



NOT FOR DISTRIBUTION TO THE U.S. NEWSWIRE OR FOR DISSEMINATION IN THE UNITED STATES

HEALTHSPACE DATA SYSTEMS LTD. ANNOUNCES CLOSING OF FULLY SUBSCRIBED \$4,000,000 UNIT OFFERING AND CONCURRENT NON-BROKERED PRIVATE PLACEMENT

VANCOUVER, BC, Feb. 4, 2022 - HealthSpace Data Systems Ltd. (“HealthSpace”, or the “Company”) (CSE: HS) (Frankfurt: 38H) (OTC: HDSLFF) is pleased to announce that it has closed its previously announced overnight marketed public offering (the **“Offering”**) of 6,666,700 units of the Company (the **“Units”**) at a price of \$0.60 per Unit for gross proceeds of approximately \$4 million. Each Unit is comprised of one common share in the capital of the Company (a **“Common Share”**) and one-half of one Common Share purchase warrant (each whole warrant, a **“Warrant”**). Each Warrant entitles the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share at an exercise price of \$0.90 for a period of 24 months from the date of issuance. The Company has applied to list the Warrants (the **“Supplemental Listing”**) for trading on the Canadian Securities Exchange (the **“CSE”**) and anticipates the Warrants to be trading on the CSE under the symbol HS.WT as of February 7, 2022.

Echelon Wealth Partners Inc. (the **“Agent”**) acted as sole agent and bookrunner for the Offering. In connection with the Offering, the Company issued the Agent (i) 533,336 compensation warrants, each of which is exercisable into one Common Share at an exercise price of \$0.60 for a period of 24 months from the date of issuance, and (ii) 200,001 Common Shares as a corporate finance fee.

The Offering was completed pursuant to Company’s prospectus supplement (the **“Prospectus Supplement”**), dated January 28, 2022, to the Company’s base shelf prospectus dated September 14, 2021 (the **“Base Shelf Prospectus”**). Copies of the Prospectus Supplement and accompanying Base Shelf Prospectus can be obtained on SEDAR at www.sedar.com.

The Company is also pleased to announce that it has increased the size of its previously contemplated concurrent non-brokered private placement on the same terms as the Offering (the **“Concurrent Private Placement”**) from anticipated aggregate proceeds of approximately \$500,000 to up to \$800,000. The Company further completed the first tranche of the Concurrent Private Placement by distributing 861,443 Units for gross proceeds of \$516,865.80. The Company expects to close a second tranche of the Concurrent Private Placement in the coming weeks. All securities issued in connection with the Concurrent Private Placement are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities laws.

The Company will use the net proceeds of the Offering and Concurrent Private Placement for sales, marketing, research and development, working capital and general corporate purposes.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the **“U.S. Securities Act”**) or any state securities laws, and may not be offered or sold within the United States, or to or for the account or benefit of any U.S. person or any person in the United States, unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. **“United States”** and **“U.S. Person”** are as defined in Regulation S under the U.S. Securities Act.

About HealthSpace

HealthSpace is an industry leading software as a service company serving the state, provincial and local government market across the United States and Canada. HealthSpace's cutting edge platforms currently

provide inspection, information, communication and data management systems that enable government agencies to operate more efficiently. HealthSpace's cloud and mobile based platforms are currently deployed in over 600 state and local government organizations across North America. HealthSpace currently offers the only fully integrated inspection, administration and analytics product suite across all platforms in North America. HealthSpace 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 HealthSpace 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, HealthSpace's GovCall platform offers one of the only teleconferencing and video collaboration platforms tailored exclusively for government agencies.

Forward-Looking Information

This news 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. Forward-looking statements may include, without limitation, statements regarding the use of proceeds from the Offering and Concurrent Private Placement, completion of further tranches of the Concurrent Private Placement, and completion of the anticipated listing of the Warrants on the terms described in this news release. All forward-looking statements in this news release are made as of the date of this news release. The forward-looking statements contained herein are also subject generally to assumptions and risks and uncertainties that are described from time to time in the Company's public securities filings with the Canadian securities commissions, including the Base Shelf Prospectus and the Prospectus Supplement. Although HealthSpace 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. HealthSpace 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, except as required by applicable law.

For more information please contact:

Silas Garrison
CEO
(415) 580-2735
silas@hscloudsuite.com

Victoria Rutherford
Investor Relations
(604) 757-6888
victoria@adcap.ca