

COMPREHENSIVE HEALTHCARE SYSTEMS ANNOUNCES NON-BROKERED PRIVATE PLACEMENT

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CALGARY, AB, January 12, 2023 /CNW/ – Comprehensive Healthcare Systems Inc. (TSXV: CHS) (the “**Company**” or “**CHS**”) is pleased to announce a non-brokered private placement (the “**Private Placement**”) of 20,000,000 units of the Company (the “**Units**”) at \$0.05 per Unit for gross proceeds of up to \$1 million. In its discretion, the Company may, in the context of the market, increase the size of the Private Placement in accordance with policies of the TSX Venture Exchange (the “**TSXV**”).

The Company reserved the price for the Private Placement by filing a price reservation form with the TSXV on December 15, 2022. The Private Placement is expected to close on or around January 30, 2023, subject to adjustment at the discretion of the Company and in accordance with the policies of the TSXV.

Each Unit will consist of one common share in the capital of CHS (a “**Share**”) and a transferable warrant (a “**Warrant**”). Each Warrant will be exercisable for a period of 24 months from the date of issue of the Warrant (the “**Exercise Period**”). Each Warrant will entitle the holder to purchase one Share (a “**Warrant Share**”) at a price of \$0.10 per Warrant Share for the first 12 months of the Exercise Period and at a price of \$0.15 per Warrant Share between 12 and 24 months of the Exercise Period.

The Company will pay eligible arm’s length parties (each a “**Finder**”) a cash fee equal to 7% of the aggregate value of the Units sold pursuant to the Private Placement in respect of subscriptions referred to the Company or directly sourced by the Finder and issued on closing (the “**Finder’s Fee**”). The Company will also issue to each Finder that number of warrants, expiring twenty-four months from the date of issuance, to purchase that number of additional Warrant Shares equal to 7% of the number of subscriptions of Units referred to or directly sourced by the Finder to the Company (the “**Finder Warrants**”) in connection with the Private Placement. Each Finder Warrant will entitle the holder thereof to subscribe for one Warrant Share at a price of \$0.10 per Warrant Share for the first 12 months of the Exercise Period and at a price of \$0.15 per Warrant Share between 12 and 24 months of the Exercise Period.

The Company may complete the Private Placement via the closing of multiple tranches. Closing of the Private Placement is subject to a number of conditions, including, without limitation, approval of the TSXV and receipt of all necessary corporate and regulatory approvals.

The securities issued under the Private Placement are offered by way of private placement in such provinces and/or territories of Canada as may be determined by the Company and to certain subscribers in the United States and outside the United States, in each case pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. All securities issued under the Private Placement will be subject to a hold period which will expire four months and one day from the date of the applicable closing of the Private Placement.

Certain insiders of the Company (the “**Insiders**”) intend to participate in the Private Placement and their holdings of securities of the Company will increase as a result. The Company will rely on the exemptions from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 – *Protection of Minority Share Holders in Special Transactions* (“**MI 61-101**”) contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101 in respect of such insider participation. While not known at this time, pursuant to the policies of the TSXV, if proceeds obtained through subscriptions by Insiders exceed 25% of the total proceeds subscribed for pursuant to the Private Placement (the “**25% Threshold**”), the Insiders will pay a subscription price of \$0.07125 per Unit – being the Discounted Market Price (as such term is defined under the policies of the TSXV) of the Shares as of January 12, 2023 – that exceeds the 25% Threshold. For avoidance of doubt, each Unit subscribed for in relation to exceeding the 25% Threshold shall be comprised of one Share and one Warrant consisting of the terms enumerated above.

The net proceeds of the Private Placement will be used for general corporate and working capital purposes and may also be used to fund the purchase price for the acquisition of Professional Benefit Administrators West, LLC, an Oklahoma limited liability company d/b/a Benveo (the “Benveo Acquisition”). For further details on the Benveo Acquisition, please refer to the Company’s press releases dated September 22, 2022.

About Comprehensive Healthcare Systems Inc.

Comprehensive Healthcare Systems Inc. is a corporation incorporated under the laws of the Province of Alberta and is the parent company of Comprehensive Healthcare Systems Inc. (Delaware). The Company is a vertically integrated software as a services (SaaS) company focused on digitizing healthcare with Telehealth and Healthcare Benefits Administration solutions, providing reliable and high-volume transaction capable systems. The Company’s state-of-the-art Novus 360 Healthcare Welfare and Benefits Administration (HWBA) SaaS platform is used by clients for all aspects of healthcare benefits administration (including self-funded employers, hospitals, doctors, and labor unions, through various corporations in which the majority shareholder has controlling ownership), providing healthcare administrative software, licensing and maintenance services.

COMPREHENSIVE HEALTHCARE SYSTEMS INC.

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FORWARD-LOOKING INFORMATION:

This press release contains “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements can be identified by words such as: “anticipate,” “intend,” “plan,” “budget,” “believe,” “project,” “estimate,” “expect,” “scheduled,” “forecast,” “strategy,” “future,” “likely,” “may,” “to be,” “could,” “would,” “should,” “will” and similar references to future periods or the negative or comparable terminology, as well as terms usually used in the future and the conditional. Examples of forward-looking statements in this news release include the: (i) completion of the Private Placement; (ii) the payment of the Finder’s Fee and

issuance of Finder Warrants; (iii) the participation by Insiders in the Private Placement; (iv) obtainment of approval from the TSXV; (v) the jurisdictions of the Private Placement; (vi) the intended use of the proceeds of the Private Placement; and (vii) the possibility of the Company increasing the size of the Private Placement. These forward-looking statements are based on assumptions as of the date they are provided, including assumptions that the Private Placement will proceed, that Insiders will participate in the Private Placement and that all necessary regulatory approval will be obtained. However, there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Additionally, there are known and unknown risk factors that could cause the Company's actual results and financial conditions to differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important risk factors that could cause actual results and financial conditions to differ materially from those indicated in the forward-looking statements include, among others: that Insiders do not participate in the Private Placement; that regulatory approval, including that of the TSXV, is not obtained; that the closing conditions for completion of the Private Placement are not satisfied; general economic, market and business conditions in Canada and globally; market volatility; unforeseen delays in the timelines for any of the transactions or events described in this press release; and the risk of regulatory changes that may impact the business of the Company. All forward-looking information is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking statement or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.