



**NEWS RELEASE**

**HEALTHSPACE DATA SYSTEMS ANNOUNCES CLOSING OF OVERSUBSCRIBED BROKERED OFFERING LED BY ECHELON WEALTH PARTNERS**

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**VANCOUVER, BC – May 1, 2020** - HealthSpace Data Systems Ltd. (the “**Company**” or “**HealthSpace**”) (CSE:HS) (Frankfurt:38H) (OTC:HDSLFI) is pleased to announce that it has closed its oversubscribed private placement (the “**Offering**”), previously announced on April 16, 2020. Echelon Wealth Partners Inc. (the “**Agent**”) acted as sole agent and bookrunner for the Offering.

The Offering consisted of both brokered and non-brokered components, and resulted in the issuance of 44,000,000 units of the Company (each, a “**Unit**” and collectively the “**Units**”) at a price of C\$0.065 per Unit for gross proceeds of C\$2,860,000. Each Unit consists of one common share in the capital of the Company (each, a “**Common Share**” and collectively the “**Common Shares**”) and one common share purchase warrant (each, a “**Warrant**” and collectively the “**Warrants**”). Each Warrant entitles the holder thereof to acquire one Common Share at a price of C\$0.10 per Common Share for a period of 36 months from the closing date of the Offering. The net proceeds from the Offering will be used for general corporate and working capital purposes.

The Company paid a cash commission to the Agent and members of the Agent’s selling group equal to C\$231,856.32 plus expenses and legal fees, issued 1,222,248 Common Shares and 3,259,328 compensation warrants exercisable into Common Shares at a price of C\$0.065 per Common Share for a period of 36 months from the date of issuance.

Two related parties of the Company participated in the Offering. Such participation constituted a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The issuance to the related parties (as defined in MI 61-101) is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 in respect of related party participation in the Offering as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeded 25% of the Company’s market capitalization.

The securities issued pursuant to the Offering are subject to a hold period of four months and one day pursuant to applicable securities laws.

## **Options Grant**

The Company also announces that it has granted incentive stock options to Joseph Willmott, a director and President of the Company, in the amount of 350,000 options exercisable into Common Shares at C\$0.10 one employee, and one consultants of the Company, in the amount of 250,000 options and 500,000 options respectively, also exercisable at C\$0.10 per Common Share. The employee provides services to the Company in respect of its sales activities, and the consultant is a wholly owned entity of Todd Shapiro, who is engaged in social medial marketing to raise awareness of the Company and its products.

All options and the underlying Common Shares will be subject to a hold period of four months and one day pursuant to the policies of the Canadian Securities Exchange, and will further be subject to a vesting schedule, whereby 25% of the granted options vest immediately upon the grant date of May 1, 2020, and 25% vest every three months thereafter.

## **HealthSpace Data Systems Ltd.**

HealthSpace is a government Software as a Service (SaaS) company focused on providing efficiencies to state and local government agencies through its powerful enterprise cloud and mobile platform. Over the last decade, HealthSpace has successfully developed both cloud and mobile applications currently serving over 500 state and local government organizations across North America. HealthSpace offers one of the only self-serve enterprise suites for government, providing greater power to the end-user. 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 news release contains forward-looking statements, including statements regarding the attributes of options granted, and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects” and similar expressions. All statements other than statements of historical fact included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, and which are described in the Company’s public filings available under its profile at [www.sedar.com](http://www.sedar.com). The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary

statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company does not intend to update any of the included forward-looking statements except as required by Canadian securities laws.

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