



HLS Therapeutics<sup>®</sup>

*Poised for High Growth*

Investor Presentation  
June 2022

# Forward-looking statements

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- **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 = 1.227 CAD and 1 CAD = 0.80 USD**

# Who We Are

Canadian-based, North American focused pharma company



**2**

## THERAPEUTIC AREAS

Cardiovascular  
&  
Central Nervous  
System



## 7 PRODUCTS

4 commercial stage  
1 pre-launch  
2 in review stage  
+  
royalty interest

**US\$60.0M**

2021 revenue

## OPERATIONAL STRENGTH

**US\$26.3M**

2021 Adj EBITDA

# HLS 2022: building momentum & driving growth

TSX: HLS | Market Cap ~C\$480M<sup>2</sup>

Revenue<sup>1</sup> (millions)

US\$315  
(C\$400)

US\$60  
(C\$75)

~400%

Vascepa

**Vascepa's**  
peak-year estimate

**C\$250-300M**  
Revenue

~30%  
Adjusted EBITDA  
margin

2021

2026

# Vascepa: Next pillar in cardiovascular risk reduction

“This may be the biggest development in cardiovascular prevention since statins.”<sup>1</sup>

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



20 international medical societies recommend the use of Vascepa



# Vascepa: REDUCE-IT trial's **Blockbuster** clinical results

## Trial design

8,200 PATIENTS

11 COUNTRIES

5-YEAR TRIAL

## Trial results

### Primary endpoint

25%

Reduction in Major  
Adverse CV<sup>1</sup> Events

### Significant reductions on secondary endpoints

CV<sup>1</sup>  
Death

20%

Heart  
Attack

31%

Stroke

28%

Surgical  
bypass

35%

Also shown to reduce plaque in arteries<sup>2</sup>

# Vascepa: Characteristics of a category leader

## The Problem

#1

killer globally is cardiovascular disease



up to **2M** Canadians in-label

## Unmet Need

Residual risk

LDL-related risk

## The Solution

Vascepa effectively and safely lowers CV events by **30%**

Long runway: 8-years of data exclusivity. Patent protection into the 2030's

# Vascepa: Rx progression fueled by growth catalysts



## Private payer coverage

>90% privately covered lives eligible for Vascepa reimbursement



## Public payer coverage

agreed to terms with the pCPA for public reimbursement of Vascepa and achieved public reimbursement in Quebec, effective May 26, 2022



## Salesforce expansion

>4x increase in target audience via co-promotion agreement with Pfizer



## Canadian medical society endorsement

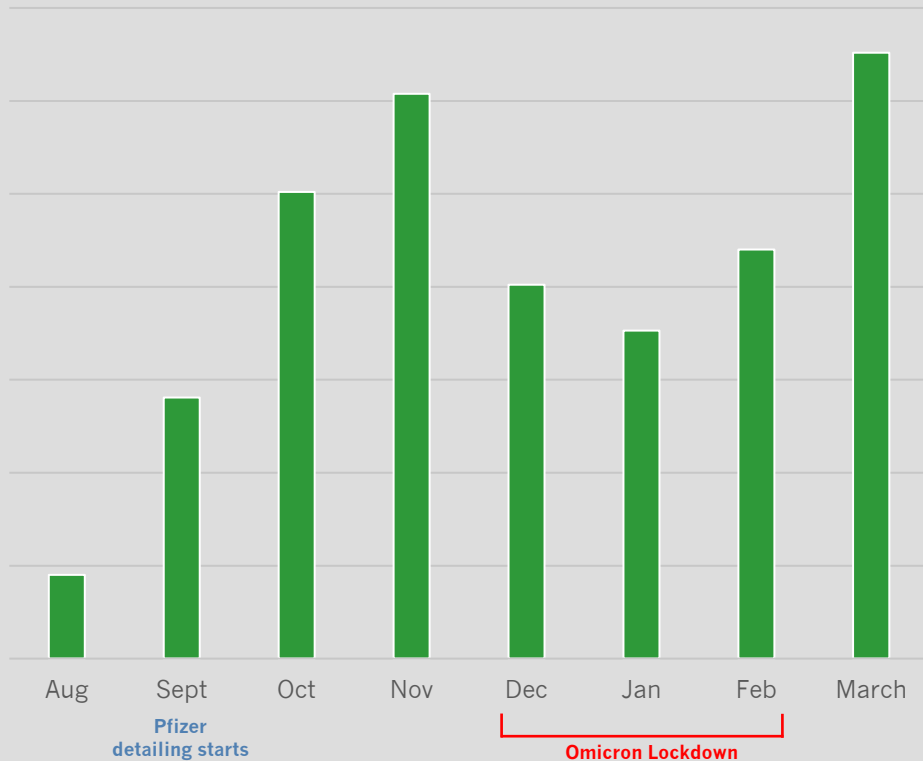
Vascepa included in the guidelines for Canadian Cardiovascular Society, Thrombosis Canada and Canadian Heart & Stroke Foundation

Removal of pandemic-related restrictions increases physician access



# Vascepa: Strong post-Omicron rebound in physician interaction

## Live Call Volumes to Physicians



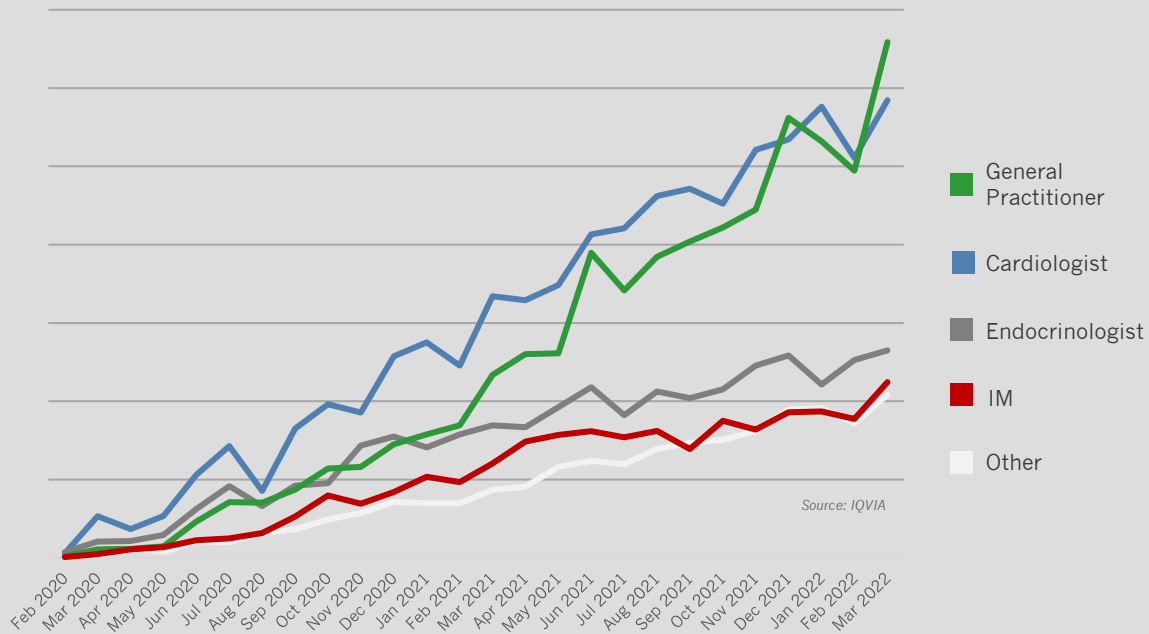
Post Omicron, March call activity reaches new monthly high

Jan/Feb lockdowns resulted in 40% drop in live calls and **only 1 in 7 face-to-face** detailing

March calls rebounded with **80% face-to-face** (6X increase)

# Vascepa: Broadening the user base

Total Rx by Physician Group

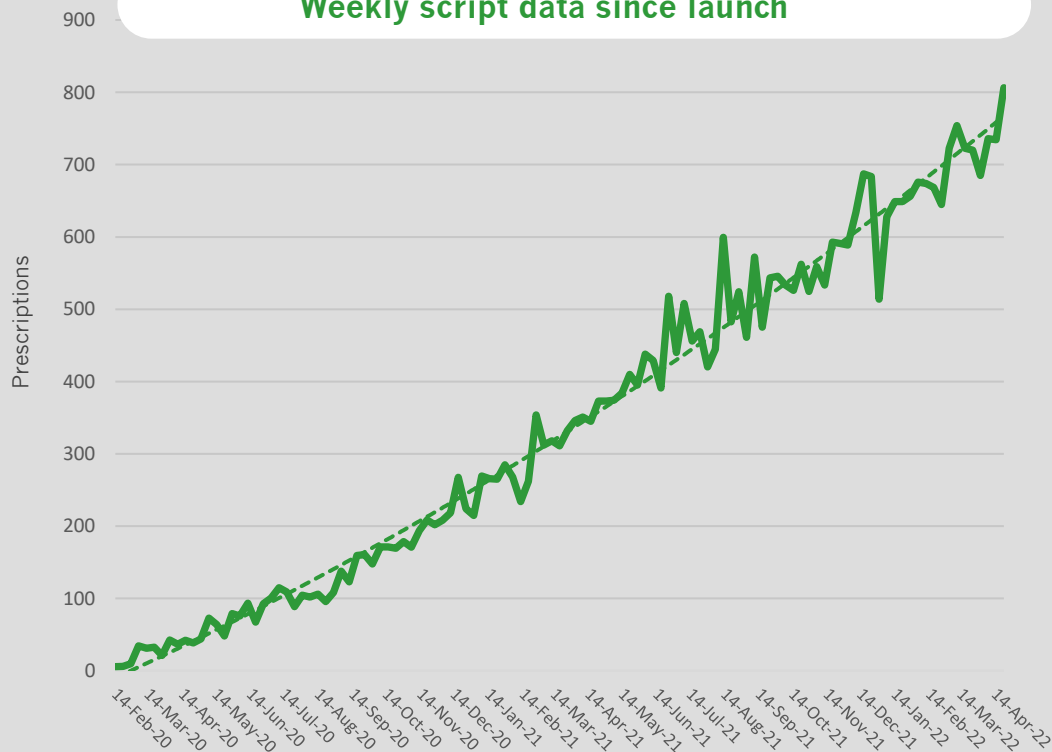


As market access increases, our strategy is to leverage the 4x expansion in physician audience to 10,000 with greater call frequency to create awareness, trial and adoption

34% of total Rx & 44% of new Rx prescribed by general practitioners in March

# Vascepa: Prescription momentum growing

Weekly script data since launch



Source: Weekly Rx, 2020 - 2022, IQVIA



**111%**

Year-over-year increase in Rx



**177%**

Year-over-year increase in prescribing doctors to 2,025

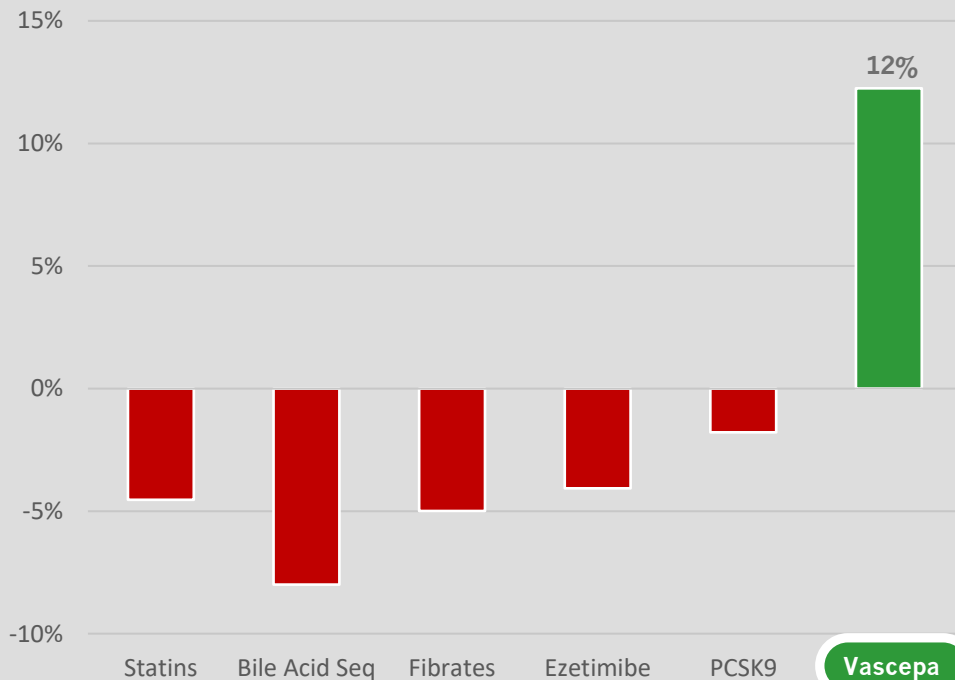


**139%**

Year-over-year increase in patients to 6,945

# Vascepa: Impact of Omicron on large CV markets in Q1'22

Demand Growth: Q1 '22 vs Q4 '21 (Rx units)



Vascepa Rx volumes grew 12% in Q1 despite Omicron headwinds impacting all other CV classes of drugs

# Clozaril: Leading franchise in a mature Canadian market

The only drug approved for Treatment Resistant Schizophrenia

25 dedicated staff

Sales reps

Nurses

Physician consultants

24/7 availability

**US\$44M**  
Average Revenue  
2019-2021

**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



## CSAN: Patient Portal is our competitive advantage in Canada

# Pipeline: Synergistic to CNS/psychiatry franchise

## MyCare

Diagnostic technology measuring the level of six antipsychotic drugs in patients' blood

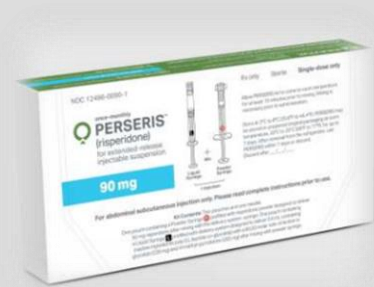
No product of this type exists in Canada



## PERSERIS

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

Indicated for the treatment of schizophrenia in adults



**C\$25-30M** annual revenue potential (US\$20-23M)

# Royalty Portfolio: cash flow to support growth

2021 Royalty Revenue of \$9.4 million

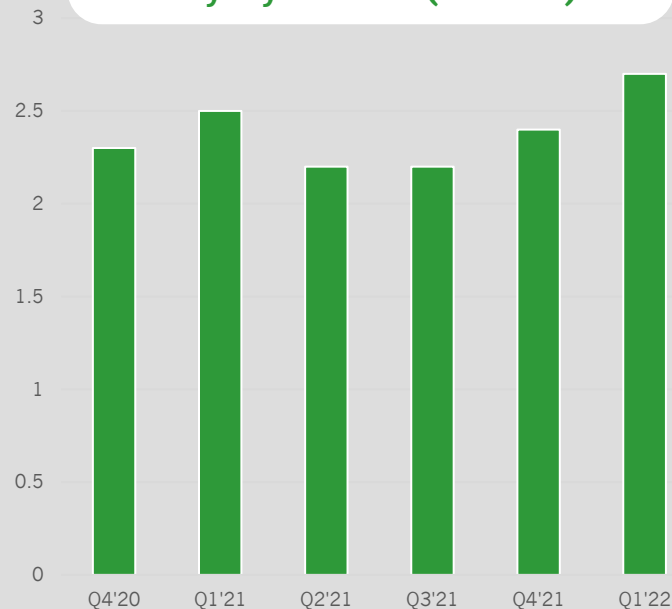
## Increased diversification

Four non-correlated products  
Diversifies revenue, AEBITDA & cash flow

Products marketed by global blue-chip  
healthcare organizations



## Royalty Revenue (millions)

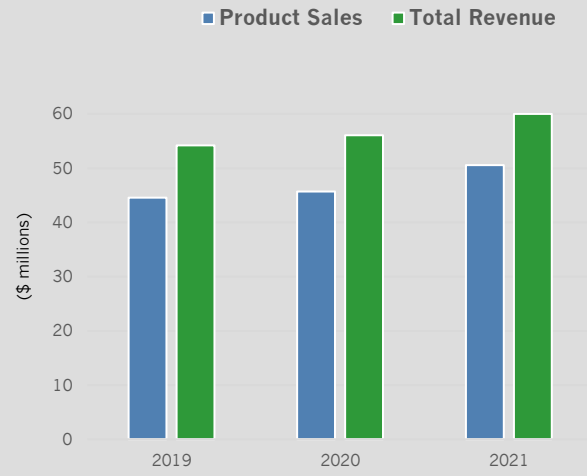


**4<sup>th</sup> product approval expected in 2022**

# Stable cash-flowing base business with organic growth drivers

Sales momentum building for potential blockbuster, Vascepa

(USD\$ millions)		FY 2020	FY 2021	% change	Q1 2021	Q1 2022	% change
<b>REVENUE</b> (USD\$ millions)	Product	45.7	50.6	+11%	11.8	11.8	+1%
	Royalty	10.5	9.4	(10%)	2.5	2.7	+6%
	<b>Total</b>	<b>56.1</b>	<b>60.0</b>	+7%	<b>14.3</b>	<b>14.6</b>	+2%
<b>ADJUSTED EBITDA<sup>1</sup></b> (USD\$ millions)		<b>24.1</b>	<b>26.3</b>	+9%	<b>6.7</b>	<b>6.3</b>	(5%)



Product sales in Canada up 7% in Q1'22 driven by Vascepa

Numbers in columns may not add-up due to rounding to one decimal place

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)"

## Q1 2022 cash flow from operations \$5.8 million



# Strong balance sheet

## Summary Balance Sheet & Capitalization

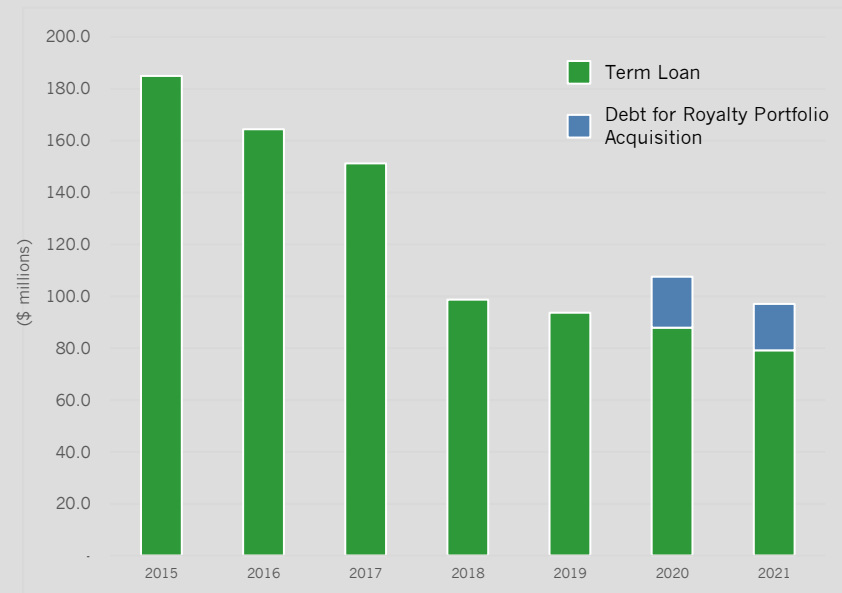
<i>(US\$ millions)</i>	At Dec 31, 2021	At Mar 31, 2022
Cash and Cash Equivalents	21.2	22.7
Senior Secured Term Loan	97.1	94.1
Net Debt (Term Loan less Cash)	75.9	72.9
	At Dec 31, 2021	At Mar 31, 2022
Shares Outstanding ('000's)	32,451	32,468

Market Cap at 06.01.22: ~CDN \$480M



**\$35M revolver (undrawn)  
\$70M debt expansion facility**

## Track Record of De-Leveraging



### Return of capital via:

1. Quarterly dividend
2. NCIB

## Strength

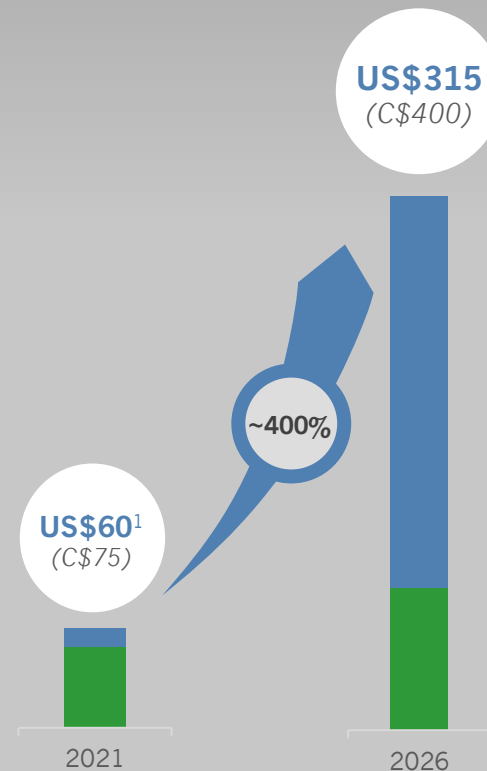
Strong cash flow and balance sheet  
Dividend: C\$0.20 per share per year  
Experienced leadership

## Execution

4 commercial-stage products  
1 pre-launch product  
2 products under review  
Diversified royalty portfolio

## Opportunity

Vascepa: C\$250-300M sales estimate  
Scalable platforms in CV & CNS  
Robust deal flow for acquisitions





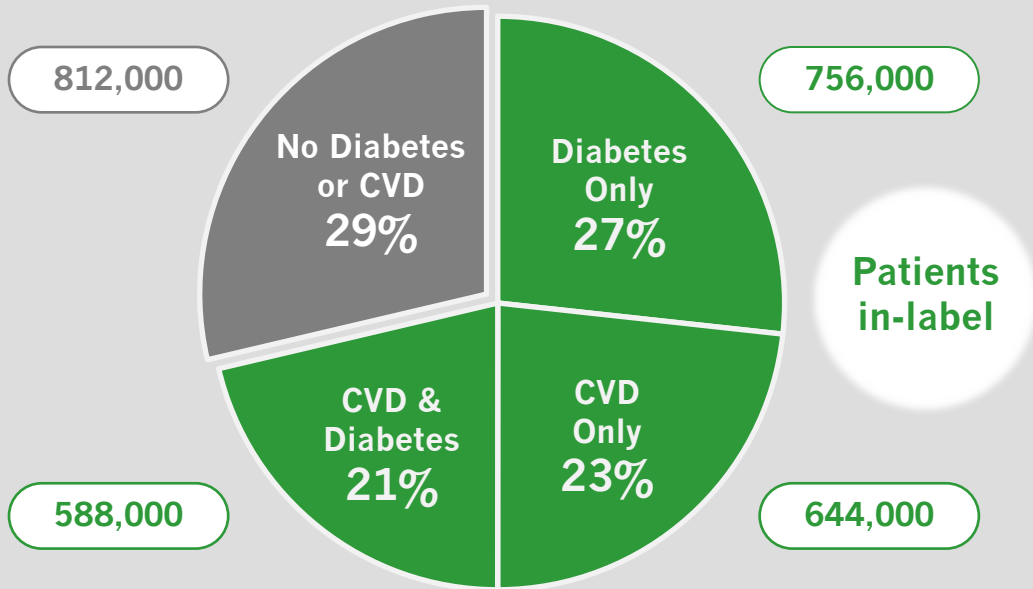
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**APPENDIX**

# Up to 2M patients in-label

2.8M Canadian Statin Patients



CVD only + CVD with Diabetes = Up to 1.2M  
 CVD only + CVD with Diabetes + Diabetes and risk factor = Up to 2M

	All Statin Patients	Relative Share of REDUCE-IT population
Diabetes	27%	<b>High Risk:</b> Primary Prevention:
CVD	23%	<b>Very High Risk:</b> Secondary prevention:
Both	21%	
Neither	29%	Not included in REDUCE-IT trial

*REDUCE-IT studied statin-treated patients with elevated triglycerides with established CVD (Very High Risk), or with diabetes and one or more CV risk factor(s) (High Risk)*

Source: <https://www150.statcan.gc.ca/n1/pub/82-003-x/2016001/article/14305/tbl/tbl02-eng.htm>  
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2989357/>  
<https://www150.statcan.gc.ca/n1/pub/82-625-x/2018001/article/54982-eng.htm>