

FORM 7
MONTHLY PROGRESS REPORT
For the Month of November, 2020

Name of CSE Issuer: **Healthspace Data Systems Ltd. (“Healthspace”, the “*Issuer*” or the “*Company*”).**

Trading Symbol: **HS**

Number of Outstanding Listed Securities: **212,383,840 common shares**

Date of filing: **December 3, 2020**

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

HealthSpace develops and provides enterprise cloud and mobile solutions to governmental regulatory agencies, with a heavy focus on Environmental Health and Agriculture departments. The aim of the product suite is to streamline inefficiencies in the regulatory process and aid in all things from surveillance to business management, as well as compliance tracking and quality control applications as it relates to the regulatory process. Clients include over 500 government agencies with a segment of the product targeted at private sector businesses aimed to help them manage their regulatory data and better keep up with their required compliance.

HealthSpace’s ongoing engagement with government customers in both the US and Canada continues to drive aggressive growth and viable learning opportunities to continue to innovate its technology offerings. In 2019, the Company began expanding efforts to distribute the product line to a broader set of regulatory agencies which yield higher revenue streams. Such agencies include Code Enforcement and Building departments.

In addition to its core SaaS market, the Company is now developing a proprietary payments solution to create a governmental FinTech platform for online and mobile payments. This new platform will revolutionize the way State and Local governments agencies collect revenue from private businesses they regulate. This new platform will target the tens of billions of dollars these agencies charge to private businesses to allow them to operate. These charges include annual licensing fees, such as a restaurant permit, as well as application fees, fines and more. The Company will be able to share in the revenue through a profit share from payment processors and convenience fees charged to the local business. This new line of revenue is not only accretive to its current market, but also has the ability to far exceed the amount of revenue generated from software sales.

The Company is working with its clients to utilize the Company's HSCloud Suite platform for COVID-19 contact tracing.

- On November 16, 2020, the Company's CEO provided an update. Highlights included:

- o Since the beginning of the calendar year, the Company has announced over \$7M in new deals, introduced HSCloud into new markets and created opportunities for growth in several new states, including California. Even with the pandemic introducing some slow downs, the Company managed to nearly double last year's growth and have achieved the highest dollar value of deals announced in the Company's history.

- o **Sales Growth**

Now through December 31st, the Company has sufficient visibility into its pipeline and thus anticipate achieving its previously stated goals. This translates into an anticipated \$3M+ in new deals coming in through the end of the year. There are several new, significant deals that customers are working hard, along with its sales team, to have closed before 12/31, so they can start their implementations in January of the new year. This will represent \$6M+ in total value of new deals since the Company's fiscal year end of July 31st. The Company's current sales pipeline remains at \$18M+. The pipeline does not include revenue from HSPay which the Company has only just begun delivering. The Company is seeing a larger number of new client deals include this platform which should translate into transactional revenue from HSPay in the latter half of 2021.

The Company's current ARR under contract stands at \$3.9M with \$2.7M+ of that considered "live". Live ARR is ARR under contract that has completed implementation and has begun the subscription revenues phase. The Company expects to close this calendar year with \$4.2M+ in ARR under contract of which \$2.7M+ will be live. This represents \$1.2M+ in backlog ARR which it expects to go live in the first two quarters of 2021 as a number of our customers complete their implementation of HSCloud and will begin paying their annual subscription.

- On November 19, 2020, the Company announced that it intends to consolidate the common shares in the capital of the Company on the basis of 8 pre-consolidation Common Shares for every one post-consolidation Common Shares. The Consolidation is anticipated to occur prior to the completion of the Offering. The completion of the Consolidation remains subject to the approval of the Canadian Securities Exchange (the "CSE") and compliance with Policy 9 of the CSE.
- On November 19, 2020, the Company announced a brokered private placement for gross proceeds of up to CAD\$4,000,000. On a post-Consolidation basis, the Offering will consist up to 5,000,000 units of the

Company (each, a “Unit, and collectively the “Units”) at a price of C\$0.80 per Unit. Each Unit consists of one post-Consolidation Common Share and one-half of one Common Share purchase warrant (each whole warrant, a “Warrant” and collectively the “Warrants”). Each Warrant entitles the holder thereof to acquire one post-consolidation Common Share at a price of C\$1.20 per Common Share for a period of 24 months from the closing date of the Offering.

2. Provide a general overview and discussion of the activities of management.

Please see item 1

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Please see description above.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

- **On November 3, 2020, the Company announced announce a new contract with Erie County, NY. The County will utilize HSCloud Suite to manage all of their Environmental Health programs. The contract includes usage of HSTrace, the Company’s COVID-19 contact tracing solution, and HSPay. The total five year value of this agreement is \$480,000, not including HSPay transaction related revenue.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

None.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.
None.
10. Report any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
- **Throughout the month of November the Company hired a software developer and configuration specialist.**
11. Report on any labour disputes and resolutions of those disputes if applicable.
None.
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
- **The Company is subject to a legal proceeding commenced by a service provider in November 2016. In June 2017 the Company filed a counterclaim to this service provider. Currently the Company is working with its legal counsel on the claim and counterclaim.**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
None.
14. Provide details of any securities issued and options or warrants granted.
None.
15. Provide details of any loans to or by Related Persons.
None.
16. Provide details of any changes in directors, officers or committee members.
None.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
None.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: December 3, 2020

Sheryl Dhillon
Name of Director or Senior Officer

"Sheryl Dhillon"
Signature

Corporate Secretary
Official Capacity

Issuer Details		
Name of Issuer Healthspace Data Systems Ltd.	For Month End November, 2020	Date of Report YY/MM/DD 2020/12/03
Issuer Address 201 7491 Vedder Road		
City/Province/Postal Code Chilliwack, BC V2R 6E7	Issuer Fax No. ()	Issuer Telephone No. 1-866-860-4224