



NEWS RELEASE

HealthSpace Q1 Sales Performance - \$3.26 Million In Lifetime Revenue

VANCOUVER, BC – April 6, 2022 - HealthSpace Data Systems Ltd. (the “Company” or “HealthSpace”) (CSE:HS) (OTC:HDSLFF) (Frankfurt:38H) is pleased to present an update regarding its sales performance during the quarter ended March 31, 2022 (“Q1”). All financial figures contained herein are expressed in U.S. dollars (“USD”) unless otherwise noted.

Q1 Sales Summary:

- Total lifetime revenue for deals that were either fully executed contracts (“Fully Executed”) or priced, awarded and out for execution (“Awarded”) for Q1 totaled \$3.26 million - including the prior announcement of the \$1.3 million contract with Riverside County, CA on February 3, 2022:
 - Fully Executed in period - \$2.78 million in lifetime revenue
 - Awarded in period - \$482,900 in lifetime revenue value
- As at March 31st, total ARR under contract is \$4.45 million.
- All contracts and awards were for the usage of HSCloud Suite within the Company’s key market of environmental health (“EH”) as well as a new statewide governmental use case for tobacco licensing.
- Customers signing contracts represent market growth across both the US and Canada; the contracts executed in the period are in multiple states and provinces including - Illinois, Colorado, Connecticut, Ohio, California, British Columbia and the Northwest Territories.
- The U.S. Food and Drug Administration (“FDA”) has begun awarding this year's cycle of grants to EH agencies. In the period, the Company was awarded four contracts from this initiative, and there are more on track for Q2. Per the Company’s announcement on August 31, 2021, the FDA is awarding local environmental health agencies a total of \$40 million over FY 2022, 2023, 2024 to improve process standardization and technology for food safety.
- The cycle of contracting with the Company’s government customers has returned to a more normal cadence this year, representing a positive shift from the pandemic disruption of the last two years. 10 of the 12 contracts for the quarter were awarded or executed in the month of March. This upward momentum in activity is expected to continue in Q2.
- In another strong indicator of a return to normal, the Company has also seen the return of industry conferences this year. HealthSpace attended eight conferences in the first quarter, and only three of those were virtual. The Company was also invited to be keynote speakers at three of the conferences. One of those keynote addresses has already led to negotiations of a contract, which is currently underway.
- As at March 31, 2022 the Company’s quoted sales pipeline stands at more than \$25 million in lifetime revenue - net of what is announced above.

“I am pleased with the sales performance we saw this quarter. Our expanded sales team has been focused and very active as we started the year. If you contrast where we are at present day against any other time in the Company’s history, it is visibly and tangibly evident we have become the market leader in environmental health. More than that, we have forged deep and meaningful partnerships across the governmental spectrum. These partnerships convey trust which is the underlying currency that drives sales momentum in the government space.” commented Silas Garrison, CEO of HealthSpace. “It is this trust and momentum that continues to bring about further opportunities. In addition to the sales activities noted above, we are in various stages on several Requests for Proposal (“RFP”). These RFP’s represent significant growth opportunities for the Company. Should they be awarded to us, it would put us on pace for closing out a significant portion of our current known quoted sales pipeline within 2022.”

Market Cycles and Special Initiatives

Mr. Garrison continued, “When it comes to sales in the government market, calendar Q1 and Q4 are typically the slowest for sales closings. This is simply due to how most local government agencies run on a fiscal year budget. Canada’s fiscal year begins April first each year, and in the US nearly all state and local governments’ fiscal year commences on July 1. The past two years have been anomalies due to the pandemic, and there was very little predictability in when agencies would kick off their projects. For example the city of Dallas awarded in October of 2020, but due to the pandemic were not able to execute until January of 2021.

For the first time in over two years the market is performing closer to its traditional cycle. This means we anticipate a strong Q2 and Q3, and we already have many contracts lined up for the next two periods based on commitments made around multiple agencies’ fiscal year budget cycle. As is always the case, timelines in government can change and our sales team will continue to build more opportunities throughout the year.”

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.

HealthSpace Data Systems Ltd.

HealthSpace Data Systems Ltd. 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 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 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.

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