

POSaBIT Secures ~CAD\$5 Million Private Placement Led by Existing Institutional Investors, Priced at a Premium to Market; New Funding Supports Launch into 8 States by Year End

TORONTO & SEATTLE--(BUSINESS WIRE)--June 21, 2022--POSaBIT Systems Corporation (CSE: PBIT, OTC: POSAF) (“**POSaBIT**” or the “**Company**”), the leading provider of payments infrastructure in the cannabis industry, announced today a non-brokered private placement of 5,861,941 units of the Company (the “**Units**”), at a premium to market subscription price of CAD\$0.80 per Unit, for aggregate gross proceeds of approximately CAD\$4.7 million (the “**Offering**”). Pursuant to the Offering, 4,500,000 Units will be issued to existing investors of the Company (the “**Existing Investors**”) who will, concurrently with the closing of the Offering, exercise 600,063 previously issued Common Share (as defined herein) purchase warrants for additional gross proceeds to the Company of CAD\$0.2 million. The Offering is expected to close imminently.

Each Unit consists of one (1) common share of the Company (a “**Common Share**”) and three-quarters (3/4) of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant comprising Units issued to Existing Investors will be exercisable at CAD\$1.00 and each Warrant comprising Units issued to all other investors will be exercisable at CAD\$1.05. Each Warrant will entitle the holder thereof to acquire one Common Share for a period of 3 years from the date of issuance, subject to acceleration in the event the Common Shares trade on the Canadian Securities Exchange at or above CAD\$1.50 for a period of 20 consecutive trading days.

“The completion of this financing will strengthen our balance sheet and reflects our strong position in the market,” said Ryan Hamlin, CEO and Co-founder of POSaBIT. “A majority of the funding is from existing institutional investors that understand the growth prospects and trajectory of the Company. These investors have made a strong commitment to management and believe that we will continue to execute on our plan. The placement terms demonstrate the investor group’s commitment to supporting the Company, minimizing current shareholder dilution, and ultimately driving share price appreciation of our stock. Moreover, we have raised less than USD \$10 million since inception prior to this Offering, which underscores POSaBIT’s capital efficiency and ability to largely self-fund growth. The capital raised in this placement will help support our eight (8) state launch that we aim to complete by year end. At a time when our competitors are pulling back and reducing headcount, we are marching forward. We continue to engage with large multi-state operators and reaffirm our 2022 revenue guidance of USD \$37 to \$40 million.”

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 the closing of the Offering on the terms described herein; the exercise of previously issued Common Share purchase warrants; the use of proceeds of the Offering; the effect of the Offering on the Company’s future prospects and growth opportunities; our future growth strategy and growth rate; our anticipated revenue for the 2022 fiscal year; 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, 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.

Financial Outlook

This press release contains a financial outlook within the meaning of applicable Canadian securities laws. The financial outlook has been prepared by management of the Company to provide an outlook for the Company's forecasted revenue for the 12 months to be ended December 31, 2022 and may not be appropriate for any other purpose. The financial outlook has been prepared based on a number of assumptions including the assumptions discussed under the heading "Forward-Looking Statements" herein. The actual results of the Company's operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. The Company and its management believe that the financial outlook has been prepared on a reasonable basis. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the heading "Forward-Looking Statements" herein, it should not be relied on as necessarily indicative of future results

About POSaBIT

POSaBIT (CSE: PBIT) is a financial technology company that delivers unique and innovative 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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