HLS Therapeutics®

Q4 & Fiscal 2023 Conference Call
March 14, 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

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2023: Year of Transition

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Management Changes

Craig Millian,
CEO and Director

John Hanna,
Interim CFO and Director

Brian T. Walsh,
SVP, Head of Commercial

Board Changes

John Welborn appointed Chair

Christian Roy, Craig Millian and John Hanna joined the board

Board size reduced from ten to eight members

Product strategy and resources focused on **Vascepa and Clozaril**

Return of capital to shareholders shifted from dividend to share buyback

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2023: Financial Highlights

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Revenue:
$63.1M

Adjusted EBITDA:
$21.1M

Cash from operations:
$15.8M

Revenue from marketed products in Canada:

Up 6% as reported

Up 10% in constant currency

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Life-changing medicine for Treatment Resistant Schizophrenia

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Consistent Brand Performance Generates Stable Cash Flow

US$39.5M
Revenue 2023

US$29.7M
Direct contribution to Adjusted EBITDA 2023

8
consecutive years
of patient growth in Canada since acquired by HLS
(up 1% in 2023)

Goal is to grow North American Clozaril sales 1-2%

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Vascepa®

A New Paradigm in the Treatment of Cardiovascular Risk



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Executing on Priorities for Vascepa Growth & Profitability

Vascepa®

Adapt go-to-market model	Launched updated promotional services agreement with Pfizer on January 1, 2024 ▪ GPs now make up >55% of NRx	✓
Improve reimbursement dynamics	Completed PLA with BC Pharmacare on February 6, 2024 ▪ increases national coverage to **~85% of public** covered lives ▪ increases national coverage to **~95% of private** covered lives	✓
	Patient authorization backlog in Ontario reduced from ~50 to ~5 days	✓
	Pursue improved public access tier (LU code) in Ontario	Ongoing

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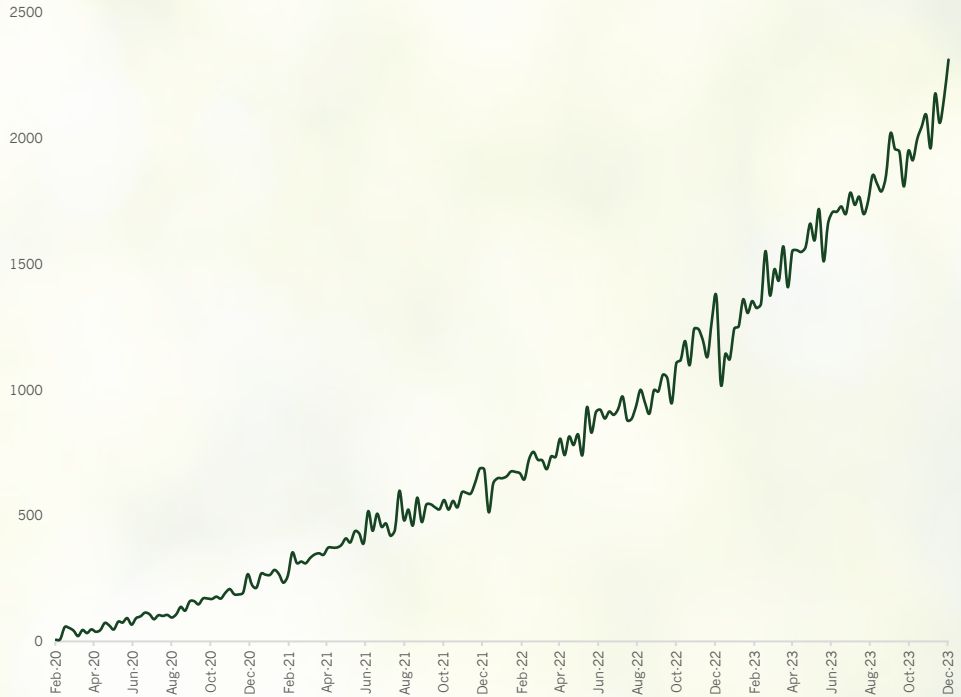
Continued Prescription Momentum

Vascepa®

Weekly script data since launch



73% increase
in prescribers^

99% increase
in consistent prescribers^

86% increase
in total prescriptions*

70% increase
in 30-day unit equivalents*

^Q4 2023 compared to Q4 2022
*F2023 compared to F2022

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2024 Outlook: Year of Execution

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2024 Outlook: Revenue

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Vascepa

$20.5-22.5M (C$27.5-30M)

~ 55-70% growth

+

Clozaril

$40M

~ 1-2% growth

+

Royalty

$3-4M

~ 60-70% decline

Revenue from marketed products of $60.5M-$62.5M (15-19% growth)

Consolidated revenue outlook of $63.5M to $66.5M, or 1-5% growth

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2024 Outlook: Adjusted EBITDA

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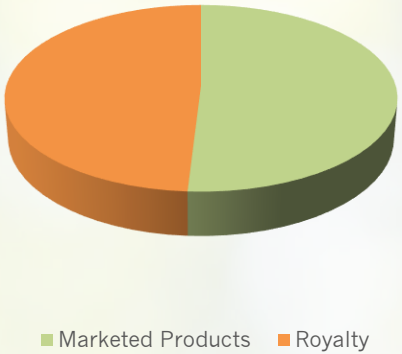
Vascepa & Clozaril

Marketed products Adjusted EBITDA expected to grow ~ 60% in 2024

Royalty portfolio Adjusted EBITDA expected to decline ~ 60-70% in 2024

2023 AEBITDA



2024 AEBITDA (estimated split)



Goal is to achieve 2024 Adjusted EBITDA at or above 2023 level

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Revenue & Adj EBITDA Growth Prospects Improve Beyond 2024

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1. Both products expected to be profitable in 2025
2. Scalable Vascepa operating model; margins improve as top-line grows
3. Royalty portfolio expected to grow modestly beginning in 2025
4. Improved operating performance should support portfolio expansion

Remain confident in Vascepa's potential to generate annual sales > C$100M

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Financial Strength: Solid Foundation to support our growth

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2023: Revenue Growth Driven by CDN Marketed Products

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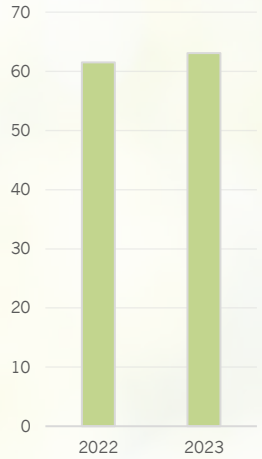
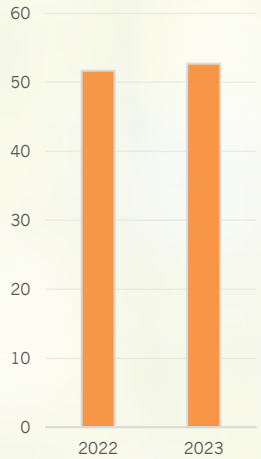
Consolidated Revenue (US$ millions)



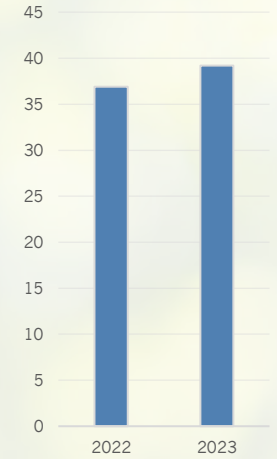
Up 3%, or 5% in constant currency

Marketed Products Revenue (US$ millions)



Up 2%, or 5% in constant currency

CDN Marketed Products Revenue (C$ millions)



Up 6%, or 10% in constant currency

Sales growth in Canada was led by Vascepa, which was up 44% for 2023

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Vascepa to Become a Positive Contributor to Adjusted EBITDA

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Adjusted EBITDA Contribution

ACTUAL (2023)

CLOZARIL® Clozapine

direct contribution to Adjusted EBITDA:

$29.7M

Vascepa®

direct contribution (loss) to Adjusted EBITDA:

($9.2)M

FUTURE OUTLOOK

CLOZARIL® Clozapine

continued strong contribution to Adjusted EBITDA

Vascepa to generate positive contribution to Adjusted EBITDA in Q4 2024

Vascepa®

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Strong Balance Sheet with Capacity for Expansion

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Summary Balance Sheet & Capitalization

(US$ millions)	At Dec 31, 2022	At Dec 31, 2023
Cash and Cash Equivalents	20.7	**22.0**
Senior Secured Term Loan and Revolver	97.3	**88.5**
Net Debt (Term Loan less Cash)	75.9	**66.5**

	At Dec 31, 2022	At Dec 31, 2023
Shares Outstanding (‘000’s)	32,451	**32,263**

Updated Credit Agreement



- $30M revolver capacity (undrawn), now $25M
- Allowable restricted payments (NCIB) capped at $2.5M for 2024
- Interest rates relatively unchanged
- $70M expansion facility remains available

Share Buyback



- Return of capital via NCIB
- Look to increase activity in remainder of 2024 within parameters of amended credit agreement

2023 Cash Flow From Operations $15.8M

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- **Stable cash flow & significant organic growth potential**
- **Near-term operational catalysts drive Vascepa to profitability by year end**
- **Foundation set for accelerated future growth**
- **Financial capacity for future expansion**

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