

POSaBIT ANNOUNCES NON-BROKERED UNIT OFFERING TO FUND CONVERTIBLE UNSECURED NOTE MATURITY

Net impact of 3.2 million fewer shares issued to repay convertible notes and forfeiture of 3.85 million warrants

TORONTO, Ontario, December 21, 2023 – POSaBIT Systems Corporation (CSE: PBIT, OTC: POSAF) (the "**Company**" or "**POSaBIT**"), a leading provider of payments infrastructure in the cannabis industry, is pleased to announce that it intends to complete a non-brokered private placement of up to 3,107,142 units of the Company (the "**Units**"), at a price of \$0.28 per Unit, for aggregate gross proceeds of up to approximately CAD\$870,000 or USD\$650,000 (the "**Offering**") to fund the repayment of certain convertible promissory notes at maturity. The Units have been priced at the closing price of the Company's common shares ("**Common Shares**") on the Canadian Securities Exchange on December 20, 2023.

In connection with the Offering, each Unit will be comprised of one (1) Common Share and 0.88 Common Share purchase warrants (each whole warrant, a "**Warrant**"). Each Warrant will be exercisable into one Common Share in the capital of the Company (each, a "**Warrant Share**") at a price of CAD\$0.40 per Warrant Share for a period of 60 months.

On November 13, 2020, the Company announced the close of USD\$1,040,000 principal amount of 12% convertible unsecured notes due December 31, 2023 (the "**2020 Notes**"), convertible into Common Shares at a conversion price of CAD\$0.12 per Common Share. As of the conversion deadline, USD\$565,000 principal amount of 2020 Notes did not convert and such notes will be repaid at maturity.

In connection with the Offering, Perga Capital Partners LP ("**Perga**") has entered into a subscription agreement with the Company, pursuant to which Perga has committed to purchase 2,857,929 Units under the Offering, for aggregate gross proceeds of approximately CAD\$800,220. Perga has also entered into a warrant cancellation agreement with the Company, pursuant to which Perga has agreed to cancel 3,850,000 Common Share purchase warrants previously issued to Perga.

Pursuant to the Offering, the Company intends to issue approximately 3.1 million Common Shares and approximately 2.7 million Warrants, which will be partially offset by the cancellation of 3.85 million warrants previously issued to Perga. This compares to the potential issuance of approximately 6.3 million Common Shares if the 2020 Notes were converted under their original terms.

The Offering is expected to close on or about December 29, 2023, and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals. The Common Shares issued in connection with the Offering are expected to be subject to a four-month statutory hold period, in accordance with applicable securities legislation.

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any applicable state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration requirements is available.

It is expected that at least 2,857,929 Units will be issued to Perga, which is a related party (within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*

("MI 61-101")) and such issuance will be considered a "related party transaction" for the purposes of MI 61-101. It is expected that such related party transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the securities being issued to the related party, nor the consideration being paid by the related party exceeds 25% of the Company's market capitalization. The purchasers of the Units and the extent of such participation were not finalized until shortly prior to the completion of the Offering. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the transactions contemplated hereby pursuant to a material change report filed at least 21 days prior to the completion of such transactions.

ABOUT POSABIT

POSaBIT (CSE: PBIT, OTC: POSAF) is a FinTech, working exclusively within the cannabis industry. We provide a best-in-class Point-of-Sale solution and are the leading cashless payment provider for cannabis retailers. We work tirelessly to build better financial services and transaction methods for merchants. We bring cutting-edge software and technology to the cannabis industry so that all merchants can have a safe and compliant set of services to solve the problems of a cash-only industry. For additional information, visit www.posabit.com.

Neither the Canadian Securities Exchange nor the Canadian Investment Regulatory Organization accepts responsibility for the adequacy or accuracy of this release.

Investor Relations:

investors@posabit.com

Media Relations:

Oscar Dahl
855-767-2248
oscar@posabit.com

Management:

Ryan Hamlin
Co-founder and CEO of POSaBIT
855-767-2248
investors@posabit.com

Forward Looking Statements

This press release contains forward-looking statements, including statements regarding our expectations around business strategy, financing 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, including the Company's expectations regarding the completion and expected terms of the Offering and the expected use of proceeds therefrom. 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 business, economic and capital market conditions; the ability to manage our operating expenses, which

may adversely affect our financial condition; regulatory uncertainties; market conditions and the demand and pricing for our products; and our relationships with our customers, stakeholders, distributors and business partners.

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