



NEWS RELEASE

HealthSpace Presents an Update from Its Chief Executive Officer

VANCOUVER, BC – October 4, 2018 - HealthSpace Data Systems Ltd. (the “Company” or “HealthSpace”) (CSE:HS) (Frankfurt:38H) (OTC:HDSLFL) is pleased to present an update from Silas Garrison, the Company’s Chief Executive Officer:

As we begin to enter the final months of the year, I want to take a moment to address the status of the company and where we are going. It has only been a few short weeks since the board elected to appoint me as CEO. In that time, things have moved at a fast pace. We have undertaken many initiatives from new product plans to reworking our entire sales organization. I have met with every member of our team and have begun to set a new tone centered around growth.

We are at a pivotal position in the company’s history that, upon looking back several years from now, we will consider this Day 1. This is Day 1 of HealthSpace becoming a total market leader in the government space; a leader not just in environmental health, but in agriculture, public works and many other areas yet to be fully addressed by the company; a leader that has become a bridge for the private businesses regulated by the regulatory bodies we serve.

The Ultimate Goal

Our company’s ethos internally is fairly simple: *“People matter, and it is our job to turn people’s problems into solutions.”* We believe that if our focus is on the people we serve then we will deliver the best service and solutions as possible.

We take great pride in creating solutions to people’s problems. This is why we strive to innovate in order to push the limits of what is possible and are not afraid to try something new. Having the focus be on people means we want to help as many people as possible which can only happen through aggressive strategies for growth, scalability and a results-driven focus.

We listen intently to the needs of our customers, our shareholders and our employees. We have a truly great opportunity to help shape and aid the regulatory landscape across numerous verticals. This is not something that happens overnight which is why we have a long-term focus. It takes time to build something you can be proud of.

We are building something that can be passed onto future generations which has a real, lasting impact on people’s lives. This work will have an impact for our customers and their ability to work more efficiently and use tools that help their everyday lives; an impact for our employees that gives them a sense of

immense accomplishment and pride; and an impact for our shareholders which significantly improves their financial wellbeing.

Government First

We have spent a great deal of time and energy over the past year working on our technology and upgrading its use; from creating blockchain tech to tooling the HSCloud for private sector use. A large portion of this process was determining where our solutions are applicable and, perhaps more important, where they are *not* applicable.

We have found that without our ability to offer world-class, government facing services and products, we have a weakened position in the highly competitive landscape of SaaS products for the private sector. It is because of this we are doubling, even tripling, down on our efforts to saturate the local and state government markets.

We already have significant penetration into the Environmental Health realm across North America and are beginning to make headway into other government verticals such as Agriculture and Public Works. These will prove to be integral as we position ourselves as the bridge for companies regulated by these government bodies. In some preliminary sales research, we have found that cross-selling to “adjacent” departments can generate significantly larger deals for effectively the same sales effort.

To be clear, we are not abandoning selling products to the private sector. More so, we are bolstering our efforts and becoming laser focused on what can make the greatest impact, both now and in the long term. Near term, part of the private sector solutions will include focusing extensively on third party auditors and service providers, as opposed to food establishments directly.

Long term, as our regulatory footprint continues grows, we will offer services that extend far beyond basic SaaS products. We can create truly unique solutions and services which reach multiple audiences in ways not available without the relationships founded upon government services.

Execution and Communication

In order for us to succeed in all we strive to do, we must execute. It is an obvious yet crucial statement. We will not be whimsical in our approaches and will set out first and foremost to deliver on what we promise to our customers. Second, we have to make that delivery repeatable and scalable. We then have to look to what is ahead while not abandoning what is immediately before us.

Successful execution requires purposeful and consistent communication. We consider communication with our shareholders a critical element of our success. As we move forward, shareholder communication is a top priority.

Numbers Are Key

In creating a growth culture, the only way to measure your effectiveness is through numbers. In 2018 we saw the largest contract signed in company history with a multi-year agreement with the State of Virginia worth more than \$3M USD. We saw the expansion into three new territories: Indiana, Illinois and Texas.

These are examples of how we will begin to measure ourselves. We intend on creating specific targets with fierce focus on exceeding them.

Blockchain, Cannabis and the like

We started several exciting initiatives over the past year. Some we have made significant traction in, others have proven to be more difficult to get jump started. Both cannabis and blockchain are long term plans that complement each other.

The cannabis industry is not significantly focused on the compliance nature of the business as of right now as it relates to health and safety. Many government agencies regulating them are focused primarily on taxation as opposed to compliance and regulation. Because of this, the initial foray into cannabis has resulted in several strategic relationships and revealed significant insight. Our first goal will be using this insight to initially work with regulatory agencies to improve their ability to efficiently regulate the health and safety of cannabis producers. Once we are positioned, we will be able to provide similar solutions to the producers themselves.

The cannabis initiative, along with all other compliance related aspects of our customer base, directly relate back to the blockchain technology we are working on. We have made significant strides on the technological front and it is a true product differentiator. We will be implementing more aspects of the solution in the coming months and are excited to share the updates as they take place.

Government agencies, when it comes to compliance in health and safety, do not desire the entirety of the responsibility to fall on them. They desire collaboration amongst the private entities they regulate. Our blockchain solution provides a perfect way to create a collaborative network for facilitating a shared truth.

Goals for 2019

Embodying the notion that this is Day 1 for HealthSpace means we are still in the early stages of a lot of bold initiatives. We must remain vigilant, aware and aggressive. We will act with a sense of urgency to continually gain traction in the areas we know will make an impact quickly, while maneuvering in an agile and tactical way into new areas of growth.

We are creating and setting significant goals for our sales team to increase revenue in 2019. We are setting them to be bold knowing that sales cycles, especially in government, do not bend to our desires. However, it is our intent to fill the pipeline so boldly and aggressively that we will stop at nothing to hit targets.

There will be some things unveiled in the coming weeks and months in what will become a new era for the company. My background in tech coupled with a deep understanding of both the product and marketplace we serve affords me a truly unique perspective to lead this organization to the next level. HealthSpace has a significant opportunity and a very bright future ahead of it.

We at HealthSpace are grateful to our customers for entrusting us with their business, to our fellow team members for the dedication and hard work we share, and to our shareholders for their trust and investment.

HealthSpace Data Systems Ltd.

HealthSpace is an industry leading technology company currently providing inspection, information, communication and data management systems for federal, state, county and municipal governments. Over the last decade, HealthSpace has successfully developed both enterprise and mobile internet-based applications currently serving over 300 state and local government organizations across North America. HealthSpace currently offers the only integrated inspection, administration and analytics product suite across all platforms in North America. 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.

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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