



Press Release

For Immediate Release

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Automodular Corporation Announces Receipt of Interim Order for Proposed Transaction with HLS Therapeutics Inc.

Pickering, February 2, 2018: Automodular Corporation (AM.H-NEX) (“AMD”) is pleased to provide an update on its proposed transaction with HLS Therapeutics Inc. (“HLS”). As previously announced, AMD and HLS entered into an arrangement agreement dated December 21, 2017 (the “Arrangement Agreement”), providing for the amalgamation of HLS and AMD by way of a plan of arrangement (the “Arrangement”) in accordance with Section 182 of the *Business Corporations Act* (Ontario). Pursuant to the Arrangement, HLS and AMD will amalgamate to form a new entity named “HLS Therapeutics Inc.” (“Amalco”), operating in the life sciences industry. The completion of the Arrangement will result in a reverse takeover of AMD as defined in the policies of the TSX Venture Exchange (the “Exchange”). Completion of the Arrangement is subject to, among other things, the approval of the Exchange and approval from AMD and HLS shareholders.

On February 1, 2018, AMD and HLS received an interim order from the Ontario Superior Court of Justice (Commercial List) authorizing various matters, including the holding of special meetings of AMD shareholders and HLS shareholders to consider the Arrangement. A joint management information circular and related shareholder meeting materials will be mailed to AMD shareholders and HLS shareholders in connection with the meetings of the AMD shareholders and HLS shareholders which are expected to be held on March 6, 2018.

Trading in the common shares of AMD continues to be halted and will be halted at least until the reception, to the satisfaction of the Exchange and according to its applicable policies, of the documents necessary to resume trading. AMD will issue a further news release when the trading of the common shares of AMD is to resume, which may not occur until the completion of the Arrangement.

A copy of the Arrangement Agreement (including the plan of arrangement) has been filed on AMD’s SEDAR profile and will be available on www.sedar.com.

About AMD

AMD since 1997 provided sequencing and sub-assembly services for modules that were installed in vehicles assembled by North American Original Equipment Manufacturers at plants in Canada and the United States. AMD provided these services to the Ford Motor Company (“Ford”) until the completion of the multi-year agreement and its related amendments on December 23, 2014. Following the expiry of AMD’s commercial agreement with Ford on December 23, 2014, AMD ceased operations at its two remaining operating facilities in Oakville, Ontario. During the first quarter of 2015 both facilities were returned to the respective landlords. At the current time, AMD has no active operations. The remaining employees currently assist in pursuing AMD’s legal claim against General Motors Company and General Motors of Canada Limited related to the termination of a contract for sequencing and sub-assembly services. Both

the AMD board of directors and the remaining members of the executive management team have been focused on finding ways to leverage AMD's cash balance and public company listing.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the joint management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of AMD should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION, NOR SHALL THERE BE ANY OFFER, SALE, OR SOLICITATION OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SALE, OR SOLICITATION WOULD BE UNLAWFUL.

THE SECURITIES PROPOSED TO BE ISSUED IN THE PROPOSED ARRANGEMENT HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "1933 ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT. AMALCO INTENDS TO ISSUE SUCH SECURITIES PURSUANT TO THE EXEMPTION FROM REGISTRATION SET FORTH IN SECTION 3(a)(10) OF THE 1933 ACT.

Notice on forward-looking statements:

This release includes forward-looking information or forward-looking statements within the meaning of Canadian securities laws, the 1933 Act, the U.S. Securities Exchange Act of 1934 and the U.S. Private Securities Litigation Reform Act of 1995 regarding AMD, HLS and their respective businesses, which may include, but are not limited to, statements with respect to the completion of the Arrangement, the expected timing of mailing of the Circular and of the meetings of shareholders of HLS and AMD, the terms on which the Arrangement is intended to be completed, the ability to obtain regulatory and shareholder approvals and other factors. Often but not always, forward-looking information can be identified by the use of words such as "expect", "intends", "anticipated", "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would" or "will" be taken, occur or be achieved. Such statements are based on the current expectations and views of future events of the management of each entity, and are based on assumptions and subject to risks and uncertainties. Although the management of each entity believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this release, including completion of the Arrangement (and the proposed terms upon which the Arrangement is proposed to be completed), may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including risks regarding the pharmaceutical industry, market conditions, economic factors, management's ability to manage and to operate

the business of Amalco and the equity markets generally. Although AMD and HLS have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements or information. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and neither AMD nor HLS undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Neither the Exchange nor its regulation services provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

For More Information

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