



HLS Therapeutics®
HLS THERAPEUTICS INC.

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 20, 2025
AND
MANAGEMENT INFORMATION CIRCULAR**

Dated: May 13, 2025

TABLE OF CONTENTS

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS	i
MANAGEMENT INFORMATION CIRCULAR	1
ATTENDING THE MEETING	1
Virtual Only Format	1
Participation by Registered Shareholders and Duly Appointed Proxyholders	2
Participation by Non-Registered Shareholders	2
HOW TO VOTE YOUR SHARES	2
How to Vote if you are a Registered Shareholder	2
How to Change your Vote/Revoke your Proxy if you are a Registered Shareholder	3
How to Vote if you are a Non-Registered Shareholder	4
How to Change Your Vote if you are a Non-Registered Shareholder	5
United States Beneficial Shareholders	5
REGISTERING A PROXYHOLDER	5
PROXYHOLDER MATTERS	5
Completing the Form of Proxy	5
How Proxyholders Will Vote	6
Shareholders Can Choose any Person or Company as their Proxyholder	6
RECORD DATE AND QUORUM	6
VOTING SECURITIES AND PRINCIPAL HOLDERS	6
FINANCIAL STATEMENTS	7
ELECTION OF DIRECTORS	7
Advance Notice Provisions	7
Nominees for Election to the Board	8
Skills Matrix	12
Board and Committee Meetings Held and Attendance of Directors	13
Majority Voting Policy	13
Interlocking Directorships	14
Cease Trade Orders	14
Bankruptcies	14
Penalties or Sanctions	14
REAPPOINTMENT OF AUDITOR	14
DIRECTORS' COMPENSATION	15
Outstanding Option-Based and Share-Based Awards	16
Value Vested During the Year	17
Share Ownership Guidelines	17
STATEMENT OF GOVERNANCE PRACTICES	18
Director Independence	18

Board Mandate	18
Board Committees	18
<i>C&G Committee</i>	18
Position Descriptions	19
Ethical Business Conduct	19
Nomination and Election of Directors	20
Compensation	20
Other Board Committees	21
Assessments	21
Succession Planning	21
Board Renewal	21
Diversity	22
STATEMENT OF EXECUTIVE COMPENSATION	23
Oversight and Description of Director and Named Executive Officer Compensation	23
Compensation Objectives	23
Use of Independent Compensation Consultants	24
Compensation Peer Group	24
Elements of Compensation Program	25
Stock Option Plan and Other Incentive Plans	28
Additional Benefit Plans	32
Summary Compensation Table	32
Value on Pay-Out or Vesting of Incentive Plan Awards	34
Performance Graph	35
Compensation Risk Oversight and Assessment	36
Termination and Change of Control Benefits for NEOs	36
Securities Authorized for Issuance under Equity Compensation Plans	38
Security Based Award Burn Rate for the Last Three Years	39
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	39
AUDIT COMMITTEE INFORMATION	39
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	39
ADDITIONAL INFORMATION	40
APPROVAL OF THE DIRECTORS	40
ANNEX A BOARD MANDATE	A-1
ANNEX B VIRTUAL AGM USER GUIDE	B-1



HLS Therapeutics®

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of HLS Therapeutics Inc. (the “**Company**”) is scheduled to be held on June 20, 2025 at 10:00 a.m. (Toronto time) in a virtual format via live webcast available online using <https://meetnow.global/MMRC2Z4> for the following purposes:

- (a) to receive the audited consolidated financial statements of the Company as at and for the year ended December 31, 2024 together with the auditor’s report thereon;
- (b) to elect directors of the Company for the ensuing year;
- (c) to reappoint the auditor of the Company for the ensuing year and authorize the directors of the Company to fix such auditor’s remuneration; and
- (d) to transact such other business as may properly be brought before the Meeting or any adjournment(s) thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting. The directors of the Company have fixed May 12, 2025 as the record date for determining those Shareholders entitled to receive notice of and vote at the Meeting.

The Company will be conducting the Meeting in a virtual only format via live audio webcast available online using <https://meetnow.global/MMRC2Z4>. Shareholders will have an equal opportunity to participate in the Meeting online regardless of their geographic location. Registered Shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting provided they are connected to the internet and comply with all of the requirements set out herein. The Company hopes that hosting a virtual meeting helps enable greater participation by Shareholders by allowing Shareholders that might not otherwise be able to travel to a physical meeting to attend online. It is also a more cost-efficient and environmentally friendly arrangement for the Company and Shareholders. See also the section “*Attending the Meeting*” in the Circular.

Registered Shareholders may attend the Meeting virtually or may be represented by proxy. If you are a registered Shareholder (i.e., your Common Shares are registered in your name), whether or not you plan to attend the Meeting, we encourage you to exercise your right to vote by dating, signing and returning the accompanying form of proxy to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”). To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare (i) by mail using the enclosed return envelope or one addressed to Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or (ii) by hand delivery to Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. Registered Shareholders may also vote by Telephone at 1-866-732-VOTE (8683) Toll Free or through the internet at www.investorvote.com. In each case, Computershare must receive the proxy form or other instructions by no later than 10:00 a.m. (Toronto time) on June 18, 2025 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before any adjournment or postponement of the Meeting.

Non-registered Shareholders may attend the Meeting and vote by duly appointing themselves as proxyholder. Non-registered Shareholders that have not duly appointed themselves as proxyholder will be able to attend and listen to the Meeting as guests, but guests will not be able to participate or vote at the Meeting. If you are a non-registered Shareholder and have received these materials from your broker or other intermediary, please complete and return the voting instruction form or other authorization form provided to you by your broker or other intermediary in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

A Shareholder that wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including non-registered Shareholders that wish to appoint themselves as proxyholder in order to participate or vote at the Meeting) must carefully follow the instructions in the Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with Computershare after submitting the form of proxy or voting instruction form. Failure to register the proxyholder with Computershare will result in the proxyholder not receiving an invite code to participate in the Meeting via e-mail and only being able to attend as a guest.

Dated at Toronto, Ontario, this 13th day of May, 2025.

BY ORDER OF THE BOARD OF DIRECTORS OF HLS THERAPEUTICS INC.

“Ryan C. Lennox”

RYAN C. LENNOX

Corporate Secretary and Senior Vice President, Legal, HR and Compliance

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies for use at the annual meeting (the “Meeting”) of the holders (the “Shareholders”) of common shares (“Common Shares”) of HLS Therapeutics Inc. (“HLS” or the “Company”) to be held on June 20, 2025 and any adjournment(s) thereof for the purposes set forth in the Notice of Meeting.

The management of HLS is soliciting the proxies of Shareholders for use at the Meeting. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone, or other personal contact, by regular employees of the Company, without special compensation. The Company may also engage a third party to provide proxy solicitation services on behalf of management in connection with the solicitation of proxies for the Meeting. The costs of solicitation will be borne by the Company.

The Company presents its consolidated financial statements in United States dollars. In this Circular, all references to “US\$” and “\$” are to United States dollars and all references to “C\$” are to Canadian dollars.

On March 12, 2018, HLS Therapeutics Inc. (“**Former HLS**”) and Automodular Corporation (“**AMD**”) amalgamated by way of a plan of arrangement (the “**Arrangement**”) in accordance with Section 183 of the Business Corporations Act (Ontario). The Arrangement constituted a reverse takeover of AMD by Former HLS under the policies of the TSX Venture Exchange (the “**TSXV**”). On February 7, 2019, HLS graduated to the Toronto Stock Exchange (the “**TSX**”) where Common Shares are listed under the symbol HLS. In this Circular, “you” and “your” refer to the Shareholders of HLS. “We”, “us”, “our”, “the Company” and “HLS” each refer to HLS Therapeutics Inc. and/or Former HLS, as the context requires.

The information contained in this Circular is provided as at May 12, 2025 except where otherwise indicated.

ATTENDING THE MEETING

Virtual Only Format

The Company will be holding the Meeting in a virtual only format which will be conducted via live audio webcast available online using <https://meetnow.global/MMRC2Z4>. Attending the Meeting online enables registered Shareholders and duly appointed proxyholders, including non-registered Shareholders that have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered Shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting. Guests, including non-registered Shareholders that have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but are not able to participate or vote.

If you have any difficulties accessing the Meeting, please contact our webcast provider at: Local 888-724-2416 or International +1 781-575-2748.

For more information, please see Computershare’s Virtual AGM User Guide, attached hereto as Annex B.

It is recommended that Shareholders and proxyholders submit their questions as soon as possible during the Meeting so they can be addressed at the right time. Questions may be submitted in writing by using the relevant dialog box in the function “Q&A” during the Meeting. Written questions or comments submitted through the dialog box function which relate to a matter to be voted on at the Meeting will be read or summarized by a representative of the Company, after which the Chair of the Meeting or members of management present at the Meeting will respond, before a vote is held on such matter. If several submissions relate to the same or very similar topic, the Company may group the submissions and state that it has received similar submissions. Submissions that do not relate to a matter to be voted on at the Meeting, but that are of general interest to all Shareholders, may be answered in a virtual question and answer session to be held immediately following completion of the Meeting.

In the event of technical malfunction or other significant problem that disrupts the Meeting, the Chair of the Meeting may adjourn, recess or expedite the Meeting, or take such other action as the Chair determines is appropriate considering the circumstances.

A summary of the information Shareholders will need to attend the online Meeting is provided below.

Participation by Registered Shareholders and Duly Appointed Proxyholders

Registered Shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting. Attendees can login to the Meeting as follows:

- Go to <https://meetnow.global/MMRC2Z4>. It is recommended that you log in at least 15 minutes prior to the start of the Meeting. The latest version of Chrome, Safari, Microsoft Edge or Firefox will be needed.
- Click on “*I have a control number*”.
- Registered shareholders will need to enter the 15-digit control number located on their form of proxy or in the email notification they received.
- Duly appointed proxyholders will need to enter the Invite Code provided by Computershare by email following the proxy voting deadline (see “*Registering a Proxyholder*” below).

It is important that registered Shareholders and duly appointed proxyholders eligible to vote at the Meeting are and remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is the responsibility of each registered Shareholder and duly appointed proxyholder to ensure connectivity for the duration of the Meeting.

If a registered Shareholder that has submitted a form of proxy attends the Meeting via webcast and proceeds with voting at the Meeting, any and all previously submitted proxies will be revoked. If you are a registered Shareholder and you do not wish to revoke your previously submitted proxies, do not vote at the Meeting.

Participation by Non-Registered Shareholders

Non-registered Shareholders that have not duly appointed themselves as proxyholder to vote at the Meeting but who wish to attend the Meeting virtually will only be able to attend as a guest by going to <https://meetnow.global/MMRC2Z4> at least 15 minutes prior to the start of the Meeting, clicking on “Guest” and completing the online form. Such non-registered Shareholders will be able to listen to the Meeting but will not be able to vote or submit questions.

HOW TO VOTE YOUR SHARES

How to Vote if you are a Registered Shareholder

You are a registered Shareholder if your name appears on a share certificate representing your Common Shares or if you are registered as the holder of your Common Shares in book-entry form. In either case, your name will be shown on the list of Shareholders kept by Computershare Investor Services Inc. (“**Computershare**”), the registrar and transfer agent of the Company.

If you are not sure whether you are a registered Shareholder, please contact Computershare at 514-982-7555 or at 1-800-564-6253 (toll free in Canada and the United States) or by e-mail at service@computershare.com.

Voting by Proxy

Voting by proxy is the easiest way to vote. Voting by proxy means that you are giving the person or people named on your proxy form (the “**Proxyholder**”) the authority to vote your Common Shares for you at the Meeting or any adjournment. If you are a registered Shareholder, you will receive a form of proxy from Computershare with this Circular.

If you are a registered Shareholder you may vote by submitting your proxy before 10:00 a.m. (Toronto time) on June 20, 2025 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before any adjournment or postponement of the Meeting, in any of the following ways:

By Internet	By Mail	By Facsimile	By Appointing Another Person to Attend and Vote at the Meeting
<p>Go to www.investorvote.com (you will require your 15-digit control number found on the form of proxy)</p>	<p>Complete, sign and date the form of proxy and return it in the envelope provided or otherwise to: Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (Attention: Proxy Department)</p>	<p>Call the number listed below from a touch tone telephone. 1-866-732-VOTE (8683) Toll Free from Canada and the United States</p>	<p>Insert the name of the person or company you are appointing in the blank space provided in the enclosed form of proxy. Complete your voting instructions, date and sign the form of proxy and return it to Computershare using one of the methods outlined here. The person does not have to be a Shareholder but please ensure that he or she knows that you have appointed them and they are available to attend the Meeting on your behalf.</p> <p>Registered Shareholders that wish to appoint a third-party proxyholder to represent them at the Meeting must follow the instructions set out under “Registering a Proxyholder” in order to register such proxyholder with Computershare in advance of the Meeting. Registering your proxyholder is an additional step to be completed AFTER your have submitted your form of proxy. Failure to register the proxyholder at http://www.computershare.com/HLStherapeutics will result in the proxyholder not receiving an invite code, which is required to participate in and vote at the Meeting.</p>

Voting at the Meeting

A registered Shareholder that wishes to vote his, her or its Common Shares personally at the Meeting does not need to complete and return the form of proxy. To vote online during the Meeting:

- Log in at <https://meetnow.global/MMRC2Z4> at least 15 minutes before the Meeting starts;
- Click on “Shareholder”;
- Enter your 15-digit control number; and
- Vote when polls are open.

If you attend the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the related procedures.

How to Change your Vote/Revoke your Proxy if you are a Registered Shareholder

If you are a registered Shareholder and you have submitted a proxy, you may revoke a vote you made by proxy:

- by voting again on the internet before 10:00 a.m. (Toronto time) on June 20, 2025;
- by completing a proxy that is dated later than the proxy form you are changing, and sending it to Computershare so that it is received before 10:00 a.m. (Toronto time) on June 20, 2025;
- by sending a notice in writing from you or your authorized attorney (or, if the Shareholder is a corporation, by a duly authorized officer) revoking your proxy to Ryan Lennox, the Corporate Secretary and Senior Vice President, Legal, HR and Compliance of HLS, at the registered office of the Company, located at 10 Carlson Court, Suite 701, Etobicoke, Ontario, M9W 6L2, so that it is received before 10:00 a.m. (Toronto time) on June 20, 2025;

- by giving a notice in writing from you or your authorized attorney (or, if the Shareholder is a corporation, by a duly authorized officer) revoking your proxy to the chair of the Meeting, at the Meeting or any adjournment; or
- in any other manner permitted by law.

If a registered Shareholder that has submitted a proxy attends the Meeting and votes via webcast, any votes cast by such Shareholder on a ballot will be counted and the submitted form of proxy will be revoked and disregarded.

How to Vote if you are a Non-Registered Shareholder

Information set forth in this section is very important to persons who hold Common Shares otherwise than in their own names. You are a non-registered Shareholder if your broker or another intermediary (your “Nominee”) holds your Common Shares for you. If you are a non-registered Shareholder, HLS will not have any record of your ownership and so the only way that you can vote your Common Shares is by instructing your Nominee. Your Nominee is required to ask for your voting instructions before the Meeting.

Voting by Proxy

In most cases, you will receive a voting instruction form from your Nominee that allows you to provide your voting instructions by telephone, on the internet or by mail. You should complete the voting instruction form and sign and return it in accordance with the directions on that form. Every Nominee has its own mailing procedures and its own return instructions, which should be carefully followed by non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. Please contact your Nominee if you did not receive a voting instruction form or a proxy form.

In accordance with the Canadian Securities Administrators’ National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), the Company is distributing copies of materials related to the Meeting to Nominees for distribution to non-registered Shareholders and such Nominees are to forward the materials related to the Meeting to each non-registered Shareholder (unless the non-registered Shareholder has declined to receive such materials). Such Nominees often use a service company (such as Broadridge Investor Communication Solutions in Canada (“Broadridge”)) to permit the non-registered Shareholder to direct the voting of the Common Shares held by the Nominee on behalf of the non-registered Shareholder. The Company is paying Broadridge to deliver, on behalf of the Nominees, a copy of the materials related to the Meeting to each “objecting beneficial owner” (as such term is defined in NI 54-101).

Voting at the Meeting

Although non-registered Shareholders may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of their Nominee, a non-registered Shareholder may virtually attend the Meeting as proxyholder for the registered shareholder and vote their Shares in that capacity. Non-registered Shareholders that wish to virtually attend the Meeting and vote their own Shares as proxyholder for the registered holder should enter their own names in the blank space on the voting instruction form provided to them and return the same to their Nominee in accordance with the instructions provided by such Nominee well in advance of the Meeting and follow the instructions set out under “*Registering a Proxyholder*” for registering themselves as a proxyholder with Computershare in advance of the Meeting. Registering yourself as proxyholder is an additional step to be completed AFTER you have submitted your voting instruction form. If you fail to register yourself as proxyholder you will not receive the control number that is required to participate in and vote at the Meeting.

Non-registered Shareholders that have appointed themselves as proxyholders and received an Invite Code to join the Meeting must follow the steps outlined below:

- Log in at <https://meetnow.global/MMRC2Z4> at least 15 minutes before the Meeting starts;
- Click on “*Invitation*”;
- Enter the Invite Code; and
- Vote when polls are open.

If you have appointed yourself as a proxyholder to vote your Common Shares at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the related procedures.

How to Change Your Vote if you are a Non-Registered Shareholder

A non-registered Shareholder may revoke previously given voting instructions by contacting his or her Nominee and complying with any applicable requirements imposed by such Nominee. A Nominee may not be able to revoke voting instructions if it receives insufficient notice of revocation.

United States Beneficial Shareholders

To attend and vote at the virtual meeting, you must first obtain a valid Legal Proxy from your broker, bank or other agent and then register in advance to attend the meeting. Follow the instructions from your broker or bank included with the Proxy materials or contact your broker or bank to request a Legal Form of Proxy. After first obtaining a valid Legal Proxy from your broker, bank or other agent, you must submit a copy of your Legal Proxy to Computershare in order to register to attend the meeting. Requests for registration should be sent:

By mail to: COMPUTERSHARE
 100 UNIVERSITY AVENUE 8TH FLOOR
 TORONTO, ON M5J 2Y1
By email at: USLegalProxy@computershare.com

Requests for registration must be labeled as “Legal Proxy” and be received no later than 10:00 a.m. (Toronto time) on June 18, 2025. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your Common Shares at <https://meetnow.global/MMRC2Z4> during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/HLStherapeutics>.

REGISTERING A PROXYHOLDER

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting, including non-registered Shareholders who wish to appoint themselves as proxyholder to attend and vote at the Meeting, must submit their form of proxy or voting instruction form, as applicable, prior to registering a proxyholder. Registering a proxyholder is an additional step Shareholders will need to complete after submitting a form of proxy or voting instruction form. To register a proxyholder, Shareholders must complete the form found at the following website: <http://www.computershare.com/HLStherapeutics>. **Failure to register a proxyholder will result in the proxyholder not receiving an invite code, which is required to participate in and vote at the Meeting.**

PROXYHOLDER MATTERS

Completing the Form of Proxy

You can choose to vote “**FOR**” or “**WITHHOLD**” your vote in respect of the following resolutions:

- the election of each person nominated as a director of the Company (each, a “Director”); and
- the reappointment of the auditor for the ensuing year and the authorization of the Directors to fix the auditor’s remuneration.

The Common Shares represented by proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called and if you specify a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

If you are an individual, you or your authorized attorney must sign the proxy form. If you are a corporation or other legal entity, an authorized officer or attorney must sign the proxy form. A proxy form signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person’s

capacity (following their signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with HLS).

If you need help completing your proxy form, please contact Computershare at 514-982-7555 or at 1-800-564-6253 (toll free in Canada and the United States) or by e-mail at service@computershare.com.

How Proxyholders Will Vote

When you sign the proxy form, you authorize John Welborn, the Chair of the Board, or Ryan Lennox, the Corporate Secretary and Senior Vice President, Legal, HR and Compliance, to vote your Common Shares for you at the Meeting according to your instructions. **If you return your proxy form and do not tell us how you want to vote your Common Shares, your Common Shares will be voted:**

- FOR electing each of the individuals nominated as a Director who are listed in this Circular; and
- FOR reappointing Ernst & Young LLP as auditor and authorizing the Directors to fix the auditor's remuneration.

Your Proxyholder will also be entitled to vote your Common Shares as he or she sees fit in respect of amendments to matters identified in the Notice of Meeting and on any other item of business that may properly come before the Meeting or any adjournment(s) thereof. At the date of this Circular, the Directors and management of the Company are not aware that any such amendments or other matters are to be submitted to the Meeting.

Shareholders Can Choose any Person or Company as their Proxyholder

You have the right to appoint a person other than the persons designated in the proxy form to represent you at the Meeting. Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed form of proxy or by completing another form of proxy. **If you do not specify how you want your Common Shares voted, your Proxyholder will vote your Common Shares as he or she sees fit on any matter that may properly come before the Meeting.**

RECORD DATE AND QUORUM

The board of directors of the Company (the “**Board**” or the “**Board of Directors**”) has fixed May 12, 2025 as the record date (the “**Record Date**”) for the purpose of determining which Shareholders are entitled to receive the Notice of Meeting and vote at the Meeting or any adjournment(s) thereof, either in person or by proxy. No person acquiring Common Shares after that date shall, in respect of such Common Shares, be entitled to receive the Notice of Meeting and vote at the Meeting or any adjournment(s) thereof.

A quorum for the transaction of business at the Meeting or any adjournment(s) thereof (other than an adjournment for lack of quorum) shall be two persons present and each entitled to vote at the Meeting who, together, hold or represent by proxy not less than 15% of the votes attaching to the outstanding Common Shares entitled to vote at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS

HLS is authorized to issue an unlimited number of Common Shares. As of May 12, 2025, the Company had 31,634,357 outstanding Common Shares, each carrying the right to one vote at the Meeting.

As of May 12, 2025, the only persons or companies who, to the knowledge of the Company, its Directors or executive officers, based on publicly available information, beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the outstanding Common Shares are as follows:

Name and Municipality of Residence of Principal Shareholder	Common Shares Owned	
	Number	Percentage (undiluted)
Polar Asset Management Partners Inc.	6,367,082	20.13%
Stadium Capital Management, LLC (New Canaan, Connecticut, USA)	5,964,842	18.86%

FINANCIAL STATEMENTS

The audited consolidated financial statements of HLS as at and for the year ended December 31, 2024, together with the auditor’s report thereon, have been sent to Shareholders that have requested that they receive a copy. These financial statements are also available on the Company’s profile on the SEDAR+ website at www.sedarplus.com.

ELECTION OF DIRECTORS

The articles of the Company provide for a minimum of three and a maximum of ten Directors. The Board has the authority to set the number of Directors, such number presently being fixed at eight. Each of the eight individuals listed below is being recommended for election as a Director, as the term of office for each current Director expires at the close of the Meeting. If elected, they will hold office until the close of the next annual meeting of Shareholders or until their successors are elected or appointed, unless such office is earlier vacated in accordance with the Company’s by-laws. All of the proposed nominees are currently Directors.

It is the intention of the individuals named in the enclosed form of proxy to vote FOR the election of each of the individuals listed below under the heading “Nominees for Election to the Board” as Directors, to hold office until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed, unless specifically instructed in the proxy to withhold such vote. Management of the Company does not contemplate that any of the nominees will be unable or unwilling to serve as a Director; however, if such event should occur prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote in their discretion for other nominees.

Advance Notice Provisions

The Company’s by-laws provide for advance notice of nominations of Directors (“**Advance Notice Provisions**”) in circumstances where nominations of persons for election to the Board are made by Shareholders other than by or at the direction or request of one or more Shareholders pursuant to a proposal or a requisition of the Shareholders made in accordance with applicable law.

To be an eligible Shareholder for making nominations under the Advance Notice Provisions, the nominating Shareholder must (a) comply with the notice procedures set forth in the Advance Notice Provisions, as outlined below, and (b) at the close of business on the date of the giving of the applicable notice and on the record date for notice of the applicable Shareholder meeting, be entered in the Company’s register as a holder of one or more Common Shares carrying the right to vote at such meeting or beneficially own Common Shares that are entitled to be voted at such meeting.

The Advance Notice Provisions fix deadlines by which an eligible Shareholder must notify the Company of nominations of individuals for election to the Board as follows: such notice must be provided to the Corporate Secretary of the Company (a) in the case of an annual meeting, not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) that is the earlier of the date that a notice of meeting is filed for such meeting and the date on which the first public announcement of the date of such meeting was made, notice may be given not later than the close of business on the tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual general meeting) of Shareholders called for the purpose of electing Directors (whether or not called for other purposes), not later than the close of business on the fifteenth day following the Notice Date. The Advance Notice Provisions also stipulate that certain information about any proposed nominee and the nominating Shareholder be included in such a notice in order for it to be valid.

The Advance Notice Provisions are intended to: (a) facilitate orderly and efficient annual general or, where the need arises, special meetings; (b) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (c) allow Shareholders to register an informed vote.

A copy of the Company’s by-laws is available on the Company’s website at www.hlstherapeutics.com and on its profile on the SEDAR+ website at www.sedarplus.com.

Nominees for Election to the Board

The following tables set forth profiles of the eight individuals who are nominated for election as Directors, including the positions and offices with the Company now held by each nominee, the present principal occupation or employment of each nominee, the business experience over the last five years of each nominee, the period during which each nominee has served as a Director and the number of securities of the Company (Common Shares, options to purchase Common Shares (“Options”) and deferred share units (“DSUs”)) beneficially owned, or controlled or directed, directly or indirectly, by each nominee as at the date of this Circular. The information as to Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly, by each nominee has been furnished by the respective proposed nominees individually.

The Board has determined that six of the eight individuals nominated for election as a Director at the Meeting are independent. The only Directors who are not independent are Mr. Craig Millian, because he serves as the Chief Executive Officer of HLS, and Mr. John Hanna, because he serves as the Chief Financial Officer of HLS. All of the members of each of the Audit Committee and the Compensation and Governance Committee (“C&G Committee”) are independent Directors. For more information about the Company’s independence standards and assessment, see the section of this Circular entitled “Statement of Governance Practices – Director Independence”. For information on the compensation paid to non-management Directors, see the section of this Circular entitled “Directors’ Compensation”. In addition, a description of the share ownership guidelines applicable to Non-Employee Directors (as defined below), including the timeline for achieving the required ownership level, can be found under the heading “Statement of Executive Compensation – Share Ownership Guidelines” and a description of such guidelines applicable to the Chief Executive Officer can be found under the heading “Statement of Executive Compensation– Share Ownership Guidelines”. A description of the role of the Board is included in the section of this Circular entitled “Statement of Governance Practices – Board Mandate” and a copy of the Mandate of the Board of Directors (the “Board Mandate”) is attached as Annex A to this Circular.

<p>JOHN L. WELBORN JR. Wilmington, North Carolina, USA Director since: June 18, 2021 Age: 47</p>	<p>John Welborn is the Chair of the Board of HLS and currently serves as a Senior Advisor for Stadium Capital Management, LLC (“Stadium”), an investment advisory firm. Mr. Welborn joined Stadium in 2000 as an Associate and from 2007 to 2022 was Managing Director, Co-Chief Investment Officer for Stadium. From 1998 to 2000, Mr. Welborn was a Financial Analyst at The Beacon Group, LLC (“Beacon”), a principal investment and advisory firm that is now part of J.P. Morgan Chase & Co. At Beacon, Mr. Welborn was a member of the Mergers & Acquisitions Group, focusing on financial services companies and the Liquid Investments Committee.</p> <p>Mr. Welborn earned a Bachelor of Science degree in Commerce, with concentrations in Finance and Accounting, from the McIntire School of Commerce at the University of Virginia in 1998. Mr. Welborn has served on the boards of Intermountain Community Bancorp, Panhandle State Bank, Inc., and Ascena Retail Group, Inc. He has also served as a board observer at West Coast Bancorp.</p>			
Board/Committee Membership		Principal Occupation(s) (for the past 5 years)		
Board Audit Committee		Senior Advisor for Stadium Capital Management, LLC since December 2022; previously, from 2007 to 2022, Managing Director, Co-Chief Investment Officer for Stadium Capital Management, LLC		
Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly				
Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines	
141,284 ⁽¹⁾	0	194,808*	Yes	

(1) Mr. Welborn reports that he does not own or exercise control or direction over, directly or indirectly, the 5,964,842 Common Shares that are controlled or directed by Stadium Capital Management, LLC

<p>CRAIG MILLIAN Hanover, Massachusetts, USA Director since: May 1, 2023 Age: 57</p>	<p>Craig Millian was appointed Chief Executive Officer of HLS in May 2023. Most recently, he served as Chief Operating Officer and Chief Commercial Officer at Corbus Pharmaceuticals Holdings, Inc. Prior to that, Mr. Millian held various commercial leadership positions at EMD Serono, including Senior Vice President, Head of U.S. Fertility and Endocrinology, and Senior Vice President, Head of U.S. Neurology and Immunology. Previously, Mr. Millian served as Vice President, Commercial at Vertex Pharmaceuticals where he helped design and build organizational capabilities in advance of their first commercial launch. Earlier in his career, Mr. Millian held marketing leadership roles for several blockbuster brands at both Pfizer Inc. and Sanofi including US team leader for Lipitor when it was the best-selling prescription medicine in the country. Mr. Millian is an experienced industry leader, having led commercial organizations at several biopharma companies over the past 20 years and with a track record building successful businesses across a range of therapeutic areas. Mr. Millian holds a Master of Business Administration from New York University and a Bachelor of Science in Finance from the University of Pennsylvania.</p>			
	Board/Committee Membership		Principal Occupation(s) (for the past 5 years)	
	Board		Chief Operating Officer of Corbus Pharmaceuticals, a pharmaceutical company, from 2021 to April 2023; Chief Commercial Officer of Corbus Pharmaceuticals from 2019 to 2021	
	Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly			
	Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
12,500	1,185,000	0	Yes	

<p>JOHN HANNA Victoria, British Columbia Canada Director since: June 21, 2023 Age: 60</p>	<p>Mr. Hanna was first appointed Interim Chief Financial Officer of HLS in January 2024 and was then named full time Chief Financial Officer of HLS in September 2024. Mr. Hanna is a seasoned finance executive with more than 24 years working with C-level executives and Board members within public companies. Mr. Hanna has a demonstrated track record in leading successful transformation initiatives. Most recently, he was CFO at Inca Networks Inc. Prior to Inca Networks Inc., he spent 10 years as the CFO of Vecima Networks, Inc. (“Vecima”) with operational P&L responsibilities and successfully monetized non-core assets and acquired strategic assets to grow Vecima’s core business. Earlier in his career, Mr. Hanna held a number of senior financial roles within The Westaim Corporation including VP Corporate Development with Westaim Biomedical Corp.</p> <p>Mr. Hanna holds a Master of Business Administration from the University of British Columbia, a Bachelor of Science from the University of Victoria and is a designated accountant (CPA, CGA). Mr. Hanna has served on the boards and board committees of a number of venture-backed technology companies including Vector 12 Corporation and LTG Lasertech Group Inc.</p>			
	Board/Committee Membership		Principal Occupation(s) (for the past 5 years)	
	Board		CFO at Inca Networks Inc, from November 2020 to October 2023; CFO at eBuyNow eCommerce Ltd. from March 2020 to October 2020; CFO at STN Video Incorporated November 2019 to February 2020; CFO at Vecima Networks, Inc. from July 2010 to October 2019	
	Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly			
	Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
8,000	200,000	26,187	Yes	

<p>RODNEY HILL Toronto, Ontario, Canada Director since: March 12, 2018 Age: 57</p>	<p>Rodney Hill is an independent Director of HLS. Mr. Hill has extensive experience in business management, risk management, finance and accounting. He is currently the Global Head of Technology, Data and Security Ontario Municipal Employees Retirement System Administration Corporation (“OMERS”).</p> <p>Mr. Hill has more than 30 years of experience in business management, risk management, technology, finance and accounting. He joined OMERS in 2011 as EVP & Chief Auditor, in 2015 he was appointed to serve as OMERS first Chief Risk Officer and in 2023 he moved to his current role. Prior to joining OMERS, Mr. Hill spent 22 years working at PricewaterhouseCoopers. In his last 10 years there, he served as a Partner specializing in auditing complex public and private companies in a variety of sectors, including pharmaceuticals, Mr. Hill holds an Honours degree in Accounting with Computing from University of Kent at Canterbury. He is an Associate of the Institute of Chartered Accountants in England and Wales (ACA-UK) and a Chartered Professional Accountant (CPA, CA) in Canada. Mr. Hill has completed the ICD-Rotman Directors Education Program,</p>			
	Board/Committee Membership		Principal Occupation(s) (for the past 5 years)	
	Board Audit Committee (Chair)		Chief Risk Officer of Ontario Municipal Employees Retirement System from November 2015 to 2023	
	Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly			
	Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
0	30,254	105,642*	Yes	

<p>NORMA BEAUCHAMP Toronto, Ontario, Canada Director since: June 18, 2021 Age: 64</p>	<p>Norma Beauchamp is a corporate director with over 30 years of healthcare experience in corporate and non-profit organizations, including executive positions at Bayer Healthcare (Canada and Global) and Sanofi Canada.</p> <p>Ms. Beauchamp currently serves on the boards of directors of Aurora Cannabis Inc., as Chair of its Nominating and Corporate Governance Committee and a member of its Audit Committee and Extencicare Inc., as a member of the Human Resources Committee and the Quality and Risk Committee.</p> <p>Formerly, Ms. Beauchamp served on the board of directors of Dialogue Health Technologies Inc., before its acquisition by Sun Life Financial Inc. and MedReleaf Corp., prior to its acquisition by Aurora Cannabis Inc.</p> <p>Ms. Beauchamp also serves as a member of the National Research Council Canada and is a Regional Ambassador with Women Get on Board. Ms. Beauchamp has completed the University of Toronto’s Rotman School of Management Directors Education Program (ICD.D) and holds a Bachelor of Business Administration in Marketing from Bishop’s University.</p>			
	Board/Committee Membership		Principal Occupation(s) (for the past 5 years)	
	Board C&G Committee (Chair)		Corporate Director	
	Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly			
	Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
500	0	118,687*	Yes	

KYLE DEMPSEY Boston, Massachusetts USA Director since: November 28, 2022 Age: 36	Kyle Dempsey is a Partner at MVM Partners LLP (MVM), a growth equity firm that has invested in innovative, high growth healthcare businesses since 1997. Dr. Dempsey joined MVM in 2017 as an Investment Principal. Before joining MVM, Dr. Dempsey was a consultant at Bain & Company, working mainly in the healthcare practice to support clients with commercialization and business development projects. He received his M.D. from Harvard Medical School, his Master of Business Administration from Harvard Business School, and his Bachelor of Arts in biochemistry from Bowdoin College. Dr. Dempsey currently serves as a director of OptiNose Inc. (NASDAQ: OPTN) and GT Medical, and he is also a board observer at MDxHealth SA (NASDAQ: MDXH).			
	Board/Committee Membership		Principal Occupation(s) (for the past 5 years)	
	Board Audit Committee		Partner at MVM Partners LLP since 2018	
	Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly			
	Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
1,765 ⁽¹⁾	0	103,495*	Yes	

(1) Dr. Dempsey reports that he does not own or exercise control or direction over, directly or indirectly, the 1,764,900 Common Shares that are controlled or directed by MVM Partners, LLC

CHRISTIAN ROY Beaconsfield, Quebec, Canada Director since: June 16, 2023 Age: 61	With 30 years of experience in healthcare both with large multinational corporations and as an entrepreneur, Christian Roy is a consultant for businesses mainly in the healthcare industry. He was Partner and Executive Vice President of the Healthcare division at TANK Worldwide Inc. until June 2022, when it was acquired by WPP plc. He joined TANK in 2013 where he contributed to the exceptional growth of the communications company and to positioning TANK as one of the largest healthcare agencies in Canada and around the world. TANK now has over 350 employees distributed across its offices in Montreal, Toronto, New York and London. Before joining TANK in 2013, Mr. Roy spent over 20 years in the pharmaceutical industry. Between 2008 and 2013, he was Vice President of Marketing for Pfizer in Canada. As a member of several marketing teams, he has worked on projects in the United States, Europe and Asia. Mr. Roy holds a Bachelor of Chemical Engineering from University of Sherbrooke.			
	Board/Committee Membership		Principal Occupation(s) (for the past 5 years)	
	Board C&G Committee		Consultant from June 2022; Partner and Executive Vice President of the Healthcare Division, TANK Worldwide from 2013 to June 2022	
	Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly			
	Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
0	0	81,099*	Yes	

CHRISTINE ELLIOTT Toronto, Ontario Canada Director since: March 12, 2025 Age: 70	Ms. Elliott has been Counsel at Fasken Martineau DuMoulin LLP since September 2022. Prior to that, she spent over 15 years in public service, including serving as Deputy Premier of Ontario, Minister of Health, and MPP Newmarket-Aurora from 2018 to 2022, and as Ontario’s first Patient Ombudsman from 2016 to 2018. Ms. Elliott has held positions on a range of boards in the health care sector, including the Lakeridge Health Whitby Foundation, Durham Mental Health Services, and Grandview Children’s Centre. She currently sits on the Board of Directors for Life Sciences Ontario, the Centre for Addiction and Mental Health (CAMH), SEC Health, LOFT Community Services and she is the Chair of the Board of the Health Research Foundation. Ms. Elliott graduated from the University of Western Ontario law school and was admitted to the Ontario Bar in 1980.			
	Board/Committee Membership		Principal Occupation(s) (for the past 5 years)	
	Board		Counsel at Fasken Martineau DuMoulin LLP since September 2022; Corporate and charitable director	
	Common Shares, Options and DSUs beneficially owned, or controlled or directed, directly or indirectly			
	Common Shares (#)	Options (#)	DSUs (#)	Complies with Share Ownership Guidelines
0	0	874*	Yes	

* The number of DSUs for each Director nominee have been rounded for the System for Electronic Disclosure by Insiders reporting purposes.

Skills Matrix

The C&G Committee employs a skills matrix to assist with reviewing the skills and experience of director candidates, and the overall strength and diversity of the Board as a whole. The matrix, which is set forth below, outlines a complement of diverse qualifications, attributes, skills and experience that are viewed as being relevant to the proper functioning of the Board. This is not intended to be an exhaustive list of each Director’s skills.

Name	Top Five Skills														
	Public Company Board Experience	CEO Experience	C-Suite/Executive Experience	Pharma Industry Background	Corporate Governance Expertise	Sales and Marketing Expertise	Strategic Planning	Business Development Expertise	Finance / Accounting Expertise	Operational Expertise	Human Resource Expertise	Legal/Compliance Expertise	Risk Management Expertise	Capital Markets/Investor Relations	Public Policy/Government Relations
John Welborn	X				X		X	X	X						
Craig Millian			X	X		X	X			X					
John Hanna			X				X		X		X			X	
Rodney Hill	X		X		X				X				X		
Norma Beauchamp	X	X		X	X	X									
Kyle Dempsey	X				X		X	X	X						
Christian Roy			X	X		X		X		X					
Christine Elliott	X		X									X	X		X

Board and Committee Meetings Held and Attendance of Directors

Each Director is expected to attend all meetings of the Board and any committee of which he or she is a member.

There were 16 Board meetings, five Audit Committee meetings and seven C&G Committee meetings held during the year ended December 31, 2024. The chart below sets out the attendance of each Director at such meetings during such Director's tenure as a Director and a member of the applicable committees of the Board.

Directors	Board of Directors	Audit Committee	C&G Committee
John Welborn	6 of 6	5 of 5	n/a
Craig Millian	6 of 6	n/a	n/a
John Hanna	6 of 6	n/a	n/a
Rodney Hill	6 of 6	5 of 5	n/a
Laura Brege ⁽¹⁾	3 of 3	n/a	3 of 3
Norma Beauchamp	6 of 6	n/a	4 of 4
Kyle Dempsey ⁽²⁾	6 of 6	5 of 5	1 of 1
Christian Roy	6 of 6	n/a	4 of 4
Christine Elliott ⁽³⁾	n/a	n/a	n/a

Notes:

- (1) Ms. Brege resigned as a Director of the Company on August 7, 2024.
- (2) Dr. Dempsey became a member of the C&G Committee on August 7, 2024.
- (3) Ms. Elliott became a Director of the Company on March 12, 2025.

Majority Voting Policy

HLS has adopted a majority voting policy. Pursuant to the policy, Shareholders vote for the election of individual Directors at each annual meeting of Shareholders, rather than for a fixed slate of Directors. Further, in an uncontested election of Directors at an applicable meeting of Shareholders, any nominee for Director who does not receive a greater number of votes "for" his or her election than votes "withheld" from such election (a "**Majority Withhold Vote**") shall promptly tender his or her resignation to the Chair of the Board (the "**Chair**") following the applicable meeting of Shareholders. A Director who tenders his or her resignation under this policy may not participate in any portion of a meeting of the C&G Committee or the Board at which the resignation is considered. However, such Director shall remain active and engaged in all other C&G Committee activities, deliberations and decisions during this C&G Committee process. The C&G Committee will promptly consider such tendered resignation and recommend to the Board the action to be taken with respect to such tendered resignation. The recommendation of the C&G Committee may be to accept or reject the resignation on such basis as the C&G Committee determines appropriate, provided that the C&G Committee shall recommend the acceptance of the resignation if there are no exceptional circumstances present that would support rejection of the resignation. In any event, the resignation will be accepted or rejected within 90 days of the applicable meeting of Shareholders. The Board must promptly disclose its decision, including reasons for its decision, via press release. The Company shall provide a copy of such press release to the TSX.

If the Board determines not to accept the resignation, the press release must fully state the reasons for that decision. In making its recommendation to the Board, the C&G Committee is authorized to consider all factors it deems relevant to the best interests of the Company, including without limitation: (i) any stated reasons why Shareholders withheld their vote with respect to the subject director; (ii) what the C&G Committee believes to be the underlying reasons for the Majority Withhold Vote, including whether these reasons relate to the incumbent director's performance as a director, whether these reasons relate to the Company or another corporation, and whether these reasons are curable and alternatives for effecting any cure; (iii) the other policies of the Company; (iv) the overall composition of the Board, including whether accepting the resignation would cause the Company to fail to meet the requirements of any applicable corporate or securities laws and the rules of the TSX; and (v) whether the resignation of the director could result in the triggering of change in control or similar provisions

under any contract by which the Company is bound and, if so, the potential impact thereof. If a resignation is accepted, the Board may leave the resultant vacancy in the Board unfilled until the next annual meeting of Shareholders, fill the vacancy through the appointment of a director whom the Board considers to merit the confidence of HLS's Shareholders, reduce the size of the Board, or call a special meeting of the Shareholders to consider the election of a nominee recommended by the Board to fill the vacant position.

Interlocking Directorships

The Board does not set a formal limit on the number of interlocking board memberships. The C&G Committee reviews director interlocks as part of its annual evaluation of director independence. As of the date hereof, there are no public company board interlocks among the nominated Directors.

Cease Trade Orders

To the knowledge of the Company, no proposed Director (nor any personal holding company of any such individual) is, as of the date of this Circular, or was within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the individual was acting in the capacity as a director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the individual ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that individual was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Except as otherwise disclosed herein, to the knowledge of the Company, no proposed Director (nor any personal holding company of any such individual): (i) is, as of the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that individual was acting in that capacity, or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets. John Welborn was a director of Ascena Retail Group, Inc. in July 2020 when it filed for Chapter 11 bankruptcy protection.

Penalties or Sanctions

To the knowledge of the Company, no proposed Director (nor any personal holding company of any such individual) has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for the proposed Director.

REAPPOINTMENT OF AUDITOR

It is proposed that Ernst & Young LLP, the current auditor of the Company, be reappointed as the auditor of the Company, to hold office until the close of the next annual meeting of Shareholders, or until a successor is appointed, and that the Directors be authorized to fix Ernst & Young LLP's remuneration. The Audit Committee has recommended to the Board, and the Board has approved, the nomination of Ernst & Young LLP for such reappointment. Ernst & Young LLP has been the auditor of the Company (including Former HLS) since June 2015.

See the heading "Audit Committee Information" in this Circular for further details regarding the services of the auditor provided to HLS, the fees paid to the auditor for those services and information regarding the Audit Committee of the Company.

It is the intention of the individuals named in the enclosed form of proxy to vote FOR the reappointment of Ernst & Young LLP as auditor of HLS to hold office until the close of the next annual meeting of Shareholders and in favour of authorizing the Directors to fix the remuneration of the auditor, unless specifically instructed in the proxy to withhold such vote.

DIRECTORS' COMPENSATION

Director compensation is set by the Board on recommendation of the C&G Committee and in accordance with director compensation guidelines and principles established by the C&G Committee. Under these guidelines and principles, the Board seeks to maintain director compensation at a level that is competitive with the median director compensation at comparable companies in the peer group. HLS has established a flat fee director compensation model that awards Directors a mix of cash and equity (which is provided in the form of DSUs issued under the DSU Plan (each as defined herein)).

Directors who are also officers of HLS do not receive compensation for acting in the capacity of a Director.

In March 2024, the Board, having received advice from the independent compensation advisory firm Mercer, a subsidiary of Marsh & McLennan, determined that it was in the best interests of the Company to reduce the compensation payable to Directors, effective as of January 1, 2024. See also “*Directors’ Compensation –Use of Independent Compensation Consultants*” and “*–Elements of Compensation Program*”. The annual flat fee retainers that Directors were eligible to receive effective during the year ended December 31, 2024 are summarized in the table below. All amounts are paid quarterly in arrears, and Directors do not receive per meeting fees for attendance at Board or committee meetings.

Non-Executive Directors	Annual Retainers and Fees	
	Cash	Equity
Board Chair	\$85,000	\$70,000
Board Member	\$50,000	\$50,000
Chair of the Audit Committee	\$20,000	Nil
Chair of the Compensation and Governance Committee	\$15,000	Nil
Non-Chair member of Audit Committee	\$10,000	Nil
Non-Chair member of Compensation & Governance Committee	\$7,500	Nil

The Board has adopted a deferred share unit plan (the “**DSU Plan**”) to replace the issuance of stock option grants for non-employee directors (“**Non-Employee Directors**”). The intention of the DSU Plan is to promote a strong link to long-term shareholder value and help promote share ownership among Non-Employee Directors. Non-Employee Directors are eligible to receive deferred share units (“**DSUs**”) under the Company’s DSU Plan. DSUs issued to Non-Employee Directors in respect of the years 2021 through 2023 will vest equally over four years. DSUs issued to Non-Employee Directors in respect of the years 2024 and beyond will automatically vest and be credited to such Non-Employee Directors’ DSU accounts on the last day of each fiscal quarter. Any vested DSUs will be settled in cash on termination of services. Non-Employee Directors are not entitled to participate in the Stock Option Plan (as defined below).

The following table sets out all amounts of compensation provided to the Directors of HLS for the company’s most recently completed financial year:

Name	Cash fees earned (\$)	Option-based awards (\$)	Share-based awards (\$)	Non-equity incentive plan compensation (\$)	Total (\$)
John Welborn	95,000	-	70,000	-	165,000
Craig Millian ⁽¹⁾	-	-	-	-	-
John Hanna ⁽¹⁾	-	-	-	-	-
Rodney Hill	70,000	-	50,000	-	120,000
Norma Beauchamp ⁽²⁾	60,476	-	50,000	-	110,476
Kyle Dempsey ⁽²⁾	62,976	-	50,000	-	112,976
Christian Roy ⁽²⁾	57,500	-	50,000	-	107,500
Laura Brege	39,212	-	25,000	-	64,212

Note:

- (1) Mr. Millian is a non-independent member of the Board and is ineligible for compensation for acting in the capacity of a Director. Mr. Hanna was appointed as Interim CFO on January 26, 2024 and full time CFO in September 2024, became a non-independent member of the Board as a result of his appointment, and became ineligible for compensation for acting in the capacity of a Director.
- (2) Ms. Beauchamp became Chair of the CG&C Committee, and Dr. Dempsey became a member of the CG&C Committee, on August 7, 2024, following Ms. Brege's resignation from the Board. The annual compensation amounts for each were pro-rated accordingly.

Outstanding Option-Based and Share-Based Awards

The following table sets out all option-based and share-based awards outstanding as of December 31, 2024 for all non-executive Directors of HLS. The value of unexercised in-the-money options and the payout value of share-based awards outstanding is based on a closing share price of C\$3.93 on December 31, 2024 and an exchange rate of US\$0.6950 per C\$1.00, being the rate reported by the Bank of Canada for December 31, 2024.

Option-based Awards					Share-based Awards		
Name	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
John Welborn	-	-	-	-	66,583	181,862	126,099
Rodney Hill	8,559	C\$8.34	22-Aug-25	-	63,092	172,326	105,479
	11,695	C\$15.55	7-Jun-26	-			
	10,000	C\$15.56	9-Nov-27	-			
Norma Beauchamp	-	-	-	-	63,092	172,326	105,479
Kyle Dempsey	-	-	-	-	50,695	138,467	54,042
Christian Roy	-	-	-	-	27,006	73,762	51,550

Value Vested During the Year

The table below sets out all amounts, including Options-based and Share-based amounts held by non-executive Directors of HLS, that vested or were paid to non-executive Directors during the year ended December 31, 2024.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value received during the year (\$)
John Welborn ⁽¹⁾	-	90,719	-
Rodney Hill ⁽²⁾	-	70,719	-
Norma Beauchamp ⁽³⁾	-	70,719	-
Kyle Dempsey ⁽⁴⁾	-	51,174	-
Christian Roy ⁽⁵⁾	-	50,000	-

Notes:

- (1) Mr. Welborn holds the following DSUs that vested in 2024:
- 3,217.775 DSUs representing 25% of the 12,871.099 DSUs granted on December 8, 2021;
 - 5,045.492 DSUs representing 25% of the 20,181.968 DSUs granted on December 12, 2022; and
 - 26,422.856 DSUs were granted and vested in fiscal 2024.
- (2) Mr. Hill holds the following Options and DSUs that vested in 2024:
- 2,500 Options representing 25% of the 10,000 Options granted on November 9, 2020 with an exercise price of C\$15.56 per share;
 - 3,217.775 DSUs representing 25% of the 12,871.099 DSUs granted on December 8, 2021;
 - 5,045.492 DSUs representing 25% of the 20,181.968 DSUs granted on December 12, 2022; and
 - 18,873.471 DSUs were granted and vested in fiscal 2024.
- (3) Ms. Beauchamp holds the following DSUs that vested in 2024:
- 3,217.775 DSUs representing 25% of the 12,871.099 DSUs granted on December 8, 2021;
 - 5,045.492 DSUs representing 25% of the 20,181.968 DSUs granted on December 12, 2022; and
 - 18,873.471 DSUs were granted and vested in fiscal 2024.
- (4) Dr. Dempsey holds the following DSUs that vested in 2024:
- 456.180 DSUs representing 25% of the 1,824.719 DSUs granted on December 12, 2022; and
 - 18,873.471 DSUs were granted and vested in fiscal 2024.
- (5) Mr. Roy holds the following DSUs that vested in 2024:
- 456.180 DSUs representing 25% of the 1,824.719 DSUs granted on December 12, 2022; and
 - 18,873.471 DSUs were granted and vested in fiscal 2024.

Share Ownership Guidelines

In April 2022, the Company adopted share ownership guidelines (the “**Share Ownership Guidelines**”) that apply to all Directors who are not employees of the Company (the “**Non-Employee Directors**”) and the Chief Executive Officer. Non-Employee Directors are expected to own Common Shares with a value equal to at least three times their aggregate annual retainer (including both cash and equity components thereof but excluding any additional retainer received for membership on any committee of the Board). Non-Employee Directors may meet the Share Ownership Guidelines through direct or indirect beneficial ownership of Company securities, including DSUs, provided that the in-the-money value of any Options held by Non-Employee Directors will not be counted toward the satisfaction of the Share Ownership Guidelines for Non-Employee Directors. Non-Employee Directors have five years from the date of adoption of the Share Ownership Guidelines (or the date of appointment or election to the Board, if later) to achieve the required ownership level. In the event of an increase to the annual retainer of a Non-Employee Director, such Non-Employee Director will have two years to meet the requirements of the Share Ownership Guidelines. For the Share Ownership Guidelines applicable to the Chief Executive Officer, see “*Statement of Executive Compensation– Share Ownership Guidelines*”.

STATEMENT OF GOVERNANCE PRACTICES

Director Independence

Currently, the Board is comprised of eight Directors, six of whom are considered to be independent within the meaning of Section 1.4 of National Instrument 52-110 – Audit Committees (“NI 52-110”), being Mses. Beauchamp and Elliott, Dr. Dempsey, and Messrs. Welborn, Hill, and Roy.

Mr. Millian is not considered to be an independent Director because he is the Chief Executive Officer of the Company, and Mr. Hanna is not considered to be an independent Director because he serves as the Chief Financial Officer of the Company.

The Company has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of the Company. Both HLS’ Audit Committee and its C&G Committee are comprised entirely of independent Directors. The independent Directors hold in camera sessions, without the non-independent Directors and members of management present, during regularly scheduled Board meetings. The independent Directors held 6 in camera sessions in 2024.

Board Mandate

The Board operates under the Board of Directors Mandate set out at Annex A to this Circular, pursuant to which it provides governance and stewardship to the Company and its business. The Mandate also describes the Board’s responsibility for, among other things: participating in the development of and adopting a strategic plan for the Company; supervising the activities and managing the affairs of the Company; defining the roles and responsibilities of management and delegating management authority to the Chief Executive Officer; reviewing and approving the business and investment objectives to be met by management; assessing the performance of and overseeing management; identifying and managing risk exposure; ensuring the integrity and adequacy of the Company’s internal controls and management information systems; succession planning; establishing committees of the Board, where required or prudent, and defining their mandate; ensuring effective and adequate communication with Shareholders, other stakeholders and the public; and monitoring the integrity and ethics of the Company.

Board Committees

Audit Committee

HLS’s Audit Committee consists of Rodney Hill (Chair), John Welborn, and Kyle Dempsey, all of whom meet the requirements for independence under NI 52-110. The Board has adopted a written charter for the Audit Committee setting out its responsibilities. The text of the Audit Committee’s Charter is available on the Company’s website and in its annual information form for the year ended December 31, 2024, which is available under the Company’s profile on SEDAR+ at www.sedarplus.com.

C&G Committee

The C&G Committee consists of Norma Beauchamp, Christian Roy and Kyle Dempsey, all of whom are independent for the purposes of National Instrument 58-101 – Disclosure of Corporate Governance Practices and NI 52-110. The Board has adopted a written charter for the C&G Committee setting out its responsibilities with respect to compensation, nomination and governance matters, as described below under the headings “*Nomination and Election of Directors*”, “*–Orientation and Continuing Education*”, “*–Compensation*” and “*–Assessments*”.

Ms. Beauchamp, Mr. Roy and Dr. Dempsey, collectively, have many years of direct experience with the design, implementation or oversight of compensation programs that is relevant to their responsibilities on the C&G Committee, and they draw upon that experience to make decisions on the suitability of the Company’s compensation policies and practices. Ms. Beauchamp has served on the boards of various public companies, and is currently the Chair of the Nominating and Governance Committee of Aurora, and a member of the Audit Committee, and was previously a member of the Human Resources and Compensation Committee. Mr. Roy has served in numerous leadership roles in both the public and private sectors, and was co-owner of a healthcare marketing agency with over 250 employees, where he managed many compensation-related matters. Additionally, Ms. Beauchamp and Mr. Roy have served as executive officers with increasing seniority various

pharmaceutical and specialty life sciences companies, where they were each involved in compensation decisions during their respective tenures. Dr. Dempsey has served on the C&G committee of several private and public companies, including a NASDAQ-listed specialty pharmaceutical company.

Position Descriptions

The Board has adopted a written position description for the Chair of the Board, which sets out the Chair's key responsibilities, including: providing leadership to foster the effectiveness of the Board; together with the Lead Director, preparing the agenda and leading the activities and meetings of the Board; chairing Board and Shareholder meetings; ensuring an effective relationship between the Board and senior management of the Company; consulting with the C&G Committee on candidates for nomination to the Board; working with the Chief Executive Officer to ensure the Board is provided with the resources necessary to carry out its responsibilities; and ensuring the Directors receive information required for proper performance of their duties and that the appropriate committee structure is in place.

The Board has also adopted a written position description for the Chair of each Board committee, which sets out the key responsibilities of such Chair, including duties relating to: providing leadership to foster the effectiveness of the Board committee; ensuring there is an effective relationship between the Board and the Board committee; preparing the agenda for each meeting of the Board committee; ensuring that all committee members receive information required for proper performance of their duties; chairing Board committee meetings; and providing additional services required by the Board and the Board committee.

The Board has also adopted a position description for the Chief Executive Officer which sets out the key responsibilities of the Chief Executive Officer, including: developing and recommending to the Board a long-term strategy and vision for the Company that is consistent with creating Shareholder value; providing leadership and vision, maintaining a high level of employee morale and motivation, with a view to ensuring the implementation of the Company's strategy; fostering a corporate culture that promotes integrity and ethical values throughout the organization; developing and motivating executive officers, and providing overall management to ensure the effectiveness of the leadership team; developing and recommending to the Board annual business plans and budgets that support the Company's long-term strategy; ensuring that succession plans are in place for the Company; and serving as the Company's chief spokesperson.

Orientation and Continuing Education

The C&G Committee reviews, monitors and makes recommendations regarding new Director orientation and the ongoing development of existing Directors. The committee is responsible for recommending to the Board an appropriate annual process to evaluate the Board and each of the committees, and the responsibilities of each of the Directors individually.

The C&G Committee also coordinates the continuing education program for Directors in order to maintain or enhance their skills and abilities as Directors, as well as ensuring that their knowledge and understanding of the Company and its business remains current. The Company's Board members are expected to keep themselves current with industry trends and developments, while the Company provides Directors with continuous education opportunities and programs throughout the year, by way of presentations on key business areas, business updates and site visits. In 2024 the Board held a series of in person meetings at the Company's offices in Toronto and Montreal for site visits and a strategy discussion. Additionally, HLS staff members of varying levels of seniority provided the Directors with updates on the Company's business, including key strategic initiatives and operating matters. Furthermore, additional continuing education sessions were held with certain of the Company's outside legal, financial and banking advisors, where such advisors provided the Board with updates on relevant topics, including on matters such as cybersecurity, director duties and industry trends.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "Code") applicable to each Director, officer, employee and representative of the Company and its subsidiaries, including part-time, contract, and temporary employees. The Code provides a set of ethical standards for conducting the business and affairs of the Company with honesty, integrity and in accordance with high ethical and legal standards. The Code is available on the Company's website at www.hlstherapeutics.com, on the Company's profile on SEDAR+ at www.sedarplus.com and upon request from the Corporate Secretary and Senior Vice President, Legal, HR and Compliance of the Company, at 10 Carlson Court, Suite 701, Etobicoke, Ontario M9W 6L2.

The Code has been designed to define and clarify legal and ethical expectations for all HLS personnel and includes standards concerning ethical decision making and compliance, conflicts of interest, insider trading, timely disclosure commitments, confidential information, and ethical relationships with healthcare professionals. The Code also provides information about potentially challenging situations that may arise during the normal course of business. HLS requires that all personnel participate annually in training on the Code. As part of this annual training, all personnel must certify their understanding of and compliance with the principles of the Code and related HLS policies and procedures.

The C&G Committee is responsible for receiving reports from the Chief Executive Officer regarding breaches of the Code, and in turn reporting those breaches to the Board. The Committee also reviews investigations and any resolutions of complaints received under the Code and reports annually to the Board thereon. The Company has also adopted a Complaints Reporting and Whistleblower Policy to receive, retain and address all complaints received by the Company regarding accounting, internal accounting controls or auditing matters, fraud/theft, workplace violence and other issues; an Insider Trading Policy to avoid civil and criminal insider trading violations; and a Disclosure Policy to ensure that the Company's disclosure obligations are met.

Risk Oversight and Management

The Board is responsible for overseeing the Company's risk management framework and ensuring that key risks are identified, assessed, and appropriately mitigated. Management is charged with the day-to-day management of risks and has implemented a structured approach to monitor legal, regulatory, financial, operational, and other key strategic risks facing the Company.

To support this process, the Company's management team maintains an internal risk dashboard that consolidates and tracks key risk areas, including emerging and ongoing matters. The risk dashboard is reviewed and updated on a regular basis by senior management and is used as a central tool to facilitate proactive risk identification and response.

The Board receives periodic updates from management regarding the status of the Company's key risks, mitigation efforts, and any material changes to the risk environment. These updates are typically provided at regularly scheduled Board meetings, or more frequently as circumstances warrant.

The Company's approach to risk management reflects its size and resources, and is designed to be appropriately scaled and responsive to the evolving nature of its operations and external environment.

Nomination and Election of Directors

The C&G Committee is currently responsible for, in consultation with the Chair of the Board, the Lead Director and the Chief Executive Officer, annually or as required, recruiting and identifying individuals qualified to become new Board members and recommending to the Board new Director nominees for the next annual meeting of Shareholders. The C&G Committee, which consists entirely of independent Directors, is responsible for periodically reviewing the size of the Board, with a view to determining the impact of the number of Directors on the effectiveness of the Board, and identifying potential nominees to the Board, reviewing their qualifications and experience, determining their independence as required under all applicable corporate and securities laws, and recommending to the Board the nominees for consideration by, and presentation to, the Shareholders at the Company's next annual meeting. In making its recommendations, the C&G Committee considers the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing Director to possess, as well as the competencies and skills each new nominee will bring to the boardroom. The C&G Committee also considers the amount of time and resources that nominees have available to fulfill their duties as Board members or committee members, as applicable. The C&G Committee may also recommend for Board approval the removal of a Director from the Board or a Board committee if he or she is no longer qualified to serve as a Director under applicable requirements or for any other reason the C&G Committee considers appropriate.

Compensation

The C&G Committee's purpose is to (i) determine and make recommendations with respect to all forms of compensation to be granted to the Chief Executive Officer and review the Chief Executive Officer's recommendations respecting compensation of the other senior executives of the Company; and (ii) oversee corporate governance of the Company.

The C&G Committee’s responsibilities include reviewing and recommending to the Board the compensation of the Chief Executive Officer and other officers of HLS appointed by the Board; reviewing and recommending to the Board the compensation policies, plans and programs for HLS’s executive officers and other senior management, as well as its overall compensation plans and structure; reviewing and discussing with management and recommending to the Board the compensation-related disclosure to be included for use in any annual reports, prospectuses, proxy circulars or information circulars; recommending to the Board the compensation for Directors; and administering the Stock Option Plan and share compensation arrangements.

The C&G Committee seeks to ensure an objective process for determining compensation through compliance with the Board’s conflicts of interest guidelines. The C&G Committee reviews the various compensation elements both individually and in total to seek alignment with HLS’s compensation program objectives. The C&G Committee then makes recommendations on all executive pay, short-term incentives and long-term incentive options to the Board for approval. For more information about the process of determining compensation, please refer to the discussion under the heading “Statement of Executive Compensation –Overview and Description of Director and Named Executive Officer Compensation” in this Circular.

Other Board Committees

The Board does not have any standing committees other than the Audit Committee and the C&G Committee.

Assessments

The C&G Committee, in consultation with the Chair of the Board, is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board, the Board committees and individual Directors, with a view to ensuring that they are fulfilling their respective responsibilities and duties and working effectively together as a unit. The assessment includes an annual questionnaire that each director must complete. The annual questionnaire covers a range of topics including: (i) individual self-assessment; (ii) assessment of the Board and committee performance and effectiveness; and (iii) an assessment of peer performance at the Board level and at the committee level. An online service is used to collect the results of the completed questionnaires and provide them to the Chair of the C&G Committee in an aggregate and anonymized format. The Chair of the C&G Committee then reviews and analyzes the data, together with the members of the C&G Committee, and additional feedback is sought and received from Directors where necessary or appropriate. The C&G Committee then prepares and presents to the Board a report that contains the recommendations of the C&G Committee to improve the effectiveness of the Board in light of the results of the annual performance evaluation. The C&G Committee’s report includes the aggregated data and any other items that, in the opinion of the Chair of the C&G Committee, warrant reporting to the Board.

Succession Planning

The Board is responsible for overseeing the succession planning processes of the Company with respect to senior management and director positions. At least annually, the Board reviews the succession plans of the Company for the Chief Executive Officer, the Chief Financial Officer, and other executive officers, including the appointment, training and monitoring of such positions. It also reviews the skills and experience of Board members to ensure continued alignment with the business operations, growth and strategic direction of the Company.

Board Renewal

The Company does not currently have a policy with respect to Board member term limits and mandatory retirement. The Company was initially formed in 2015 and went public in 2018. Since 2015, the number of Directors, and composition of the Board has changed and, as a result of retirements and new Directors joining the board, the number of independent Directors has increased to six. At this stage of the Company’s development and in light of the recent turnover among Directors, the Board believes that policies related to age or term limits would not be appropriate. The Company continues to benefit from the depth of industry and governance experience on the Board as constituted, and implementing these policies would have the effect of forcing directors to resign from the Board who have expertise and insight in the highly specialized industry in which the Company operates. The Company continues to periodically monitor director performance through the formal annual assessment process described above, and, together with input from the Company’s external third party advisory firms, the Company periodically analyzes the skills and experience necessary for the Board and evaluate the need for director changes

to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

Diversity

Board of Directors

The Board recognizes the benefits that diversity brings to the Company. The Board aims to be composed of directors who have a range of perspectives, insights and views in relation to the issues affecting HLS. The Board adopted a written diversity policy (the “**Diversity Policy**”) on March 16, 2022. The Diversity Policy reflects the Company’s commitment to ensuring that members of the Board and senior management provide the necessary range of perspectives, experience and expertise required to achieve the Company’s objectives and deliver for its stakeholders. Furthermore, the Diversity Policy outlines HLS’s commitment to cultivating a diverse and inclusive culture and selecting the best individuals to fill Board and senior management roles, free of conscious or unconscious bias and discrimination. The Diversity Policy indicated that the Board should include individuals from diverse backgrounds, having regard to, among other things, gender, status, age, business experience, professional expertise, education, nationality, race, culture, language, personal skills and geographic background. Accordingly, consideration of whether the diverse attributes highlighted in the Diversity Policy are sufficiently represented on the Board is an important component of the selection process for new Board members. The C&G Committee has emphasized the Board’s commitment to the recruitment of women by making the identification of candidates who are women a key search criterion in the director selection and nomination process. In order to promote the specific objective of gender diversity on the Board, the selection process for Board appointees and nominees for election ensures that appropriate efforts are made to include women in the list of candidates being considered for a Board position and, in any event, that at least one woman is included in the short list of candidates being considered for a Board position. This process resulted in the Company’s first female Director, Laura Brege, joining the Board in 2019, Norma Beauchamp joining the Board in 2021 and Christine Elliott joining the Board in 2025. The Diversity Policy mandates that at least one woman be included on the shortlist of candidates identified during any selection process for a Board position. As of the date of this Circular, two of eight Directors (25%) are women. The Board recognizes the value of the contribution of members with diverse characteristics and perspectives on the Board and is committed to ensuring that women, in particular, are represented on the Board.

Management

HLS believes that a diversity of backgrounds, opinions and perspectives and a culture of inclusion helps to create a healthy and dynamic workplace, which improves overall business performance. This belief in diversity is further reflected in the Company’s written Diversity Policy. The Diversity Policy recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role of qualified women in contributing to diversity of perspective in senior management positions. Accordingly, in order to promote the specific objective of gender diversity, the Company will:

- implement policies that address impediments to gender diversity in the workplace and review their availability and utilization;
- foster flexible scheduling programs and other family friendly policies for mid-career women to assist with recruitment and retention;
- regularly review the proportion (in percentage terms) of persons at all levels of the Company who are women; and
- continue to identify new ways to entrench diversity as a cultural priority across the Company.

HLS further recognizes the value of ensuring that the Company has leaders who are from diverse backgrounds. The Company prides itself on developing its employees internally and providing them with opportunities to advance their careers. The Company has established procedures to support the Company’s senior management diversity objectives, including that the Chief Executive Officer, together with the C&G Committee will, when considering, recommending and reviewing recommendations for the appointment of candidates for senior management positions:

- consider diversity criteria, including, but not limited to, the level of representation of women, when determining the optimum composition of senior management;
- consider and, if deemed necessary, implement policies to address impediments to diversity in the workplace;
- review potential candidates from a variety of backgrounds and perspectives, with the Company’s diversity

objectives in mind;

- regularly review the level of diversity at all levels of the Company;
- consider initiatives designed to identify, support and develop diverse employees with leadership potential;
- continue to identify new ways to entrench diversity, including gender diversity, as a cultural priority across the organization; and
- in addition to its own searches, as and when appropriate from time to time, engage qualified independent external advisors to conduct a search for candidates to help achieve the Company's diversity objectives in relation to senior management.

Currently, three of nine executive officer positions at the Company (33%) are held by women. HLS has not adopted a target for the number of women in executive officer or senior leadership positions as the Board has determined this would not necessarily result in the identification or selection of the best candidates. HLS does, however, understand the benefits of a diverse workforce and is committed to promoting diversity (including gender diversity) among its senior leadership and will consider the level of female representation and other areas of diversity, outlined above, when deliberating on hires and promotions regarding all senior leadership positions, including executive officers. Furthermore, the Company's written Diversity Policy requires that on an annual basis, the C&G Committee will assess the progress and effectiveness of the board appointment/nomination and senior management appointment processes at achieving the Company's diversity objectives. HLS will also continue to evaluate the appropriateness of adopting targets in the future.

STATEMENT OF EXECUTIVE COMPENSATION

The following discussion describes the significant elements of the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to the Company's named executive officers ("NEOs") for fiscal year 2024, being Chief Executive Officer Craig Millian, Chief Financial Officer John Hanna, Chief Commercial Officer, Brian Walsh, Senior Vice President, Legal, HR and Compliance Ryan Lennox, and Vice President, Scientific Affairs Jason Gross,. The following also summarizes any material changes the Company has adopted or intends to adopt for its executive compensation program for fiscal year 2025.

Oversight and Description of Director and Named Executive Officer Compensation

The C&G Committee sets guidelines for determining the short-term and long-term compensation of executive officers based on their performance, the compensation of executive officers at comparable companies, compensation in previous years, the experience and skills of the officer, and any other factor the committee determines to be relevant. The C&G Committee, in its discretion, recommends annual and long-term performance goals and objectives for the executive officers to the Board. The C&G Committee evaluates the performance of the Chief Executive Officer and the other NEOs in light of the approved performance goals and objectives. The C&G Committee makes recommendations to the Board with respect to incentive-based compensation plans and equity-based plans, including the Stock Option Plan. The C&G Committee also reviews and recommends the compensation for independent directors and committee members for approval by the Board on an annual basis.

The Board approves the compensation of the NEOs based on the recommendations of the C&G Committee. In the case of the named executive officers other than the Chief Executive Officer, these approvals and recommendations reflect consideration of the recommendations of the Chief Executive Officer, which are based on similar factors to those that are considered by the C&G Committee in establishing its recommendation respecting the compensation of the Chief Executive Officer.

Compensation Objectives

Our compensation philosophy consists of several key principles:

- We aim to attract, retain, motivate, and engage highly skilled and experienced individuals who excel in their respective fields. We encourage and reward executives for achieving both ambitious yet realistic short-term and long-term targets. Our executive compensation is aligned with HLS' operational and financial objectives, as well as the long-term interests of our shareholders.

- In determining base salary levels, we take into consideration the market median, while also considering the executive’s performance and tenure within the organization. We believe in aligning compensation with operational and financial results, as well as the returns achieved by shareholders of the Company.
- Through our equity programs, we further promote alignment of interests between our employees and shareholders. This allows employees to share in the success of the Company and fosters a sense of ownership and commitment.
- We maintain simplicity in our compensation programs to ensure a clear line of sight and focus on HLS’s key priorities. By keeping the programs clear and transparent, we can effectively communicate our compensation strategy and maintain a strong connection between performance and rewards.

The Board of Directors is responsible for identifying and mitigating any risk associated with HLS’s compensation policies and practices that could incentivize an executive officer or other employee to take inappropriate or excessive risk, or that could otherwise have a material adverse effect on HLS.

Use of Independent Compensation Consultants

The C&G Committee reviews named executive officer (“NEO”) compensation packages annually to ensure that NEOs are being compensated in line with industry practices. To assist in executing its responsibilities, the C&G Committee engages independent compensation advisors.

In our goal of maintaining the highest standards of objectivity and expertise in our compensation practices, HLS regularly reviews and evaluates the external advisors we engage. In 2024, the C&G Committee retained Mercer (Canada) Limited (“**Mercer**”) as its independent compensation consultant to provide advice on executive compensation matters. Mercer is a subsidiary of Marsh & McLennan, and is a global consulting leader known for its expertise in human resources, financial services, and related fields. Mercer was selected based on their extensive experience and proven track record in executive compensation consulting, ensuring that our compensation policies remain competitive, equitable, and aligned with our compensation philosophy, the long-term interests of our shareholders, and principles of good governance.

All work conducted by Mercer is pre-approved by the C&G Committee and Mercer does not provide any non-Board approved services to the Company. The C&G Committee takes Mercer’s reports and recommendations into consideration when assessing compensation structure and awards, but ultimately makes its own decisions and recommendations for the Board to approve.

Mercer’s fees incurred in the two most recently completed fiscal years are as follows:

Fiscal year	Executive Compensation-Related Fees	All Other Fees
2023 (Mercer)	\$12,537	\$0
2024 (Mercer)	\$16,910	\$0

Compensation Peer Group

In alignment with our commitment to ensuring competitive and appropriate compensation practices, the Company conducts comprehensive benchmarking exercises to evaluate executive compensation on a periodic basis. This approach ensures that our compensation assessments are both thorough and reflective of longer-term market trends, rather than short-term fluctuations. The Company did not undertake a new benchmarking exercise in 2024, as the C&G Committee believes that our previous assessments remain relevant and in line with our strategic objectives.

As such, the peer group that has been leveraged for compensation comparison purposes remains unchanged, and takes into account the following characteristics:

- public companies operating primarily in North America and listed on a major stock exchange;

- market capitalization within a range of approximately between 0.25 and 4 times the size of HLS, while also taking into consideration the Total Revenue and Earnings before Interest, Taxes, Depreciation, and Amortization (“**EBITDA**”); and
- strong focus on the specialty pharmaceutical and biotechnology sector.

The peer group is set out in the table below.

Compensation Peer Group		
ADMA Biologics Inc.	Eyepoint Pharmaceuticals Inc.	OptiNose Inc.
Amarin Corporation plc	Knight Therapeutics Inc.	RVL Pharmaceuticals PLC
ANI Pharmaceuticals, Inc.	Heron Therapeutics Inc.	Theratechnologies Inc.
Aurinia Pharmaceuticals Inc.	Ocular Therapeutix Inc.	Xeris Biopharma Holdings Inc.
Eagle Pharmaceuticals, Inc.		

In 2022, the Board evaluated competitive pay around the median of the peer group. Given the Company’s relatively young history, the Board initially aimed to align compensation towards the lower quartile of the peer group, and stated its intention for compensation levels move towards the median over a multi-year period based on HLS’s performance. In 2023, the Board moved existing NEO compensation based on performance and tenure in the organization; while base salary levels of new NEOs in 2023 and 2024 were set taking into account the relative size of HLS against the peer group set forth above. The Company expects to undertake a new benchmarking exercise in 2025.

Elements of Compensation Program

HLS’s compensation program for its executive officers is designed to attract, retain, motivate and engage highly skilled and experienced individuals who excel in their field. The objective of the program is to focus HLS’s executives on the key business factors that affect Shareholder value and to align their compensation with HLS’s business and financial objectives and the long-term interests of Shareholders.

Compensation for executive officers is comprised primarily of four main components:

- base salary;
- short-term incentive compensation;
- participation in long-term incentive arrangements, including the Stock Option Plan and the Performance Participation Plan (as defined below); and
- additional benefit items.

Each component plays a role in meeting HLS’s compensation objectives. The mix of compensation is designed to reward short-term results and to motivate long-term performance. The compensation levels of HLS’s executive officers reflect to a significant degree the varying roles and responsibilities of HLS’s executive officers. The appropriate level of compensation for the NEOs is determined by the Board with the input and recommendations of the C&G Committee on an annual basis.

There are no pension plans at HLS but the Company does make contributions to employees’ retirement savings, including a deferred profit-sharing plan and Group RRSP in Canada and a 401(k) plan in the United States.

The following table explains the elements of compensation that the Company adopted for fiscal year 2024. The Company assesses each component separately, and together these are considered total compensation.

Component	Objective/Rationale
(i) Base Salary	<p>Forms the basis for attracting talent and comparing to and remaining competitive with the market.</p> <p>Is compensation relating to the roles and responsibilities of each role.</p> <p>Fixed, and used to determine other aspects of HLS’s compensation and benefits.</p> <p>Established when hired and reviewed at the end of the first quarter of each year.</p> <p>To align with the compensation philosophy, base salary levels aim to align with the median of the peer group over time, but also take into account the NEO’s performance and tenure in the organization. Base salary levels are also set taking into account the relative size of HLS against its peer group.</p>
(ii) Annual Cash Bonus / Short Term Incentive Plan (“STIP”)	<p>In alignment with the Company’s compensation philosophy and market best practice, links pay to Company achievements.</p> <p>Variable (“at-risk”) and paid in cash following year-end results based on Company annual performance. Bonuses are not paid unless a threshold level of performance is achieved, with performance benchmarks being specified in a detailed scorecard of corporate performance that contain metrics and weightings that align to the business.</p> <p>Scorecards consist of a mix of corporate, financial and operational metrics. Each NEO is measured by the same corporate performance metrics to ensure alignment and clear line of sight.</p> <p>The target STIP opportunity varies between NEOs, ranging from 35% to 70% of base salary, in alignment with market competitive pay levels, and is associated with expected annual performance results.</p> <p>Capped at 150% of target STIP opportunity.</p>
(iii) Long-term Incentive Plan (“LTIP”)	<p>Long-term incentives are designed to (i) promote a further alignment of interests between management and Shareholders of the Company; (ii) associate a portion of management’s compensation with the returns achieved by Shareholders of the Company; and (iii) attract and retain employees with the knowledge, experience and expertise required by the Company. The Company grants long-term incentives in the form of Options.</p> <p>With the exception of certain Options granted prior to the completion of the Arrangement, which vest over a four-year period and have a 10-year term to expiry, Options are intended to vest over a four-year period and have a seven-year term to expiry. Options are granted to align with HLS’s peer group prevalence and to reward management for performance on a longer term basis.</p> <p>The Company previously granted participation units (“Participation Units”) under the long-term stock-based performance plan (the “Performance Participation Plan”) that was introduced in 2020. In 2023, the Company ceased making grants of Participation Units following shareholder approval of certain changes to the Stock Option Plan, on the basis that Options provide a better longer-term alignment to shareholder returns at this stage of the Company’s lifecycle.</p> <p>Outstanding Participation Units that were previously granted under the Performance Participation Plan pay out only if certain performance criteria are met at the end of a defined performance period. Payouts under the Performance Participation Plan are capped at up to 200% of target, to reward performance while also limiting financial exposure for the Company. Regardless of performance vs criteria, payouts are capped at 100% if the Company’s Total Shareholder Return over the period is negative.</p> <p>Quantities of grants of Options are determined by the Board on the recommendation of the C&G Committee, which is based, in part, on consideration of recommendations provided to the C&G Committee by Mercer.</p>

Component	Objective/Rationale
(iv) Other Compensation	<p>Participation in HLS’s employee group benefits plans is provided to each NEO where available.</p> <p>Contributions are provided to the NEOs’ retirement savings plans, including DPSP and 401(k) accounts, as applicable.</p> <p>There is no pension plan for the NEOs.</p> <p>Designed to be competitive overall with equivalent positions.</p>

Base salary

Individual salaries are determined by each officer’s experience, expertise, performance and expected contributions to HLS. The C&G Committee uses industry studies and market data for comparable businesses, including the Peer Group, to assist in setting a range of base salaries for positions. However, these studies and data are only one factor that is reviewed in determining base salary for each executive officer position.

Short-term incentive compensation

The STIP as defined in more detail below contains predefined Target and Maximum performance hurdles that are tied to the overall corporate objectives set out in more detail below. The target STIP award is set as a percentage of the executive’s base salary. If target performance is achieved the STIP would be awarded at 100% of the bonus opportunity, and if maximum performance is achieved the STIP may award up to 150% of the target STIP. The payout opportunity is defined below per executive:

	CEO	CFO	CCO	SVP, Legal, HR & Compliance	VP, Scientific Affairs
Target STIP (% of Base Salary)	70%	50%	50%	40%	35%
STIP Award Range (% of Base Salary)	0-105%	0-75%	0-75%	0-60%	0-52.5%
Target Performance (% of Target)	100%	100%	100%	100%	100%
Maximum Performance (% of Target)	150%	150%	150%	150%	150%

HLS utilizes short-term incentive compensation to reward its executive officers, including the named executive officers, as well as all other non-sales personnel, primarily for the achievement of corporate performance goals recommended by the C&G Committee and approved by the Board in the course of setting the Company’s quarterly and annual budgets. Total bonus payable as short-term incentive compensation cannot exceed 150% of the individual’s target level of annual short-term incentive compensation, despite any overachievement of criteria.

In considering the STIP awards for the NEOs in 2024, the Board considered the actual level of achievement versus target achievement levels set by the Board with respect to certain commercially sensitive corporate performance indicators as set out in summary fashion only below, in order to both protect confidentiality while at the same time be consistent with regulatory requirements and best practices.

Corporate Goal	Target	Actual Performance	Comments
Financial and Commercial Performance	45%	15%	Score was based on the Company's actual performance related to achieving specific financial and commercial objectives, growing total product net sales and AEBITDA.
Product Specific	35%	20.5%	Score was based on the Company's actual performance related to achieving various product specific metrics, including, but not limited to: (i) generating Vascepa net sales growth; (ii) generating Clozaril net sales growth; and (iii) achieving Vascepa profitability in 2024.
Business Development	10%	20%	Score was based on the Company's actual performance related to successfully achieving certain business development goals.
Human Resources	10%	11.5%	Score was based on the Company's actual performance related to successfully achieving certain human resources goals, including driving staff engagement.

Management and the Board set a series of challenging expectations in 2024 and, based on the above, the actual performance of the Company resulted in an STIP award of 67% of target STIP payout for 2024 for each NEO.

Long-term incentives

Long-term incentive compensation is a fundamental component of HLS's executive compensation program. HLS utilizes long-term incentive compensation, in the form of Options, to strengthen retention and align compensation with returns to Shareholders. Options are granted annually by the Board, in quantities based in part on consideration of recommendations provided to the C&G Committee by its compensation advisor, and to ensure compensation for HLS's NEOs that is competitive to suitable peers in the marketplace. In 2024, on the advice of Mercer, the Company ceased the practice of providing company-wide grants of Options to all permanent employees, and made option grants to NEOs and certain other senior leaders at target grant levels. For more information, see "*– Stock Option Plan and Other Incentive Plans – Stock Option Plan.*"

The Company previously granted Participation Units to NEOs and selected additional key employees under the terms of the Company's Performance Participation Plan (the "**Performance Participation Plan**"). These awards will, subject to the satisfaction of the performance conditions, be settled in cash, based on performance measured at the end of the three-year measurement period and will therefore be non-dilutive to Shareholders. However, in 2023, the Company decided to cease making awards of Participation Units to NEOs or any other employees on the basis that Options provide a better longer-term alignment to shareholder returns. For more information, see "*– Stock Option Plan and Other Incentive Plans – Performance Participation Plan.*"

Stock Option Plan and Other Incentive Plans

Stock Option Plan

The Stock Option Plan was amended and restated on May 5, 2018, and received Shareholder approval on June 22, 2018. The Stock Option Plan was further amended and restated on January 25, 2019 in connection with the Company's graduation to the TSX on February 7, 2019, and further amended and restated on May 5, 2021 to make certain amendments to the amending provisions of the Stock Option Plan to limit the Board's ability to make amendments without Shareholder approval, to add an "evergreen" feature and to prohibit the grant of Options to non-employee directors, and received Shareholder approval on June 18, 2021. On May 16, 2023, the Board approved further amendments to the Stock Option Plan to provide that the maximum number of Common Shares issuable under the Stock Option Plan, together with any other security-based compensation arrangement of the Company, would be equal to 15% of the total number of issued and outstanding Common Shares from time to time at the date of grant of a particular Option, provided that, as of and after June 16, 2026, such number may not exceed 10% of the issued and outstanding Common Shares from time to time. These

amendments received Shareholder approval on June 16, 2023, and the Company expects full compliance with these terms and conditions on or before June 16, 2026.

The following summary of the Stock Option Plan is intended as a summary only and does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the full text of the Stock Option Plan.

The Stock Option Plan is a fundamental component of HLS's executive compensation program. The primary purposes of the Stock Option Plan are (i) to promote an alignment of interests of the officers, employees and consultants of the Company and its subsidiaries with those of the Shareholders; (ii) to associate officers' and employees' compensation with the returns achieved by Shareholders; and (iii) to attract and retain employees with the knowledge, experience and expertise required by the Company and its subsidiaries.

The Stock Option Plan is a fundamental component of HLS's executive compensation program. The primary purposes of the Stock Option Plan are (i) to promote an alignment of interests of the officers, employees and consultants of the Company and its subsidiaries with those of the Shareholders; (ii) to associate officers' and employees' compensation with the returns achieved by Shareholders; and (iii) to attract and retain employees with the knowledge, experience and expertise required by the Company and its subsidiaries.

The Stock Option Plan provides for awards of Options. The plan is open to officers, directors, employees and consultants engaged by HLS or its affiliates. Notwithstanding the foregoing, the Stock Option Plan provides that no Options may be granted to any non-employee director of HLS. The Stock Option Plan provides that the Board has the authority to determine the individuals to whom Options will be granted, the number of Options to be granted and the vesting and other terms and conditions of such grants. The Stock Option Plan also provides that in no event may an Option remain exercisable beyond the tenth anniversary of the date of grant.

Subject to adjustment in connection with a reorganization or recapitalization of the Company, the total number of Common Shares reserved and available for grant and issuance pursuant to the Stock Option Plan, together with any Common Shares issuable pursuant to any other security-based compensation arrangement of the Company, is a rolling number equal to 15% of the total number of issued and outstanding Common Shares calculated from time to time at the date of grant of a particular Option or other award under a security-based compensation arrangement, as applicable, provided that, as of and after June 16, 2026, such number may not exceed 10% of the issued and outstanding Common Shares from time to time. Any Common Shares that are subject to Options that have been granted and that expire or are cancelled or terminated for any reason without having been exercised will again be available for grant and issuance in connection with future Options granted under the Plan. At all times the Company is required to reserve and keep available a sufficient number of Common Shares as will be required to satisfy the requirements of all outstanding Options granted under the Stock Option Plan.

Notwithstanding the foregoing, the Stock Option Plan provides that no Options may be granted to (a) any insiders of the Company if the total number of Common Shares issuable to all insiders under the Stock Option Plan or any other security-based compensation arrangement of HLS would exceed 10% of the then issued and outstanding Common Shares, or (b) any insiders of the Company if the total number of Common Shares issued to all insiders of the Company within any one year period under the Stock Option Plan or any other security-based compensation arrangement of the Company would exceed 10% of the then issued and outstanding Common Shares (collectively, the "**Insider Participation Limit**"). The Stock Option Plan does not provide for a maximum number or percentage of Common Shares that may be issued to any one individual pursuant to the Stock Option Plan and any other security-based compensation arrangement of the Company.

The Board has the discretion to make amendments which it may deem necessary, without having to obtain Shareholder approval, provided that, among other things, no such amendment would be made to the extent that such amendment would materially adversely affect the existing rights of a participant with respect to any then outstanding awards, as determined by HLS acting in good faith, without such participant's consent in writing. The Board has the authority to make the following amendments, without requiring Shareholder approval: (i) amendments to the terms and conditions of the Stock Option Plan that are necessary to ensure that it complies with applicable law and regulatory requirements, including the requirements of any applicable stock exchange; (ii) amendments respecting the administration of or (subject to the requirement for Shareholder approval of any amendment that may introduce, re-introduce, broaden or increase the participation of non-employee directors in the Stock Option Plan) eligibility for participation in the Stock Option Plan; (iii) amendments respecting the terms and conditions on which Options may be granted, including relating to the term of such an Option and the vesting schedule; (iv) the addition of, and any subsequent amendment to, a financial assistance provision; (v) amendments that are of a "housekeeping" nature; and (vi) any other amendments that do not require shareholder approval under applicable laws or

the requirements of an applicable stock exchange. The Stock Option Plan also provides that Shareholder approval is required in the case of, among other things: (i) any amendment to the maximum number or percentage of Common Shares issuable under the plan; (ii) any amendment to the amendment provisions of the Stock Option Plan that would grant additional powers to the Board to amend the Stock Option Plan or entitlements thereunder without the approval of Shareholders; (iii) any amendment to or reduction in the exercise price of Options; (iv) any extension to the term of Options held by Insiders (as defined in the Stock Option Plan); (v) any change to the categories of individuals eligible to receive grants under the Stock Option Plan where such change may introduce, re-introduce, broaden or increase the participation of non-employee directors in the Stock Option Plan; (vi) any amendment to the restrictions contained in the Stock Option Plan on the transferability of Options; and (vii) any change to the Insider Participation Limit.

Options are granted with an exercise price equal to the last reported sale price of the Common Shares on the TSX (or, prior to the graduation to the TSX, on the TSXV) preceding the date of grant (except that the exercise price of certain Options granted to any person who owns more than 10% of the total combined voting power of all classes of outstanding shares of the Company or of any parent or subsidiary of the Company will be no lower than 110% of the last reported sale price of the Common Shares). With the exception of certain Options granted prior to the completion of the Arrangement, Options generally vest over a four-year period and have a seven-year term to expiry, with the maximum term to expiry permitted under the Stock Option Plan being ten years from the date of grant. If the expiration date of an Option falls during, or within a nine business day period following the end of, a “Blackout Period” (as defined in the Stock Option Plan), the Stock Option Plan provides that the expiration date of such Option is automatically extended to the date that is the tenth business day after the such of such Blackout Period. Options are not transferable or assignable, other than by will or by the laws of descent and distribution. The Company does not provide any financial assistance to holders of Options.

Unless otherwise determined by the Board, in the event that a holder of Options ceases to be employed by or to provide services to the Company (other than by reason of death, disability or termination for cause), the Options held by such holder shall cease to vest upon such cessation of employment or services, and any Options held by such holder that have vested will expire on the earlier of the 90th day following the termination of employment or provision or service and the initial expiry date of such Options, and Options held by such holder that have not vested will expire upon the termination of employment or provision or service. Any Options held by a holder who dies or becomes disabled may, to the extent then exercisable (or to such other extent as the Board may determine) be exercised until the expiration of the stated term of the Option or, if earlier, until 365 days from the date of death or 180 days from the date of termination for disability. Upon termination for cause, any Options held by an Option holder will, unless otherwise determined by the Board, terminate automatically, become null and void and be of no further force or effect.

Unless otherwise determined by the Board or agreed in writing between the Company and an Option holder, a “Change of Control” (as defined in the Stock Option Plan) will not result in the vesting of unvested Options, provided that such Options will continue to vest in accordance with the Stock Option Plan and the applicable grant agreement and any entity that directly or indirectly acquires the Company (or, as applicable, the affiliate of the Company that employs the Option holder) agrees to assume the obligations of the Company in respect of the unvested Options of an Option holder. In connection with a Change of Control, the Board may, subject to certain exceptions, permit the exercise of any or all Options, whether or not vested, or the surrender of Options for a cash payment equal to the excess of price per Common Share under the Change of Control over the exercise price of the Option, multiplied by the number of Common Shares to which such Option relates and may determine that any Options not so exercised or surrendered shall terminate and cease to have any further force or effect upon the Change of Control.

Performance Participation Plan

The Board adopted the Performance Participation Plan on August 5, 2020. The purposes of the Performance Participation Plan were to motivate executives and other key employees and consultants to contribute to the long-term growth of the Company and to attract and retain employees with the knowledge, experience and expertise required by the Company.

Under the Performance Participation Plan, the Board may grant to participants Participation Units that entitle holders to a distribution of a proportionate share of the target amount set by the Board (the “**Target Incentive Pool**”) if the applicable performance conditions are satisfied over the specified measurement period (the “**Performance Period**”), and a maximum amount that may be available for distribution to all participants in the aggregate (the “**Maximum Incentive Pool**”) if the performance conditions for such Performance Period are exceeded. At the end of the applicable Performance Period, the Board determines the Company’s performance for the Performance Period relative to the performance conditions (the “**Performance Factor**”).

The Board has the authority to administer the Performance Participation Plan and to make grants of Participation Units to employees, officers and consultants who are eligible to participate in the Performance Participation Plan, on such terms and conditions as it deems advisable.

In December 2021, the Company made a grant of 328,460 Participation Units under the Performance Participation Plan, with a Target Incentive Pool of C\$3,282,460 and a Maximum Incentive Pool of C\$6,564,920. The Performance Period for such grants was from December 8, 2021 to December 7, 2024, and holders of these Participation Units received no payout in 2024.

In December 2022, the Company made a grant of 559,799 Participation Units under the Performance Participation Plan, with a Target Incentive Pool of C\$5,597,990 and a Maximum Incentive Pool of C\$11,195,980. The Performance Period for such grants is from December 13, 2022 to December 12, 2025.

In 2023, the Company decided to cease making awards of Participation Units to NEOs or any other employees on the basis that Options provide a better longer-term alignment to shareholder returns.

The performance conditions set out below apply to the Participation Units granted in 2021 and 2022, with the following weighting and criteria:

- 1) **Performance Relative to S&P/TSX Small Cap Index.** The Company’s total shareholder return (the “HLS TSR”) over the Performance Period relative to the total shareholder return of the S&P/TSX Small Cap Index over the same period (the “S&P/TSX Small Cap TSR”) shall be weighted at 75%. If the HLS TSR for this period exceeds the S&P/TSX Small Cap TSR for the Performance Period by five percent, the Performance Factor shall be 100%. If the HLS TSR exceeds the S&P/TSX Small Cap TSR for the Performance Period by at least 20%, the Performance Factor shall be 200%.
- 2) **Performance Relative to NASDAQ Small Cap Pharmaceuticals Index.** The HLS TSR relative to the total shareholder return of the NASDAQ US Small Cap Pharmaceuticals Index over the Performance Period (the “NASDAQ Small Cap Pharma TSR”) shall be weighted at 25%. If the HLS TSR for the period exceeds the NASDAQ Small Cap Pharma TSR by 5%, the Performance Factor shall be 100%. If the HLS TSR exceeds the corresponding NASDAQ Small Cap Pharma TSR by at least 20%, the Performance Factor shall be 200%.

Performance Level	S&P/TSX Small Cap Index (75% Weighting)	NASDAQ Small Cap Pharmaceuticals Index (25% Weighting)
20% or more above index	200% of Target (2021: C\$4,923,690, 2022: C\$8,396,985)	200% of Target (2021: C\$1,641,230, 2022: C\$2,798,995)
5% above index	100% of Target (2021: C\$2,461,845, 2022: C\$4,198,493)	100% of Target (2021: C\$820,615, 2022: C\$1,399,497)
Equal to index	67% of Target (2021: C\$1,649,436, 2022: C\$2,812,990)	67% of Target (2021: C\$549,812, 2022: C\$937,663)
Minimum Performance = Lesser of HLS TSR that is 5% below Index or HLS TSR of 35%	33% of Target (2021: C\$812,409, 2022: C\$1,385,503)	33% of Target (2021: C\$270,803, 2022: C\$461,834)
Below Minimum Performance	0% of Target (All three years: \$0)	0% of Target (All three years: \$0)
* Vesting of Participation Units between the Relative TSR performance levels outlined above will be based on linear interpolation between each performance levels. In addition, payouts are capped at no more than 200% of the Target grant value for each eligible employee.		

The Participation Units granted in 2021 and 2022 are subject to certain additional requirements, including: If HLS TSR performance is below the Minimum Performance conditions, no payment will be made in respect of such Participation Units. For HLS TSR performance at or above the Minimum Performance conditions, there will be interpolation within the ranges. However, pay-out cannot exceed 100% if HLS TSR is negative, regardless of the level of outperformance relative to either benchmark index.

Additional Benefit Plans

NEOs in Canada and the United States are entitled to participate in employee group benefit plans offered by HLS to its employees, including HLS's comprehensive group benefit plan administered by Sun Life Financial in Canada, and Independent Blue Cross in the United States.

Summary Compensation Table

The following table sets forth information regarding compensation earned by each NEO in fiscal year 2024 for HLS's last three completed fiscal years.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽⁶⁾	Non-equity incentive plan compensation (\$)		All other compensation (\$) ⁽⁸⁾	Total compensation (\$)
					Annual ⁽⁷⁾	LTIP		
Craig Millian ⁽¹⁾ Chief Executive Officer	2024	617,077	-	426,000	289,409	-	13,800	1,346,286
	2023	380,769	-	714,000	119,942	-	9,231	1,223,942
	2022	-	-	-	-	-	-	-
John Hanna ⁽²⁾ Chief Financial Officer	2024	332,871	-	142,000	111,512	-	11,862	598,245
	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
Ryan Lennox ⁽³⁾ SVP, Legal, HR & Compliance	2024	281,444	-	106,500	75,427	-	11,862	475,233
	2023	263,681	-	95,250	47,463	-	11,691	418,085
	2022	241,012	144,425	-	33,742	-	11,827	431,004
Jason Gross ⁽³⁾ VP, Scientific Affairs	2024	225,675	-	49,700	52,921	-	11,862	340,158
	2023	222,314	-	44,450	35,014	-	11,691	313,470
	2022	218,355	22,357	36,410	30,570	-	11,827	319,519
Brian Walsh ⁽⁴⁾ Chief Commercial Officer	2024	337,481	-	170,400	97,025	-	13,499	618,405
	2023	156,250	-	95,492	35,156	-	3,000	289,898
	2022	-	-	-	-	-	-	-
Former Officer								
Tim Hendrickson ⁽³⁾⁽⁵⁾ Chief Financial Officer	2024	27,260	-	-	12,823	-	584,378	624,461
	2023	354,359	-	127,000	79,731	-	11,691	572,781
	2022	314,145	354,585	-	62,829	-	11,827	743,386

Notes:

- (1) Mr. Millian was appointed as Chief Executive Officer and a Director of the Company on May 1, 2023. Mr. Millian received no compensation for his service as a Director of HLS.
- (2) Mr. Hanna was appointed as Interim Chief Financial Officer on January 26, 2024, and appointed as full time Chief Financial Officer on September 16, 2024. Mr. Hanna has received no compensation for his service as a Director of HLS since his appointment as interim Chief Financial Officer.
- (3) Each of Messrs. Hendrickson, Lennox and Gross was paid in Canadian dollars, which have been converted from Canadian dollars to U.S. dollars at exchange rates based on the annual exchange rate reported by the Bank of Canada, being US\$0.7685 per C\$1.00 for the year ended December 31, 2022, US\$0.7409 per C\$1.00 for the year ended December 31, 2023, and US\$0.7302 per C\$1.00 for the year ended December 31, 2024.
- (4) Mr. Walsh was promoted to Chief Commercial Officer on September 16, 2024.
- (5) Mr. Hendrickson departed the Company on January 26, 2024, pursuant to which he was provided with a lump sum payment in the amount of \$584,378, which is equal to twelve (12) months of his annual base salary and the corresponding short-term incentive compensation at 100% of the target level, plus accrued and unpaid vacation day, plus HLS participation in HLS's deferred profit-sharing plan, in consideration for, among other things, his support and orderly transition of the CFO role. Mr. Hendrickson's vested stock options were exercisable until April 25, 2024, except that 25% of the options granted in August 2023 vested in August 2024 and remained exercisable until November 20, 2024. All unvested options as of January 26, 2024, were cancelled.
- (6) The grant date fair value of option-based awards was determined using the Black-Scholes option pricing model in accordance with International Financial Reporting Standards, which is the same method used for determining accounting fair value. The Black-Scholes model was selected as it is a widely used financial method for determining the fair value of Options. Any difference between the estimated grant date fair value and the accounting fair value is due to the use of different assumptions.
- (7) Amounts represent short-term incentive plan compensation earned in each year.
- (8) For Messrs. Lennox and Gross, these amounts represent contributions made by HLS in respect of their participation in HLS's deferred profit-sharing plan. For Messrs. Millian and Walsh, these amounts represent contributions made by HLS in respect of their participation in HLS's 401(k) retirement plans. For Mr. Hendrickson, these amounts represent contributions made by HLS in respect of his participation in HLS's deferred profit-sharing plan and the severance paid for end of employment.

Outstanding Option-Based and Share-Based Awards

The following table sets out all option-based and share-based awards outstanding as of December 31, 2024 for all NEOs of HLS. The value of unexercised in-the-money options and the payout value of share-based awards that have not vested are based on a closing share price of C\$3.93 on December 31, 2024 and an exchange rate of an exchange rate of US\$0.6950 per C\$1.00, being the rate reported by the Bank of Canada on December 31, 2024.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units that have not vested (#) ⁽¹⁾	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Craig Millian Chief Executive Officer	600,000	C\$4.57	16-May-30	-	-	-	-
	300,000	C\$3.94	13-May-31	-	-	-	-
John Hanna Chief Financial Officer	100,000	C\$3.94	13-May-31	-	-	-	-
Ryan Lennox SVP, Legal, HR & Compliance	21,605	C\$8.34	22-Aug-25	-	32,125	11,163	-
	12,164	C\$15.55	7-Jun-26	-			
	15,000	C\$15.56	9-Nov-27	-			
	21,685	C\$15.11	8-Dec-28	-			
	75,000	C\$4.70	22-Aug-30	-			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units that have not vested (#) ⁽¹⁾	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
	75,000	C\$3.94	13-May-31	-			
Jason Gross	67,760	\$10.00	11-Aug-25	-	4,973	1,728	-
VP, Scientific Affairs	16,975	C\$8.34	22-Aug-25	-			
	12,049	C\$15.55	7-Jun-26	-			
	8,000	\$10.00	30-Mar-27	-			
	10,000	C\$15.56	9-Nov-27	-			
	6,859	C\$15.11	8-Dec-28	-			
	10,086	C\$10.59	12-Dec-29	-			
	35,000	C\$4.70	22-Aug-30	-			
	35,000	C\$3.94	13-May-31	-			
Brian Walsh	75,000	C\$4.70	22-Aug-30	-	-	-	-
Chief Commercial Officer	120,000	C\$3.94	13-May-31	-			
Former Officer							
Tim Hendrickson ⁽²⁾	-	-	-	-	-	-	10,963
Chief Financial Officer							

Notes:

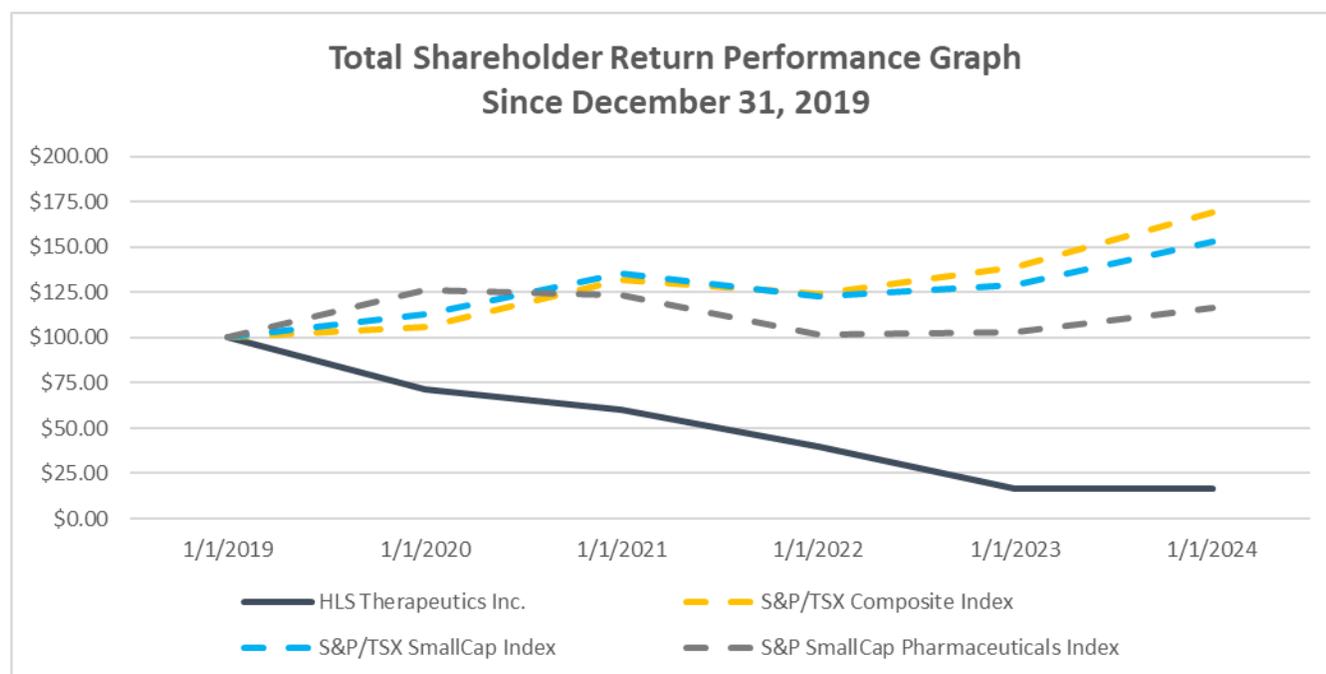
- (1) The Participation Units granted in 2022 are subject to a 36 month cliff vest of 0% or a range from 33% to 200% depending on certain performance metrics being achieved prior to December 12, 2025. The payout of such Participation Units will be zero in 2025 if performance is below the minimum threshold and the payout will be capped at 100% if HLS TSR is negative. See “*Performance Participation Plan*” above.
- (2) 78,872 Participation Units granted to Mr. Hendrickson on December 12, 2022 were forfeited on his departure from the Company on January 26, 2024. 31,549 Participation Units were vested and outstanding at December 31, 2024.

Value on Pay-Out or Vesting of Incentive Plan Awards

The table below sets out all incentive compensation held by or paid to NEOs of HLS that vested during the year ended December 31, 2024 or was earned during the year ended December 31, 2024 but had not been paid out as of December 31, 2024.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Craig Millian	62,113	-	289,409
John Hanna	-	-	111,512
Ryan Lennox	-	-	75,427
Jason Gross	-	-	52,921
Brian Walsh	-	-	97,025
Former Officer			
Tim Hendrickson	-	-	12,823

Performance Graph



The graph compares the total cumulative shareholder return for \$100 invested in HLS Common Shares (with any cash dividends reinvested into Common Shares) on the TSXV and TSX with the S&P/TSX Composite Total Return Index, S&P/TSX SmallCap Total Return Index and S&P Small Cap Pharmaceuticals Total Return Index for the period commencing December 31, 2019 and ending December 31, 2024.

	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
HLS Therapeutics Inc.	\$71.38	\$60.15	\$40.05	\$16.32	\$16.24
S&P/TSX Composite Index	\$105.60	\$132.10	\$124.38	\$138.99	\$169.09
S&P/TSX SmallCap Index	\$112.87	\$135.75	\$123.15	\$129.05	\$153.35
S&P US Small Cap Pharmaceuticals Index	\$126.04	\$123.77	\$101.85	\$103.34	\$116.47

During the period above, total shareholder returns for HLS were approximately -83.77%, compared to 69.09% for the S&P/TSX Composite Index, 53.35% for the S&P/TSX Small Cap Total Return Index and 16.47% for the S&P Small Cap Pharmaceuticals Total Return Index. During that same period, the total compensation received by HLS's NEOs has been positioned below the median of the Company's peer group, with the intention to move competitive compensation levels towards the median over a multi-year period to reflect, among other things, the achievement of strategic initiatives and the corresponding increase in total shareholder return. HLS has generally administered NEO compensation to reflect the Company's growth and movement towards market median over this time, to align with the Company's performance when compared to market. Consideration is also given to the evolving roles and responsibilities of incumbents as well when determining compensation levels.

Compensation Risk Oversight and Assessment

The Board believes the current structure of the Company's executive compensation arrangements is focused on long-term value and is designed to correlate to the long-term performance of the Company. It is the practice of the C&G Committee and the Board to consider all factors related in an executive's performance, including risk taking and any risk-mitigation efforts, in determining compensation. For example, the STIP is based on a balanced approach to measuring corporate performance and the annual payouts are capped at 150% of target. In addition, a substantial portion of the executive compensation is subject to company performance and long-term vesting conditions with the cash-settled Performance Participation Plan requiring HLS TSR performance to exceed benchmarks to reach target payout of 100%, limiting payouts at no more than 200% of the target grant value to provide cost certainty and limiting payout to no more than 100% of the target if HLS TSR is negative, regardless of relative outperformance of the benchmarks.

Clawback Policy

As an additional approach to manage and mitigate compensation risk, the Board has adopted a clawback policy (the "**Clawback Policy**") relating to any bonus, equity-based or other incentive-based compensation awarded or granted to the Chief Executive Officer, Chief Financial Officer, any "executive officer" (as defined under applicable Canadian securities laws) and each vice-president of the Company (each, a "**Specified Officer**") on or after January 1, 2024. The Clawback Policy provides that following a report from the C&G Committee, the Company's independent Directors will determine the extent of reimbursement of such compensation received by a Specified Officer required in the event of either a restatement of the Company's financial statements included in the Company's public disclosure documents as a result of a Specified Officer having engaged in fraud, intentional misconduct or gross negligence, or having committed a material breach of the Company's Code of Business Conduct and Ethics.

Anti-Hedging Policy

To promote alignment of interests between executives and shareholders, HLS prohibits executives from engaging in any form of hedging or monetization transactions related to their equity-based compensation. This includes, but is not limited to, hedging strategies such as collars, swaps, forward contracts, or any other derivative transactions that would limit the executive's exposure to HLS's share price.

Executives are prohibited from entering into any transactions that would allow them to profit or mitigate losses based on fluctuations in HLS's share price. This restriction applies to all equity-based compensation, including stock options, restricted share units, and performance-based awards.

The purpose of this anti-hedging clause is to ensure that executives maintain a vested interest in the long-term performance and value of HLS's shares. By prohibiting hedging activities, HLS aims to align executives' incentives with those of its shareholders, fostering a shared commitment to HLS's success.

Any violation of this anti-hedging clause may result in disciplinary action, including the forfeiture of equity-based compensation or other appropriate measures as determined by the Board. Executives are expected to comply with this policy and report any potential violations to the appropriate authorities within the Company.

Termination and Change of Control Benefits for NEOs

Craig Millian. Mr. Millian is party to an employment agreement with HLS Therapeutics (USA), Inc., a subsidiary of the Company. Mr. Millian's base salary, effective as of April 1, 2025, is \$642,400 and his target short-term incentive

compensation is 70% of his base salary. Under his employment agreement, if HLS terminates Mr. Millian's employment without cause or Mr. Millian terminates his employment for good reason, Mr. Millian is entitled to (i) a lump sum payment equal to two times his base salary and two times his target level of annual short-term incentive compensation, (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment is terminated, (iii) the continuation of benefits for a period of 18 months following termination, and (iv) or in the event of a change of control resulting in the involuntary termination of Mr. Millian without cause by HLS or by Mr. Millian for good reason, which termination occurs within the first 12 months of a change of control, any unvested equity compensation awards shall be automatically accelerated and be 100% vested and exercisable in accordance with the terms of the stock option plan. Under the terms of his employment agreement, Mr. Millian agreed (i) not to disclose, other than in the normal and proper course of his employment, any confidential or proprietary information relating to HLS's operations or business and (ii) for a period of 12 months following the termination of his employment, not to (a) compete with HLS in Canada or the U.S., or (b) directly or indirectly solicit any of HLS's customers, prospective customers or any suppliers.

John Hanna. Mr. Hanna is party to an employment agreement with HLS. Mr. Hanna's base salary, effective as of April 1, 2025, is \$344,900 and his target short-term incentive compensation is 50% of his base salary. Under his employment agreement, if HLS terminates Mr. Hanna's employment without cause or Mr. Hanna terminates his employment for good reason, Mr. Hanna is entitled to (i) one (1) times the Executive's annual base salary (calculated using the Executive's highest annual base salary in the three years prior to the Executive's Termination Date), plus one (1) times the Executive's target level of STI for the year in which the Executive's Termination Date occurs, all payable monthly, (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment is terminated, (iii) the continuation of benefits for a period of 12 months following termination, and (iv) or in the event of a change of control resulting in the involuntary termination of Mr. Hanna without cause by HLS or by Mr. Hanna for good reason, which termination occurs within the first 12 months of a change of control, any unvested equity compensation awards shall be automatically accelerated and be 100% vested and exercisable in accordance with the terms of the stock option plan. Under the terms of his employment agreement, Mr. Hanna agreed (i) not to disclose, other than in the normal and proper course of his employment, any confidential or proprietary information relating to HLS's operations or business and (ii) for a period of 12 months following the termination of his employment, not to (a) compete with HLS in Canada or the U.S., or (b) directly or indirectly solicit any of HLS's customers, prospective customers or any suppliers.

Brian Walsh. Mr. Walsh is party to an employment agreement with HLS Therapeutics (USA), Inc., a subsidiary of the Company. Mr. Walsh's base salary, effective as of April 1, 2025, is \$360,300 and his target short-term incentive compensation is 50% of his base salary. Under his employment agreement, if HLS terminates Mr. Walsh's employment without cause or Mr. Walsh terminates his employment for good reason, Mr. Walsh is entitled to (i) one (1) times the Executive's annual base salary (calculated using the Executive's highest annual base salary in the three years prior to the Executive's Termination Date), plus one (1) times the Executive's target level of STI for the year in which the Executive's Termination Date occurs, all payable monthly, (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment is terminated, (iii) the continuation of benefits for a period of 12 months following termination, and (iv) or in the event of a change of control resulting in the involuntary termination of Mr. Walsh without cause by HLS or by Mr. Walsh for good reason, which termination occurs within the first 12 months of a change of control, any unvested equity compensation awards shall be automatically accelerated and be 100% vested and exercisable in accordance with the terms of the stock option plan. Under the terms of his employment agreement, Mr. Walsh agreed (i) not to disclose, other than in the normal and proper course of his employment, any confidential or proprietary information relating to HLS's operations or business and (ii) for a period of 12 months following the termination of his employment, not to (a) compete with HLS in Canada or the U.S., or (b) directly or indirectly solicit any of HLS's customers, prospective customers or any suppliers.

Ryan Lennox. Mr. Lennox is party to an employment agreement with HLS. Pursuant to the terms of his employment agreement, Mr. Lennox's base salary, effective as of April 1, 2025, is \$294,400 and his target short-term incentive compensation is 40% of his base salary. Under his employment agreement, if HLS terminates Mr. Lennox's employment without cause or Mr. Lennox terminates his employment for good reason, Mr. Lennox is entitled to (i) a lump sum payment ranging from eight to twelve times his monthly salary and 50% of his target level of annual short-term incentive compensation, in each case depending on length of service, and (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment was terminated. In the event of a change of control resulting in the involuntary termination of Mr. Lennox without cause by HLS or by Mr. Lennox for good reason, which termination occurs within the first 24 months of a change of control and subject to certain conditions being met, Mr. Lennox is entitled to, in addition to any benefits or compensation accrued and target incentive compensation earned and due to Mr. Lennox but not yet paid as of the termination date: a lump sum payment equal to one times his base salary, plus one times the annual target incentive compensation, the

continuation of benefits for a period of 12 months following termination, and any unvested equity compensation awards shall be automatically accelerated and be 100% vested and exercisable in accordance with the terms of the stock option plan.

Jason Gross. Mr. Gross is party to an employment agreement with HLS. Pursuant to the terms of his employment agreement, Mr. Gross's base salary, effective as of April 1, 2025, is C\$321,300 and his target short-term incentive compensation is 35% of his base salary. Under his employment agreement, if HLS terminates Mr. Gross's employment without cause or Mr. Gross terminates his employment for good reason, Mr. Gross is entitled to (i) a lump sum payment equal to twelve times his monthly salary and a percentage of his target level of annual short-term incentive compensation ranging from 50% - 100%, depending on length of service, and (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment was terminated. In the event of a change of control resulting in the involuntary termination of Mr. Gross without cause by HLS or by Mr. Gross for good reason, which termination occurs within the first 12 months of a change of control and subject to certain conditions being met, Mr. Gross is entitled to, in addition to any benefits or compensation accrued and target incentive compensation earned and due to Mr. Gross but not yet paid as of the termination date: a lump sum payment equal to one times his base salary, and benefits for a period of one year. Any unvested equity compensation awards shall be exercisable in accordance with the terms of the stock option plan.

Tim Hendrickson. Mr. Hendrickson was the CFO of the Company until January 26, 2024. Prior to his departure, Mr. Hendrickson was party to an employment agreement with HLS, which provided for certain benefits in the event of his termination, including (i) a lump sum payment ranging from two to twelve times his monthly salary and the corresponding short-term incentive compensation at 100% of the target level, (ii) a pro-rated portion of his short-term incentive compensation for the year in which his employment was terminated and (iii) the continuation of benefits for the period of severance following termination (or, at Mr. Hendrickson's option, pay in lieu of such coverage). In the event of a change of control resulting in the involuntary termination of Mr. Hendrickson without cause by HLS or by Mr. Hendrickson for good reason, which termination occurs within the first 12 months of a change of control and subject to certain conditions being met, Mr. Hendrickson was entitled to, in addition to any benefits or compensation accrued and target incentive compensation earned and due to Mr. Hendrickson but not yet paid as of the termination date: a lump sum payment equal to one times his base salary, plus one times the annual target incentive compensation, any unvested equity compensation awards shall be automatically accelerated and be 100% vested and exercisable in accordance with the terms of the stock option plan and benefits for a period of one year. In connection with his departure from HLS, Mr. Hendrickson on January 26, 2024, Mr. Hendrickson was provided with a lump sum payment in the amount of \$584,378, which is equal to twelve (12) months of his annual base salary and the corresponding short-term incentive compensation at 100% of the target level, plus accrued and unpaid vacation day, plus HLS participation in HLS's deferred profit-sharing plan, in consideration for, among other things, his support and orderly transition of the CFO role.

The table below sets out details of the estimated incremental payments from HLS to each of the NEOs if such NEO had been terminated without cause or had terminated his employment for good reason on December 31, 2024:

NEO	Lump Sum Payment (\$)	Prorated STIP Payment (\$)	Benefits Continuation (\$)	Total (\$)
Craig Millian	2,184,160	449,680	68,400	2,702,240
Brian Walsh	540,450	180,150	38,400	759,000
John Hanna	517,350	172,450	8,762	698,562
Ryan Lennox	412,160	117,760	8,762	538,682
Jason Gross ⁽¹⁾	316,728	82,115	8,762	407,605

Note:

(1) Mr. Gross is paid in Canadian dollars, which have been converted from Canadian dollars to U.S. dollars at exchange rates based on the annual exchange rate reported by the Bank of Canada, being US\$0.7302 per C\$1.00 for the year ended December 31, 2024.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out information as at May 12, 2025 with respect to compensation plans under which equity securities of HLS are authorized for issuance to employees and others.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (percentage of issued and outstanding Common Shares)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (percentage of issued and outstanding Common Shares) (excluding securities reflected in column a)
Equity compensation plans approved by securityholders (Stock Option Plan) ⁽¹⁾	3,483,875 (11.0%)	4.72	1,261,278 (4.0%)
Equity compensation plans not approved by securityholders	-	-	Not applicable
Total	3,483,875	4.72	Not applicable

Note:

(1) Reflects Common Shares issuable pursuant to the Company's existing Stock Option Plan, see "Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans – Stock Option Plan."

Security Based Award Burn Rate for the Last Three Years

Pursuant to TSX rules, HLS is required to calculate and disclose the annual "burn rate" for the three most recently completed financial years. The annual burn rate is equal to the number of Options granted in the applicable year, divided by the weighted average number of Common Shares outstanding in that year, expressed as a percentage. The Company's average burn rate over the last three financial years is 2.2%.

As of December 31	2024	2023	2022
Number of Options Issued	750,000	1,197,500	190,853
Weighted average number of Common Shares outstanding	31,839,474	32,263,297	32,432,851
Burn Rate	2.4%	3.7%	0.6%

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No Directors, executive officers or proposed nominees for election as Directors (or any associates thereof) are indebted to the Company and the Company has not guaranteed or otherwise agreed to provide assistance in the maintenance or servicing of any indebtedness of any Director, executive officer or proposed nominee for election as a Director (or any associates thereof).

AUDIT COMMITTEE INFORMATION

In accordance with NI 52-110, additional information regarding the Company's audit committee may be found under the heading "Auditor and Audit Committee Information" in the Company's annual information form for the year ended December 31, 2024, which is available under the Company's SEDAR+ profile at www.sedarplus.com.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

HLS is not aware of any material interest, direct or indirect, of: (i) any informed person of HLS or any associate or affiliate of any informed person, in any transaction since the commencement of HLS's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect HLS or any of its subsidiaries; or (ii)

any person who has been a Director or executive officer of HLS at any time since the beginning of the last financial year, or any associate or affiliate of any such person, in any matter to be acted upon at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on the Company's profile on the SEDAR+ website at www.sedarplus.com. Additional financial information is provided in the audited consolidated financial statements and management's discussion and analysis of HLS for the year ended December 31, 2024 and in the unaudited consolidated financial statements and management's discussion and analysis of the Company for the three-month period ended March 31, 2025. Copies of this Circular, the audited consolidated financial statements of the Company as at and for the year ended December 31, 2024, and related management's discussion and analysis, and the unaudited consolidated financial statements of the Company for the three-month period ended March 31, 2025, and related management's discussion and analysis, may be obtained without charge by writing to the Corporate Secretary of the Company at 10 Carlson Court, Suite 701, Etobicoke Ontario, M9W 6L2.

APPROVAL OF THE DIRECTORS

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board.

Dated at Toronto, Ontario, this 13th day of May, 2025.

BY ORDER OF THE BOARD OF DIRECTORS OF HLS THERAPEUTICS INC.

"Ryan C. Lennox"

RYAN C. LENNOX
Corporate Secretary and Senior Vice President, Legal, HR and Compliance

ANNEX A

BOARD MANDATE

1. **Purpose**

The members of the Board of Directors (the “Board”) have the duty to supervise the management of the business and affairs of HLS Therapeutics Inc. (the “Company”). The Board, directly and through its committees and the chair of the Board (the “Chair”), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

2. **Duties and Responsibilities**

The Board shall have the specific duties and responsibilities outlined below.

Strategic Planning

(a) **Strategic Plans**

The Board will adopt a strategic plan for the Company. At least annually, the Board shall review and, if advisable, approve the Company’s strategic planning process and the Company’s annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management’s assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products.

(b) **Business and Capital Plans**

At least annually, the Board shall review and, if advisable, approve the Company’s annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.

(c) **Monitoring**

At least annually, the Board shall review management’s implementation of the Company’s strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

Risk Management

(d) **General**

At least annually, the Board shall review reports provided by management of principal risks associated with the Company’s business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

(e) **Verification of Controls**

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.

Human Resource Management

(f) **General**

At least annually, the Board shall review a report of the Board’s Compensation and Governance Committee concerning the Company’s approach to human resource management and executive compensation.

(g) **Succession Review**

At least annually, the Board shall review the succession plans of the Company for the Chair, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

(h) **Integrity of Senior Management**

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Company and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout the Company.

Corporate Governance

(i) General

At least annually, the Board shall review a report of the Compensation and Governance Committee concerning the Company's approach to corporate governance.

(j) Director Independence

At least annually, the Board shall review a report of the Compensation and Governance Committee that evaluates the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

(k) Ethics Reporting

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") applicable to directors, officers and employees of the Company. At least annually, the Board shall review the report of the Compensation and Governance Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Compensation and Governance Committee concerning investigations and any resolutions of complaints received under the Code.

(l) Board of Directors Mandate Review

At least annually, the Board shall review and assess the adequacy of its Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

Communications

(m) General

The Board has adopted a Disclosure Policy for the Company. At least annually, the Board, in conjunction with the Chief Executive Officer, shall review the Company's overall Disclosure Policy, including measures for receiving feedback from the Company's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to the Company's Disclosure Policy.

(n) Shareholders

The Company endeavors to keep its shareholders informed of its progress through periodic reports and press releases in accordance with applicable law and the principles of good governance and productive shareholder engagement. Directors and management meet with the Company's shareholders at the annual meeting and are available to respond to questions at that time. In addition, the Company shall maintain on its website a contact email address that will permit shareholders to provide feedback directly to the Chair of the Board.

(o) Composition

General

The composition and organization of the Board, including: the number, qualifications and remuneration of directors; the number of Board meetings; Canadian residency requirements; quorum requirements; meeting procedures and notices of meetings are required by the *Business Corporations Act* (Ontario) (the "OBCA"), the *Securities Act* (Ontario) and the articles and by-laws of the Company, subject to any exemptions or relief that may be granted from such requirements.

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Compensation and Governance Committee.

Independence

A majority of the Board must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Policy 58-201 *Corporate Governance Guidelines*, as may be amended from time to time.

(p) **Committees of the Board**

The Board has established the following committees: the Compensation and Governance Committee, and the Audit Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.

Committee Mandates

The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each mandate shall be reviewed by the Compensation and Governance Committee and any suggested amendments brought to the Board for consideration and approval.

Delegation to Committees

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate.

Consideration of Committee Recommendations

As required by applicable law, by applicable committee mandate or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

Board/Committee Communication

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

Meetings

The Board will meet as often as it considers appropriate to fulfill its duties, but in any event at least once per quarter. The Chair is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Meetings of the Board shall be conducted in accordance with the Company's by-laws. Such by-laws may be amended from time to time in accordance with the requirements of the OBCA.

Secretary and Minutes

The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary or his designee and subsequently presented to the Board for approval.

Meetings Without Management

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

Directors' Responsibilities

Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

Access to Management and Outside Advisors

The Board shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Service on Other Boards and Audit Committee

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

(q) Management

Position Descriptions for Directors

The Board has approved position descriptions for the Chair, the Lead Director, and the chair of each Board committee. At least annually, the Board shall review such position descriptions.

Position Description for Chief Executive Officer

The Board has approved a position description for the Chief Executive Officer, which includes delineating management’s responsibilities. The Board has also approved the corporate goals and objectives that the Chief Executive Officer has responsibility for meeting. At least annually, the Board shall review a report of the Compensation Committee reviewing this position description and such corporate goals and objectives.

(r) Director development and evaluation

Each new director shall participate in the Company’s initial orientation program and each director shall participate in the Company’s continuing director development programs. At least annually, the Board shall review the Company’s initial orientation program and continuing director development programs.

(s) No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Articles and by-laws, it is not intended to establish any legally binding obligations.

REVIEW AND APPROVAL			
Approved By:	Board of Directors	Adopted:	March 12, 2018
		Reviewed:	August 7, 2024

ANNEX B
VIRTUAL AGM USER GUIDE

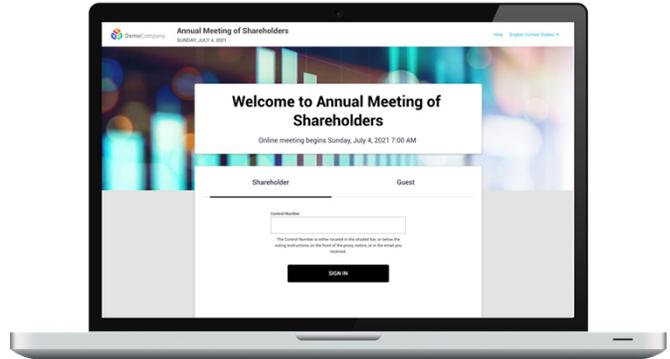
[attached]

HOW TO PARTICIPATE IN THE MEETING ONLINE

Attending the Meeting online

We will be conducting a Virtual Meeting, giving you the opportunity to attend the meeting online, using your smartphone, tablet or computer.

If you choose to participate online you will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.



Visit <https://meetnow.global/MMRC2Z4>

Participate

June 20, 2025 at 10:00 AM EST

You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

To join, you must have your Control Number or Invite Code.

You will be able to log into the site up to 60 minutes prior to the start of the meeting.



Access

Once the webpage above has loaded into your web browser, click **JOIN MEETING NOW** then select **Shareholder** on the login screen and enter your **Control Number**, or if you are an appointed proxyholder, select **Invitation** and enter your **Invite Code**.

If you have trouble logging in, contact us using the telephone number provided at the bottom of the screen.

Important Notice for Non-Registered Holders:

Non-registered holders (holders who hold their securities through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to participate at the meeting. Non-registered holders that wish to attend and participate should follow the instructions on the voting information form and in the management information circular relating to the meeting to appoint and register yourself as proxyholder, otherwise you will be required to login as a guest.

If you are a guest:

Select **Guest** on the login screen. As a guest, you will be prompted to enter your name and email address.

Please note: Guests will be able to ask questions but not vote at the meeting.



Navigation

When successfully accessed, you can view the webcast, vote, ask questions, and view meeting documents.

If viewing on a computer, the webcast will appear automatically once the meeting has started.



Voting

Resolutions will be put forward for voting in the **Vote** tab. To vote, simply select your voting direction from the options shown.

Be sure to vote on all resolutions using the numbered link, if one appears, within the **Vote** tab.

Your vote has been cast when the check mark appears.



Q&A

Any authenticated holder or appointed proxy attending the meeting online is eligible to partake in the discussion.

Access the **Q&A** tab, type your question into the box at the bottom of the screen and then press the **Send** button.