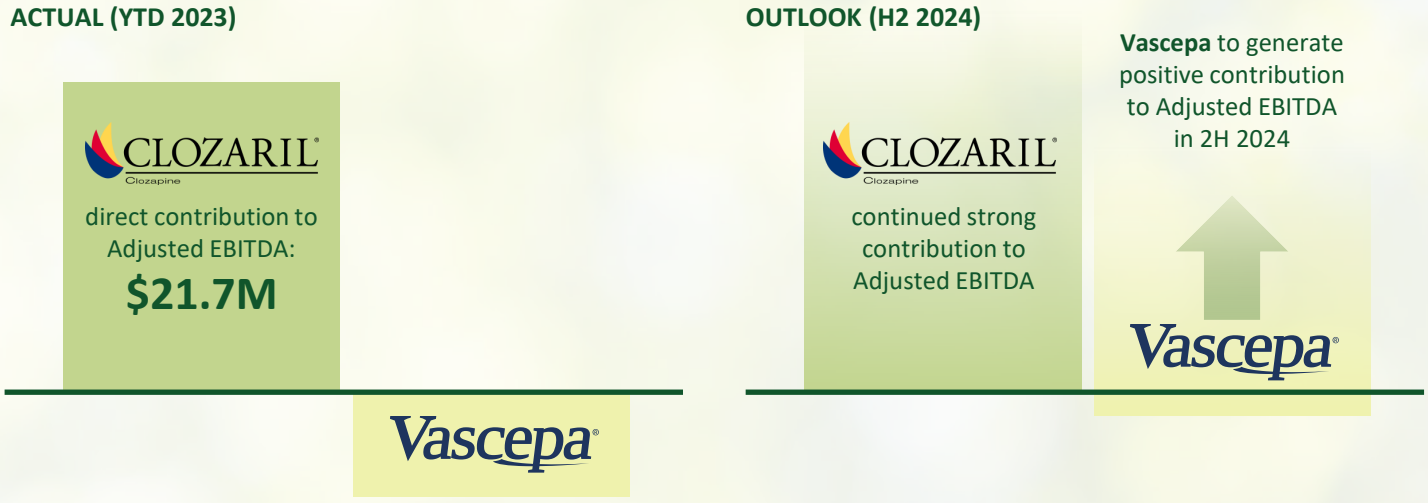
[1]:Net income (loss) adjusted for (i) "stock-based compensation", (ii) "amortization and depreciation", (iii) "acquisition and transaction costs", (iv) "finance and related costs", and (v) "income tax expense (recovery)"

# Vascepa to Become a Positive Contributor to Adjusted EBITDA

## Adjusted EBITDA Contribution





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# 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

## YTD 2023 Cash Flow From Operations $12.1M


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- **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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