NEWS RELEASE

HealthSpace Presents an Update from Its Chief Executive Officer

VANCOUVER, BC – November 16, 2020 - HealthSpace Data Systems Ltd. (the "Company" or "HealthSpace") (CSE:HS) (OTCQB:HDSLF) (Frankfurt:38H) is pleased to present an update from Silas Garrison, the Company's Chief Executive Officer:

In the final weeks of the year, we look back on what has been the strongest year the Company has had to date. Since the beginning of the calendar year, we have 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, we managed to nearly double last year's growth and have achieved the highest dollar value of deals announced in the Company's history.

It is gratifying to not only experience the growth, but to know that momentum compounds upon itself. Since taking the helm as CEO, our focus has solely been on government and, more specifically, delivering our HSCloud platform in a way that truly provides efficiencies by making the lives of state and local government easier. We have gained much ground in the environmental health market segment, but have only scratched the surface of providing the same value to departments of public health. There are other government departments we intend to build traction in as we enter 2021 such as agriculture, code enforcement and clinical health data management.

Sales Growth

Now through December 31st, we have sufficient visibility into our pipeline and thus anticipate achieving our 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 our 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 our fiscal year end of July 31st. Our current sales pipeline remains at $18M+. The pipeline does not include revenue from HSPay which we have only just begun delivering. We are 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.

Our 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. We expect 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 we expect 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.

Looking Ahead

In my first update to the markets earlier this year, I said that the theme for this year was the "Year of Scale". I am pleased to say, our team has excelled at scaling. We have nearly doubled last year's sales growth with even more to come before year end. Our team has more than doubled in size and continues to grow. Our implementation times, from contract signing to customer go live, have dramatically

decreased. Not only does this create happier customers, it translates into a faster turnaround on subscription revenue, our ARR. Since my last update, the City of San Francisco, the State of Colorado, and the State of Virginia have all gone into live status with HSCloud. On top of all that, in what was a turbulent year, we were able to pivot and scale our HSCloud platform into a new market segment, public health.

The long term vision for HSCloud is not to be just a provider of software to one-off segments within the government market, but to truly be the first no-code platform for government. No-code allows for non-technical users who do not necessarily understand programming to create robust and powerful software applications through the use of a graphical interface.

In the case of HSCloud, while we focus on individual market segments at a time, our long term plan is to disrupt and replace legacy systems of all types within government. By enabling end-users to design and build out their own cloud based system, we will be able to extend our reach into numerous market segments of government, even those we have yet to fully identify. We were able to demonstrate this ability with our quick pivot into contact tracing and public health, but the market opportunities and growth ahead does not end there.

For the near term, our goal is to reach $10M in ARR under contract, which we believe is likely achievable by the end of 2021. We have scaled our team up and will continue to do so to keep up with the unprecedented demand for our product suite. We will continue to push HSPay forward in an aggressive way and ensure that the R&D investment for HSPay, as well as continual innovation for HSCloud, pushes the boundaries of what is possible for government and their ability to implement a tailor made cloud solution, regardless of agency type. This will push the Company forward in a way that allows us to grow to many times our current size.

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

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For more information please contact:

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