

POSaBIT FY 2020 Revenue Increases 127% to \$7.8 Million, Transactional Sales Grow 155%

Fintech company delivering unique POS systems for cash only businesses, with a focus on cannabis, achieves record performance in 2020.

TORONTO & SEATTLE--(BUSINESS WIRE)--May 6, 2021--POSaBIT Systems Corporation (CSE: PBIT, OTC:POSAF), a leading financial technology company delivering unique payment processing and point-of-sale (POS) systems for cash-only businesses with a focus on the cannabis industry, is pleased to report its financial results for the year ended December 31, 2020.

“2020 was the year we proved the viability and growth potential of our company,” said Ryan Hamlin, CEO/co-founder of POSaBIT. “Not only did we once again double our revenue and merchant base on a year over year basis, but we greatly improved operating margins and concluded our second consecutive positive adjusted EBITDA quarter. We expect continued growth in 2021 as we continue to expand the POSaBIT team, develop new and improved technology to bolster our already top-of-market product offerings, and focus on geographically broadening our customer base.”

Q4 2020 Highlights (USD)

- Total processing volume increased 411% from the same period last year.
- Total revenue was \$3,057,600, an increase of 327% from \$716,562 for the fourth quarter of 2019.
- Gross profit margin was \$796,742, a significant increase from a negative \$18,483 for the fourth quarter of 2019.

Twelve Months Ended December 31, 2020 Highlights (USD)

- Total processing volume increased 155% for the twelve months ending December 31, 2020 vs. 2019
- Total revenue was \$7,822,732, an increase of 127% from \$3,440,100 for the year ended December 31, 2019.
- Gross profit margin was \$1,735,064, an increase of 485% from \$296,632 for the year ended December 31, 2019.

Operational Highlights

- More than doubled its overall merchant base in 2020 and forecast to do the same in 2021, having already added multiple sizable retail chains to the customer base, representing some of the largest retail operators in the country.
- Added multiple offerings to its suite of payment products for dispensaries, providing entry into new markets and giving merchants increased flexibility and choice in how they engage with POSaBIT.
- Formed partnerships with numerous industry technology partners to bolster its point-of-sale offering, again providing flexibility to merchants and keeping its product at the very top of the market.
- Significantly expanded the internal team while achieving profitability, allowing it to keep pace with increased demand for its products while continuing to innovate.

Subsequent Events

- On February 23, 2021, the Company completed a strategic investment private placement of units, receiving gross proceeds of \$2 million USD.
- On March 30, 2021, the Company announced a partnership with I Heart Jane, the premier online ordering and menu platform for marijuana retailers.
- On April 21, 2021, the Company announced the appointment of Don Tringali to the Board of Directors. Mr. Tringali previously served as Chairman of the Board of Directors of two NASDAQ listed companies.

2021 Outlook

- POSaBIT provides the following revenue and gross margin guidance for the full year 2021.
 - 2021 Total Revenue \$14.5M - \$16M
 - Gross Profit Margin 28% - 32%
- POSaBIT plans to expand beyond the current 14 US states and launch operations in Canada as well as add 5 to 8 new states fully supported with POSaBIT Payments and POSaBIT Point of Sale.

Earnings Conference Call

In conjunction with this release, POSaBIT CEO Ryan Hamlin will conduct an earnings call on Thursday, May 6. Details below:

Date: May 6, 2021

Time: 4:30pm Eastern Time

Toll-Free: 888-267-3612

International: 973-528-0089

Entry Code: 484115

Live Webcast: <https://www.webcaster4.com/Webcast/Page/2708/41242>

Conference Call Replay Information:

The replay will be available approximately 1 hour after the completion of the live event.

Toll Free: 877-481-4010

International: 919-882-2331

Replay Passcode: 41242

Financial Reports

Full details of the financial and operating results for 2020 are described in the company's consolidated financial statements with accompanying notes. The consolidated financial statements and additional information about POSaBIT are available on the company's website at www.posabit.com/investor-relations or on SEDAR at www.sedar.com.

Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding our business strategy, product development, timing of product development, events and courses of action.

Statements which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, outlook, expectations or intentions regarding the future including words or phrases such as "anticipate," "objective," "may," "will," "might," "should," "could," "can," "intend," "expect," "believe," "estimate," "predict," "potential," "plan," "is designed to" or similar expressions suggesting future outcomes or the negative thereof or similar variations. Forward-looking statements may include, among other things, statements about: our expectations regarding our expenses, sales and operations; our future customer concentration; our anticipated cash needs and our estimates regarding our capital requirements and our need for additional financing; our ability to anticipate the future needs of our customers; our plans for future products and enhancements of existing products; our future growth strategy and growth rate; our future intellectual property; and our anticipated trends and challenges in the markets in which we operate. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which POSaBIT will operate in the future, including the demand for our products, anticipated costs and ability to achieve goals. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, you should not unduly rely on these forward-looking statements

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking statements, including but not limited to, business, economic

and capital market conditions; the ability to manage our operating expenses, which may adversely affect our financial condition; our ability to remain competitive as other better financed competitors develop and release competitive products; regulatory uncertainties; market conditions and the demand and pricing for our products; our relationships with our customers, distributors and business partners; our ability to successfully define, design and release new products in a timely manner that meet our customers' needs; our ability to attract, retain and motivate qualified personnel; competition in our industry; our ability to maintain technological leadership; our ability to manage risks inherent in foreign operations; the impact of technology changes on our products and industry; our failure to develop new and innovative products; our ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could materially and adversely affect our business; our ability to manage working capital; and our dependence on key personnel. POSaBIT is an early stage company with a short operating history; it may not achieve profitability; and it may not actually achieve its plans, projections, or expectations.

Important factors that could cause actual results to differ materially from POSaBIT's expectations include consumer sentiment towards POSaBIT's products and blockchain/cryptocurrency exchange technology generally, litigation, global economic climate, loss of key employees and consultants, additional funding requirements, changes in laws, technology failures, competition, and failure of counterparties to perform their contractual obligations.

Neither we nor any of our representatives make any representation or warranty, express or implied, as to the accuracy, sufficiency or completeness of the information in this news release. Neither we nor any of our representatives shall have any liability whatsoever, under contract, tort, trust or otherwise resulting from the use of the information in this news release or for omissions from the information in this news release.

ABOUT POSABIT

POSaBIT (CSE: PBIT) is a financial technology company that delivers unique and innovative, blockchain-enabled payment processing and point-of-sale systems for cash-only businesses. POSaBIT specializes in resolving pain points for complex, high-risk, emerging industries like cannabis with an all-in-one solution that is compliant, user-friendly and utilizes top-of-the-line hardware. POSaBIT's unique solution provides a safer and transparent environment for merchants while creating a better overall experience for the consumer. For additional information, visit: www.posabit.com.

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