



NEWS RELEASE

HEALTHSPACE DATA SYSTEMS ANNOUNCES ADOPTION OF SHAREHOLDER RIGHTS PLAN

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VANCOUVER, BC – September 23, 2020 - HealthSpace Data Systems Ltd. (the “**Company**” or “**HealthSpace**”) (CSE:HS) (Frankfurt:38H) (OTC:HDSLFF) announces that it has adopted a shareholder rights plan (the “**Rights Plan**”) effective September 22, 2020. The Rights Plan has been adopted to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with any take-over bid for the Company, and to protect against “creeping bids”, which involve the accumulation of more than 20% of common shares in the capital of the Company (the “**Common Shares**”) through purchases exempt from applicable take-over bid rules.

Pursuant to the Rights Plan, one right attaches to each issued and outstanding Common Share of HealthSpace. Subject to the terms of the Rights Plan, the rights become exercisable in the event that any person (together with its affiliates and associates and persons acting in concert with it) becomes a beneficial holder of 20% or more of the Company’s outstanding Common Shares, without complying with the “Permitted Bid” provisions under the Rights Plan. In such event, holders of the rights (other than the acquiring person and its related parties) will be permitted to exercise their rights to purchase additional Common shares of the Company at a substantial discount to the then market price of the Company’s Common shares.

While the Rights Plan is effective immediately, the Company has elected to make the Rights Plan subject to ratification by the Company’s shareholders. HealthSpace will be seeking shareholder ratification of the Rights Plan at its next annual general meeting. A summary of the principal terms of the Rights Plan will be included in the management information circular to be sent to shareholders in connection with such meeting and a complete copy of the Rights Plan will be available under the Company’s profile on SEDAR at www.sedar.com. If the Rights Plan is not approved by the shareholders, it, together with the outstanding rights, will terminate and cease to be effective.

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. 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.

For more information please contact:

Silas Garrison
CEO
(415) 580-2735
silas@hscloudsuite.com