



## NEWS RELEASE

### **HealthSpace Presents an Update from Its Chief Executive Officer**

**VANCOUVER, BC – February 24, 2020** - HealthSpace Data Systems Ltd. (the “Company” or “HealthSpace”) (CSE:HS) (Frankfurt:38H) (OTC:HDSLF) is pleased to present an update from Silas Garrison, the Company’s Chief Executive Officer:

It has been an exciting start to 2020. Our sales momentum is picking up at a record pace. We have closed more sales over a smaller period time than at any other point in the Company’s history. We are making continued strides on our product and increasing our team size to continue to meet our customers’ needs.

We have nearly doubled our customer base within the last 12 months. As we keep the forward momentum going, it is highly likely we will double again. Because of that, I have set the theme for this year to be the Year of Scale. As a company, we pride ourselves in not only providing the best product in the market, but also the best customer service. Continuing to excel in both realms while continually increasing the number of customers we serve requires intent focus and commitment. It also requires more people which is why we are continually expanding our team to ensure we are always delivering the best.

#### **Sales Pipeline - US \$15 Million and Growing**

Our sales pipeline has swelled to over US \$15 million worth of multi-year contracts, comprised of over 60 individual contracts, with new contract opportunities being continuously added. The majority of this pipeline has a likelihood of closing within the next six to eight months. Our current cumulative SaaS annual recurring revenue ("ARR") as at the end of our fiscal second quarter (Jan 31, 2020) is standing at US \$3.2 million. We expect to exit fiscal 2020 with an ARR around US \$5.0 million, should we fulfil the US \$15 million pipeline.

As we continue to delve aggressively into our core market of state and local government departments, we will be able to address more departments of different types. This includes departments such as code enforcement, which largely regulates the health and safety of physical properties. Long term, our aim is to become the ubiquitous, self-serve cloud platform within the government market whether the department is environmental health, agriculture, code enforcement or another we have yet to tap into.

#### **HSPay + My Health Department**

One of the most exciting evolutions for the Company will be streamlining the ecosystem between government and private sectors through digital means. The intent of the platform is to provide seamless access to governmental data to the private businesses for which it relates, such as permits and inspections. Further, it will help government departments extend their online services which will dramatically reduce inefficiencies from less paperwork to improved communication. We have begun to deliver segments of the

My Health Department platform and have customers who will be extending their use and offerings within the platform by summer. A core portion of these offerings will be HSPay.

HSPay is what we are calling our payment solution that will combine the power of PayPal with our cloud based products. Initially it will be embedded within My Health Department, but we will expand the capabilities and usage from there. We have slowly introduced this to our latest customer additions and will throttle customer adoption of the platform to just a few early adopters to ensure we have the platform working seamlessly and securely. Because of that, we expect only a small amount of payments to be transacted during this fiscal year with the rate and volume of payments increasing precipitously in the months and years to come.

### **A Growing Team**

HealthSpace has added over ten new team members in various capacities to bolster product development, customer service and sales. As we continually grow our customer base, we will be adding new team members, and even have plans to open a new office in Ohio to service our growing customer base in that region of the country. Additionally, Maureen Garrison, has resigned from her position as Chief Operating Officer for personal reasons. She will continue with HealthSpace in the capacity of Head of Customer Setup. We are grateful to Maureen for her dedication to excellence and commitment to HealthSpace's success.

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 500 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. HealthSpace has now entered into the FinTech space by creating a payment platform that streamlines the intake of government revenue for the agencies it serves.

### **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", "pipeline", "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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