

FORM 7
MONTHLY PROGRESS REPORT
For the Month of May, 2021

Name of CSE Issuer: **Healthspace Data Systems Ltd. (“Healthspace”, the “*Issuer*” or the “*Company*”).**

Trading Symbol: **HS**

Number of Outstanding Listed **36,273,885 common shares**

Date of filing: **June 3, 2021**

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

HealthSpace develops and provides enterprise cloud and mobile solutions to governmental regulatory agencies, with a heavy focus on Environmental Health and Agriculture departments. The aim of the product suite is to streamline inefficiencies in the regulatory process and aid in all things from surveillance to business management, as well as compliance tracking and quality control applications as it relates to the regulatory process. Clients include over 500 government agencies with a segment of the product targeted at private sector businesses aimed to help them manage their regulatory data and better keep up with their required compliance.

HealthSpace’s ongoing engagement with government customers in both the US and Canada continues to drive aggressive growth and viable learning opportunities to continue to innovate its technology offerings. In 2019, the Company began expanding efforts to distribute the product line to a broader set of regulatory agencies which yield higher revenue streams. Such agencies include Code Enforcement and Building departments.

In addition to its core SaaS market, the Company is now developing a proprietary payments solution to create a governmental FinTech platform for online and mobile payments. This new platform will revolutionize the way State and Local governments agencies collect revenue from private businesses they regulate. This new platform will target the tens of billions of dollars these agencies charge to private businesses to allow them to operate. These charges include annual licensing fees, such as a restaurant permit, as well as application fees, fines and more. The Company will be able to share in the revenue through a profit share from payment processors and convenience fees charged to the local business. This new line of revenue is not only accretive to its current market, but also has the ability to far exceed the amount of revenue generated from software sales.

The Company is working with its clients to utilize the Company's HSCloud Suite platform for COVID-19 contact tracing.

2. Provide a general overview and discussion of the activities of management.

Please see item 1.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Please see item 1.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

- **On May 5, 2021, the Issuer announced that El Paso County, CO has entered into a contract with HealthSpace to become their sole environmental health data management solution. The company is also pleased to announce that Multnomah County Oregon has signed a contract to use HSCloud Suite for all of their retail tobacco licensing and inspections. This new contract extends the functionality of the system initially procured by the State of Oregon as announced on October 29, 2020. Further, the company has also finalized its contracts with Jackson County, MO, and with Grey Bruce Health Unit in Ontario. The total value of these contracts is US\$535,103, and add \$90,120 per year for five years, to the Company's annual recurring revenue. These figures do not include future revenue that will be generated as part of HSPay, which is also a part of the El Paso, Multnomah and Jackson County contracts.**

- **On May, 28, 2021 the Issuer announced it has been awarded a new contract with Orange County Health Care Agency in California ("Orange County").**

On June 30th, 2020 HealthSpace announced the execution of a five year agreement with Orange County, with a total contract value of \$1,006,121.61. As the pandemic continued to intensify in California, and take more and more of the department's time, the decision was made to put a large enterprise software deployment on hold. With the lapse in time between the original contract and today, Orange County elected to begin a new procurement process.

The new contract just awarded will be worth \$1,292,147, of which \$915,000 is recurring revenue, over the next five years. This represents an over

20% increase in price from the original contract by including GovCall, which Orange County will utilize for virtual inspections and other online video needs. These numbers are not reflective of any HSPay transactions which the County will utilize post go-live.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

In the month of May, the company laid off a full stack engineer and hired the following:

- **Director of Regulatory Affairs (US)**
- **Business Development Specialist (US)**
- **Implementation Specialist (CDN) x 2**
- **Senior Full Stack Developer**

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

In the month of May, the Issuer granted the following:

- **31,250 common shares pursuant to Option Exercises; and**
- **14,375 common shares pursuant to Exercise of Warrants.**

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: June 3, 2021

Sheryl Dhillon
Name of Director or Senior Officer

"Sheryl Dhillon"
Signature

Corporate Secretary
Official Capacity

| Issuer Details | | |
|--|-----------------------------------|---|
| Name of Issuer Healthspace Data Systems Ltd. | For Month End May, 2021 | Date of Report YY/MM/DD 2021/06/03 |
| Issuer Address 201 7491 Vedder Road | | |
| City/Province/Postal Code Chilliwack, BC V2R 6E7 | Issuer Fax No. () | Issuer Telephone No. 1-866-860-4224 |