



NEWS RELEASE

HEALTHSPACE DATA SYSTEMS ANNOUNCES CLOSING OF OVERSUBSCRIBED BROKERED OFFERING LED BY ECHELON WEALTH PARTNERS INC. AND CORMARK SECURITIES INC.

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VANCOUVER, BC – December 8, 2020 - HealthSpace Data Systems Ltd. (the “Company” or “HealthSpace”) (CSE:HS) (Frankfurt:38H) (OTCQB:HDSLFF) is pleased to announce that it has closed its oversubscribed placement (the “**Offering**”) for gross proceeds of approximately CAD\$6.5 million, as previously announced on November 19, 2020. Echelon Wealth Partners Inc. and Cormark Securities Inc. (the “Agents”) acted as co-lead Agents and bookrunners for the Offering.

The Offering consisted of both brokered and non-brokered components, and resulted in the issuance of 8,124,250 units of the Company (each, a “Unit” and collectively the “Units”) at a price of C\$0.80 per Unit. Each Unit consists of one common share in the capital of the Company (each, a “Common Share” and collectively the “Common Shares”) and one-half of one common share purchase warrant (each whole warrant, a “Warrant” and collectively the “Warrants”). Each Warrant entitles the holder thereof to acquire one Common Share at a price of C\$1.20 per Common Share for a period of 24 months from the closing date of the Offering.

The Company paid a cash commission to the Agents and members of the Agents’ selling group equal to \$502,152 plus expenses and legal fees, and issued 627,690 compensation warrants entitling the holders to acquire one Common Share for each compensation warrant exercisable at \$0.80. Such compensation warrants will be exercisable for 24 months from the closing date of the Offering.

Proceeds from the Offering are anticipated to be used for general working capital purposes, including research and development in respect of HealthSpace’s software, sales and marketing, and the expansion of the Company’s workforce.

Two related parties of the Company participated in the Offering. Such participation constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The issuance to the related parties is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 in respect of related party participation in the Offering as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeded 25% of the Company’s market capitalization.

The securities issued pursuant to the Offering are subject to a hold period of four months and one day pursuant to applicable securities laws.

HealthSpace CEO, Silas Garrison commented “We are very pleased with both the investor feedback and support we received through this placement. As we have already laid a lot of ground work for growth in 2021, these funds will help us execute more effectively while enabling us to increase our growth into other areas of the government market. The past two years have been a transformative time for the company and we are now perfectly positioned to disrupt the entire marketplace with one of the first no-code platforms for government. Not only does this disrupt the status-quo of many competitors in the space, it creates a new paradigm for what it means to adopt technology for government”.

HealthSpace Data Systems Ltd.

HealthSpace is a government Software as a Service (SaaS) company focused on providing efficiencies to state and local government agencies through its powerful enterprise cloud and mobile platform. Over the last decade, HealthSpace has successfully developed both cloud and mobile applications currently serving over 500 state and local government organizations across North America. HealthSpace offers one of the only self-serve enterprise suites for government, providing greater power to the end-user. Further, HealthSpace now delivers its government grade technologies to private businesses enabling them to gain visibility and predictability into their own organizations and move from a reactive to a proactive operational status. HealthSpace continues to deliver focused service and innovative solutions to government organizations, while expanding into commercial enterprise verticals to enable new customers with proactive environmental health best practices and policies. HealthSpace has now entered into the FinTech space by creating a payment platform that streamlines the intake of government revenue for the agencies it serves.

Forward-Looking Statements

This news release contains forward-looking statements, including the proposed use of proceeds of the Offering, and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects” and similar expressions. All statements other than statements of historical fact included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, and which are described in the Company’s public filings available under its profile at www.sedar.com. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company does not intend to update any of the included forward-looking statements except as required by Canadian securities laws.

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