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

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended June 30, 2025**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from    to**

**Commission File No. 001-38445**

**HELIUS MEDICAL TECHNOLOGIES, INC.**

(Exact name of Registrant as specified in its charter)

Delaware	36-4787690
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
642 Newtown Yardley Road, Suite 100 Newtown, Pennsylvania	18940
(Address of principal executive offices)	(Zip Code)
(215) 944-6100	
(Registrant's telephone number, including area code)	

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.001 par value per share	HSDT	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of August 8, 2025, the registrant had 1,077,257 shares of Class A common stock, \$0.001 par value per share, outstanding.

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**HELIUS MEDICAL TECHNOLOGIES, INC.**  
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**PART I. FINANCIAL INFORMATION**

## ITEM 1. Condensed Consolidated Financial Statements

**Helius Medical Technologies, Inc.****Unaudited Condensed Consolidated Balance Sheets**

(in thousands, except share data)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 6,078	\$ 1,088
Accounts receivable	12	70
Other receivables	82	565
Inventory, net	1,141	1,036
Prepaid expenses and other current assets	490	665
Total current assets	7,803	3,424
Property and equipment, net	90	107
Operating lease right-of-use asset, net	—	11
Total assets	<u>\$ 7,893</u>	<u>\$ 3,542</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 1,292	\$ 873
Accrued and other current liabilities	472	1,239
Current portion of operating lease liabilities	—	12
Current portion of deferred revenue	41	39
Total current liabilities	1,805	2,163
Deferred revenue, net of current portion	62	79
Derivative liability	—	241
Total liabilities	1,867	2,483
<b>Stockholders' equity</b>		
Class A common stock, \$0.001 par value; 150,000,000 shares authorized; 680,475 and 4,936 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	1	—
Additional paid-in capital	191,690	172,425
Accumulated deficit	(185,370)	(171,699)
Accumulated other comprehensive loss	(295)	333
Total stockholders' equity	6,026	1,059
Total liabilities and stockholders' equity	<u>\$ 7,893</u>	<u>\$ 3,542</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**Helius Medical Technologies, Inc.**

**Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss**

(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenue</b>				
Product sales, net	\$ 33	\$ 171	\$ 71	\$ 295
Other revenue	10	11	21	22
Total revenue	43	182	92	317
Cost of revenue	96	118	217	241
Gross (loss) profit	(53)	64	(125)	76
<b>Operating expenses</b>				
Selling, general and administrative expenses	2,447	2,457	5,441	5,090
Research and development expenses	822	870	1,767	1,658
Amortization expense	—	7	—	14
Total operating expenses	3,269	3,334	7,208	6,762
Loss from operations	(3,322)	(3,270)	(7,333)	(6,686)
<b>Nonoperating income</b>				
Interest expense, net	(628)	(5)	(634)	(13)
Change in fair value of derivative liability	(6,028)	1,733	(5,919)	2,875
Foreign exchange gain (loss)	565	(141)	615	(429)
Other (expense)/income, net	(420)	71	(400)	125
Nonoperating income, net	(6,511)	1,658	(6,338)	2,558
Loss before provision for income taxes	(9,833)	(1,612)	(13,671)	(4,128)
Provision for income taxes	—	—	—	—
Net loss	(9,833)	(1,612)	(13,671)	(4,128)
<b>Other comprehensive (loss) income</b>				
Foreign currency translation adjustments	(577)	140	(628)	428
Comprehensive loss	\$ (10,410)	\$ (1,472)	\$ (14,299)	\$ (3,700)
<b>Loss per share</b>				
Basic	\$ (79.73)	\$ (485.30)	\$ (201.55)	\$ (1,886.90)
Diluted	\$ (79.73)	\$ (485.30)	\$ (201.55)	\$ (1,886.90)
<b>Weighted average number of common shares outstanding</b>				
Basic	123,335	3,322	67,828	2,188
Diluted	123,335	3,322	67,828	2,188

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**Helius Medical Technologies, Inc.**  
**Unaudited Condensed Consolidated Statements of Stockholders' Equity**  
(in thousands, except share data)

	Class A Common Stock		Additional Paid-In Capital	Shares To Be Issued		Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount		Shares	Amount			
<b>Balance as of April 1, 2025</b>	8,132	\$ —	\$ 174,692	3,572	\$ 1,843	\$ (175,537)	\$ 282	\$ 1,280
Issuance of common stock in public offering	54,001	—	5,672	—	—	—	—	5,672
Issuance of warrants in public offering	—	—	321	—	—	—	—	321
Share issuance costs	—	—	(780)	—	—	—	—	(780)
Exercise of warrants	618,342	1	11,375	(3,572)	(1,843)	—	—	9,533
Stock-based compensation	—	—	410	—	—	—	—	410
Other comprehensive income	—	—	—	—	—	—	(577)	(577)
Net loss	—	—	—	—	—	(9,833)	—	(9,833)
<b>Balance as of June 30, 2025</b>	<u>680,475</u>	<u>\$ 1</u>	<u>\$ 191,690</u>	<u>—</u>	<u>\$ —</u>	<u>\$ (185,370)</u>	<u>\$ (295)</u>	<u>\$ 6,026</u>

	Class A Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
<b>Balance as of April 1, 2024</b>	1,146	\$ —	\$ 164,844	\$ (162,473)	\$ (385)	\$ 1,986
Issuance of common stock in public offering	939	—	1,587	—	—	1,587
Issuance of warrants in public offering	—	—	4,829	—	—	4,829
Share issuance costs	—	—	(959)	—	—	(959)
Exercise of warrants	2,138	—	1	—	—	1
Settlement of restricted stock units	8	—	—	—	—	—
Stock-based compensation	—	—	367	—	—	367
Other comprehensive income	—	—	—	—	140	140
Net loss	—	—	—	(1,612)	—	(1,612)
<b>Balance as of June 30, 2024</b>	<u>4,231</u>	<u>\$ —</u>	<u>\$ 170,669</u>	<u>\$ (164,085)</u>	<u>\$ (245)</u>	<u>\$ 6,339</u>

**Helius Medical Technologies, Inc.**  
**Unaudited Condensed Consolidated Statements of Stockholders' Equity**  
(in thousands, except share data)

	<u>Class A Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Deficit</u>	<u>Other</u>	
			<u>Capital</u>		<u>Comprehensive</u>	
					<u>Loss</u>	
<b>Balance as of January 1, 2025</b>	4,936	\$ —	\$ 172,425	\$ (171,699)	\$ 333	\$ 1,059
Issuance of common stock in public offering	54,125	—	5,749	—	—	5,749
Issuance of warrants in public offering	—	—	321	—	—	321
Share issuance costs	—	—	(790)	—	—	(790)
Exercise of warrants, net of issuance costs	621,414	1	12,954	—	—	12,955
Stock-based compensation	—	—	1,031	—	—	1,031
Other comprehensive loss	—	—	—	—	(628)	(628)
Net loss	—	—	—	(13,671)	—	(13,671)
<b>Balance as of June 30, 2025</b>	<u>680,475</u>	<u>\$ 1</u>	<u>\$ 191,690</u>	<u>\$ (185,370)</u>	<u>\$ (295)</u>	<u>\$ 6,026</u>

	<u>Class A Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Deficit</u>	<u>Other</u>	
			<u>Capital</u>		<u>Comprehensive</u>	
					<u>Loss</u>	
<b>Balance as of January 1, 2024</b>	918	\$ —	\$ 162,980	\$ (159,957)	\$ (673)	\$ 2,350
Issuance of common stock in public offering	1,136	—	2,961	—	—	2,961
Issuance of warrants in public offering	—	—	4,829	—	—	4,829
Share issuance costs	—	—	(1,132)	—	—	(1,132)
Exercise of warrants	2,169	—	264	—	—	264
Settlement of restricted stock units	8	—	—	—	—	—
Stock-based compensation	—	—	767	—	—	767
Other comprehensive income	—	—	—	—	428	428
Net loss	—	—	—	(4,128)	—	(4,128)
<b>Balance as of June 30, 2024</b>	<u>4,231</u>	<u>\$ —</u>	<u>\$ 170,669</u>	<u>\$ (164,085)</u>	<u>\$ (245)</u>	<u>\$ 6,339</u>

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**Helius Medical Technologies, Inc.**  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
(in thousands)

	Six Months Ended June 30,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Net loss	\$ (13,671)	\$ (4,128)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount and imputed interest expense	680	—
Warrant-related offering costs expensed	448	—
Change in fair value of derivative liability	5,919	(2,875)
Stock-based compensation expense	1,031	767
Foreign exchange (gain) loss	(623)	428
Depreciation expense	17	18
Amortization expense	—	14
Provision for (reversal of) inventory reserve	5	(15)
Non-cash operating lease expense	11	20
Changes in operating assets and liabilities:		
Accounts receivable	59	(8)
Other receivables	484	(19)
Inventory	(111)	(349)
Prepaid expense and other current assets	169	255
Operating lease liabilities	(12)	(22)
Accounts payable	91	609
Accrued and other current liabilities	(770)	(566)
Deferred revenue	(20)	(21)
Net cash used in operating activities	<u>(6,293)</u>	<u>(5,892)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	—	(5)
Net cash used in investing activities	<u>—</u>	<u>(5)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common stock	5,749	2,961
Proceeds from issuance of warrants	3,692	4,829
Proceeds from exercise of warrants	3,734	163
Share issuance costs	(1,212)	(850)
Proceeds from issuance of notes payable	880	—
Repayment of notes payable	(1,560)	—
Net cash provided by financing activities	<u>11,283</u>	<u>7,103</u>
Effect of currency exchange rate changes on cash and cash equivalents	—	(1)
Net increase in cash and cash equivalents	4,990	1,205
Cash and cash equivalents at beginning of period	1,088	5,182
Cash and cash equivalents at end of period	<u>\$ 6,078</u>	<u>\$ 6,387</u>
<b>Supplemental cash flow information</b>		
Non-cash investing and financing transactions:		
Derivative warrant liability reclassified to equity on exercise of warrants	\$ 9,527	\$ 101
Deferred offering costs reclassified to equity upon public offering	\$ 8	\$ 132
Share issuance costs included in accounts payable	\$ 330	\$ 150

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

**Helius Medical Technologies, Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements**

**1. BASIS OF PRESENTATION**

The accompanying unaudited condensed consolidated financial statements of Helius Medical Technologies, Inc. (together with its wholly owned subsidiaries the “Company”) have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”) and should be read in conjunction with the audited consolidated financial statements and notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 that was filed with the Securities and Exchange Commission on March 25, 2025 (“2024 10-K”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) have been condensed or omitted.

There have been no material changes to the Company's significant accounting policies from those described in the 2024 Form 10-K.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.

In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments necessary for a fair statement of the results for the interim periods presented. All such adjustments, unless otherwise noted herein, are of a normal, recurring nature. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year.

*Reverse Stock Splits*

On April 21, 2025, at the annual meeting of stockholders the stockholders of the Company approved a potential reverse stock split at a ratio of 1-to-2 to 1-to-30. The Board subsequently approved a reverse stock split of 1-for-15, which became effective on May 2, 2025 (the “May 2025 Reverse Stock Split”).

On May 23, 2025, at a special meeting of stockholders the stockholders of the Company approved a potential reverse stock split at a ratio of 1-to-2 to 1-to-250. The Board subsequently approved a reverse stock split of 1-for-50, which became effective on July 1, 2025 (the “July 2025 Reverse Stock Split” and together with the May 2025 Reverse Stock Split, the “Reverse Stock Splits”). Refer to Note 6 for additional information.

All issued and outstanding common stock and per share amounts contained in the unaudited condensed consolidated financial statements have been retroactively adjusted to reflect the Reverse Stock Splits for all periods presented. In addition, a proportionate adjustment was made to the per share exercise price and the number of shares issuable upon the exercise of all outstanding stock options and warrants to purchase shares of common stock. A proportionate adjustment was also made to the number of shares reserved for issuance pursuant to the Company’s equity incentive compensation plans to reflect the Reverse Stock Splits. Any fraction of a share of common stock that was created as a result of the Reverse Stock Splits was rounded down to the next whole share and stockholders received cash settlement equal to the market value of the fractional share, determined by multiplying such fraction by the closing sales price of the Company’s common stock as reported on Nasdaq on the last trading day before the Reverse Stock Splits effective dates. The authorized shares and par value of the common stock and preferred stock were not adjusted as a result of the Reverse Stock Splits.

*Going Concern Uncertainty*

As of June 30, 2025, the Company had cash and cash equivalents of \$6.1 million. For the six months ended June 30, 2025, the Company had an operating loss of \$7.3 million, and as of June 30, 2025, its accumulated deficit was \$185.4 million. For the six months ended June 30, 2025, the Company had \$71 thousand of net revenue from the commercial sale of products. The Company expects to continue to incur operating losses and net cash outflows until such time as it generates a level of revenue to support its cost structure. There is no assurance that the Company will achieve profitable

operations, and, if achieved, whether it will be sustained on a continued basis. These factors indicate substantial doubt about the Company's ability to continue as a going concern within one year after the date the unaudited condensed consolidated financial statements are filed. The Company's unaudited condensed consolidated financial statements have been prepared on the basis of continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of business; no adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

The Company intends to fund ongoing activities by utilizing its current cash and cash equivalents on hand, cash received from the sale of its PoNS device in the U.S. and Canada and by raising additional capital through equity or debt financings. There can be no assurance that we will be successful in raising additional capital or that such capital, if available, will be on terms that are acceptable to us. If we are unable to raise sufficient additional capital, we may be compelled to reduce the scope of our operations and planned capital expenditures or sell certain assets, including intellectual property, and we may be forced to cease or wind down operations, seek protection under the provisions of the U.S. Bankruptcy Code, or liquidate and dissolve our company.

#### *Global Economic Conditions*

Generally, worldwide economic conditions remain uncertain, particularly due to geopolitical conflicts in Ukraine and in the Middle East, disruptions in the banking system and financial markets, increased inflation, sustained high interest rates and unpredictable trade policies, including tariffs, customs regulations and other trade restrictions. The general economic and capital market conditions both in the United States and worldwide, have been volatile in the past and at times have adversely affected the Company's access to capital and increased the cost of capital. The capital and credit markets may not be available to support future capital raising activity on favorable terms. If economic conditions decline, the Company's future cost of equity or debt capital and access to the capital markets could be adversely affected.

Changes in economic conditions, trade restrictions, high interest rates, supply chain constraints, logistics challenges, labor shortages, the effects of conflicts in Ukraine and the Middle East, disruptions in the banking system and financial markets, high levels of inflation and an increase in interest rates have increased costs and have had and may continue to have a negative impact on the Company's business. Although the Company has taken and may continue to take measures to mitigate these impacts, if these measures are not effective, the Company's business, financial condition, results of operations, and liquidity could be materially adversely affected.

## **2. RECENT ACCOUNTING PRONOUNCEMENTS**

In November 2024, the FASB issued Accounting Standards Update ("ASU") 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 requires interim and annual tabular disclosure of disaggregated information for certain income statement expense captions. Specific expense categories required to be disclosed quantitatively include inventory purchases, employee compensation, depreciation, and intangible asset amortization, as well as other specified expense categories currently disclosed under existing disclosure requirements. Additionally, any remaining amounts that are not separately disaggregated are required to be described qualitatively. ASU 2024-03 also requires separate disclosure of total selling expenses incurred each reporting period, with annual disclosure of the entity's definition of selling expenses. The annual disclosures required by ASU 2024-03 are effective for the Company beginning in its fiscal year ending December 31, 2027, with interim disclosures effective beginning in its fiscal year ending December 31, 2028. The provisions of ASU 2024-03 are to be applied prospectively, although retrospective application is permitted. Early adoption is also permitted. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The guidance requires expanded annual disclosures including the standardization and disaggregation of income tax rate reconciliation categories and the amount of income taxes paid by jurisdiction. The guidance is effective for the Company

beginning in its fiscal year ending December 31, 2025. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures.

In March 2024, the SEC adopted rules under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which requires the disclosure of material Scope 1 and Scope 2 greenhouse gas emissions and other climate-related topics in annual reports and registration statements. For non-accelerated filers and smaller reporting companies, disclosure requirements will begin phasing in for fiscal years beginning on or after January 1, 2027, subject to legal challenges and the SEC's voluntary stay of the disclosure requirements. The Company is currently evaluating the impact these rules will have on its consolidated financial statements and related disclosures.

### 3. SUPPLEMENTAL BALANCE SHEET DISCLOSURES

Components of selected captions in the unaudited condensed consolidated balance sheets consisted of the following:

#### Accounts receivable

Accounts receivable from product sales are net of allowance for credit losses. The allowance for credit losses was \$0 as of both June 30, 2025 and December 31, 2024.

#### Inventory, net (in thousands)

	June 30, 2025	December 31, 2024
Raw materials	\$ 575	\$ 576
Work-in-process	379	402
Finished goods	279	145
Inventory, gross	1,233	1,123
Inventory reserve	(92)	(87)
Inventory, net	<u>\$ 1,141</u>	<u>\$ 1,036</u>

During the six months ended June 30, 2025, no inventory was written off to the inventory reserve.

#### Prepaid expenses and other current assets (in thousands)

	June 30, 2025	December 31, 2024
Prepaid expenses	\$ 480	\$ 603
Inventory related	10	55
Deferred offering costs	—	7
Total prepaid expenses and other current assets	<u>\$ 490</u>	<u>\$ 665</u>

#### Accrued and other current liabilities (in thousands)

	June 30, 2025	December 31, 2024
Insurance payable	\$ 91	\$ 356
Employees benefits	328	759
Professional services	18	24
Franchise tax	20	—
Other	15	100
Total accrued and other current liabilities	<u>\$ 472</u>	<u>\$ 1,239</u>

## Deferred revenue

### *Exclusive Distribution Agreement*

Pursuant to an Exclusive Distribution Agreement with Health Tech Connex Inc. (“HTC”) (“Exclusivity Agreement”) entered into on March 3, 2023, subject to certain terms and conditions, the Company granted to HTC the exclusive right to provide PoNS Therapy in the Fraser Valley and Vancouver metro regions of British Columbia. HTC will purchase the PoNS devices for use in these regions exclusively from the Company and on terms no less favorable than the then-current standard terms and conditions. This Exclusivity Agreement replaced the previous Clinical Research and Co-Promotion Agreement (“Co-Promotion Agreement”) between the parties entered into in October 2019 that included a similar exclusive right provision. The exclusive right under the Exclusivity Agreement was granted for a value of CAD\$273 thousand, which is represented by the unamortized up-front payment under the former Co-Promotion Agreement. The initial term of the Exclusivity Agreement expires on December 31, 2027, and is renewable by HTC for one additional five-year term upon sixty days’ written notice to the Company.

Deferred revenue as of both June 30, 2025 and December 31, 2024 is comprised of the remaining unamortized amount under the Exclusivity Agreement. Revenue recognized is included in other revenue in the unaudited condensed consolidated statements of operations and comprehensive loss.

On July 13, 2025, the Company sent HTC a termination letter, terminating the Exclusivity Agreement effective immediately, due to material breach by HTC in fulfilling its obligations under the Exclusivity Agreement.

## 4. LEASES

On January 16, 2025, the Company entered into an agreement to extend the operating lease for the Company’s headquarters through March 31, 2026, at a rate of \$4 thousand per month effective April 1, 2025. The lease does not contain any options to extend. Operating lease costs for the three and six months ended June 30, 2025 and 2024 were \$12 thousand and \$23 thousand, \$10 thousand and \$20 thousand, respectively.

Expected operating lease costs as of June 30, 2025 were as follows (in thousands):

2025 (remaining)	\$	24
2026		12
Total lease payments		36

## 5. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value of an asset or liability considers assumptions that market participants would use in pricing the asset or liability, including consideration of non-performance risk. The inputs used to determine fair values are categorized in one of the following three levels of the fair value hierarchy:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Inputs, other than quoted prices in active markets, that are observable, either directly or indirectly.

Level 3 – Unobservable inputs that are not corroborated by market data.

The unaudited condensed consolidated financial statements include financial instruments for which the fair market value of such instruments may differ from amounts reflected on a historical cost basis. As of June 30, 2025 and December 31, 2024, financial instruments of the Company consist of cash equivalents, which were comprised of deposits of excess cash in an unrestricted money market savings account and a money market mutual fund. The carrying value of cash equivalents generally approximates fair value due to their short-term nature.

The Company's derivative liability as of December 31, 2024 is comprised of warrants issued in connection with the registered public offering completed in August 2022 and the warrants issued in connection with the offering in June 2025, discussed in more detail in Note 6 to our unaudited condensed consolidated financial statements. The derivative liability relating to the August 2022 and June 2025 warrants is classified as Level 3 within the fair value hierarchy and is required to be recorded at fair value at inception and on a quarterly recurring basis.

The majority of the Company's non-financial instruments, which include intangible assets, lease assets, inventories and property and equipment, are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually for indefinite-lived intangible assets), a non-financial instrument is required to be evaluated for impairment. If the Company determines that the non-financial instrument is impaired, the Company would be required to write down the non-financial instrument to its fair value.

## **6. COMMON STOCK, PREFERRED STOCK AND WARRANTS**

### ***2025 Offering***

On June 6, 2025 (the "Issuance Date"), we completed the issuance and sale of an aggregate of 52,241 shares of common stock and pre-funded warrants to purchase up to 3,131 shares of common stock ("2025 Pre-funded Warrants") and accompanying common warrants to purchase up to 55,372 shares of common stock (the "Common Warrants") (the "2025 Offering"). We also issued warrants to the placement agent to purchase 2,769 shares of common stock on the same terms as the Common Warrants (the "Placement Agent Warrants" and together with the Common Warrants, the "2025 Warrants"). The 2025 Pre-funded Warrants have an exercise price of \$0.001 per share and 3,131 were exercised on the closing date. The 2025 Offering price per share of common stock and accompanying Common Warrant was \$163.50, the offering price per 2025 Pre-funded Warrant was \$163.499. The Common Warrants have an exercise price of \$367.875 per share, are immediately exercisable upon issuance and will expire two and one-half (2.5) years after the original issuance date.

Following the issue date of the 2025 Warrants, a holder of the Common Warrants has the right to receive, without payment of any additional cash to the Company (the "Zero Cash Provision"), an aggregate number of shares equal to the product of (x) the aggregate number of shares of common stock that would be issuable upon a cash exercise of the common warrant and (y) two. In addition, at 4:01 p.m. Eastern time on the 5th trading day after the date of issuance (the "First Reset Date"), the exercise price of the Common Warrants reset to \$79.25 per share, and on the 10th calendar day after the date of issuance (the "Second Reset Date"), the exercise price of the Common Warrants reset to \$47.55 per share. Under the terms of the 2025 Warrants, following the price resets the number of shares of common stock issuable upon exercise of the 2025 Warrants was increased such that the aggregate exercise price of the 2025 Warrants remained unchanged. The aggregate increase in shares available for purchase on the First Reset Date and Second Reset date was 237,863 for the Common Warrants and 18,650 for the Placement Agent Warrants. In connection with the Common Warrants, 293,233 shares were exercised for 586,466 shares of common stock issued and 2 Common Warrants are outstanding as of June 30, 2025. In connection with the Placement Agent Warrants, 12,548 shares were exercised for 25,093 shares of common stock issued and 8,871 Placement Agent Warrants are outstanding as of June 30, 2025.

At inception, the 2025 Warrants provisions were analyzed under Accounting Standards Codification ("ASC") 718, ASC 840 and ASC 815 and the Company concluded that the Common Warrants did not meet the guidance for being classified as an equity instrument due to the Zero Cash Provision. The fair value of the Common Warrants as of the Issuance Date and as of each Common Warrant exercise was determined using a Monte Carlo simulation model, which uses multiple input variables to determine the probability of a price reset. The gross proceeds were allocated based on the fair value as of the Issuance Date resulting in a derivative liability at the Issuance Date of \$3.4 million. Offering costs allocated to the derivative liability of \$0.5 million were expensed as Other (expense)/income, net. The related change in fair value due to the exercise price and share resets resulted in a loss due to the change in fair value of the derivative liability of \$6.2 million. The fair value of the derivative liability associated with the Common Warrants as of June 30, 2025 was \$0.

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The following table includes the share price and the inputs used to estimate the fair value of the warrants at the Issuance Date and as of each exercise date and before and after each exercise price and share reset:

	<u>Stock price</u>	<u>Warrant term (in years)</u>	<u>Expected volatility</u>	<u>Risk-free interest rate</u>	<u>Dividend rate</u>
June 6, 2025 - Issuance	\$ 54.50	2.50	99.95 %	4.03 %	0.00 %
June 9, 2025	43.25	2.49	99.95	4.03	0.00
June 11, 2025 - Pre-reset	55.50	2.49	99.95	4.03	0.00
June 11, 2025 - Post-reset	55.50	2.49	99.95	4.03	0.00
June 12, 2025	30.03	2.48	99.95	4.03	0.00
June 13, 2025	25.45	2.48	99.95	4.03	0.00
June 16, 2025 - Pre-reset	18.78	2.47	99.95	4.03	0.00
June 16, 2025 - Post-reset	18.78	2.47	99.95	4.03	0.00
June 17, 2025	15.48	2.47	99.95	4.03	0.00
June 18, 2025	18.02	2.47	99.95	4.03	0.00
June 20, 2025	\$ 16.50	2.46	99.95 %	4.03 %	0.00 %

Maxim Group LLC served as the placement agent in the 2025 Offering, pursuant to the terms of a placement agency agreement and received 7% of the gross proceeds of the Offering (the “Cash Transaction Fee”) and reimbursement of the legal fees of its counsel of up to \$100 thousand. Maxim Group LLC paid \$100 thousand to B. Riley Securities for financial advisory services which was deducted from the Cash Transaction Fee and the remaining \$50 thousand financial advisory services fee was paid for by the Company from the net proceeds of the 2025 Offering.

The aggregate gross proceeds to the Company were \$9.1 million, before deducting placement agent fees and other expenses of \$1.2 million and repayment of promissory notes of \$1.56 million.

#### ***Private Placement***

On April 24, 2025, the Company entered into a securities purchase agreement (the “Purchase Agreement”) with certain investors (the “Purchasers”) pursuant to which the Company sold, in a private placement (the “2025 Private Placement”), unsecured 20% original issue discount promissory notes with an aggregate principal amount of \$1.56 million (the “Notes”) with a maturity date of the earlier of a) July 24, 2025, b) the closing date of the Company’s next registered offering of securities on Form S-1. The Purchase Agreement also provides for the issuance of an aggregate of 1,760 shares of common stock of the Company, par value \$0.001 per share (the “Private Placement Shares”) to the Purchasers. The transaction closed on April 25, 2025.

Maxim Group LLC served as the placement agent in the 2025 Private Placement, pursuant to the terms of a placement agency agreement and received 7% of the gross proceeds of the Offering and reimbursement of the legal fees of its counsel of up to \$15,000.

The aggregate gross proceeds to the Company were \$1.3 million, before deducting placement agent fees and expenses of \$0.1 million.

#### ***2024 Public Offering***

On May 9, 2024, the Company closed on a registered public offering consisting of 939 shares of common stock (the “2024 Public Offering”), pre-funded warrants to purchase 2,859 shares of common stock (the “Pre-funded Warrants”) and accompanying Series A Warrants to purchase up to 3,802 shares of its common stock (“Series A Warrants”) and Series B Warrants to purchase up to 3,802 shares of its common stock (“Series B Warrants”, and together with the Series A Warrants, the “2024 Public Warrants”). The 2024 Public Offering price per share of common stock and accompanying Series A Warrants and Series B Warrants was \$1,687.50, the public offering price per Pre-funded Warrant and accompanying Series A and Series B warrant was \$1,687.499.

The Pre-funded Warrants have an exercise price of \$0.001 per share and 1,435 were exercised on the closing date. Net proceeds from the 2024 Public Offering, after deducting placement agent fees and expenses and other offering costs, were approximately \$5.5 million.

The 2024 Public Warrants have an exercise price of \$1,687.50 per share and are exercisable upon issuance. The Series A Warrants will expire five years following the date of issuance and the Series B Warrants will expire twelve months following the date of issuance and expired in May 2025. The Pre-funded Warrants are exercisable upon issuance and may be exercised at any time until the Pre-funded Warrants are exercised in full.

#### ***Warrant inducement***

On January 21, 2025, the Company entered into warrant exercise inducement offer letters (the “Inducement Letters”) with certain holders (the “Holders”) of its existing 2024 Public Warrants to purchase shares of the Company’s Class A common stock (the “Existing Warrants”), pursuant to which the Holders agreed to exercise for cash their Existing Warrants to purchase an aggregate of 6,628 shares of the Company’s common stock, in the aggregate, at a reduced exercise price of \$563.25 per share, in exchange for the Company’s agreement to issue new Series C Warrants and Series D Warrants (the “Inducement Warrants”) on substantially the same terms as the Existing Warrants described below, to purchase up to 8,281 shares of the Company’s common stock (the “Inducement Warrant Shares”). The Company received aggregate gross proceeds of approximately \$3.7 million from the exercise of the Existing Warrants by the Holders. The Company engaged Roth Capital Partners, LLC (“Roth”) to act as its financial advisor with the transactions summarized above and has paid Roth \$0.2 million for its services, in addition to reimbursement for certain expenses along with other legal and regulatory expenses of \$0.1 million resulting in net proceeds of \$3.4 million and non-cash share issuance costs of \$1.0 million and \$3.1 million related to the modification of the Existing Warrants and issuance of the Inducement Warrants, respectively. As of June 30, 2025, 3,572 shares (the “Abeyance Shares”) from the exercised Existing Warrants that were held in abeyance to be issued at the direction of the Holders due to the ownership limitations from the warrant agreements have been issued.

The Company filed a registration statement on Form S-3 and S-3/A covering the resale of the Inducement Warrants Shares issued or issuable upon the exercise of the Inducement Warrants, which was effective March 27, 2025.

On April 21, 2025, stockholder approval was obtained for the issuance of the Inducement Warrants at the Company’s annual meeting of stockholders.

#### ***At-The-Market Offering***

On June 23, 2023, the Company entered into a Sales Agreement (the “Sales Agreement”) with Roth to create an at-the-market offering program (“ATM”) under which the Company may offer and sell shares with an aggregate offering price of up to \$2.0 million. Roth is entitled to a fixed commission rate equal to up to 3% of the gross proceeds pursuant to the Sales Agreement. As of June 30, 2025, 124 and 197 shares have been sold under the ATM generating net proceeds of \$0.1 million and \$1.3 million in 2025 and 2024, respectively. On July 7, 2025, the Company filed a prospectus supplement that amends and supplements the prior prospectus supplements related to the ATM to increase the maximum offering size to \$25.0 million. On July 21, 2025, the Company sold 379,040 shares at a weighted-average price of \$13.63 generating net proceeds after commissions of \$5.0 million.

## **Warrants**

### **August 2022 Warrants**

In connection with the Company's registered public offering that closed on August 9, 2022, the Company issued warrants to purchase an aggregate of 960 shares of common stock ("2022 Public Warrants"). The Company performed an analysis of the provisions of the 2022 Public Warrants and concluded that the 2022 Public Warrants did not meet the guidance for being classified as an equity instrument due to a potential price reset prompted by a change in an unrelated instrument's conversion rate or, in the event of a fundamental transaction, settlement rights that differ from those of the underlying common stockholders.

Due to the exercise resets resulting from the Inducement Letters and May 2025 Reverse Stock Split, refer to Note 1, and related share adjustment, the fair value of the 2022 Warrants as of June 30, 2025 was determined using the Black-Scholes option pricing model and as of December 31, 2024 was determined using both a Monte Carlo simulation model, which uses multiple input variables to determine the probability of the occurrence of a price reset or a fundamental transaction and the Black-Scholes option pricing model. As a result of the Company's reverse stock split on July 1, 2025, refer to Note 1, the exercise price on the Public Warrants was reset to \$8.609 per share based on the volume-weighted average price for the five trading days following the July 2025 Reverse Stock Split. The following table includes the share price and the inputs used to estimate the fair value of the warrants:

	June 30, 2025	December 31, 2024
Stock price	\$ 9.10	\$ 502.73
Warrant term (in years)	2.11	2.61
Expected volatility	153.01 %	98.92 %
Risk-free interest rate	3.72 %	4.26 %
Dividend rate	0.00 %	0.00 %

The fair value of the derivative liability associated with the 2022 Public Warrants as of June 30, 2025 and December 31, 2024 was \$0 and \$0.2 million, respectively. The change in the fair value of the derivative liability was recognized as a component of nonoperating income (expense) in the Company's unaudited condensed consolidated statements of operations and comprehensive loss. The Company will continue to evaluate the 2022 Public Warrants qualitatively in future periods. Eighty 2022 Public Warrants were exercised and no 2022 Public Warrants were cancelled during the six months ended June 30, 2025. The remaining outstanding 2022 Public Warrants to purchase 724 shares of common stock are classified as a derivative liability as of June 30, 2025, were exercisable upon issuance and will expire five years following the date of issuance.

### **Equity-classified Warrants**

The Company has outstanding equity-classified warrants to purchase 17,828 shares of common stock at a weighted average exercise price of \$385.27, with expiration dates ranging from February 2026 to April 2030. During the six months ended June 30, 2025, 22,323 equity-classified warrants, including 3,131 2025 Pre-funded Warrants, 12,548 Placement Agent Warrants, 16 Pre-funded Warrants and 6,628 Exiting Warrants, were exercised for 34,868 common shares as the result of the cashless exercise provision for the Pre-Funded Warrants and the zero cash provision for the Placement Agent Warrants. The 8,871 outstanding Placement Agent Warrants as of June 30, 2025 were exercised in full on July 1, 2025 for 17,742 shares of common stock.

## **7. STOCK-BASED COMPENSATION**

The Company may issue stock-based compensation awards under the Helius Medical Technologies, Inc. 2022 Equity Incentive Plan (as amended, the "2022 Plan") or the Helius Medical Technologies, Inc. 2021 Inducement Plan (as amended, the "Inducement Plan"), as described more fully in the 2024 10-K. On January 1, 2023, pursuant to the automatic increase provision of the 2022 Plan, the number of shares authorized for issuance increased from 352 to 426. On May 30, 2024, the Board adopted a First Amendment (the "Amendment") to the 2022 Plan. On June 27, 2024, at the

annual meeting of stockholders, the stockholders of the Company approved the Amendment. Pursuant to the terms and conditions of the Amendment, the 2022 Plan was amended to increase the aggregate number of shares of common stock that may be issued under the 2022 Plan to 2,785 new shares with an automatic increase on January 1st of each year by an amount equal to 5% of the fully diluted shares (as defined in the 2022 Plan) as of the last day of the preceding calendar year. On July 2, 2024, the Company approved an amendment to the Inducement Plan pursuant to which, the Inducement Plan was amended to increase the aggregate number of shares of common stock that may be issued under the Inducement Plan to 200 new shares. As of January 1, 2025, the number of shares authorized for issuance increased from 2,785 to 3,605. On April 22, 2025, the Board adopted an amendment to the 2022 Plan to increase the aggregate number of shares of common stock that may be issued under the 2022 Plan to 20% of the fully diluted shares on the 10<sup>th</sup> calendar date following the first closing of a registered offering of the Company’s common stock that occurs on or after May 15, 2025 (the “Equity Plan Amendment”). The Equity Plan Amendment was approved by stockholders at the special stockholders meeting held on May 23, 2025, and on June 16, 2025, following the 2025 Offering, the number of shares authorized for issuance increased from 3,605 to 142,286. On July 2, 2025, the Company granted 124,200 stock options out of the 2022 Plan to Directors and employees. As of July 2, 2025, the remaining shares available for grant were 14,485 under the 2022 Plan and 166 under the Inducement Plan.

During the three and six months ended June 30, 2025, the Company granted 847 stock options out of the 2022 Plan and no stock options out of the Inducement Plan at a weighted average exercise price of \$546.90 per share. The options vest over one to three years and expire ten years after the grant date. No options were granted during the six months ended June 30, 2024.

The grant date fair values of the stock options were estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	<u>Six Months Ended June 30,</u>	
	<u>2025</u>	
Risk-free interest rate		4.44 %
Expected volatility		125.37 %
Expected term (years)		5.38
Expected dividend yield		0.00 %
Fair value, per share	\$	476.10

There were no restricted stock units granted during the six months ended June 30, 2025.

As of June 30, 2025, there were an aggregate of 3,635 stock options outstanding with a weighted average exercise price of \$3,794.66 per share and no unvested restricted stock units outstanding.

Total stock-based compensation expense was as follows (in thousands):

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Cost of sales	\$ 1	\$ 5	\$ 7	\$ 9
Selling, general and administrative	345	298	853	628
Research and development	64	64	171	130
Total stock-based compensation expense	<u>\$ 410</u>	<u>\$ 367</u>	<u>\$ 1,031</u>	<u>\$ 767</u>

As of June 30, 2025, the total remaining unrecognized compensation expense related to nonvested stock options and restricted stock units was \$0.8 million which will be amortized over the weighted-average remaining requisite service period of 0.8 years.

## 8. BASIC AND DILUTED LOSS PER SHARE

The table below presents the computation of basic and diluted loss per share (in thousands, except share and per share information):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Basic:</b>				
Net loss available to common stockholders — basic	\$ (9,833)	\$ (1,612)	\$ (13,671)	\$ (4,128)
Weighted average common shares outstanding — basic <sup>(1)(3)</sup>	123,335	3,322	67,828	2,188
Loss per share - basic	\$ (79.73)	\$ (485.30)	\$ (201.55)	\$ (1,886.90)
<b>Diluted:</b>				
Net loss available to common stockholders — diluted <sup>(2)</sup>	\$ (9,833)	\$ (1,612)	\$ (13,671)	\$ (4,128)
Weighted average common shares outstanding — diluted <sup>(1)(3)</sup>	123,335	3,322	67,828	2,188
Loss per share — diluted	\$ (79.73)	\$ (485.30)	\$ (201.55)	\$ (1,886.90)

<sup>(1)</sup> In May 2024, in connection with the 2024 Public Offering, the Company issued and sold Pre-funded Warrants exercisable for an aggregate of 2,859 shares of common stock. The total price of the Pre-funded Warrants is \$1,687.50 per share, \$1,687.499 of which was pre-funded and paid to the Company upon issuance of the Pre-funded Warrants. The exercise price of the Pre-funded Warrants is \$0.001 per share. The Pre-funded Warrants are immediately exercisable and do not expire. During the three and six months ended June 30, 2025, 16 Pre-funded Warrants were exercised, leaving no Pre-funded Warrants outstanding. Refer to Note 6 for additional information about the 2024 Public Offering and the Pre-funded Warrants.

<sup>(2)</sup> For the three and six months ended June 30, 2025 and 2024, no adjustment was made to the numerator.

<sup>(3)</sup> The weighted average number of common shares outstanding as of June 30, 2025 includes the Abeyance Shares from the exercise of the Existing Warrants, the exercise of which was fully paid by the Holders and requires no further consideration for the delivery of the shares of common stock. Therefore, the Abeyance Shares are included in the computation of basic and diluted loss per share.

The following outstanding securities, presented based on amounts outstanding as of the end of each period, were not included in the computation of diluted net loss per share for the periods indicated, as they would have been anti-dilutive due to the net loss in each period.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock options	3,635	323	3,635	323
Warrants <sup>(1)</sup>	18,554	8,512	18,554	8,512

<sup>(1)</sup> Common Warrants outstanding of two warrant shares and Placement Agent Warrants outstanding of 8,871 warrant shares included in the Warrants total are each exercisable for two shares of common stock under the Zero Cash Provision.

## 9. COMMITMENTS AND CONTINGENCIES

The Company is obligated under a license agreement with Advanced NeuroRehabilitation, LLC to pay a 4% royalty on net revenue collected from the sale of devices covered by the patent-pending technology. During the three and six months ended June 30, 2025 and 2024, the Company recorded royalty expense from the sale of devices of approximately \$1 thousand and \$3 thousand, \$7 thousand and \$12 thousand, respectively, in its unaudited condensed consolidated statements of operations and comprehensive loss.

## 10. SEGMENT AND GEOGRAPHIC INFORMATION

### *Segment Information*

Operating segments are components of an enterprise for which separate financial information is available and are evaluated regularly by the Company's chief operating decision maker ("CODM") in deciding how to allocate resources and assessing performance. The Company's CODM is its Chief Executive Officer. The Company's Chief Executive Officer views the Company's operations and manages its business in one operating segment, which is the business of development and commercialization of products related to PoNS® devices. The Company has a single reporting segment and the determination of the single segment is consistent with the information provided to the CODM. The CODM evaluates performance and allocates resources based on the Company's consolidated financial results.

### *Geographic Information*

The following table presents the Company's revenue disaggregated by geographic area (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Product sales, net:				
United States	\$ 7	\$ 67	\$ 26	\$ 146
Canada	26	104	45	149
Total product sales, net	33	171	71	295
Other revenue	10	11	21	22
Total revenue	\$ 43	\$ 182	\$ 92	\$ 317

Four customers accounted for 87% and six customers accounted for 94% of net product sales for the three and six months ended June 30, 2025, respectively, and three customers accounted for 97% and two customers accounted for 88% of net product sales for the three and six months ended June 30, 2024. Two customers accounted for 100% of accounts receivable, net as of June 30, 2025 and December 31, 2024.

## **ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Unless otherwise specified or the context otherwise requires, references to “we,” “us,” “our,” “Heliu” or “Company” mean Heliu Medical Technologies, Inc. and its wholly owned operating subsidiaries, Heliu Medical, Inc., Heliu Medical Technologies (Canada), Inc. and Revelation Neuro, Inc. The unaudited condensed consolidated financial statements and this Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto for the year ended December 31, 2024, and the related Management’s Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission (“SEC”) on March 25, 2025 (the “2024 10-K”). All financial information is stated in U.S. dollars unless otherwise specified. Our unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”).

### **FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties, including statements regarding the Company’s market, strategy, competition, capital needs, business plans and expectations. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “intend,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue”, the negative of such terms or other comparable terminology. Forward-looking statements are made, without limitation, in relation to the Company’s future growth and operational progress, the Company’s compliance with Nasdaq requirements, expected enrollment, developments and future plans regarding regulatory entities, receipt of prescriptions and progress of commercialization of the PoNS device in the U.S., the impacts of the current global macroeconomic environment on the Company, product development activities, the safety and effectiveness of the Company’s product, the manufacturing plans for the Company’s product, sufficiency of cash and availability of funds and operating costs and the Company’s ability to continue as a going concern and future liquidity. Such forward-looking statements involve risks and uncertainties, known and unknown, including capital requirements to achieve the Company’s business objectives, the impact on the Company of global macroeconomic conditions including effects from supply chain constraints, logistics challenges, labor shortages, disruptions in the banking system and financial markets, high levels of inflation and increased interest rates on the Company’s ability to operate its business and access capital markets, the success of the Company’s business plan, including the Company’s ability to secure contracts with rehabilitation clinics, obtain national Medicare coverage at an acceptable rate so that the PoNS device is covered by Medicare and Medicaid, to build internal commercial infrastructure, secure state distribution licenses, build a commercial team and build relationships with Key Opinion Leaders, neurology experts and neurorehabilitation centers, market awareness of the PoNS device, availability of funds, manufacturing, the Company’s ability to maintain and enforce its intellectual property rights, clinical trials and the clinical development process, the product development process, the regulatory submission review and approval process, the Company’s operating costs and use of cash, and the Company’s ability to achieve significant revenues and other factors discussed in the section entitled “Item 1A. Risk Factors” in our 2024 10-K and those described from time to time in the Company’s future reports filed with the SEC. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith, based on information available to the Company as of the date hereof, and reflect the Company’s current judgment regarding its business plans, Heliu cannot guarantee future results, events, levels of activity, performance or achievement and its actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. The Company does not intend, and undertakes no obligation, to update or revise any of the forward-looking statements as a result of new information, future events or otherwise or to conform these statements to actual results, except as required by applicable law, including the securities laws of the United States.

The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with its unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q.

## Company Overview

We are a neurotechnology company focused on neurological wellness. Our purpose is to develop, license or acquire non-implantable technologies targeted at reducing symptoms of neurological disease or trauma.

Our product, known as the Portable Neuromodulation Stimulator, or PoNS<sup>®</sup>, is an innovative non-implantable medical device, inclusive of a controller and mouthpiece, which delivers mild electrical stimulation to the surface of the tongue to provide treatment of gait deficit and chronic balance deficit. PoNS Therapy<sup>®</sup> is integral to the overall PoNS solution and is the physical therapy applied by patients during use of the PoNS device. PoNS has marketing clearance in the U.S. for use as a short-term treatment of gait deficit due to mild-to-moderate symptoms for multiple sclerosis (“MS”) and is to be used as an adjunct to a supervised therapeutic exercise program in patients 22 years of age and over by prescription only. We began accepting prescriptions for PoNS in the U.S. in March 2022, and commercial sales of PoNS commenced in April 2022. PoNS is authorized for sale in Canada for three indications: (i) as a short term treatment (14 weeks) of chronic balance deficit due to mild-to-moderate traumatic brain injury and is to be used in conjunction with physical therapy; (ii) as a short term treatment (14 weeks) of gait deficit due to mild and moderate symptoms from MS and it is to be used in conjunction with physical therapy; and (iii) as a short term treatment (14 weeks) of gait deficit due to mild and moderate symptoms from stroke, to be used in conjunction with physical therapy. It has been commercially available in Canada since March 2019. PoNS is authorized for sale as a Class IIa medical device in Australia and we have been seeking a business partner to commercialize and distribute PoNS in Australia.

## Recent Developments

On July 4, 2025, subsequent to the end of the quarter, the One Big Beautiful Bill Act (“OBBBA”) was signed into law, making various amendments to the Internal Revenue Code. Based on a preliminary assessment, the Company does not expect OBBBA to have a material impact on its consolidated financial statements.

## Corporate Updates

### *Financing and Stock*

On June 6, 2025, the Company completed the issuance and sale of an aggregate of 55,372 shares of the Company’s common stock and accompanying common warrants to purchase up to 55,372 shares of common stock, at an offering price of \$163.50 per share of common stock and accompanying common warrants generating gross proceeds of \$9.1 million before repayment of the previously issued promissory notes of \$1.56 million and cash issuance costs of \$1.2 million (the “2025 Offering”). The Company also issued warrants to the placement agent to purchase 2,769 shares of common stock on the same terms as the common stock warrants. See Note 6 in our unaudited condensed consolidated financial statements for more details.

On May 23, 2025, the stockholders of the Company approved a potential reverse stock split in a ratio of 1-to-2 to 1-to-250. The Board of Directors subsequently approved a reverse split at a ratio of 1-for-50, which became effective July 1, 2025 (the “July 2025 Reverse Stock Split”) as discussed further in Note 6 in our unaudited condensed consolidated financial statements. On April 24, 2025, the Company sold, in a private placement, unsecured 20% original issue discount promissory notes (the “Notes”) and issued 1,760 shares of common stock of the Company generating gross proceeds of \$1.3 million with cash share issuance costs of \$0.1 million for net proceeds of \$1.2 million as discussed further in Note 6 in our unaudited condensed consolidated financial statements.

On April 21, 2025, the stockholders of the Company approved a potential reverse stock split in a ratio of 1-to-2 to 1-to-30. The Board of Directors subsequently approved a reverse split at a ratio of 1-for-15, which became effective May 2, 2025 (the “May 2025 Reverse Stock Split”) as discussed further in Note 6 in our unaudited condensed consolidated financial statements. On January 21, 2025, the Company entered into warrant exercise inducement offer letters with certain holders of existing Series A warrants and Series B warrants (together, the “Existing Warrants”) to exercise their Existing Warrants in exchange for the issuance of new Series C warrants and Series D warrants on substantially the same terms as the Existing Warrants generating gross proceeds of \$3.7 million as discussed further in Note 6 in our unaudited condensed consolidated financial statements.

### *Nasdaq Compliance*

On August 9, 2024, we received written notice (the “Notification Letter”) from The Nasdaq Stock Market LLC (“Nasdaq”) notifying us that the Company was not in compliance with the minimum bid price requirements set forth in Nasdaq Listing Rule 5550(a)(2)(the “Minimum Bid Price Requirement”) for continued listing on the Nasdaq Capital Market. Nasdaq Listing Rule 5550(a)(2) requires listed securities maintain a minimum closing bid price of \$1.00 per share, and Nasdaq Listing Rule 5810(c)(3)(A) provides that a failure to meet the minimum closing bid price requirement exists if the deficiency continues for a period of 30 consecutive business days. Based on the closing bid price of the Company’s Class A common stock (“Common Stock”) for the 30 consecutive business days prior to the date of the Notification Letter, the Company did not meet the minimum closing bid price requirement. In accordance with Nasdaq Marketplace Rule 5810(c)(3)(A), we had a period of 180 calendar days from August 9, 2024, or until February 5, 2025, to regain compliance with the Minimum Bid Price Requirement.

On February 7, 2025, we received a letter from the Listing Qualifications Department (the “Staff”) of Nasdaq indicating the Company’s continued non-compliance with the Minimum Bid Price Requirement. The letter further informed the Company that the Company’s Common Stock would be delisted from the Nasdaq Capital Market unless the Company appeals the Staff’s delisting determination by requesting a hearing before the Nasdaq Hearings Panel (the “Panel”). The Company had a hearing with the Nasdaq Hearing Panel on March 18, 2025. At the hearing, we presented our plan for regaining compliance with the Minimum Bid Price Requirement and requested a further extension so that we may complete the execution of our plan.

On March 31, 2025, Company received written notice (the “Notice”) from Nasdaq stating that the Company no longer complied with the minimum stockholders’ equity requirement under Nasdaq Listing Rule 5550(b)(1)(the “Stockholders’ Equity Requirement”) for continued listing on Nasdaq Capital Market because the Company’s stockholders’ equity, as reported in the Company’s Annual Report on Form 10-K for the fourth quarter and year ended December 31, 2024, had fallen below \$2.5 million. The notice also indicated that the Company did not meet the alternative compliance standards.

On April 1, 2025, the Company received an additional letter from Nasdaq notifying the Company that, following the hearing process with respect to the Company’s deficiency with the Minimum Bid Price Requirement, Nasdaq granted the Company an extension until June 30, 2025 to regain compliance with the Minimum Bid Price Requirement as well as the Stockholders’ Equity Requirement.

On June 3, 2025, the Company received formal notification from Nasdaq confirming that we had regained compliance with the Minimum Bid Price Requirement following the May 2025 Reverse Stock Split.

On July 7, 2025, the Company received formal notification from Nasdaq that, following the completion of the 2025 Offering, the Company has regained compliance with the Stockholders Equity Requirement. Consequently, following receipt of such notification, the Company is now in compliance with all applicable criteria for continued listing on the Nasdaq Capital Market, and pursuant to Nasdaq Listing Rule 5815(d)(4)(B), the Company will be subject to a Mandatory Panel Monitor until July 7, 2026.

If we fail to meet the applicable continued listing requirements for the Nasdaq Capital Market, Nasdaq may delist our Common Stock. If such delisting should occur, it would likely have a negative effect on the price of our Common Stock and would impair an investor’s ability to sell or purchase our Common Stock when desired. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our Common Stock to become listed again, stabilize the market price or improve the liquidity of our Common Stock, prevent our Common Stock from dropping below the Nasdaq minimum bid price requirement, or prevent future non-compliance with Nasdaq’s listing requirements. Additionally, Nasdaq rules allow an expedited delisting of securities of companies that have had one or more reverse stock splits with a cumulative ratio of one for 250 or more shares over the prior two-year period. Under these rules, if a company falls out of compliance with the \$1.00 minimum bid price after completing reverse stock splits over the immediately preceding two years that cumulatively result in a ratio one for 250 shares, the company will not be able to avail itself of any compliance periods and Nasdaq will instead require the issuance of a Staff delisting determination, which is appealable to a hearings panel. Our ability to remain listed on Nasdaq may be negatively impacted by this Nasdaq rule.

## ***Commercialization***

### *Reimbursement*

We are pursuing commercial insurance coverage for PoNS within the Durable Medical Equipment benefit category. On February 29, 2024, CMS assigned HCPCS Level II codes to the PoNS controller and PoNS mouthpiece, effective April 1, 2024. On May 2, 2024, CMS published a proposed fee schedule payment rates for the PoNS controller and PoNS mouthpiece to be discussed at CMS' bi-annual Healthcare Common Procedure Coding System ("HCPCS") public meeting to be held on May 29, 2024. For the PoNS Controller (HCPCS Code A4593), CMS preliminarily set pricing by mapping reimbursement to existing code E0745, (Neuromuscular stimulator, electronic shock unit), resulting in a capped fee of \$1,206.53. For the PoNS Mouthpiece (HCPCS code A4594), CMS based pricing on the previously offered, temporary, cash pay price of \$4,500, resulting in a total capped payment of \$3,075.53.

The Company subsequently provided CMS additional information to support reimbursement economics and presented that information at the public meeting with CMS on May 29, 2024 for consideration by CMS for determination of the final reimbursement amount for each of the PoNS controller and mouthpiece.

On October 7, 2024, CMS posted the final payment rate for the PoNS Mouthpiece (HCPCS code A4594) at \$2,963.30, which became effective January 1, 2025 and deferred final national determination of the payment rate for the PoNS Controller (HCPCS Code A4593) to the next payment cycle. At the Company's request, Company management subsequently met with CMS in December 2024 prior to PoNS Mouthpiece pricing taking effect on January 1, 2025 to request that they revisit the starting point for the gap filling process to more appropriately use the market pricing established through negotiation with the VA and an insurance carrier.

On October 8, 2024, CMS published the preliminary rate for the PoNS Controller (HCPCS Code A4593) at the capped total payment of \$519.80, based on its view that the product is comparable to devices reported with HCPCS code E0730 (transcutaneous electrical nerve stimulation (TENS) device, four or more leads, for multiple nerve stimulation) effective April 1, 2025.

On January 13, 2025, CMS posted final Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies fee schedule payment rates for the PoNS Controller (HCPCS Code A4593) at the capped total payment of \$532.27 and no changes to the previous final determination for the PoNS Mouthpiece (HCPCS code A4594) were made.

On March 11, 2025, the Company announced its first reimbursement payment from a major healthcare payer, Anthem Blue Cross Blue Shield, for its PoNS Device.

On May 12, 2025 the Company announced its second reimbursement approval from a major healthcare payer, United Healthcare.

On June 11, 2025, the Company announced its third reimbursement approval from a major healthcare payer, Aetna Healthcare.

On June 16, 2025, the Company announced an additional authorized claim for payment from Anthem Multiplan and CignaHealth.

We also intend to provide broad access and reimbursement for the PoNS Therapy over time through commercial insurers. Prior to broad commercial payer coverage, we anticipate the primary source of sales will be self-pay and VA patients. We expect to support the cost of the PoNS Therapy by working with advocacy groups and charitable organizations to help self-pay patients access our technology. In general, we anticipate that it will take at least 24 months to obtain broad coverage and reimbursement among government and private payers from the date that the HCPCS codes became effective.

### *Partnership with Lovell Government Services*

During the first quarter of 2024, the Company partnered with Lovell Government Services (“Lovell”), an SBA-certified Service-Disabled Veteran-Owned Small Business, to make the PoNS device available to federal healthcare systems. In May 2024, PoNS became available on the Veteran Affairs Federal Supply Schedule and General Services Administration Advantage Contracts at \$23,843.72 for the PoNS device and \$7,344.97 for the PoNS mouthpiece. In July 2024, PoNS became available to the Department of Defense and U.S. Military facilities on the Distribution and Pricing Agreement at \$23,724.50 for the PoNS device and \$7,308.25 for the PoNS mouthpiece. In December 2024, the first PoNS System sale to the VA Healthcare System through Lovell was delivered at the contracted price of \$23,844, comprised of \$16,499 for the PoNS Controller and \$7,345 for the PoNS Mouthpiece. In March 2025, pricing for PoNS under the Veteran Affairs Federal Supply Schedule and General Services Administration Advantage Contracts increased to \$26,228.09 for the PoNS device and \$8,079.48 for the PoNS mouthpiece. In July 2025, the second PoNS System sale to the VA Healthcare System through Lovell was delivered at the increased price.

In June 2024, the Company began establishing sales representative agreements with organizations and individuals to sell PoNS devices to Veterans Affairs (“VA”) facilities in the U.S. The Company has since established agreements with representatives covering facilities in various states throughout the country.

### *Canadian Commercialization*

On July 11, 2025, the Company successfully secured a product listing agreement with HealthPro, Canada’s leading group purchasing organization representing over 2,000 hospitals. This listing enables the Company to actively promote PoNS to participating healthcare institutions across Canada.

### **Revelation Neuro**

On March 11, 2025, we established Revelation Neuro, Inc. to pursue the development of a new gold standard of care for personalized neurorehabilitation using a non-implantable AI powered brain computer interface combining our newly developed intellectual property with Helius’ existing intellectual property.

### **Stroke Study**

During the first quarter of 2024, leveraging the Breakthrough Designation, the Company reached alignment with the FDA on the registrational program to evaluate the therapeutic benefit of PoNS on gait and balance deficits in chronic stroke subjects, which originally included two initial studies. The first was an investigator-initiated randomized placebo-controlled trial (“IIT”) in approximately 60 subjects, led by Dr. Steven Kautz at the Medical University of South Carolina (“MUSC”) and Dr. Mark Bowden at Brooks Rehabilitation. The second study was a sponsor-initiated single arm (open-label) study (“OLS”), in approximately 30 subjects. Following guidance from FDA, Helius added, in May 2024, a third sponsor-initiated randomized placebo-controlled trial (“SIT”) in approximately 60 subjects, as the pivotal study, along with the OLS, for the registrational program. All three clinical trials enrolled patients from the same patient population and shared the same study structure/endpoints aimed at establishing the efficacy and safety of PoNS in people with gait deficit due to chronic stroke.

Enrollment of the stroke registrational studies started at MUSC for the IIT in August 2023 and, at Brooks Rehabilitation, in August 2024. In June 2024, Helius started enrollment of the OLS at five U.S. Centers of Excellence for Neurorehabilitation including Shepherd Center, MGH-IHP, REHABOLOGYM, Brooks Rehabilitation and New England Neurological Center. Enrollment continued, with the SIT, in July 2024 at Neuro-Concept Rehabilitation Center, Neuphysio, Synaptic Health, Bergin Motion in Canada and REHABOLOGYM in the U.S.

The Company has far exceeded the initial 90-subject target enrollment for its stroke registrational program and enrolled 159 subjects by the end of January 2025, completing all the stroke registrational program (SRP) studies by the end of July 2025. The primary endpoints for all three studies included improvement of gait and/or balance deficit after 12 weeks of study treatment with two key multiplicity-controlled secondary endpoints assessing risk of falling and 12-week durability of effect. Preliminary analysis of the SRP pivotal studies showed that the SIT met the primary endpoint of demonstrating

statistically significant greater improvements in gait and/or balance deficit due to stroke with active PoNS therapy with and without including additional data from the OLS using statistical methods to balance baseline characteristics. The studies also demonstrated minimal incidence of adverse events and confirmed good treatment tolerability. The Company is on track to submit for FDA authorization for stroke in the third quarter of 2025, with the plan to achieve FDA authorization by the end of 2025 or early in 2026.

### ***Strategic Alternatives***

On November 18, 2024, the Company announced that it had initiated a process to explore a range of strategic alternatives focused on maximizing stockholder value and that the Company has engaged B. Riley Securities to act as a financial advisor in connection with such process. The Company continues to evaluate options with respect to potential strategic alternatives.

### **Material Trends and Uncertainties**

#### ***Global Economic Conditions***

Generally, worldwide economic conditions remain uncertain, in part due to supply chain disruptions, labor shortages, global conflicts, increased inflation, sustained high interest rates and unpredictable trade policies, including tariffs, customs regulations and other trade restrictions. The general economic and capital market conditions both in the U.S. and worldwide, have been volatile in recent years and at times have adversely affected our access to capital and have increased the cost of capital. The capital and credit markets may not be available to support future capital raising activity on favorable terms. If economic conditions continue to remain volatile or decline, our future cost of equity or debt capital and access to the capital markets could be adversely affected.

Our operating results could be materially impacted by changes in the overall macroeconomic environment and other economic factors. Changes in economic conditions, trade restrictions, high interest rates, supply chain constraints, logistics challenges, labor shortages, global conflicts such as the conflicts in Ukraine and in the Middle East, and steps taken by governments and central banks as well as other stimulus and spending programs, have led to higher inflation, which has led to an increase in costs and has caused changes in fiscal and monetary policy, including increased interest rates. Although we may take measures to mitigate these impacts, if these measures are not effective, our business, financial condition, results of operations, and liquidity could be materially adversely affected.

**Results of Operations****Three Months Ended June 30, 2025 compared to the Three Months Ended June 30, 2024**

The following table summarizes our results of operations for the three months ended June 30, 2025 and 2024 (in thousands):

	<b>Three Months Ended June 30,</b>		<b>Change</b>
	<b>2025</b>	<b>2024</b>	
<b>Revenue:</b>			
Product sales, net:			
United States	\$ 7	\$ 67	\$ (60)
Canada	26	104	(78)
Total product sales, net	33	171	(138)
Other revenue	10	11	(1)
Total revenue	43	182	(139)
Cost of revenue	96	118	(22)
Gross (loss) profit	(53)	64	(117)
<b>Operating expenses:</b>			
Selling, general and administrative expenses	2,447	2,457	(10)
Research and development expenses	822	870	(48)
Amortization expense	—	7	(7)
Total operating expenses	3,269	3,334	(65)
Loss from operations	(3,322)	(3,270)	(52)
<b>Nonoperating income</b>			
Interest expense, net	(628)	(5)	(623)
Change in fair value of derivative liability	(6,028)	1,733	(7,761)
Foreign exchange gain (loss)	565	(141)	706
Other (expense)/income, net	(420)	71	(491)
Nonoperating income, net	(6,511)	1,658	(8,169)
Loss before provision for income taxes	(9,833)	(1,612)	(8,221)
Provision for income taxes	—	—	—
Net loss	<u>\$ (9,833)</u>	<u>\$ (1,612)</u>	<u>\$ (8,221)</u>

**Revenue**

The decrease in total net product sales was primarily attributable to a decrease in unit volumes for U.S. sales of PoNS systems resulting from the termination of the previously offered temporary cash pay pricing in early 2024 and a decrease in Canadian sales as a result of the material breach of agreement by Health Tech Connex Inc. as discussed in more detail in Note 3 to our unaudited condensed consolidated financial statements.

**Cost of Revenue**

The cost of revenue for the second quarter of 2025 as compared to the same period in the prior year remained relatively flat year-to-year due to decreased unit volumes sold and decreased warranty expense offset by increases in certain inventory reserve adjustments and fixed employee costs.

**Gross (Loss)profit**

Gross loss for the three months ended June 30, 2025 was \$53 thousand compared to gross profit of \$64 thousand for the same period in the prior year. Decreased revenues in the second quarter of 2025 with cost of revenues remaining flat from the prior year were the primary reasons for the year-to-year variance.

***Selling, General and Administrative Expense***

Selling, general and administrative expenses in the second quarter of 2025 were flat as compared to the same period in prior year resulted primarily due to a \$0.1 million increase in stock based compensation and employee wages and benefits and a \$0.1 million increase in transfer agent costs partially offset by a \$0.1 million decrease in professional fees and a \$0.1 million decrease in costs relating to the transfer of third-party manufacturing and professional services.

***Research and Development Expense***

The decrease in research and development expenses was driven primarily by a decrease in employee wages and benefits offset by an increase in product development costs associated with enhancing the PoNS software cybersecurity as required by the FDA.

***Amortization Expense***

Amortization expense in the second quarter of 2024 was comprised of the amortization of acquired finite-lived intangible assets. The change in amortization expense period over period is primarily due to all acquired finite-lived intangible assets becoming fully amortized.

***Nonoperating income (expense)***

***Interest Expense, Net***

Net interest expense for the three months ended June 30, 2025 and 2024 was primarily attributable to interest expense related to the Company's insurance premium financing and interest expense related to the Notes. See Note 6 in the unaudited condensed consolidated financial statements for more detail on the Notes.

***Change in Fair Value of Derivative Liability***

As discussed in more detail in Note 6 to our unaudited condensed consolidated financial statements, the warrants issued in connection with the public offering completed on August 9, 2022 and the 2025 Offering completed on June 6, 2025 are being accounted for as a derivative liability instrument. The loss on change in fair value of derivative liability for the three months ended June 30, 2025 of \$6.0 million was primarily due to a decrease in our stock price and the related exercise reset provisions on the derivative liability warrants from the 2025 Offering.

***Foreign Exchange Gain (Loss)***

The change in foreign exchange gain (loss) was primarily due to fluctuations in the Canadian to U.S. dollar exchange rates.

***Other (expense)/Income, Net***

Other income for the three months ended June 30, 2025 was primarily attributable to dividend income earned on investments of excess cash in money market mutual funds offset by warrant-related offering costs expensed from the 2025 Offering of \$0.5 million.

**Six Months Ended June 30, 2025 compared to the Six Months Ended June 30, 2024**

The following table summarizes our results of operations for the six months ended June 30, 2025 and 2024 (in thousands):

	<u>Six Months Ended June 30,</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
<b>Revenue:</b>			
Product sales, net:			
United States	\$ 26	\$ 146	\$ (120)
Canada	45	149	(104)
Total product sales, net	71	295	(224)
Other revenue	21	22	(1)
Total revenue	92	317	(225)
Cost of revenue	217	241	(24)
Gross (loss) profit	(125)	76	(201)
<b>Operating expenses:</b>			
Selling, general and administrative expenses	5,441	5,090	351
Research and development expenses	1,767	1,658	109
Amortization expense	—	14	(14)
Total operating expenses	7,208	6,762	446
Loss from operations	(7,333)	(6,686)	(647)
<b>Nonoperating income</b>			
Interest expense, net	(634)	(13)	(621)
Change in fair value of derivative liability	(5,919)	2,875	(8,794)
Foreign exchange (loss) gain	615	(429)	1,044
Other (expense)/income, net	(400)	125	(525)
Nonoperating income, net	(6,338)	2,558	(8,896)
Loss before provision for income taxes	(13,671)	(4,128)	(9,543)
Provision for income taxes	—	—	—
Net loss	<u>\$ (13,671)</u>	<u>\$ (4,128)</u>	<u>\$ (9,543)</u>

**Revenue**

The decrease in total net product sales was primarily attributable to a decrease in unit volumes for U.S. sales of PoNS systems and mouthpieces resulting from the termination of the previously offered temporary cash pay pricing in early 2024 and a decrease in Canada sales as a result of the material breach of agreement as discussed in more detail in Note 3 to our unaudited condensed consolidated financial statements.

**Cost of Revenue**

The cost of revenue for the first half of 2025 as compared to the same period in the prior year remained relatively flat year-to-year due to decreased unit volumes sold and decreased warranty expense offset by increases in certain inventory reserve adjustments and fixed employee costs.

**Gross (Loss) profit**

Gross loss for the six months ended June 30, 2025 was \$125 thousand compared to gross profit of \$76 thousand for the same period in the prior year. Decreased revenues in the first half of 2025 with cost of revenues remaining flat from the prior year were the primary reasons for the year-to-year variance.

***Selling, General and Administrative Expense***

The increase in selling, general and administrative expenses in the first half of 2025 as compared to the same period in prior year resulted primarily from a \$0.4 million increase in stock-based compensation expense and employee wages and benefits and a \$0.1 million increase in franchise tax, partially offset by a \$0.2 million decrease in costs relating to the transfer of third-party manufacturing and professional services.

***Research and Development Expense***

The increase in research and development expenses was driven primarily by an increase in product development costs associated with enhancing the PoNS software cybersecurity as required by the FDA partially offset by a decrease in employee wages and benefits.

***Amortization Expense***

Amortization expense in the first half of 2024 was comprised of the amortization of acquired finite-lived intangible assets. The change in amortization expense period over period is primarily due to all acquired finite-lived intangible assets becoming fully amortized.

***Nonoperating income (expense)***

***Interest Expense, Net***

Net interest expense for the six months ended June 30, 2025 and 2024 was primarily attributable to interest expense related to the Company's insurance premium financing and interest expense related to the Notes. See Note 6 in the unaudited condensed consolidated financial statements for more detail on the Notes.

***Change in Fair Value of Derivative Liability***

As discussed in more detail in Note 6 to our unaudited condensed consolidated financial statements, the warrants issued in connection with the public offering completed on August 9, 2022 and the 2025 Offering completed on June 6, 2025 are being accounted for as a derivative liability instrument. The loss on change in fair value of derivative liability for the six months ended June 30, 2025 of \$5.9 million was primarily due to a decrease in our stock price and the related exercise reset provisions on the derivative liability warrants from the 2025 Offering.

***Foreign Exchange Gain (Loss)***

The change in foreign exchange gain (loss) was primarily due to fluctuations in the Canadian to U.S. dollar exchange rates.

***Other (expense)/Income, Net***

Other income for the six months ended June 30, 2025 was primarily attributable to dividend income earned on investments of excess cash in money market mutual funds offset by warrant-related offering costs expensed from the 2025 Offering of \$0.5 million.

## Liquidity and Capital Resources

The following table summarizes our cash and cash equivalents and working capital as of the end of the periods indicated in the table below (in thousands):

	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 6,078	\$ 1,088
Working capital	5,998	1,261

Our available capital resources have been primarily used to expand our U.S. commercialization efforts, fund manufacturing activities for the PoNS device, conduct clinical trials and for working capital and general corporate purposes. Our primary sources of cash and cash equivalents have been proceeds from public and private offerings of our Common Stock which most recently included \$7.9 million in net proceeds we received from the 2025 Offering as discussed in more detail in Note 6 to our unaudited condensed consolidated financial statements. In 2024, the Company received \$5.5 million in net proceeds from a public offering of our Common Stock and warrants completed in May 2024 (“May 2024 Public Offering”) as discussed in more detail in Note 6 to our unaudited condensed consolidated financial statements.

In addition, the Company received net proceeds of \$0.2 million from the issuance of shares upon the exercise of warrants for the year ended December 31, 2024.

As discussed in more detail in Note 6 to our unaudited condensed consolidated financial statements, the Company entered into a sales agreement related to our at-the-market offering program (“ATM”) under which we may offer and sell shares having gross proceeds up to \$2.0 million. During the year ended December 31, 2024, the Company issued and sold shares with net proceeds of \$1.3 million under the ATM and during the six months ended June 30, 2025, the Company issued and sold shares with net proceeds of \$0.1 million under the ATM. In July 2025, the Company updated the prospectus supplement to increase the capacity under the ATM to \$25.0 million and subsequently in July 2025 sold 379,040 shares at a weighted-average price of \$13.63 generating net proceeds after commissions of \$5.0 million.

On January 21, 2025, the Company entered into warrant exercise inducement offer letters and new warrant issuance which generated \$3.4 million in net proceeds as discussed in more detail in Note 6 to our unaudited condensed consolidated financial statements.

On April 24, 2025, the Company sold, in a private placement, unsecured 20% original issue discount promissory notes and issued 1,760 shares of Common Stock of the Company generating gross proceeds of \$1.3 million with cash share issuance costs of \$0.1 million for net proceeds of \$1.2 million as discussed further in Note 6 in our unaudited condensed consolidated financial statements.

## Statement of Cash Flows

The following table summarizes our cash flows for the six months ended June 30, 2025 and 2024 (in thousands):

	<u>Six Months Ended June 30,</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Net cash used in operating activities	\$ (6,293)	\$ (5,892)	\$ (401)
Net cash used in investing activities	—	(5)	5
Net cash provided by financing activities	11,283	7,103	4,180
Effect of foreign exchange rate changes on cash	—	(1)	1
Net increase in cash and cash equivalents	<u>\$ 4,990</u>	<u>\$ 1,205</u>	<u>\$ 3,785</u>

### ***Net Cash Used in Operating Activities***

The higher level of cash used in operating activities in the six months ended June 30, 2025 primarily resulted from the increase in selling, general and administrative expenses and research and development expenses as compared with the same period in the prior year.

### ***Net Cash Used in Investing Activities***

Our investing activities are primarily related to the purchases of property and equipment in the prior year.

### ***Net Cash Provided by Financing Activities***

During the six months ended June 30, 2025, \$3.4 million in net proceeds were generated from entering into a warrant inducement with current warrant holders, net proceeds of \$0.1 million from issuance and sales of shares under the ATM, the Company sold, in a private placement, promissory notes and issued shares of Common Stock generating net proceeds of \$1.2 million and the Company generated \$7.9 million in net proceeds from an offering of Common Stock and warrants. The Company repaid the promissory notes of \$1.56 million.

### **Cash Requirements**

Our ability to generate product revenues sufficient to achieve profitability will depend heavily on the successful commercialization of PoNS Therapy in the U.S. Our net loss was \$13.7 million and \$4.1 million for the six months ended June 30, 2025 and 2024, respectively. As of June 30, 2025, we had an accumulated deficit of \$185.4 million. We expect to continue to incur significant expenses and operating losses for the foreseeable future. These and other factors indicate substantial doubt about our ability to continue as a going concern. Refer to Note 1 to our unaudited condensed consolidated financial statements for additional discussion about our going concern uncertainty.

We intend to use our available capital resources primarily to expand our U.S. commercialization efforts, fund manufacturing activities for the PoNS device, conduct clinical trials and for working capital and general corporate purposes. We believe that our existing capital resources, as well as the \$5.0 million net proceeds from the issuance and sale under the ATM in July of 2025 will be sufficient to fund our operations into the second quarter of 2026, but we will be required to seek additional funding through the sale of equity or debt financing to continue to fund our operations thereafter. We will need additional funding for our planned clinical trial for stroke. The amount required to fund operations thereafter will depend on various factors, including timing of approval of clinical trials, duration and result of clinical trials and other factors that affect the cost of the clinical trial, manufacturing costs of product, development of our product for new indications and demand for our authorized products in the market.

There can be no assurance that we will be successful in raising additional capital or that such capital, if available, will be on terms that are acceptable to us. If we are unable to raise sufficient additional capital, we may be compelled to reduce the scope of our operations and planned capital expenditures or sell certain assets, including intellectual property, and we may be forced to cease or wind down operations, seek protection under the provisions of the U.S. Bankruptcy Code, or liquidate and dissolve our company.

### **Critical Accounting Policies and Estimates**

Our discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements that have been prepared in accordance with U.S. GAAP. This preparation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities.

Our critical accounting policies and estimates are described in Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates” of our 2024 10-K. There have been no changes in critical accounting policies in the current year from those described in our 2024 10-K.

### **ITEM 3. Quantitative and Qualitative Disclosures about Market Risk**

Not applicable.

### **ITEM 4. Controls and Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, under the direction of our Chief Executive Officer and our Chief Financial Officer, we have evaluated our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report. Our management has concluded that the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with generally accepted accounting principles.

#### **Changes in Internal Control over Financial Reporting**

There has not been any change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II – OTHER INFORMATION**

### **Item 1. Legal Proceedings**

From time to time, we are subject to litigation and claims arising in the ordinary course of business. We are not currently a party to any material legal proceedings, and we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results or financial condition.

### **Item 1A. Risk Factors**

Our business is subject to risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. During the six months ended June 30, 2025, our risk factors have not changed materially from those risk factors previously disclosed in our 2024 10-K except as set forth below. You should carefully consider the risk factors discussed in Part I, “Item 1A. Risk Factors” in our 2024 10-K. The risks described in our 2024 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

*Nasdaq may delist our Common Stock from its exchange which could limit your ability to make transactions in our securities and subject us to additional trading restrictions.*

On August 9, 2024, we received a Notification Letter from the Staff of Nasdaq notifying us that because the closing bid price of our Common Stock was below \$1.00 per share for the prior 30 consecutive business days, we were not in compliance with the minimum bid price requirement for continued listing on the Nasdaq Capital Market, as set forth in the Minimum Bid Price Requirement. On February 7, 2025, we received a second Notification Letter from the Staff notifying us that the 180-day compliance period had expired and that we were ineligible for an additional 180-day period due to the Company’s noncompliance with the \$5,000,000 minimum stockholders’ equity initial listing requirement for the Nasdaq Capital Market.

As a result, the second Notification Letter informed us that our listed Common Stock would be subject to delisting pending the request of an appeal with regards to this determination. The Company had a hearing with the Nasdaq Hearing Panel

On March 18, 2025. On March 31, 2025, we received written notice Staff stating that the Company no longer complied with the Stockholders' Equity Requirement for continued listing on The Nasdaq Stock Market LLC because the Company's stockholders' equity, as reported in the Company's Annual Report on Form 10-K for the fourth quarter and year ended December 31, 2024, had fallen below \$2.5 million. The notice also indicates that the Company does not meet the alternative compliance standards.

On April 1, 2025, the Company received the Extension Notice from Nasdaq notifying the Company that, following the hearing process with respect to the Company's deficiency with the Minimum Bid Price Requirement, Nasdaq granted the Company an extension, until June 30, 2025 to regain compliance with the Minimum Bid Price Requirement as well as the Stockholders' Equity Requirement.

On June 3, 2025, the Company received formal notification from Nasdaq confirming that we had regained compliance with the Minimum Bid Price Requirement following the May 2025 Reverse Stock Split.

On July 7, 2025, the Company received formal notification from Nasdaq that, following the completion of the 2025 Offering, the Company has regained compliance with the Stockholders Equity Requirement. Consequently, following receipt of such notification, the Company is now in compliance with all applicable criteria for continued listing on the Nasdaq Capital Market, and pursuant to Nasdaq Listing Rule 5815(d)(4)(B), the Company will be subject to a Mandatory Panel Monitor until July 7, 2026.

If our Common Stock is delisted by Nasdaq, the price of our Common Stock may decline and our Common Stock may be eligible to be quoted on the OTC Bulletin Board, another over-the-counter quotation system, or on the pink sheets, which would negatively affect the liquidity of our Common Stock and an investor may find it more difficult to dispose of their Common Stock or obtain accurate quotations as to the market value of our Common Stock. Any such delisting action may materially adversely affect our ability to raise capital or pursue strategic transactions on acceptable terms, or at all.

In addition, if our Common Stock is delisted from the Nasdaq Capital Market and the trading price remains below \$5.00 per share, trading in our Common Stock might also become subject to the requirements of certain rules promulgated under the Exchange Act, which require additional disclosure by broker-dealers in connection with any trade involving a stock defined as a "penny stock" (generally, any equity security not listed on a national securities exchange that has a market price of less than \$5.00 per share, subject to certain exceptions).

We also believe that delisting would likely result in decreased liquidity and/or increased volatility in our Common Stock and could harm our business and future prospects. In addition, we believe that, if our Common Stock is delisted, our stockholders would likely find it more difficult to obtain accurate quotations as to the price of the Common Stock and it may be more difficult for stockholders to buy or sell our Common Stock at competitive market prices, or at all.

We continue to actively monitor our performance with respect to the listing standards and will consider available options to resolve any deficiency and maintain compliance with the Nasdaq rules. There can be no assurance that we will be able to maintain compliance or, if we fall out of compliance, regain compliance with any deficiency, or if we implement an option that regains our compliance, maintain compliance thereafter.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

**Item 3. Defaults upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

**Rule 10b5-1 Trading Plans – Directors and Section 16 Officers**

During the six months ended June 30, 2025, none of the Company’s directors or Section 16 officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any “non-Rule 10b5-1 trading arrangement”.

**Item 6. Exhibits**

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
3.1	<a href="#">Certificate of Conversion filed with the Delaware Secretary of State on July 18, 2018 (incorporated by reference to Exhibit 3.1 to the Form 10-Q filed August 9, 2018)</a>
3.2	<a href="#">Certificate of Incorporation, as corrected (incorporated by reference to Exhibit 3.1 to the Form 8-K filed October 30, 2018)</a>
3.3	<a href="#">Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on December 31, 2020)</a>
3.4	<a href="#">Certificate of Designation of the Series B Preferred Stock of the Registrant (incorporated by reference to Exhibit 3.1(a) to the Registration Statement on Form 8-A, filed on March 24, 2023)</a>
3.5	<a href="#">Corrected Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on August 16, 2023)</a>
3.6	<a href="#">Second Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Form 8-K filed March 15, 2024)</a>
3.7	<a href="#">Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 8 K filed on April 30, 2025)</a>
3.8	<a href="#">Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 8 K filed on June 27, 2025)</a>
4.1	<a href="#">Form of Note (incorporated by reference to Exhibit 4.1 to the Form 8-K filed on April 25, 2025)</a>
4.2	<a href="#">Form of Common Warrant to Purchase Shares of Common Stock (incorporated by reference to Exhibit 4.2 to the Form S-1 filed on May 23, 2025)</a>
4.3	<a href="#">Form of Placement Agent Warrant to Purchase Shares of Common Stock (incorporated by reference to Exhibit 4.3 to the Form S-1 filed on May 23, 2025)</a>
4.4	<a href="#">Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.4 to the Form S-1 filed on May 23, 2025)</a>
10.1	<a href="#">Form of Securities Purchase Agreement dated April 24, 2025 by and between the Company and the Purchasers (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on April 25, 2025)</a>
10.2	<a href="#">Form of Placement Agency Agreement (incorporated by reference to Exhibit 10.2 to the Form 8-K filed on April 25, 2025)</a>
10.3	<a href="#">Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.3 to the Form 8-K filed on April 25, 2025)</a>
10.4	<a href="#">Placement Agency Agreement dated June 4, 2025 by and between the Company and Maxim Group LLC</a>
10.5	<a href="#">Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.25 to the Form S-1 filed on May 23, 2025)</a>
31.1#	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2#	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1#*	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2#*	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS#	Inline XBRL Instance Document
101.SCH#	Inline XBRL Taxonomy Extension Schema Document
101.CAL#	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB#	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE#	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF#	Inline XBRL Taxonomy Extension Definition Linkbase Document
104#	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

# Filed herewith.

\* These certifications are being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HELIUS MEDICAL TECHNOLOGIES, INC.

Dated: August 14, 2025

By: /s/ Dane C. Andreeff  
Dane C. Andreeff  
*President and Chief Executive Officer*

Dated: August 14, 2025

By: /s/ Jeffrey S. Mathiesen  
Jeffrey S. Mathiesen  
*Chief Financial Officer, Treasurer and Secretary  
(Principal Financial  
Officer and Principal Accounting Officer)*

**PLACEMENT AGENCY AGREEMENT**

June 4, 2025

Maxim Group LLC  
300 Park Avenue, 16<sup>th</sup> Floor  
New York, NY 10022

Ladies and Gentlemen:

Subject to the terms and conditions herein (this "Agreement"), Helius Medical Technologies, Inc., a Delaware corporation (including any successor thereto, the "Company"), hereby agrees to sell up to an aggregate of \$9,053,322 of units, each unit consisting of (1) either (i) one share (each a "Share" and collectively, the "Shares") of Common Stock of the Company, par value \$0.001 per share (the "Common Stock"), or (ii) one pre-funded warrant in lieu thereof to purchase one share of Common Stock (the "Pre-Funded Warrants") and (2) one warrant to purchase one share of Common Stock (the "Warrants," and the Shares issuable upon exercise of the Warrants and Pre-Funded Warrants, the "Warrant Shares," and the Shares, Pre-Funded Warrants, Warrants and Warrant Shares, collectively, the "Securities") directly to various investors (each, an "Investor" and, collectively, the "Investors") through Maxim Group LLC as placement agent (the "Placement Agent"). The documents executed and delivered by the Company and the Investors in connection with the Offering (as defined below), including, without limitation, a securities purchase agreement (the "Purchase Agreement"), shall be collectively referred to herein as the "Transaction Documents." The purchase price to the Investors for the Securities will be negotiated between the Company and the Investors, in consultation with the Placement Agent. The Placement Agent may retain other brokers or dealers to act as sub-agents or selected-dealers on its behalf in connection with the Offering.

The Company hereby confirms its agreement with the Placement Agent as follows:

**Section 1. Agreement to Act as Placement Agent.**

(a) On the basis of the representations, warranties and agreements of the Company herein contained, and subject to all the terms and conditions of this Agreement, the Placement Agent shall be the exclusive placement agent in connection with the offering and sale by the Company of the Securities pursuant to the Company's registration statement on Form S-1 (File No. 333-287572), as amended (and including any registration statement prepared and filed by the Company in accordance with Rule 462(b) pursuant to the Securities Act) (the "Registration Statement"), with the terms of such offering (the "Offering") to be subject to market conditions and negotiations between the Company, the Placement Agent and the prospective Investors. The Placement Agent will act on a reasonable best efforts basis and the Company agrees and acknowledges that there is no guarantee of the successful placement of the Securities, or any portion thereof, in the prospective Offering. Under no circumstances will the Placement Agent or any of its "Affiliates" (as defined below) be obligated to underwrite or purchase any of the Securities for its own account or otherwise provide any financing. The Placement Agent shall act solely as the Company's agent and not as principal. The Placement Agent shall have no authority to bind the Company with respect to any prospective offer to purchase Securities and the Company shall have the sole right to accept offers to purchase Securities and may reject any such offer, in whole or in part. Subject to the terms and conditions hereof, payment of the purchase price for, and delivery of, the Securities shall be made at one or more closings (each a "Closing" and the date on which each Closing occurs, a "Closing Date"). The Closing of the issuance of the

Securities shall occur via “Delivery Versus Payment”, i.e., on the Closing Date, the Company shall issue the Securities directly to the account designated by the Placement Agent and, upon receipt of such Securities, the Placement Agent shall electronically deliver such Securities to the applicable Investor and payment shall be made by the Placement Agent (or its clearing firm) by wire transfer to the Company. As compensation for services rendered, on each Closing Date, the Company shall pay to the Placement Agent the fees and expenses set forth below:

- (i) A cash fee equal to 7.0% of the gross proceeds received by the Company from the sale of the Securities at the Closing; notwithstanding the foregoing, the cash fee payable to the Placement Agent pursuant to this subsection (i) hereof shall be reduced by up to \$150,000 being paid for financial advisory services.
  - (ii) Such number of Common Share purchase warrants (the “Placement Agent Warrants”) to the Placement Agent or its designees at the Closing to purchase Common Shares equal to 5.0% of the aggregate number of Shares and Pre-Funded Warrants sold in the Offering and will have the same exercise price and terms as the Warrants issued to the Purchasers in the Offering; and
  - (iii) The Company also agrees to reimburse Placement Agent’s expenses up to a maximum of \$100,000, unless otherwise agreed by the Company and the Placement Agent, payable immediately upon and only in the event of the Closing of the Offering.
- (b) Upon the Closing or termination (other than for cause as defined in FINRA Rule 5110(g)(5)(B)) of the Offering, if within six (6) months following such time, the Company completes any financing of equity, equity-linked or debt or other capital raising activity with, or receives any proceeds from, any of the investors contacted (verbally or by e-mail) by the Placement Agent, then the Company will pay the Placement Agent upon the closing of such financing or receipt of such proceeds the compensation equivalent to that set forth in Section 1(a)(i) and (ii).
- (c) The term of the Placement Agent's exclusive engagement shall be as set forth in the Engagement Letter (as defined herein). Notwithstanding anything to the contrary contained herein, the provisions concerning confidentiality, indemnification and contribution contained herein and the Company’s obligations contained in the indemnification provisions will survive any expiration or termination of this Agreement, and the Company’s obligation to pay fees actually earned and payable and to reimburse expenses actually incurred and reimbursable pursuant to Section 1 hereof and which are permitted to be reimbursed under FINRA Rule 5110(g)(4)(A), will survive any expiration or termination of this Agreement; provided, however, that if for any reason an Offering is not consummated, then the obligation of the Company to reimburse the Placement Agent for expenses shall not exceed \$30,000 in the aggregate. Nothing in this Agreement shall be construed to limit the ability of the Placement Agent or its Affiliates to pursue, investigate, analyze, invest in, or engage in investment banking, financial advisory or any other business relationship with Persons (as defined below) other than the Company. As used herein (i) “Persons” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind and (ii) “Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act of 1933, as amended (the “Securities Act”).

**Section 2. Representations, Warranties and Covenants of the Company.** The Company hereby represents, warrants and covenants to the Placement Agent as of the date hereof, and as of each Closing Date, as follows:

(a) Securities Law Filings. The Company has filed with the Securities and Exchange Commission (the “Commission”) the Registration Statement under the Securities Act, which was initially filed on May 23, 2025 and declared effective on June 4, 2025 for the registration of the Securities under the Securities Act. Following the determination of pricing among the Company and the prospective Investors introduced to the Company by the Placement Agent, the Company will file with the Commission pursuant to Rules 430A and 424(b) under the Securities Act, and the rules and regulations (the “Rules and Regulations”) of the Commission promulgated thereunder, a final prospectus relating to the placement of the Securities, their respective pricings and the plan of distribution thereof and will advise the Placement Agent of all further information (financial and other) with respect to the Company required to be set forth therein. Such registration statement, at any given time, including the exhibits thereto filed at such time, as amended at such time, is hereinafter called the “Registration Statement”; such prospectus in the form in which it appears in the Registration Statement at the time of effectiveness is hereinafter called the “Preliminary Prospectus”; and the final prospectus, in the form in which it will be filed with the Commission pursuant to Rules 430A and/or 424(b) (including the Preliminary Prospectus as it may be amended or supplemented) is hereinafter called the “Final Prospectus.” The Registration Statement at the time it originally became effective is hereinafter called the “Original Registration Statement.” Any reference in this Agreement to the Registration Statement, the Original Registration Statement, the Preliminary Prospectus or the Final Prospectus shall be deemed to refer to and include the documents incorporated by reference therein (the “Incorporated Documents”), if any, which were or are filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), at any given time, as the case may be; and any reference in this Agreement to the terms “amend,” “amendment” or “supplement” with respect to the Registration Statement, the Original Registration Statement, the Preliminary Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the date of this Agreement, or the issue date of the Preliminary Prospectus or the Final Prospectus, as the case may be, deemed to be incorporated therein by reference. All references in this Agreement to financial statements and schedules and other information which is “contained,” “included,” “described,” “referenced,” “set forth” or “stated” in the Registration Statement, the Preliminary Prospectus or the Final Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is or is deemed to be incorporated by reference in the Registration Statement, the Preliminary Prospectus or the Final Prospectus, as the case may be. As used in this paragraph and elsewhere in this Agreement, “Time of Sale Disclosure Package” means the Preliminary Prospectus, any securities purchase agreement between the Company and the Investors, the final terms of the Offering provided to the Investors (orally or in writing) and any issuer free writing prospectus as defined in Rule 433 of the Act (each, an “Issuer Free Writing Prospectus”), if any, that the parties hereto shall hereafter expressly agree in writing to treat as part of the Time of Sale Disclosure Package. The term “any Prospectus” shall mean, as the context requires, the Preliminary Prospectus, the Final Prospectus, and any supplement to either thereof. The Company has not received any notice that the Commission has issued or intends to issue a stop order suspending the effectiveness of the Registration Statement or the use of the Preliminary Prospectus or any prospectus supplement or intends to commence a proceeding for any such purpose.

(b) Assurances. The Original Registration Statement, as amended (and any further documents to be filed with the Commission) contains all exhibits and schedules as required by the

Securities Act. Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, complied in all material respects with the Securities Act and the applicable Rules and Regulations and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Preliminary Prospectus and the Final Prospectus, each as of its respective date, comply or will comply in all material respects with the Securities Act and the applicable Rules and Regulations. Each of the Preliminary Prospectus and the Final Prospectus, as amended or supplemented, did not and will not contain as of the date thereof any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Incorporated Documents, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the applicable Rules and Regulations promulgated thereunder, and none of such documents, when they were filed with the Commission, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein (with respect to Incorporated Documents incorporated by reference in the Preliminary Prospectus or Final Prospectus), in light of the circumstances under which they were made not misleading. No post-effective amendment to the Registration Statement reflecting any facts or events arising after the date thereof which represent, individually or in the aggregate, a fundamental change in the information set forth therein is required to be filed with the Commission. Except for this Agreement and the Transaction Documents, there are no documents required to be filed with the Commission in connection with the transaction contemplated hereby that (x) have not been filed as required pursuant to the Securities Act or (y) will not be filed within the requisite time period. Except for this Agreement and the Transaction Documents, there are no contracts or other documents required to be described in the Preliminary Prospectus or Final Prospectus, or to be filed as exhibits or schedules to the Registration Statement, which have not been described or filed as required.

(c) Offering Materials. Neither the Company nor any of its directors and officers has distributed and none of them will distribute, prior to each Closing Date, any offering material in connection with the offering and sale of the Securities other than the Time of Sale Disclosure Package.

(d) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and the Time of Sale Disclosure Package and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of this Agreement by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Company's Board of Directors (the "Board of Directors") or the Company's shareholders in connection therewith other than in connection with the Required Approvals (as defined in the Purchase Agreement). This Agreement has been duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(e) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the transactions contemplated pursuant to the Time of Sale Disclosure Package,

the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby to which it is a party do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien (as defined below) upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect, as defined in the Securities Purchase Agreement. For the purposes of this Agreement, "Lien" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

(f) Certificates. Any certificate signed by an officer of the Company and delivered to the Placement Agent or to counsel for the Placement Agent shall be deemed to be a representation and warranty by the Company to the Placement Agent as to the matters set forth therein.

(g) Reliance. The Company acknowledges that the Placement Agent will rely upon the accuracy and truthfulness of the foregoing representations and warranties and hereby consents to such reliance.

(h) Forward-Looking Statements. No forward-looking statements (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Time of Sale Disclosure Package has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(i) Statistical or Market-Related Data. Any statistical, industry-related and market-related data included or incorporated by reference in the Time of Sale Disclosure Package, are based on or derived from sources that the Company reasonably and in good faith believes to be reliable and accurate, and such data agree with the sources from which they are derived.

(j) Certain Fees; FINRA Affiliations. Except as set forth in the Registration Statement and Prospectus, no brokerage or finder's fees or commissions are or will be payable by the Company, any Subsidiary or Affiliate of the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. There are no other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its shareholders that may affect the Placement Agent's compensation, as determined by FINRA. Other than payments to the Placement Agent for this Offering or as set forth in the Registration Statement and Prospectus, the Company has not made and has no agreements, arrangements or understanding to make any direct or indirect payments (in cash, securities or otherwise) to: (i) any person, as a finder's fee, consulting fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who raised or provided capital to

the Company; (ii) any FINRA member participating in the offering as defined in FINRA Rule 5110 (a “Participating Member”); or (iii) any person or entity that has any direct or indirect affiliation or association with any Participating Member, within the 180-day period preceding the initial filing of the Registration Statement through the 60-day period after the effective date of the Registration Statement (the “Effective Date”). None of the net proceeds of the Offering will be paid by the Company to any Participating Member or its affiliates, except as specifically authorized herein. To the Company’s knowledge, no officer, director or any beneficial owner of 10% or more of the Company’s Common Stock or Common Stock Equivalents (as defined in the Purchase Agreement) has any direct or indirect affiliation or association with any Participating Member in the Offering. Except for securities purchased on the open market, no Company Affiliate is an owner of stock or other securities of any Participating Member. To the Company’s knowledge, no Company Affiliate has made a subordinated loan to any Participating Member. No proceeds from the sale of the Securities (excluding Placement Agent compensation as disclosed in the Registration Statement and the Prospectus) will be paid to any Participating Member, any persons associated with a Participating Member or an affiliate of a Participating Member. Except as disclosed in the Prospectus, the Company has not issued any warrants or other securities or granted any options, directly or indirectly, to the Placement Agent within the 180-day period prior to the initial filing date of the Prospectus. To the Company’s knowledge, except for securities issued to the Placement Agent as disclosed in the Prospectus, no person to whom securities of the Company have been privately issued within the 180-day period prior to the initial filing date of the Prospectus is a Participating Member, is a person associated with a Participating Member or is an affiliate of a Participating Member. To the Company’s knowledge, no Participating Member in the Offering has a conflict of interest with the Company. For this purpose, a “conflict of interest” exists when a Participating Member, the parent or affiliate of a Participating Member or any person associated with a Participating Member in the aggregate beneficially own 10% or more of the Company’s outstanding subordinated debt or common equity, or 10% or more of the Company’s preferred equity. “FINRA member participating in the Offering” includes any associated person of a Participating Member in the Offering, any member of such associated person’s immediate family and any affiliate of a Participating Member in the Offering. When used in this Section 3.1(j) the term “affiliate of a FINRA member” or “affiliated with a FINRA member” means an entity that controls, is controlled by or is under common control with a FINRA member. The Company will advise the Placement Agent and its legal counsel, Ellenoff Grossman & Schole LLP (the “Placement Agent Counsel”) if it learns that any officer, director or owner of 10% or more of the Company’s outstanding Common Stock or Common Stock Equivalents is or becomes an affiliate or associated person of a Participating Member.

(k) Board of Directors. The Board of Directors is comprised of the persons set forth under the heading of the Company’s Annual Report on Form 10-K captioned “Directors, Executive Officers and Corporate Governance.” The qualifications of the persons serving as board members and the overall composition of the Board of Directors comply with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder applicable to the Company and the rules of the Nasdaq Capital Market (the “Trading Market”). In addition, at least a majority of the persons serving on the Board of Directors qualify as “independent” as defined under the rules of the Trading Market.

(l) D&O Questionnaires. To the Company’s knowledge, all information contained in the questionnaires most recently completed by each of the Company’s directors and officers is true and correct in all respects (other than changes in securities ownership from the date of such questionnaires) and the Company has not become aware of any information which would cause the information disclosed in such questionnaires to become inaccurate and incorrect.

(m) Representations, Warranties and Covenants Incorporated by Reference. Each of the representations, warranties and covenants (together with any related disclosure schedules thereto) made to the Investors in the Purchase Agreement is hereby incorporated herein by reference (as though fully restated herein) and is hereby made to, and in favor of, the Placement Agent

**Section 3. Delivery and Payment.** Each Closing shall occur at the offices of the Placement Agent Counsel at 1345 Avenue of the Americas, New York, New York 10105 (or at such other place as shall be agreed upon by the Placement Agent, Investors, and the Company, or remotely by electronic transmission). Subject to the terms and conditions hereof, at each Closing payment of the purchase price for the Securities sold on such Closing Date shall be made by Federal Funds wire transfer, against delivery of such Securities, and such Securities shall be registered in such name or names and shall be in such denominations, as the Placement Agent may request at least one business day before the time of purchase.

Deliveries of the documents with respect to the purchase of the Securities, if any, shall be made at the offices of Placement Agent Counsel, or remotely by electronic transmission. All actions taken at a Closing shall be deemed to have occurred simultaneously.

**Section 4. Covenants and Agreements of the Company.** The Company further covenants and agrees with the Placement Agent as follows:

(a) Registration Statement Matters. The Company will advise the Placement Agent promptly after it receives notice thereof of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Final Prospectus has been filed and will furnish the Placement Agent with copies thereof. The Company will file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 14 or 15(d) of the Exchange Act subsequent to the date of any Prospectus and for so long as the delivery of a prospectus is required in connection with the Offering. The Company will advise the Placement Agent, promptly after it receives notice thereof (i) of any request by the Commission to amend the Registration Statement or to amend or supplement any Prospectus or for additional information, (ii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or any order directed at any Incorporated Document, if any, or any amendment or supplement thereto or any order preventing or suspending the use of the Preliminary Prospectus or the Final Prospectus or any prospectus supplement or any amendment or supplement thereto or any post-effective amendment to the Registration Statement, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the institution or threatened institution of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or a Prospectus or for additional information, (iii) of the issuance by any state securities commission of any proceedings for the suspension of the qualification of the Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose; (iv) of the mailing and delivery to the Commission for filing of any amendment or supplement to the Registration Statement or Prospectus; (v) of the receipt of any comments or request for any additional information from the Commission; and (vi) of the happening of any event during the period described in this Section 4(a) that, in the judgment of the Company, makes any statement of a material fact made in the Registration Statement or the Prospectus untrue or that requires the making of any changes in the Registration Statement or the Prospectus in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company shall use its best efforts to prevent the issuance of any

such stop order or prevention or suspension of such use. If the Commission shall enter any such stop order or order or notice of prevention or suspension at any time, the Company will use its best efforts to obtain the lifting of such order at the earliest possible moment or will file a new registration statement and use its best efforts to have such new registration statement declared effective as soon as practicable. Additionally, the Company agrees that it shall comply with the provisions of Rules 424(b), 430A, 430B and 430C, as applicable, under the Securities Act, including with respect to the timely filing of documents thereunder, and will use its reasonable efforts to confirm that any filings made by the Company under such Rule 424(b) are received in a timely manner by the Commission.

(b) Blue Sky Compliance. The Company will cooperate with the Placement Agent and the Investors in endeavoring to qualify the Securities for sale under the securities laws of such jurisdictions (United States and foreign) as the Placement Agent and the Investors may reasonably request and will make such applications, file such documents, and furnish such information as may be reasonably required for that purpose, provided the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction where it is not now so qualified or required to file such a consent, and provided further that the Company shall not be required to produce any new disclosure document. The Company will, from time to time, prepare and file such statements, reports and other documents as are or may be required to continue such qualifications in effect for so long a period as the Placement Agent may reasonably request for distribution of the Securities. The Company will advise the Placement Agent promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Securities for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

(c) Amendments and Supplements to a Prospectus and Other Matters. The Company will comply with the Securities Act and the Exchange Act, and the rules and regulations of the Commission thereunder during Prospectus Delivery Period (as defined below), so as to permit the completion of the distribution of the Securities as contemplated in this Agreement, the Incorporated Documents and any Prospectus. If during the period in which a prospectus is required by law to be delivered in connection with the distribution of Securities contemplated by the Incorporated Documents or any Prospectus (the “Prospectus Delivery Period”), any event shall occur as a result of which, in the judgment of the Company or in the opinion of the Placement Agent or counsel for the Placement Agent, it becomes necessary to amend or supplement the Incorporated Documents or any Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, as the case may be, not misleading, or if it is necessary at any time to amend or supplement the Incorporated Documents or any Prospectus or to file under the Exchange Act any Incorporated Document to comply with any law, the Company will promptly prepare and file with the Commission, and furnish at its own expense to the Placement Agent and to dealers, an appropriate amendment to the Registration Statement or supplement to the Registration Statement, the Incorporated Documents or any Prospectus that is necessary in order to make the statements in the Incorporated Documents and any Prospectus as so amended or supplemented, in the light of the circumstances under which they were made, as the case may be, not misleading, or so that the Registration Statement, the Incorporated Documents or any Prospectus, as so amended or supplemented, will comply with law. Before amending the Registration Statement or supplementing the Incorporated Documents or any Prospectus in connection with the Offering, the Company will furnish the Placement Agent with a copy of such proposed amendment or supplement and will not file any such amendment or supplement to which the Placement Agent reasonably objects.

(d) Copies of any Amendments and Supplements to a Prospectus. The Company will furnish the Placement Agent, without charge, during the period beginning on the date hereof and ending on the later of the last Closing Date of the Offering, as many copies of any Prospectus or prospectus supplement and any amendments and supplements thereto, as the Placement Agent may reasonably request.

(e) Free Writing Prospectus. The Company covenants that it will not, unless it obtains the prior written consent of the Placement Agent, make any offer relating to the Securities that would constitute a Company Free Writing Prospectus or that would otherwise constitute a “free writing prospectus” (as defined in Rule 405 of the Securities Act) required to be filed by the Company with the Commission or retained by the Company under Rule 433 of the Securities Act. In the event that the Placement Agent expressly consents in writing to any such free writing prospectus (a “Permitted Free Writing Prospectus”), the Company covenants that it shall (i) treat each Permitted Free Writing Prospectus as an Company Free Writing Prospectus, and (ii) comply with the requirements of Rule 164 and 433 of the Securities Act applicable to such Permitted Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping.

(f) Transfer Agent. The Company will maintain, at its expense, a registrar and transfer agent for the Shares.

(g) Earnings Statement. As soon as practicable and in accordance with applicable requirements under the Securities Act, but in any event not later than 18 months after the last Closing Date, the Company will make generally available to its security holders and to the Placement Agent an earnings statement, covering a period of at least 12 consecutive months beginning after the last Closing Date, that satisfies the provisions of Section 11(a) and Rule 158 under the Securities Act.

(h) Periodic Reporting Obligations. During the Prospectus Delivery Period, the Company will duly file, on a timely basis, with the Commission and the Trading Market all reports and documents required to be filed under the Exchange Act within the time periods and in the manner required by the Exchange Act.

(i) Additional Documents. The Company will enter into any subscription, purchase or other customary agreements as the Placement Agent or the Investors deem necessary or appropriate to consummate the Offering, all of which will be in form and substance reasonably acceptable to the Placement Agent and the Investors. The Company agrees that the Placement Agent may rely upon, and each is a third party beneficiary of, the representations and warranties, and applicable covenants, set forth in any such purchase, subscription or other agreement with Investors in the Offering.

(j) No Manipulation of Price. Neither the Company, nor to its knowledge, any of its employees, directors or shareholders, has taken or will take, directly or indirectly, any action designed to or that has constituted or that might reasonably be expected to cause or result in, under the Exchange Act, or otherwise stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(k) Acknowledgment. The Company acknowledges that any advice given by the Placement Agent to the Company is solely for the benefit and use of the Board of Directors and may not be used, reproduced, disseminated, quoted or referred to, without the Placement Agent’s prior written consent.

(l) Announcement of Offering. The Company acknowledges and agrees that the Placement Agent may, subsequent to the Closing, make public its involvement with the Offering.

(m) Reliance on Others. The Company confirms that it will rely on its own counsel and accountants for legal and accounting advice.

(n) Research Matters. By entering into this Agreement, the Placement Agent does not provide any promise, either explicitly or implicitly, of favorable or continued research coverage of the Company and the Company hereby acknowledges and agrees that the Placement Agent's selection as a placement agent for the Offering was in no way conditioned, explicitly or implicitly, on the Placement Agent providing favorable or any research coverage of the Company. In accordance with FINRA Rule 2241(b)(2), the parties acknowledge and agree that the Placement Agent has not directly or indirectly offered favorable research, a specific rating or a specific price target, or threatened to change research, a rating or a price target, to the Company or inducement for the receipt of business or compensation. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Placement Agent with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by the Placement Agent's investment banking divisions. The Company acknowledges that the Placement Agent is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short position in debt or equity securities of the Company.

(o) Subsequent Equity Sales.

(i) From the date hereof until thirty (30) days after the Closing Date Date, neither the Company nor any Subsidiary shall (i) issue, enter into any agreement to issue or announce the issuance or proposed issuance of any Common Stock or Common Stock Equivalents or (ii) file any registration statement or amendment or supplement thereto, other than the Prospectus or filing a registration statement on Form S-8 in connection with any employee benefit plan, in each case without prior written consent of the Placement Agent.

(ii) Notwithstanding the foregoing, this Section 4(o) shall not apply in respect of an Exempt Issuance (each as defined in the Purchase Agreement).

(p) Lock-Up Agreements. The Company shall not amend, modify, waive or terminate any provision of any of the Lock-Up Agreements (as defined in the Purchase Agreement) except to extend the term of the lock-up period and shall enforce the provisions of each Lock-Up Agreement in accordance with its terms. If any party to a Lock-Up Agreement breaches any provision of a Lock-Up Agreement, the Company shall promptly use its best efforts to seek specific performance of the terms of such Lock-Up Agreement.

(q) FINRA. The Company shall advise the Placement Agent (who shall make an appropriate filing with FINRA) if it is aware that any officer, director, 10% or greater shareholder of the Company or Person that received the Company's unregistered equity securities in the past 180 days is or becomes an affiliate or associated person of a FINRA member firm prior to the earlier of the termination of this Agreement or the 60-day period after the Effective Date

**Section 5. Conditions of the Obligations of the Placement Agent.** The obligations of the Placement Agent hereunder shall be subject to the accuracy of the representations and warranties on the part of the Company set forth in Section 2 hereof, in each case as of the date hereof and as of each Closing Date as though then made, to the timely performance by each of the Company of its covenants and other obligations hereunder on and as of such dates, and to each of the following additional conditions:

(a) Accountants' Comfort Letter. On the date hereof, the Placement Agent shall have received, and the Company shall have caused to be delivered to the Placement Agent, a letter from Baker Tilly US, LLP, addressed to the Placement Agent, dated as of the date hereof, in form and substance satisfactory to the Placement Agent. The letter shall not disclose any change in the condition (financial or other), earnings, operations, business or prospects of the Company from that set forth in the Incorporated Documents or the applicable Prospectus or prospectus supplement, which, in the Placement Agent's sole judgment, is material and adverse and that makes it, in the Placement Agent's sole judgment, impracticable or inadvisable to proceed with the Offering of the Securities as contemplated by such Prospectus.

(b) Compliance with Registration Requirements; No Stop Order; No Objection from the FINRA. Each Prospectus (in accordance with Rule 424(b)) and "free writing prospectus" (as defined in Rule 405 of the Securities Act), if any, shall have been duly filed with the Commission, as appropriate; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; no order preventing or suspending the use of any Prospectus shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; no order having the effect of ceasing or suspending the distribution of the Securities or any other securities of the Company shall have been issued by any securities commission, securities regulatory authority or stock exchange and no proceedings for that purpose shall have been instituted or shall be pending or, to the knowledge of the Company, contemplated by any securities commission, securities regulatory authority or stock exchange; all requests for additional information on the part of the Commission shall have been complied with; and FINRA shall have raised no objection to the fairness and reasonableness of the placement terms and arrangements.

(c) Corporate Proceedings. All corporate proceedings and other legal matters in connection with this Agreement, the Registration Statement and each Prospectus, and the registration, sale and delivery of the Securities, shall have been completed or resolved in a manner reasonably satisfactory to the Placement Agent's counsel, and such counsel shall have been furnished with such papers and information as it may reasonably have requested to enable such counsel to pass upon the matters referred to in this Section 5.

(d) No Material Adverse Change. Subsequent to the execution and delivery of this Agreement and prior to each Closing Date, in the Placement Agent's sole judgment after consultation with the Company, there shall not have occurred any Material Adverse Effect or any material adverse change or development involving a prospective material adverse change in the condition or the business activities, financial or otherwise, of the Company from the latest dates as of which such condition is set forth in the Registration Statement and Prospectus ("Material Adverse Change").

(e) Opinion of Counsel for the Company. The Placement Agent shall have received on each Closing Date the opinion of Honigman LLP, counsel to the Company, dated as of such

Closing Date, including, without limitation, a negative assurance letter addressed to the Placement Agent and in form and substance satisfactory to the Placement Agent.

(f) Opinion of Intellectual Property Counsel for the Company. The Placement Agent shall have received on each Closing Date the opinion of Cesari and McKenna LLP, intellectual property counsel to the Company, dated as of such Closing Date, including, without limitation, a negative assurance letter addressed to the Placement Agent and in form and substance satisfactory to the Placement Agent.

(g) Regulatory Certificate. On the Closing Date, the Placement Agent shall have received a certificate from the Company's Chief Executive Officer with respect to certain regulatory matters, dated as of the Closing Date, addressed to the Placement Agent in form and substance satisfactory to the Placement Agent.

(h) Officers' Certificate. The Placement Agent shall have received on each Closing Date a certificate of the Company, dated as of such Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Company, to the effect that, and the Placement Agent shall be satisfied that, the signers of such certificate have reviewed the Registration Statement, the Incorporated Documents, the Prospectus, and this Agreement and to the further effect that:

(i) The representations and warranties of the Company in this Agreement are true and correct, as if made on and as of such Closing Date, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to such Closing Date;

(ii) No stop order suspending the effectiveness of the Registration Statement or the use of the Prospectus has been issued and no proceedings for that purpose have been instituted or are pending or, to the Company's knowledge, threatened under the Securities Act; no order having the effect of ceasing or suspending the distribution of the Securities or any other securities of the Company has been issued by any securities commission, securities regulatory authority or stock exchange in the United States and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, contemplated by any securities commission, securities regulatory authority or stock exchange in the United States;

(iii) When the Registration Statement became effective, at the time of sale, and at all times subsequent thereto up to the delivery of such certificate, the Registration Statement and the Incorporated Documents, if any, when such documents became effective or were filed with the Commission, and any Prospectus, contained all material information required to be included therein by the Securities Act and the Exchange Act and the applicable rules and regulations of the Commission thereunder, as the case may be, and in all material respects conformed to the requirements of the Securities Act and the Exchange Act and the applicable rules and regulations of the Commission thereunder, as the case may be, and the Registration Statement and the Incorporated Documents, if any, and any Prospectus, did not and do not include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided, however, that the preceding representations and warranties contained in this paragraph (iii) shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by the Placement Agent expressly for use therein) and, since the Effective Date, there has

occurred no event required by the Securities Act and the rules and regulations of the Commission thereunder to be set forth in the Incorporated Documents which has not been so set forth; and

(iv) Subsequent to the respective dates as of which information is given in the Registration Statement, the Incorporated Documents and any Prospectus, there has not been: (a) any Material Adverse Change; (b) any transaction that is material to the Company and the Subsidiaries taken as a whole, except transactions entered into in the ordinary course of business; (c) any obligation, direct or contingent, that is material to the Company and the Subsidiaries taken as a whole, incurred by the Company or any Subsidiary, except obligations incurred in the ordinary course of business; (d) any material change in the capital stock (except changes thereto resulting from the exercise of outstanding stock options or warrants or conversion of outstanding preferred stock) or outstanding indebtedness of the Company or any Subsidiary; (e) any dividend or distribution of any kind declared, paid or made on the capital stock of the Company; or (f) any loss or damage (whether or not insured) to the property of the Company or any Subsidiary which has been sustained or will have been sustained which has a Material Adverse Effect.

(i) Chief Financial Officer Certificate. On the Closing Date, the Placement Agent shall have received a certificate from the Company's Chief Financial Officer with respect to certain financial and accounting matters, dated as of the Closing Date, addressed to the Placement Agent in form and substance satisfactory to the Placement Agent.

(j) Bring-down Comfort Letter. On each Closing Date, the Placement Agent shall have received from Baker Tilly US LLP, or such other independent registered public accounting firm of the Company, a letter dated as of such Closing Date, in form and substance satisfactory to the Placement Agent, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (a) of this Section 5, except that the specified date referred to therein for the carrying out of procedures shall be no more than two business days prior to such Closing Date.

(k) Lock-Up Agreements. On the Closing Date, the Placement Agent shall have received the executed Lock-Up Agreement from each of the Company's directors and executive officers.

(l) Additional Documents. On or before each Closing Date, the Placement Agent and counsel for the Placement Agent shall have received such information and documents as they may reasonably require for the purposes of enabling them to pass upon the issuance and sale of the Securities as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained.

If any condition specified in this Section 5 is not satisfied when and as required to be satisfied, this Agreement may be terminated by the Placement Agent by notice to the Company at any time on or prior to a Closing Date, which termination shall be without liability on the part of any party to any other party, except that Section 6 (Payment of Expenses), Section 7 (Indemnification and Contribution) and Section 8 (Representations and Indemnities to Survive Delivery) shall at all times be effective and shall survive such termination.

**Section 6. Payment of Expenses.** The Company shall be responsible for and pay all expenses relating to the Offering, including, without limitation, all filing fees and communication expenses relating to the registration of the Securities to be sold in the Offering with the Commission and the filing of the offering materials with FINRA; all fees and expenses relating to the listing of such Securities on such stock exchange as the Company and the Placement Agent together determine; all fees, expenses and disbursements relating to background checks of the Company's officers and directors; all fees, expenses and disbursements relating to the registration or qualification of such Securities under the "blue sky" securities laws of such states and other jurisdictions as the Placement Agent may reasonably designate (including, without limitation, all filing and registration fees, and the fees and disbursements of the Placement Agent's counsel at Closing); all fees and expenses associated with the i-Deal system and NetRoadshow not to exceed \$3,000; the costs of all mailing and printing of the Offering documents (including the transaction documents, any Blue Sky Surveys and, if appropriate, any agreement among underwriters, selected dealers' agreement, Placement Agent's questionnaire and power of attorney), Registration Statements, Prospectuses and all amendments, supplements and exhibits thereto and as many preliminary and final Prospectuses as the Placement Agent may reasonably deem necessary; the costs and expenses of the public relations firm referred; the costs of preparing, printing and delivering certificates representing such Securities; fees and expenses of the transfer agent for such Securities; stock transfer taxes, if any, payable upon the transfer of securities from the Company to the Placement Agent; the fees and expenses of the Company's accountants and the fees and expenses of the Placement Agent and the Company's legal counsel and other agents and representatives. Upon the Placement Agent's request, the Company shall provide funds to pay all such fees, expenses and disbursements. For the sake of clarity, it is understood and agreed that (i) the Company shall be responsible for the Placement Agent's legal fees, costs and expenses in connection with the Offering irrespective of whether the Offering is consummated, and (ii) the maximum amount of legal fees, costs and expenses incurred by the Placement Agent that the Company shall be responsible for shall not exceed \$100,000 in the event of a Closing, and shall not exceed \$30,000 in the event that there is not a Closing.

**Section 7. Indemnification and Contribution.**

(a) The Company agrees to indemnify and hold harmless the Placement Agent, its affiliates and each person controlling the Placement Agent (within the meaning of Section 15 of the Securities Act), and the directors, officers, agents and employees of the Placement Agent, its affiliates and each such controlling person (the Placement Agent, and each such entity or person, an "Indemnified Person") from and against any losses, claims, damages, judgments, assessments, costs and other liabilities (collectively, the "Liabilities"), and shall reimburse each Indemnified Person for all fees and expenses (including the reasonable fees and expenses of one counsel for all Indemnified Persons, except as otherwise expressly provided herein) (collectively, the "Expenses") as they are incurred by an Indemnified Person in investigating, preparing, pursuing or defending any actions, whether or not any Indemnified Person is a party thereto, (i) caused by, or arising out of or in connection with, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Incorporated Document, or any Prospectus or by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (other than untrue statements or alleged untrue statements in, or omissions or alleged omissions from, information relating to an Indemnified Person furnished in writing by or on behalf of such Indemnified Person expressly for use in the Incorporated Documents) or (ii) otherwise arising out of or in connection with advice or services rendered or to be rendered by any Indemnified Person pursuant to this Agreement, the transactions contemplated thereby or any Indemnified Person's actions or inactions in connection with any such advice, services or transactions; provided, however, that, in the case of clause (ii) only, the Company shall not be responsible for any Liabilities or Expenses of any Indemnified Person that are finally judicially

determined to have resulted solely from such Indemnified Person's (x) gross negligence or willful misconduct in connection with any of the advice, actions, inactions or services referred to above or (y) use of any offering materials or information concerning the Company in connection with the offer or sale of the Securities in the Offering which were not authorized for such use by the Company and which use constitutes gross negligence or willful misconduct. The Company also agrees to reimburse each Indemnified Person for all Expenses as they are incurred in connection with enforcing such Indemnified Person's rights under this Agreement.

(b) Upon receipt by an Indemnified Person of actual notice of an action against such Indemnified Person with respect to which indemnity may be sought under this Agreement, such Indemnified Person shall promptly notify the Company in writing; provided that failure by any Indemnified Person so to notify the Company shall not relieve the Company from any liability which the Company may have on account of this indemnity or otherwise to such Indemnified Person, except to the extent the Company shall have been prejudiced by such failure. The Company shall, if requested by the Placement Agent, have the right to assume the defense of any such action including the employment of counsel reasonably satisfactory to the Placement Agent, which counsel may also be counsel to the Company. Any Indemnified Person shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless: (i) the Company has failed promptly to assume the defense and employ counsel or (ii) the named parties to any such action (including any impeded parties) include such Indemnified Person and the Company, and such Indemnified Person shall have been advised in the reasonable opinion of counsel that there is an actual conflict of interest that prevents the counsel selected by the Company from representing both the Company (or another client of such counsel) and any Indemnified Person; provided that the Company shall not in such event be responsible hereunder for the fees and expenses of more than one firm of separate counsel for all Indemnified Persons in connection with any action or related actions, in addition to any local counsel. The Company shall not be liable for any settlement of any action effected without its written consent (which shall not be unreasonably withheld). In addition, the Company shall not, without the prior written consent of the Placement Agent (which shall not be unreasonably withheld), settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened action in respect of which indemnification or contribution may be sought hereunder (whether or not such Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Person from all Liabilities arising out of such action for which indemnification or contribution may be sought hereunder. The indemnification required hereby shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as such expense, loss, damage or liability is incurred and is due and payable.

(c) In the event that the foregoing indemnity is unavailable to an Indemnified Person other than in accordance with this Agreement, the Company shall contribute to the Liabilities and Expenses paid or payable by such Indemnified Person in such proportion as is appropriate to reflect (i) the relative benefits to the Company, on the one hand, and to the Placement Agent and any other Indemnified Person, on the other hand, of the matters contemplated by this Agreement or (ii) if the allocation provided by the immediately preceding clause is not permitted by applicable law, not only such relative benefits but also the relative fault of the Company, on the one hand, and the Placement Agent and any other Indemnified Person, on the other hand, in connection with the matters as to which such Liabilities or Expenses relate, as well as any other relevant equitable considerations; provided that in no event shall the Company contribute less than the amount necessary to ensure that all Indemnified Persons, in the aggregate, are not liable for any Liabilities and Expenses in excess of the amount of fees actually received by the

Placement Agent pursuant to this Agreement. For purposes of this paragraph, the relative benefits to the Company, on the one hand, and to the Placement Agent on the other hand, of the matters contemplated by this Agreement shall be deemed to be in the same proportion as (a) the total value paid or contemplated to be paid to or received or contemplated to be received by the Company in the transaction or transactions that are within the scope of this Agreement, whether or not any such transaction is consummated, bears to (b) the fees paid to the Placement Agent under this Agreement. Notwithstanding the above, no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act, as amended, shall be entitled to contribution from a party who was not guilty of fraudulent misrepresentation.

(d) The Company also agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with advice or services rendered or to be rendered by any Indemnified Person pursuant to this Agreement, the transactions contemplated thereby or any Indemnified Person's actions or inactions in connection with any such advice, services or transactions except for Liabilities (and related Expenses) of the Company that are finally judicially determined to have resulted solely from such Indemnified Person's gross negligence or willful misconduct in connection with any such advice, actions, inactions or services.

(e) The reimbursement, indemnity and contribution obligations of the Company set forth herein shall apply to any modification of this Agreement and shall remain in full force and effect regardless of any termination of, or the completion of any Indemnified Person's services under or in connection with, this Agreement.

**Section 8. Representations and Indemnities to Survive Delivery.** The respective indemnities, agreements, representations, warranties and other statements of the Company or any person controlling the Company, of its officers, and of the Placement Agent set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of the Placement Agent, the Company, or any of its or their partners, officers or directors or any controlling person, as the case may be, and will survive delivery of and payment for the Securities sold hereunder and any termination of this Agreement. A successor to a Placement Agent, or to the Company, its directors or officers or any person controlling the Company, shall be entitled to the benefits of the indemnity, contribution and reimbursement agreements contained in this Agreement.

**Section 9. Notices.** All communications hereunder shall be in writing and shall be mailed, hand delivered, e-mailed or telecopied and confirmed to the parties hereto as follows:

If to the Placement Agent to the address set forth above, attention: James Siegal, email:

*With a copy to:*

Ellenoff Grossman & Schole LLP  
1345 Avenue of the Americas, 11th Floor  
New York, New York 10105  
E-mail:  
Attention:

If to the Company:

Helius Medical Technologies, Inc.  
642 Newton Yardley Road, Suite 100  
Newtown, PA 18940  
Attn:  
E-mail:

*With a copy to (which shall not constitute notice):*

Honigman LLP  
650 Trade Centre Way, Suite 200  
Kalamazoo, Michigan 49002  
Attn:  
E-mail:

Any party hereto may change the address for receipt of communications by giving written notice to the others.

**Section 10. Successors.** This Agreement will inure to the benefit of and be binding upon the parties hereto, and to the benefit of the employees, officers and directors and controlling persons referred to in Section 7 hereof, and to their respective successors, and personal representative, and no other person will have any right or obligation hereunder.

**Section 11. Partial Unenforceability.** The invalidity or unenforceability of any section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

**Section 12. Governing Law.** This Agreement will be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed entirely in such State, without regard to the conflicts of laws principles thereof. This Agreement may not be assigned by either party without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Any right to trial by jury with respect to any dispute arising under this Agreement or any transaction or conduct in connection herewith is waived. Any dispute arising under this Agreement may be brought into the courts of the State of New York or into the Federal Court located in New York, New York and, by execution and delivery of this Agreement, each party hereto hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of aforesaid courts. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by delivering a copy thereof via overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto agrees that a final judgment in any such action, proceeding or counterclaim brought in any such court shall be conclusive and binding upon such party and may be enforced in any other courts to the jurisdiction of which such party is or may be subject, by suit upon such judgment. If either party to this Agreement shall commence an action or proceeding to enforce any provisions of a Transaction Document, then the prevailing party in such action or proceeding shall be reimbursed by the other party

for its attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

**Section 13. General Provisions.**

(a) This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. Notwithstanding anything herein to the contrary, the Engagement Letter, dated April 8, 2025 (the "Engagement Letter"), between the Company and the Placement Agent shall continue to be effective and the terms therein shall continue to survive and be enforceable by the Placement Agent in accordance with its terms, provided that, in the event of a conflict between the terms of the Engagement Letter and this Agreement, the terms of this Agreement shall prevail. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit.

Section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

(b) The Company acknowledges that in connection with the offering of the Securities: (i) the Placement Agent's responsibility to the Company is solely contractual and commercial in nature, (ii) the Placement Agent has acted at arms length, are not agents of, and owe no fiduciary duties to the Company or any other person, (iii) the Placement Agent owes the Company only those duties and obligations set forth in this Agreement and (iv) the Placement Agent may have interests that differ from those of the Company. The Company waives to the fullest extent permitted by applicable law any claims it may have against the Placement Agent arising from a breach or alleged breach of fiduciary duty in connection with the offering of the Securities.

*[The remainder of this page has been intentionally left blank.]*

If the foregoing is in accordance with your understanding of our agreement, please sign below whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,

**HELIUS MEDICAL TECHNOLOGIES,  
INC.**

A Delaware corporation

By: /s/ Jeffrey S. Mathiesen  
Name: Jeffrey S. Mathiesen  
Title: Chief Financial Officer, Treasurer and  
Secretary

The foregoing Placement Agency Agreement is hereby confirmed and accepted as of the date first above written.

**MAXIM GROUP LLC**

By: /s/ Ritesh Veera  
Name: Ritesh Veera  
Title: Co-Head of Investment Banking

*[Signature page to HSDT PAA]*

## CERTIFICATIONS

I, Dane C. Andreeff, certify that:

- 1) I have reviewed this report on Form 10-Q for the period ended June 30, 2025 of Helius Medical Technologies, Inc.
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2025

/s/ Dane C. Andreeff  
Dane C. Andreeff  
Chief Executive Officer

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## CERTIFICATIONS

I, Jeffrey S. Mathiesen, certify that:

- 1) I have reviewed this report on Form 10-Q for the period ended June 30, 2025 of Helius Medical Technologies, Inc.
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2025

/s/ Jeffrey S. Mathiesen  
Jeffrey S. Mathiesen  
Chief Financial Officer

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
HELIUS MEDICAL TECHNOLOGIES, INC.  
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2025  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I am the Chief Executive Officer of Helius Medical Technologies, Inc., a Delaware corporation (the "Company"). I am delivering this certificate in connection with the Form 10-Q of the Company for the quarter ended June 30, 2025 and filed with the Securities and Exchange Commission ("Form 10-Q").

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I hereby certify that, to the best of my knowledge, the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2025

/s/ Dane C. Andreeff

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Dane C. Andreeff

Chief Executive Officer

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
HELIUS MEDICAL TECHNOLOGIES, INC.  
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2025  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I am the Chief Financial Officer of Helius Medical Technologies, Inc., a Delaware corporation (the "Company"). I am delivering this certificate in connection with the Form 10-Q of the Company for the quarter ended June 30, 2025 and filed with the Securities and Exchange Commission ("Form 10-Q").

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I hereby certify that, to the best of my knowledge, the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2025

/s/ Jeffrey S. Mathiesen

Jeffrey S. Mathiesen

Chief Financial Officer

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