NEWS RELEASE

HS GovTech Solutions Inc. Reports Q1-23 Results

Subscription revenues increased to $1.38 million, up 34% from Q1-22

VANCOUVER, BC – May 30, 2023 - HS GovTech Solutions Inc. (the "Company" or "HS GovTech") (CSE:HS) (OTC:HDSLF) (Frankfurt:38H) a leading provider of SaaS applications for government, announced its financial results for the quarter ended March 31, 2023. All financial figures contained herein are expressed in U.S. dollars ("USD") unless otherwise noted.

FY22 Highlights

- For the three months ended March 31, 2023, total revenues are up 26% over Q1-22, at $1.89 million, compared to $1.50 million.
- Subscription revenues showed strong growth for Q1-23, up 34% to $1.38 million, compared to $1.03 million for Q1-22.
- Professional services revenue in Q1-23 was $0.51 million, compared with $0.47 million for Q1-22.
- Annual Recurring Revenue ("ARR") under contract increased to $6.15 million at March 31, 2023, compared to $6.01 million at December 31, 2022, and $4.16 million at December 31, 2021.
- Adjusted EBITDA was a loss of $0.83 million in Q1-23, compared to a loss of $0.77 million in Q1-22.

Chief Executive Officer, Silas Garrison, commented on the first quarter's financial results.

"Q1 of FY23 showed tangible growth in recognized revenue, particularly that of subscription revenue. This is the result of the sustained momentum built over the past several years. We have accelerated growth and operational efficiency such that subscription revenue growth continues to outpace growth in expenses on a year-over-year basis.

We expect to continue our strong pace of sales, with numerous contracts awarded and pending final execution. The sales team is outperforming and regularly bringing new opportunities to the table as quickly as contracts are awarded.

Subsequent to Q1-23, our fully executed contracts will contribute a combined average ARR of $0.12 million. An additional several remain in the final stages of contracting, for an additional of $0.62 million in combined average ARR."

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.

EBITDA is a non-IFRS measure that is used as a measure of profit and loss. Management believes EBITDA provides a meaningful measure for assessment of Company performance as it removes non-cash and non-operating expenses such as financing costs. EBITDA is defined and calculated as net loss adjusted to remove interest, taxes, depreciation and amortization.

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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