



NEWS RELEASE

HS GovTech Solutions Inc. Announces Q3 Sales Performance

Q3 Represents Over \$11 Million in Total Contract Values

VANCOUVER, BC – October 6, 2022 - HS GovTech Solutions Inc. (the “Company” or “HS GovTech”) (CSE:HS) (OTC:HDSLFF) (Frankfurt:38H) is pleased to present an update regarding its sales performance during the quarter ended September 30, 2022 (“Q3”). All financial figures contained herein are expressed in U.S. dollars (“USD”) unless otherwise noted.

Q3 Sales Summary:

- Total Contract Value (“TCV”) for deals that were either fully executed contracts during Q3 (“Fully Executed”) or agreed to, awarded and out for execution (“Awarded”) at the end of Q3 totaled \$11.41 million:
 - Fully Executed in period - \$11.06 million in TCV, including:
 - Professional Services Fully Executed in period - \$0.84 million
 - Net new Annual Recurring Revenue (ARR) Fully Executed in period - \$1.20 million
 - Awarded in period - \$0.35 million in TCV:
 - Professional Services Awarded in period - \$0.05 million
 - Net new ARR Awarded in Period - \$0.05 million

- As at September 30, 2022 ARR under contract was \$6.02 million
- Total number of contracts in period: 13
 - 9 Fully Executed
 - 4 Awarded
 - Included in the nine Fully Executed contracts is the \$9.4 million contract with the Commonwealth of Kentucky as [previously announced on September 7, 2022](#).
 - All contracts and awards were for the usage of HS Cloud Suite within the Company’s key market of environmental health (“EH”) with an average contract length of five years or more. All new contracts in this quarter also will utilize HSPay upon go-live.
 - New client agreements in the period represent broad market growth across both the US and Canada; the Fully Executed executed and awarded in the period are in multiple states and provinces including - Indiana, Tennessee, Kentucky, British Columbia, Ontario, Washington and Colorado.

“I am once again pleased with the performance of our team this past quarter and the continual output of not only closing sales, but adding more opportunities to the pipeline. Finalizing our contract with the State of Kentucky was definitely a highlight and we are excited to begin working with their department to implement our platform. Having served local government for two decades now, I can truly say there has never been a more prime opportunity for continued growth. As the demand from agencies needing to modernize their data solutions continues to swell, we are becoming increasingly top of mind for numerous agency leaders across the US and Canada.” noted Silas Garrison, CEO of HS GovTech.

Non-IFRS Measures

ARR is a non-IFRS measure that provides an indication of the subscription revenue from customers that is expected from continued usage per the term of contract signed, and as such management believes ARR to be a meaningful measure for assessment of Company performance. Key assumptions related to ARR figures are from continued usage of the services over the life of the agreement, with the calculation based on the annual average of subscription revenues over the life of the agreement.

HS GovTech Solutions Inc.

HS GovTech™ is an industry leading software as a service company serving the state, provincial and local government market across the United States and Canada. HS GovTech's™ cutting edge platforms currently provide inspection, information, communication and data management systems that enable government agencies to operate more efficiently. HS GovTech's™ cloud and mobile based platforms are currently deployed in over 800 state and local government organizations across North America. HS GovTech™ currently offers the only fully integrated inspection, administration and analytics product suite across all platforms in North America. HS GovTech™ also delivers its government grade technologies to private businesses through its My Health Department™ platform, enabling citizens and private businesses to gain visibility and predictability into their own organizations and move from a reactive to a proactive operational status. As HS GovTech™ continues to deliver focused service and innovative solutions to government organizations, the Company entered the FinTech space through its HSPay™ offering which serves as a payment platform that streamlines the intake of government revenue. Further, HS GovTech's GovCall™ platform offers one of the only teleconferencing and video collaboration platforms tailored exclusively for government agencies.

Forward-Looking Statements

This release may contain forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although HS GovTech™ believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. HS GovTech™ expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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