

FORM 62-103F3

Required Disclosure by an Eligible Institutional Investor under Part 4

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

This report is filed to amend information disclosed in an earlier report dated January 9, 2020.

Item 1 – Security and Reporting Issuer

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

*This report relates to common shares (the “**Common Shares**”) and warrants to purchase Common Shares (“**Warrants**”) of HLS Therapeutics Inc. (the “**Issuer**”)*

The Issuer’s address is:

*10 Carlson Court, Suite 701
Etobicoke, Ontario, M9W 6L2*

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

*Toronto Stock Exchange (“**TSX**”)*

Item 2 – Identity of the Eligible Institutional Investor

- 2.1 State the name and address of the eligible institutional investor.

*OrbiMed Advisors LLC (“**Advisors**”) is the investment manager of Royalty Opportunities S.à.r.l. (“**Royal Opportunities**”). OrbiMed ROF II LLC (“**ROF II**”) is the general partner of OrbiMed Royalty Opportunities II, LP (“**Royal Opportunities II**”). OrbiMed Capital LLC (“**Capital**”) is the investment advisor of OrbiMed Partners Master Fund Limited (“**Master Fund**”). Royal Opportunities, Royal Opportunities II, and Master Fund are each holders of record of Common Shares and/or Warrants of the Issuer. ROF II and Capital are affiliates of Advisors. For the purposes of this report, Royal Opportunities, Royal Opportunities II, and Master Fund are collectively referred to as “**OrbiMed**”.*

*601 Lexington Avenue, 54th Floor
New York, NY 10022*

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On January 2, 2020, Master Fund exercised 63,192 Warrants in exchange for 63,163 Common Shares. As a result of the exercise of Warrants, Master Fund held 63,163 Common Shares and 199,029 Warrants.

On January 2, 2020, Royal Opportunities II exercised 189,576 Warrants in exchange for 189,489 Common Shares. As a result of the exercise of Warrants, Royal Opportunities II held 1,958,589 Common Shares and 597,085 Warrants.

On January 2, 2020, Royal Opportunities exercised 63,192 Warrants in exchange for 63,163 Common Shares. As a result of the exercise of Warrants, Royal Opportunities held 652,863 Common Shares and 199,029 Warrants.

On February 27, 2020, Master Fund sold 59 Common Shares. As a result, Master Fund held 63,104 shares.

On February 27, 2020, Royal Opportunities II sold 706 Common Shares. As a result, Royal Opportunities II held 1,957,883 Common Shares.

On February 27, 2020, Royal Opportunities sold 235 Common Shares. As a result, Royal Opportunities held 652,628 Common Shares.

On March 3, 2020, Master Fund sold 11,890 Common Shares. As a result, Master Fund held 51,214 Common Shares.

On March 3, 2020, Royal Opportunities II sold 141,080 Common Shares. As a result, Royal Opportunities II held 1,816,803 Common Shares.

On March 3, 2020, Royal Opportunities sold 47,030 shares. As a result, Royal Opportunities held 605,598 shares.

On August 11, 2020, 63,193 Warrants held by Master Fund expired, resulting in Master Fund holding 135,836 Warrants.

On August 11, 2020, 189,578 Warrants held by Royal Opportunities II expired, resulting in Royal Opportunities II holding 407,507 Warrants.

On August 11, 2020, 63,193 Warrants held by Royal Opportunities expired, resulting in Royal Opportunities holding 135,836 Warrants.

2.3 State the name of any joint actors.

Not applicable.

2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.

OrbiMed is eligible to file reports under Part 4 of NI 62-103 in respect of the Issuer.

Item 3 –Interest in Securities of the Reporting Issuer

- 3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor’s securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.

Since the last report filed by OrbiMed on January 9, 2020, OrbiMed acquired 114,815 Common Shares through the exercise of Warrants and sale of Common Shares as described in Item 2.2. OrbiMed currently owns 2,473,615 Common Shares representing 7.79% of the 31,743,860 Common Shares that are issued and outstanding, representing an increase of 0.12% from 7.67% of the 30,741,204 Common Shares that were issued and outstanding as of January 9, 2020.

Of the Common Shares owned by OrbiMed, Master Fund owns 51,214 Common Shares (0.16% of the Common Shares), Royal Opportunities owns 605,598 Common Shares (1.91% of the Common Shares) and Royal Opportunities II owns 1,816,803 Common Shares (5.72% of the Common Shares).

As of August 11, 2020, and as a result of the exercises and expirations of Warrants described in Item 2.2, OrbiMed collectively had beneficial ownership of 679,179 Warrants. Of the Warrants owned by OrbiMed, Royal Opportunities owns 135,836 Warrants, Royal Opportunities II owns 407,507 Warrants and Master Fund owns 135,836 Warrants.

Assuming full exercise of the Warrants, OrbiMed would hold an aggregate of 3,152,794 Common Shares owned on a fully diluted basis, representing 9.72% of the 32,423,039 outstanding Common Shares on a fully diluted basis.

- 3.2 State the designation and number or principal amount of securities and the eligible institutional investor’s security holding percentage in the class of securities at the end of the month for which the report is made.

See Item 3.1.

- 3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

- 3.4 State the designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which

- (a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,

See Item 3.1.

- (b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and

Not applicable.

- (c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

- 3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's security holdings.

Not applicable.

- 3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Purpose of the Transaction

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans

or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;
- (b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (c) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (d) a material change in the present capitalization or dividend policy of the reporting issuer;
- (e) a material change in the reporting issuer's business or corporate structure;
- (f) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;
- (g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (i) a solicitation of proxies from securityholders;
- (j) an action similar to any of those enumerated above.

OrbiMed owns the Common Shares and Warrants for investment purposes and may, depending on market and other conditions, or as future circumstances may dictate, from time to time, on an individual or joint basis, increase or decrease its beneficial ownership, control or direction over Common Shares of the Issuer through market transactions, private agreements, treasury issuances, exercise of the Warrants, options, other convertible securities or otherwise. OrbiMed currently has no other plans or intentions that relate to, or would result in the matters listed in clauses (a) to (j), above. Depending on market conditions, general economic and industry conditions, the Issuer's business and financial condition and/or other relevant factors, OrbiMed may develop such plans or intentions in the future .

Item 5 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to

which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 6 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 7 – Certification

The eligible institutional investor must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the eligible institutional investor is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

[Signature page follows.]

