

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 23, 2020**



**HELIUS MEDICAL TECHNOLOGIES, INC.**

(Exact name of Registrant as Specified in Its Charter)

**DELAWARE**  
(State or Other Jurisdiction  
of Incorporation)

**001-38445**  
(Commission File Number)

**36-4787690**  
(IRS Employer  
Identification No.)

**642 Newtown Yardley Road, Suite 100**  
**Newtown, PA**  
(Address of Principal Executive Offices)

**18940**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (215) 944-6100**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
<b>Common Stock</b>	<b>HSDT</b>	<b>The Nasdaq Stock Market LLC</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

### **Appointment of Interim President and Chief Executive Officer**

On August 23, 2020, the Board of Directors (the “Board”) of Heliuss Medical Technologies, Inc. (the “Company”) appointed Dane C. Andreeff as the Company’s Interim President and Chief Executive Officer effective immediately. Mr. Andreeff will continue to serve as a director of the Company. Mr. Andreeff succeeds Phillippe Deschamps who stepped down from his roles as President and Chief Executive Officer and director of the Company effective August 23, 2020 upon mutual agreement with the Board. Mr. Andreeff is expected to serve until the Company completes a search and appoints a new Chief Executive Officer.

Mr. Andreeff, age 54, has served as a member of our Board of Directors since August 2017. Mr. Andreeff is the General Partner and Portfolio Manager at Maple Leaf Partners, LP, which owns approximately 3% of the Company’s outstanding common stock. Maple Leaf Partners, LP is a hedge fund founded by Mr. Andreeff, where he has been employed since 1996. In 2003, the fund was seeded by Julian Robertson’s Tiger Management and later grew to over \$2 billion in assets under management. Mr. Andreeff also serves as a member of the board of directors of TraceSecurity, LLC, HDL Therapeutics, Inc. and Myocardial Solutions, Ltd. Mr. Andreeff received his Bachelor’s degree in Economics from the University of Texas at Arlington in 1989 and his Master’s degree in Economics from the University of Texas at Arlington in 1991. The Board believes that Mr. Andreeff’s extensive experience in the investment industry and capital markets and significant experience advising other companies as a board member, including multiple companies in the healthcare sector, make him a valuable member of the Board.

In connection with the appointment of Mr. Andreeff as the Company’s Interim President and Chief Executive Officer, the Board removed Mr. Andreeff from the Compensation Committee and the Nominating and Corporate Governance Committee, appointed Edward M. Straw to the Compensation Committee and named Vice Admiral (Retired) Straw as chair of such committee.

Pursuant to the Interim President and CEO Employment Letter Agreement (the “Letter Agreement”) entered into with Mr. Andreeff on August 23, 2020, Mr. Andreeff has elected to take no additional compensation in return for his service as Interim President and Chief Executive Officer. However, Mr. Andreeff will continue to be eligible to receive the equity retainer granted annually to the Company’s non-employee directors. Currently, pursuant to the non-employee director compensation policy that the Company adopted effective as of the date of the 2020 annual meeting of stockholders, the Company’s non-employee directors receive an annual equity retainer equal to \$20,000 delivered in the form of options to purchase shares of the Company’s Class A Common Stock. Since he will not be a member of any Board committees, Mr. Andreeff is not eligible for any cash retainer, which the Company only pays to the Chairs of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The foregoing summary of the Letter Agreement with Mr. Andreeff does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Letter Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

There are no arrangements or understandings between Mr. Andreeff and any other person with respect to the appointments described above, and Mr. Andreeff has no family relationship with any director or executive officer of the Company. As previously disclosed, entities affiliated with Mr. Andreeff purchased approximately \$0.2 million, or 571,429, of shares of Class A Common Stock offered by the Company in an underwritten public offering in November 2019, in which each share of Class A Common Stock was purchased at a price of \$0.35 per share. Other than the foregoing, Mr. Andreeff is not a party to any transaction that would require disclosure under Item 404(a) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

### **Appointment of Chairman of the Board of Directors**

Effective as of August 23, 2020, the Board of the Company appointed Board member Blane Walter as the Chairman of the Board.

Mr. Walter, age 49, has served as a member of our Board of Directors since December 2015. Mr. Walter is a partner at Talisman Capital Partners, a position he has held since 2011. In 1999, Mr. Walter founded inChord Communications, Inc., a global private healthcare communications company, which was acquired by inVentiv Health in 2005. Mr. Walter joined inVentiv Health as president of the Communications division in 2005 and was named Chief Executive Officer in 2008 and served in that capacity until leading the sale of the company to Thomas H. Lee Partners in 2010. Following the buyout, Mr. Walter served as vice chairman of inVentiv Group, a holding company which survived the buyout, from 2011 to August 2017. Mr. Walter received a B.S. in marketing and finance from Boston College in 1993. The Board believes that Mr. Walter is qualified to serve as director based on his background in the healthcare and pharmaceutical industries.

There are no arrangements or understandings between Mr. Walter and any other person with respect to the appointments described above, and Mr. Walter has no family relationship with any director or executive officer of the Company. Mr. Walter is not a party to any transaction that would require disclosure under Item 404(a) of Regulation S-K promulgated under the Exchange Act.

## Departure of Chief Executive Officer

On August 25, 2020, the Company announced that the Board and Phillippe Deschamps had mutually agreed that Mr. Deschamps would step down from his positions as President and Chief Executive Officer of the Company effective August 23, 2020 (the “Separation Date”). Effective as of the Separation Date, Mr. Deschamps also resigned from the Board, and the Board reduced its size from six directors to five directors. Mr. Deschamps’s resignation was not due to any disagreement on any matter relating to the Company’s operations, policies, or practices.

In connection with Mr. Deschamps’s departure, the Company entered into a Separation and Release Agreement with Mr. Deschamps on August 23, 2020 (the “Separation Agreement”). Pursuant to the Separation Agreement, Mr. Deschamps resigned from all positions as an officer or employee of the Company and all of the Company’s subsidiaries and as a member of the Board effective as of the Separation Date. The Separation Agreement provides that Mr. Deschamps will receive certain benefits that he is entitled to receive under his employment agreement dated June 13, 2014, as amended, in connection with a termination for good reason. Accordingly, under the Separation Agreement, subject to non-revocation of a general release and waiver of claims in favor of the Company, the Company has agreed to pay Mr. Deschamps a total of \$501,000 less required deductions and withholdings, in equal monthly installments during the twelve-month period following the Separation Date. Mr. Deschamps remains subject to the non-compete and non-solicitation provisions in his employment agreement during the twelve-month period following the Separation Date, and pursuant to the Separation Agreement, has agreed to certain customary standstill restrictions through the end of the period that is two years from the Separation Date. The foregoing summary of the Separation Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Separation Agreement, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

### Item 7.01 Regulation FD Disclosure.

On August 25, 2020, the Company issued a press release announcing the above leadership changes. A copy of the press release is furnished herewith as Exhibit 99.1.

The information set forth in this Item 7.01 and in the press release attached hereto as Exhibit 99.1, is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that Section. The information set forth in this Item 7.01, including Exhibit 99.1, shall not be deemed incorporated by reference into any filing under the Exchange Act or the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.

### Item 9.01 Financial Statements and Exhibits.

#### (d) Exhibits

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.1	<a href="#">Interim President and CEO Employment Letter Agreement Between Helius Medical Technologies, Inc. and Dane C. Andreeff dated August 23, 2020.</a>
10.2	<a href="#">Separation and Release Agreement between Helius Medical Technologies, Inc. and Philippe Deschamps dated August 23, 2020.</a>
99.1	<a href="#">Press Release, dated August 25, 2020.</a>



August 23, 2020

Dane C. Andreeff

**Re: Heliuss Medical Technologies, Inc. Interim President and CEO Employment Letter Agreement**

Dear Dane:

You have agreed to serve as Interim President and Chief Executive Officer ("**Interim CEO**") of Heliuss Medical Technologies, Inc. (the "**Company**") during the Company's search for a permanent President and Chief Executive Officer ("**Successor CEO**"). This letter agreement (the "**Agreement**") sets forth the terms of your employment as the Company's Interim CEO and is effective as of August 23, 2020 (the "**Effective Date**").

**1. Position.** In your position as Interim CEO, you will report to the Company's Board of Directors (the "**Board**"). The Interim CEO position is a full-time position. Although you will be expected to spend time in Newtown, Pennsylvania at the Company's headquarters, given the Coronavirus pandemic, we anticipate that your travel plans may vary significantly, and that you will work principally from your home office when you are not in Newtown. By signing this Agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company. While you serve as Interim CEO, you will also continue to serve on the Board.

**2. Term.** From the Effective Date, your position as Interim CEO may continue, at the latest, until the date on which a Successor CEO is hired and commences employment with the Company (the "**Interim Term**"). Notwithstanding the foregoing, your employment is "at will." The Company expects that you will remain on the Board as a non-employee director following the end of the Interim Term.

**3. Compensation and Benefits.** During the Interim Term, you will not receive any additional compensation in your capacity as Interim CEO. However, you will continue to be eligible to receive the equity retainer granted annually to the Company's non-employee directors. Currently, pursuant to the non-employee director compensation policy that the Company adopted effective as of the date of the 2020 annual meeting of stockholders, the Company's non-employee directors receive an annual equity retainer equal to \$20,000 delivered in the form of options to purchase shares of the Company's Class A Common Stock.

**4. Expenses.** During the Interim Term, the Company will reimburse you for all reasonable and necessary expenses incurred by you in connection with your performance of services as Interim CEO on behalf of the Company, in accordance with applicable Company policies and guidelines.

**5. Required Employment Forms.** You will be required, as a condition of your employment with the Company, to sign all of the Company's standard forms applicable to new employees.

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**6. Tax Matters.** All forms of compensation referred to in this Agreement are subject to applicable withholding and payroll taxes and other deductions required by law.

**7. Entire Agreement.** This Agreement supersedes and replaces any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company, and constitutes the complete agreement between you and the Company, regarding your position as Interim CEO. This Agreement may not be amended or modified, except by an express written agreement signed by both you and the Chairman of the Board. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, your employment with the Company or any other relationship between you and the Company will be governed by Delaware law, excluding laws relating to conflicts or choice of law. In any action between the parties arising out of or relating to any such disputes, each of the parties irrevocably and unconditionally consents and submits to the exclusive jurisdiction and venue of the state and federal courts in the state of Pennsylvania.

If the above terms are acceptable and in accordance with your understanding, please countersign this Agreement below and return it to us.

**[SIGNATURE PAGE FOLLOWS]**

Very truly yours,

**Helius Medical Technologies, Inc.**

By: /s/ BLANE WALTER

Blane Walter  
Chairman of the

Board

Dated: August 23, 2020

**ACKNOWLEDGED AND AGREED:**

By: /s/ DANE C. ANDREEFF  
Dane C. Andreeff

Dated: August 23, 2020

**SIGNATURE PAGE**

**INTERIM PRESIDENT AND CEO EMPLOYMENT LETTER AGREEMENT**

SEPARATION AND RELEASE AGREEMENT

THIS SEPARATION AND RELEASE AGREEMENT (this “**Agreement**”) is made and entered into by and between **HELIUS MEDICAL TECHNOLOGIES INC.**, a Delaware corporation (the “**Company**”) and **PHILIPPE DESCHAMPS** (“**Executive**”). Capitalized terms used but not defined in this Agreement will have the meanings ascribed to them in the Employment Agreement between Executive and the Company dated June 13, 2014, as amended (the “**Employment Agreement**”).

## RECITALS

WHEREAS, Executive is effectuating, and the board of directors of the Company (the “**Board**”) is accepting, a Termination for Good Reason (as defined in the Employment Agreement) of Executive’s employment with the Company;

WHEREAS, accordingly, and in exchange for the promises set forth in this Agreement, Executive will be deemed to have, effective as of August 23, 2020 (the “**Separation Date**”), resigned from all of his positions as (a) an officer and employee of the Company and all of the Company’s subsidiaries and affiliates and (b) a member of the Board, as well as all committees thereof; and

WHEREAS, the Company and Executive (collectively, the “**Parties**” and each, without distinction, a “**Party**”) desire to settle fully and finally all obligations to Executive that the Company may have of any nature whatsoever as a result of Executive’s resignation, as well as (subject to certain limited exceptions expressly set forth in this Agreement) any asserted or unasserted claims that Executive may have against the Company, its subsidiaries or any other Company Released Parties (as defined below), all pursuant to and in accordance with the terms and conditions of this Agreement.

## AGREEMENT

Now, THEREFORE, in consideration of this Agreement and the mutual promises set forth in this Agreement, the Parties agree as follows:

**ARTICLE 1**  
**EMPLOYMENT SEPARATION**

**1.1 SEPARATION OF EMPLOYMENT.** Executive acknowledges and confirms that, effective as of the Separation Date, Executive is resigning from all of his positions as (a) an officer and employee of the Company and all of the Company’s subsidiaries and affiliates and (b) a member of the Board, as well as all committees thereof. The Company shall pay Executive’s compensation for hours worked through the Separation Date, subject to withholding and payable in accordance with the Company’s payroll practices. In addition, the Company will reimburse Executive for Executive’s documented business expenses incurred through the Separation Date that are reviewed and approved according to the Company’s policy and pay any other amounts required by law. Executive will receive the foregoing payments regardless of whether he signs this Agreement.

**1.2 SEPARATION CONSIDERATION.** As consideration for Executive’s agreements and releases set forth herein, and provided that this Agreement has become effective in accordance with Section 2.2, the Company will pay Executive a total of \$501,000, less required deductions and withholdings, in equal monthly installments of \$41,750 during the twelve (12) month period following the Separation Date. The installment payments will be made on the first payroll date of each month, beginning in September 2020. If the revocation period referenced in Section 2.2 has not expired prior to the first installment payment date in September 2020, then the first installment payment will be made on the next payroll date after the expiration of the revocation period.

**1.3 CLAWBACK.** Executive acknowledges and agrees that, pursuant to the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Section 954**”), certain payments



received by Executive prior to the Separation Date, to the extent covered by Section 954, may be subject to “clawback” in the event the Company is required to prepare an accounting restatement of its applicable financial statements due to the Company’s material noncompliance with applicable financial reporting requirements. Executive agrees to promptly return to the Company the amount of any compensation paid to Executive that is required to be forfeited in accordance with Section 954.

**1.4 CONFLICT WITH OTHER AGREEMENTS AND OBLIGATIONS.** In the event of any conflict of the provisions between this Agreement and the Employment Agreement, the provisions set forth in this Agreement shall control. The Parties acknowledge that Executive holds certain equity interests or the rights to purchase equity interests in the Company, and all such interests will continue to be governed by the applicable plan documents and agreements.

**1.5 ACKNOWLEDGEMENT.** Except as provided in this Article 1, the Parties acknowledge and agree that Executive is not, and shall not after the Separation Date, be eligible for any additional payment by the Company of any bonus, salary, vacation pay, retirement pension, severance pay, back pay, or other remuneration or compensation of any kind in respect of employment by the Company. Executive acknowledges and agrees that he does not meet the standard for being listed as an inventor on any of the Company’s patents and/or patent applications. Executive agrees to return to the Company all Company documents and materials, apparatus, equipment and other physical property in Executive’s possession within seven (7) days of the Separation Date and in the manner directed by the Board or its designee. The Parties further acknowledge and agree that: (a) any right that Executive may have to claim a defense and/or indemnity for liabilities to or claims asserted by third parties in connection with his activities as an officer, director or employee of the Company is unaffected by his separation and shall remain in effect in accordance with its terms; and (b) Executive remains bound by, and will strictly comply with, his post-employment obligations set forth in the Employment Agreement.

**1.6 COOPERATION AND ASSISTANCE.** Following the Separation Date, Executive agrees to furnish such information and assistance to the Company as may be reasonably required by the Company in connection with any issues or matters of which Executive had knowledge during Executive’s employment with the Company. In addition, Executive shall make himself reasonably available to assist the Company in matters relating to the transition of Executive’s prior duties to other executives of the Company (including his successor, if any), as may be reasonably requested by the Company. The Company shall reimburse Executive for the reasonable documented out-of-pocket expenses incurred by him in providing such cooperation and assistance; provided that any such expense exceeding Five Hundred Dollars (\$500) shall require the advance consent of the Chairman of the Board. Any services rendered by Executive pursuant to this Section 1.6 shall be governed by the confidentiality provision of the Employment Agreement. Executive shall promptly deliver to Dane C. Andreeff at [dane@mapleleafunds.com](mailto:dane@mapleleafunds.com) all correspondence and any inquires that Executive receives (including the contents of any telephone calls or emails received by Executive) from any third party concerning any issue of material significance to the Company.

**1.7 STANDSTILL.** Executive agrees that, for a period of two (2) years from the Separation Date, neither Executive nor any of Executive’s affiliates or representatives acting on Executive’s behalf or on behalf of other persons acting in concert with Executive will in any manner, directly or indirectly: (a) effect or seek, offer or propose (whether publicly or otherwise) to effect, or announce any intention to effect or cause or participate in or in any way assist, facilitate or encourage any other person to effect or seek, offer or propose (whether publicly or otherwise) to effect or participate in, (i) any acquisition of any securities (or beneficial ownership thereof), or rights or options to acquire any securities (or beneficial ownership thereof), or any assets, indebtedness or businesses of the Company or any of its subsidiaries or affiliates, (ii) any tender or exchange offer, merger or other business combination involving the Company, any of the subsidiaries or affiliates or assets of the Company or the subsidiaries or affiliates constituting a significant portion of the consolidated assets of the Company and its subsidiaries or affiliates, (iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to the Company or any of its subsidiaries or affiliates, or (iv) any “solicitation” of “proxies” (as such terms are used in the proxy rules of the Securities and Exchange Commission (the “SEC”)) or consents to vote any voting securities of the Company or any of its affiliates; (b) form, join or in any way participate in a “group” (as defined under Securities Exchange Act of 1934, as amended) with respect to the Company or otherwise act in concert with any person in respect of any securities of the Company; (c) otherwise act, alone or in concert with others, to seek

representation on or to control or influence the management, the Board or policies of the Company or to obtain representation on the Board; (d) take any action which would or would reasonably be expected to force the Company to make a public announcement regarding any of the types of matters set forth in (a) above; or (e) enter into any discussions or arrangements with any third party with respect to any of the foregoing. Executive also agrees during such period not to request (in any manner that would reasonably be likely to cause the Company to disclose publicly) that the Company or any of its representatives, directly or indirectly, amend or waive any provision of this Section (including this sentence). Nothing in this Section 1.7 shall restrict Executive from exercising vested stock options and/or warrants under terms and conditions of applicable plan documents and agreement.

**1.8 STATEMENT REGARDING RESIGNATION; SEC MATTERS.** Executive acknowledges that Company is obligated to report Executive's termination of employment with the Company on a Form 8-K filed with the United States Securities and Exchange Commission (the "**8-K**"), within four (4) business days after the earlier of the Separation Date or the Parties execution of this Agreement. Executive agrees that the 8-K may contain a statement summarizing the terms and conditions of this Agreement and the fact that Executive's employment with the Company was terminated as of the Separation Date (the "**8-K Statement**"). Executive will cooperate with the Company in providing information with respect to all reports required to be filed by the Company with the SEC as they relate to required information with respect to Executive. Further, Executive will remain in compliance with the terms of the Company's insider trading policy with respect to purchases and sales of the Company's securities. Executive acknowledges and agrees that the Company may be required to file a copy of this Agreement with the SEC.

## **ARTICLE 2** **RELEASE**

**2.1 RELEASE OF CLAIMS.** In consideration for the separation consideration set forth in this Agreement, Executive, on behalf of himself, his heirs, executors, legal representatives, spouse and assigns ("**Executive Releasing Parties**"), hereby fully and forever releases the Company and its respective past and present officers, directors, employees, investors, stockholders, administrators, subsidiaries, affiliates, predecessor and successor corporations and assigns, attorneys and insurers (the "**Company Released Parties**") of and from any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that any of them may possess arising from any omissions, acts or facts that have occurred through the date that Executive signs this Agreement, including, without limitation, any and all claims:

(a) which arise out of, result from, or occurred in connection with Executive's employment by the Company or any of its affiliated entities, the termination of that employment relationship, any events occurring in the course of that employment, or any events occurring prior to the execution of this Agreement;

(b) for wrongful discharge, discrimination, harassment and/or retaliation; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; slander, libel or invasion of privacy; violation of public policy; fraud, misrepresentation or conspiracy; and false imprisonment;

(c) (i) any and all claims for wrongful discharge of employment, and/or (ii) violation of any federal, state or municipal statute relating to employment or employment discrimination, including, without limitation, (A) Title VII of the Civil Rights Act of 1964, as amended, (B) the Civil Rights Act of 1866, as amended, (C) the Civil Rights Act of 1991, as amended, (D) the Executive Retirement and Income Security Act of 1974, as amended, (E) the Age Discrimination in Employment Act of 1967, as amended (the "**ADEA**"), including, without limitation, by the Older Workers' Benefit Protection Act, as amended ("**OWBPA**"), and (F) the OWBPA, (G) the Americans with Disabilities Act of 1990, as amended;

(d) under common law or state statute including, but not limited to, those alleging wrongful discharge, express or implied breach of contract, negligence, invasion of privacy, intentional infliction of emotional distress, fraud, defamation, or violations of the Pennsylvania Human Relations Act and the Pennsylvania

Whistleblower Law, each as amended together with all of their respective implementing regulations and/or any other federal, state, local or foreign law (statutory, regulatory or otherwise) that may be legally waived and released;

- (e) for back pay or other unpaid compensation;
- (f) relating to equity of the Company; and/or
- (g) for attorneys' fees and costs.

Executive represents that he has not filed any lawsuit, arbitration, or other claim against any of the Company Released Parties. Executive states that he knows of no violation of state, federal, or municipal law or regulation by any of the Company Released Parties, and knows of no ongoing or pending investigation, charge, or complaint by any agency charged with enforcement of state, federal, or municipal law or regulation. Executive agrees he shall not receive any monetary damages, recovery and/or relief of any type related to any released claim(s), whether pursued by Executive or any governmental agency, other person or group; provided that nothing in the Agreement prevents Executive from participating in the whistleblower program maintained by the SEC and receiving a whistleblower award thereunder.

**2.2 ACKNOWLEDGMENT OF WAIVER OF CLAIMS UNDER ADEA.** Executive acknowledges that he is waiving and releasing any rights he may have under the OWBPA, the ADEA, and that this waiver and release is knowing and voluntary. Executive acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that he has been advised by this writing that (a) he should consult with an attorney prior to executing this Agreement; (b) he has at least twenty-one (21) days within which to consider this Agreement and that if he signed this Agreement before expiration of that twenty-one (21) calendar day period, he did so knowingly and voluntarily and with the intent of waiving his right to utilize the full twenty-one (21) calendar day consideration period; and (c) he has seven (7) days following his execution of this Agreement to revoke the Agreement (the "**Revocation Period**"). Communication of any such revocation by Executive to the Company shall be provided in writing and mailed by certified or registered mail with return receipt requested and shall be addressed to the Company at its principal corporate offices to the attention of the Chairman of the Company's Board. This Agreement shall not be effective until the Revocation Period has expired.

**2.3 NO ADMISSION OF LIABILITY.** Neither this Agreement nor any statement contained herein shall be deemed to constitute an admission of liability of either Party or the Company Released Parties. This Agreement's execution and implementation may not be used as evidence, and shall not be admissible in a subsequent proceeding of any kind, except one alleging a breach of this Agreement or the Employment Agreement.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

**3.1 REPRESENTATIONS AND WARRANTIES OF EXECUTIVE.** Executive warrants and represents to the Company that he:

- (a) has been advised to consult with legal counsel in entering into this Agreement;
- (b) has entirely read this Agreement;
- (c) has voluntarily executed this Agreement without any duress or undue influence and with the full intent of releasing all claims;
- (d) has received no promise, inducement or agreement not herein expressed with respect to this Agreement or the terms of this Agreement;

(e) is the only person (other than his heirs) who is or may be entitled to receive or share in any damages or compensation on account of or arising out of his relationship with, or providing services to, the Company or any of its affiliated entities, the termination of that relationship or services, any actions taken in the course of that relationship or services, and any events related to that relationship or services or occurring prior to the execution of this Agreement;

(f) understands and agrees that in the event any injury, loss, or damage has been sustained by him which is not now known or suspected, or in the event that the losses or damage now known or suspected have present consequences not known or suspected, this Agreement shall nevertheless constitute a full and final release as to the parties herein released, and that this Agreement shall apply to all such unknown or unsuspected injuries, losses, damages or consequences; and

(g) expressly acknowledges that his entry into this Agreement is in exchange for consideration in addition to anything of value to which he is already entitled.

**3.2 AUTHORITY.** Executive represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind them to the terms and conditions of this Agreement. Executive has not assigned any claim released under this Agreement, and there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

**3.3 NO OTHER REPRESENTATIONS.** Neither Party has relied upon any representations or statements made by the other Party hereto that are not specifically set forth in this Agreement.

#### **ARTICLE 4** **MISCELLANEOUS**

**4.1 SEVERABILITY.** Should any provision of this Agreement be declared or be determined by any arbitrator or court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

**4.2 ENTIRE AGREEMENT.** This Agreement represents the entire agreement and understanding between the Company and Executive concerning Executive's separation from the Company, and supersedes and replaces any and all prior agreements and understandings concerning Executive's relationship with the Company and his compensation by the Company, including without limitation the Employment Agreement, provided, however, that this Agreement does not supersede or modify any continuing obligations of Executive under the Employment Agreement that do not conflict with the terms and conditions of this Agreement, and all of the agreements entered into by Executive with respect to his equity interests or the rights to purchase equity interests, all of which shall continue in full force and effect except as modified here. This Agreement may only be amended by a writing signed by Executive and the Company.

**4.3 ASSIGNMENT.** This Agreement may not be assigned by Executive without the prior written consent of the other party. The Company may assign this Agreement without Executive's consent in connection with a merger or sale of its assets and/or to a corporation controlling, controlled by or under common control with the Company. This Agreement shall inure to the benefit of, and be binding upon, each Party's respective heirs, legal representatives, successors and assigns.

**4.4 GOVERNING LAW; CONSENT TO JURISDICTION, WAIVER OF JURY TRIAL.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Pennsylvania, without regard to its principles of conflicts of laws. Each of the Parties hereto irrevocably submits to the exclusive jurisdiction of the state and federal courts of the State of Pennsylvania for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under the Employment Agreement. Each of the Parties hereto irrevocably consents to the

jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each Party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER. In addition, should it become necessary for the Company to seek to enforce any of the covenants contained in this Agreement through any legal, administrative or alternative dispute resolution proceeding, Executive shall reimburse the Company for its reasonable fees and expenses (legal costs, attorneys' fees and otherwise) related thereto.

**4.5**                    **SECTION 409A.** The provisions of this Agreement shall be interpreted and applied in such a manner that all payments required to be made hereunder either comply with Section 409A of the Code or are exempt from the requirements of Section 409A of the Code. Any reimbursement of expenses to which the Executive is entitled under this Agreement shall, if subject to Section 409A of the Code, be made within the time period and be subject to the other terms and conditions prescribed in the Employment Agreement. To the extent that any amounts payable hereunder are determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code, such amounts shall be subject to such additional rules and requirements as specified by the Company from time to time in order to comply with Section 409A of the Code. Each separately identified payment hereunder is to be treated as a "separate payment" for purposes of Section 409A of the Code. Notwithstanding the foregoing, neither the Company nor any other person guarantees that any particular federal or state income, payroll, personal property or other tax consequence will result under this Agreement, and neither the Company nor any other person shall be liable for any federal or state tax consequence resulting from this Agreement.

**4.6**                    **COUNTERPARTS/ELECTRONIC EXECUTION AND DELIVERY.** This Agreement may be executed in one or more counterparts and by facsimile, each of which shall constitute an original and all of which together shall constitute one and the same instrument. Signatures of the Parties transmitted by facsimile or via .pdf format shall be deemed to be their original signatures for all purposes. The words "execution," "signed," "signature," and words of like import shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Pennsylvania Uniform Electronic Transactions Act, or any other similar state laws based on the Uniform Electronic Transactions Act. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent delivered by means of a facsimile machine or electronic mail (any such delivery, an "**Electronic Delivery**"), will be treated in all manner and respects as an original agreement or instrument and will be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party hereto or to any such agreement or instrument, the other Party hereto or thereto will re-execute original forms thereof and deliver them to the other Party. No Party hereto or to any such agreement or instrument will raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such Party forever waives any such defense, except to the extent such defense related to lack of authenticity.

**SIGNATURES ON THE FOLLOWING PAGE**

The Parties have executed this Separation and Release Agreement as of the date set forth below.

**THE COMPANY:**

**HELIUS MEDICAL TECHNOLOGIES INC.**

/s/ Dane C. Andreeff

Name: DANE C. ANDREEFF

Title: Interim President & CEO

**EXECUTIVE:**

/s/ Phillippe Deschamps

**PHILLIPPE DESCHAMPS**

Date: 08/23/2020

SIGNATURE PAGE  
TO SEPARATION AND RELEASE AGREEMENT



**Helius Medical Technologies, Inc. Announces Departure of President, Chief Executive Officer and Chairman Philippe Deschamps; Board of Directors Appoints Dane C. Andreeff as Interim President and Chief Executive Officer and Appoints Blane Walter as Chairman of the Board of Directors**

**NEWTOWN, PA, | August 25, 2020** - Helius Medical Technologies, Inc. (NASDAQ:HSDT) (TSX:HSM) (“Helius” or the “Company”), a neurotech company focused on neurological wellness, today announced that Philippe Deschamps, has stepped down from his positions as President and Chief Executive Officer (“CEO”) and resigned his position as Chairman of the Board of Directors, effective August 23, 2020. Current members of the Board of Directors, Dane C. Andreeff and Blane Walter, have been appointed to the respective positions of Interim President and CEO, effective August 23, 2020, and Chairman of the Board of Directors, effective August 23, 2020. Mr. Andreeff will continue to serve as a director of the Company and is expected to serve as Interim President and CEO until the Board of Directors completes its search for a permanent successor.

“On behalf of my fellow directors, I would like to thank Phil for his leadership and dedication to Helius Medical Technologies over the last seven years,” said Blane Walter. “Phil has led the Company since its early days and his achievements have enabled Helius to transition to a publicly-traded, commercial-stage company that is currently awaiting regulatory clearance in the U.S. We wish him the very best in his future endeavors.”

Mr. Walter continued “The Board and I believe Dane is an excellent candidate to build upon Helius’ recent regulatory and operational progress as we conduct the search for a permanent successor. Dane has been an important adviser to the Company as a member of the Helius Board of Directors for the last three years, is a large shareholder and is well-versed in all aspects of its strategy. For over 20 years, he has served as General Partner and Portfolio Manager at Maple Leaf Partners, LP, a hedge fund which he founded and subsequently grew to over \$2 billion in assets under management. Dane also possesses significant experience advising other companies as a board member, including multiple companies in the healthcare sector. Importantly, Dane is dedicated to pursuing our objectives as an organization efficiently and effectively, and has elected to take no additional compensation in return for his service as Interim President and CEO. We look forward to leveraging his leadership skills, and experience in managing and advising businesses, as Helius pursues its next phase of growth.”

“During my tenure as a member of Helius’ Board, I have been consistently impressed with the potential of our PoNS technology and dedication our organization has shown to bringing it to the aid of patients suffering from the effects of chronic conditions like multiple sclerosis and traumatic

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brain injury,” said Dane C. Andreeff. “Helius has made exciting regulatory and operational progress this year, expanding our network of authorized PoNS clinics to 19 locations in Canada, obtaining FDA Breakthrough Designation for our target indication in MS – which represents a high unmet medical need – and ultimately submitting our request for U.S. FDA de novo classification and clearance earlier this month. In view of this progress, I believe we are well-positioned to begin the next phase of growth as an organization. As Interim President and CEO, I am committed to building on our recent achievements in Canada and the U.S., and driving continued operational progress for the benefit of our patients and shareholders.”

“It has been a privilege and a great pleasure to serve on the executive leadership team and Board of Directors at Helius and I’m proud of the many accomplishments that we have achieved during my tenure,” said Philippe Deschamps. “I remain a significant shareholder in Helius and a firm believer that the PoNS technology represents a truly revolutionary approach to the treatment of neurological disease and trauma. I look forward to the Company’s future progress under Dane and Blane’s leadership and expertise.”

### **About Dane C. Andreeff**

Dane C. Andreeff has served as a member of Helius’ Board of Directors since August 2017. Mr. Andreeff is the General Partner and Portfolio Manager at Maple Leaf Partners, LP, which owns approximately 3% of Helius’ outstanding common stock. Maple Leaf Partners, LP is a hedge fund founded by Mr. Andreeff, where he has been employed since 1996. In 2003, the fund was seeded by Julian Robertson’s Tiger Management and later grew to over \$2 billion in assets under management.

Mr. Andreeff has served as a member of the Board of Directors of HDL Therapeutics, Inc., a privately held medical technology and device company focused on infusing plasma with pre $\beta$ -HDL for the treatment of multiple cardiovascular indications, since 2012, Myocardial Solutions, Ltd., a privately held medical technology company with an FDA-cleared cardiac MRI software known as MyoStrain® that provides a 10-minute test for detecting heart dysfunction in multiple cardiovascular indications – including cardiotoxicity in cancer treatment, since 2016, and TraceSecurity, LLC, a privately held, profitable cybersecurity services company, since 2005.

Mr. Andreeff received his Bachelor’s degree in Economics from the University of Texas at Arlington in 1989 and his Master’s degree in Economics from the University of Texas at Arlington in 1991.

### **About Blane Walter**

Mr. Walter has served as a member of Helius’ Board of Directors since December 2015. Mr. Walter is a partner at Talisman Capital Partners, a position he has held since 2011. In 1999, Mr. Walter founded inChord Communications, Inc., a global private healthcare communications company, which was acquired by inVentiv Health in 2005. Mr. Walter joined inVentiv Health as president of the Communications division in 2005 and was named Chief Executive Officer in 2008. He served in that capacity until leading the sale of the company to Thomas H. Lee Partners in

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2010. Following the buyout, Mr. Walter served as vice chairman of inVentiv Group, a holding company which survived the buyout, from 2011 to August 2017.

Mr. Walter received his Bachelor's degree in Marketing and Finance from Boston College in 1993.

### **About Helius Medical Technologies, Inc.**

Helius Medical Technologies is a neurotech company focused on neurological wellness. The Company's purpose is to develop, license and acquire unique and non-invasive platform technologies that amplify the brain's ability to heal itself. The Company's first commercial product is the Portable Neuromodulation Stimulator (PoNS™). For more information, visit [www.heliusmedical.com](http://www.heliusmedical.com).

### **About the PoNS™ Device and PoNS Treatment™**

The Portable Neuromodulation Stimulator (PoNS™) is authorized for sale in Canada as a class II, non-implantable, medical device intended as a short term treatment (14 weeks) of gait deficit due to mild and moderate symptoms from multiple sclerosis (MS), and chronic balance deficit due to mild-to-moderate traumatic brain injury (mTBI) and is to be used in conjunction with physical therapy. The PoNS™ is an investigational medical device in the United States, the European Union ("EU"), and Australia ("AUS"). The device is currently under review for de novo classification and clearance by the FDA. It is also under premarket review by the AUS Therapeutic Goods Administration. PoNS™ is currently not commercially available in the United States, the European Union or Australia.

### **Investor Relations Contact:**

Westwicke Partners on behalf of Helius Medical Technologies, Inc.  
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### **Cautionary Disclaimer Statement:**

Certain statements in this news release are not based on historical facts and constitute forward-looking statements or forward-looking information within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Canadian securities laws. All statements other than statements of historical fact included in this news release are forward-looking statements that involve risks and uncertainties. Forward-looking statements are often identified by terms such as "believe," "continue," "look forward," "will" and similar expressions. Such forward-looking statements include, among others, statements regarding the Company's future growth and

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operational progress, including clinical and regulatory development plans for the PoNS device, potential regulatory clearance of the PoNS device, plans to conduct a search for a permanent President and Chief Executive Officer and potential of the PoNS technology.

There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those expressed or implied by such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the impact of the COVID-19 pandemic, uncertainties associated with clinical trial enrollments and the results of clinical trials, uncertainties associated with the clinical development process and FDA regulatory submission and approval process, including the Company's capital requirements to achieve its business objectives, and other risks detailed from time to time in the filings made by the Company with securities regulators, and including the risks and uncertainties about the Company's business described in the "Risk Factors" sections of the Company's Annual Report on Form 10-K for the year ended December 31, 2019, Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 and its other filings with the United States Securities and Exchange Commission and the Canadian securities regulators, which can be obtained from either at [www.sec.gov](http://www.sec.gov) or [www.sedar.com](http://www.sedar.com).

The reader is cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company assumes no obligation to update any forward-looking statement or to update the reasons why actual results could differ from such statements except to the extent required by law.

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.