

POSaBIT Announces ~\$20MM USD Guaranteed Minimum Revenue Software License Agreement with Cannabis Technology Provider

TORONTO & SEATTLE--(BUSINESS WIRE)--August 23, 2022--POSaBIT Systems Corporation (“**POSaBIT**” or the “**Corporation**”) is pleased to announce the effectiveness of a software license agreement signed after market close on August 22, 2022 (the “**License Agreement**”) pursuant to which POSaBIT has granted a non-exclusive, worldwide license to a large Cannabis technology partner (the “**Licensee**”) to commercialize the Corporation’s point-of-sale technology (the “**Licensed Property**”).

Under the terms of the License Agreement, the Licensee has paid to the Corporation a one-time fee of \$500,000 USD. Additionally, in consideration for the license, the Licensee will be required to pay to the Corporation \$20,000,000 USD guaranteed over four years. The fee will be a monthly royalty paid per point-of-sale device deployed by the Licensee or its affiliates during the applicable month, subject to a minimum royalty monthly payment of between \$325,000 USD to \$512,500 USD for the first four years of the term. In accordance with the License Agreement, the Licensee has prepaid the aggregate minimum royalty fees for the first year of the term, which are equal to \$3,900,000 USD.

The Licensee will have the right, exercisable at any time after the third anniversary of the License Agreement, to buy-out its royalty payment obligations by paying the Corporation an amount equal to the greater of (i) \$30,750,000 USD; and (ii) five times the royalty payments payable by the Licensee for the previous twelve calendar months. The Corporation has also granted the Licensee a right of first refusal with respect to any exclusive license or third-party sale of the Licensed Property. The License Agreement may be terminated by the Licensee on 180 days’ notice, provided that notice may not be given within the first four years of the term of the License Agreement.

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 safe and transparent environment for merchants while creating a better overall experience for the consumer. For additional information, visit www.posabit.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 the terms of the License Agreement; the expectations of the commercialization of the Licensed Property; our future growth strategy and growth rate; 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 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.

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All dollar figures referenced herein are quoted in United States dollars.

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