HLS Therapeutics®

Q1 Fiscal 2024 Conference Call
May 9, 2024

Craig Millian, CEO
John Hanna, Interim CFO



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 financials are per HLS filed quarterly and annual statements

Forward-looking financial estimates are converted at an exchange rate of 1 USD = 1.35 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

Q1 2024: Financial Highlights

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Revenue:
$12.5M

Adjusted EBITDA:
$2.7M

Cash from operations:
$0.8M

March Vascepa/Clozaril net sales impacted by order timing

***March** ex-factory **down 3%** yoy*

***April** ex-factory **up 25%** yoy*

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Vascepa®

A New Paradigm in the Treatment of Cardiovascular Risk

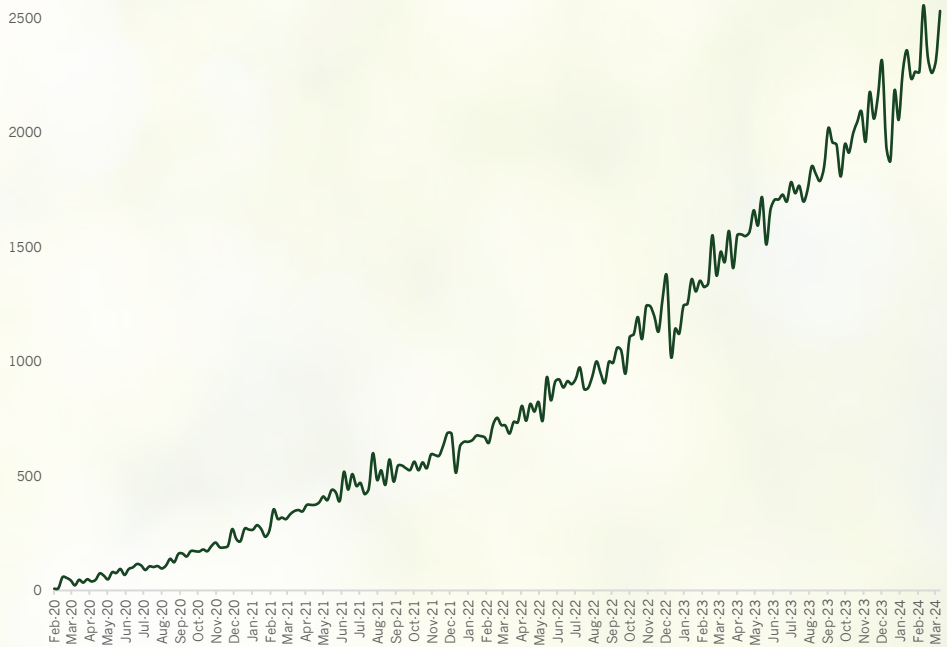


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Prescription Momentum Remains Strong

Vascepa®

Weekly script data since launch



112% increase
in consistent prescribers*

54% increase
in unit demand*

*Q1 2024 compared to Q1 2023

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HLS Provides Notice of Termination of Pfizer Agreement

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Rationale

ROI below expectations

Existing primary care prescribers can be covered by HLS salesforce

1-in-3 new-to-brand patients come from primary care vs expectation of 3-in-4

Bringing Primary Care Sales In-house

Greater control, flexibility and accountability for Vascepa's success

Significant cost savings of ~$5M per year

Allows for flexible investment in primary care as business grows

3-point action plan

Complete transition of primary care sales to HLS in 2H 2024

Stabilize payer mix dynamics

Refocused message on clinical benefit

Primary care will continue to play an increasingly important role in Vascepa growth

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Life-changing medicine for Treatment Resistant Schizophrenia

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Brand Performance Generates Steady Cash Flow

US$8.5M
Q1 Revenue

US$6.1M
Direct contribution to Adjusted EBITDA in Q1

>8
consecutive years
of patient growth in Canada since acquired by HLS
(up 1.4% in Q1)

Strategies unique to four geographies

Ontario - grow the broader market

Quebec - maintain existing patient base

Western Canada - increase market share

U.S. - pilot program with specialty pharmacy to grow patient base

Goal is to grow North American Clozaril sales 1-2% annually, on average

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2024 Guidance Update

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2024 Guidance Update

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Consolidated revenue: $60-$62M

Prior range: $63.5-$66.5M

Vascepa revenue: $17-$18M (CDN $22.5-$24.5M)

Prior range: $20.5-$22.5M (CDN $27.5-$30M)

Clozaril revenue: ~$40M

(unchanged)

Royalty revenue: $3-$4M

(unchanged)

Adjusted EBITDA: $17-$19M

Prior target: $21M

Vascepa goal: positive contribution to Adjusted EBITDA in Q4 2024

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Financial Review: Solid Foundation to support our growth

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Q1 2024: Financial Review

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Revenue: $12.5M

Impact from order timing: ~$0.6M

Impact from Clozaril US inventory stocking in Q4 2023: $0.35M

Operating Expenses

Opex down 3% excluding cost of sales

Selling and marketing down 6%

G&A down 6%

Medical & regulatory up 18% but expected to be flat in ‘24 vs ‘23

Adjusted EBITDA: $2.7M

Direct to brand contribution from Clozaril: $6.1M

Direct to brand contribution from Vascepa: ($1.9)M

We expect further reductions in OPEX during the remainder of the year

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Q1 Summary

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1. Q1 impacted by timing of orders for Clozaril and Vascepa
2. Bringing primary care sales function for Vascepa inhouse
3. Provides HLS with greater control, flexibility and accountability over Vascepa's performance
4. 2024 actions set HLS up for an increasingly profitable product portfolio and improved growth outlook

Long period of exclusivity as patent expiry not expected until late 2030s

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