

## POSaBIT Begins Trading on the Canadian Securities Exchange

TORONTO & SEATTLE--(BUSINESS WIRE)--April 8, 2019--POSaBIT Systems Corporation (“POSaBIT” or the “Company”), a leading financial technology company delivering unique blockchain-enabled payment processing and point-of-sale (POS) systems for cash-only businesses with a focus on the cannabis industry, today announced that following the completion of its reverse takeover transaction it has begun trading on the Canadian Securities Exchange (CSE) under the ticker “PBIT”.

“This is a significant achievement for POSaBIT and we are proud to make this important transition from the private to the public markets,” said Ryan Hamlin, co-founder and CEO of POSaBIT. “The past year has been an exciting one for the company, marked by a series of milestones. We continued to expand geographically in the California, Colorado and Washington markets, successfully completed the acquisition of DoubleBeam, and rolled-out a fully-integrated POS and payments platform that fulfills an unmet need in the cannabis industry. Our service is now in use at over 120 cannabis merchants across various US states. We are pleased with our traction in the market, as demonstrated by our strong year-to-date growth, and are very encouraged by the continued momentum we saw as we closed out 2018.”

### 2018 Corporate Milestones

- For the nine months ended Sept. 30, 2018, the Company generated USD \$1.39 million in revenue (with cost of sales of USD \$1.4 million), a 266% increase over the prior year comparable period (and an increase in cost of sales of 226% over the prior year comparable period).
- The Company expanded its footprint in California, Nevada, Oklahoma, Colorado and Washington.
- In February 2018, POSaBIT completed the acquisition of DoubleBeam, which specializes in POS payment processing for the Hospitality sector.
- The Company enhanced its payment service offering by developing incremental features to sell and accept both Litecoin and Bitcoin for purchases, as well as perform EMV card compliance on debit card transactions – helping merchants navigate complex payment requirements.
- POSaBIT designed and released a new front-end POS console that is uniquely suited for cash-only merchants such as the Cannabis industry. This entirely new console offers an array of key features, including loyalty programs, in-store digital menus, online ordering / in-store pickup, inventory management, state seed-to-sale compliance, and customizable discounts.
- POSaBIT also completed all of the necessary state requirements to support the Leaf system, a seed-sale track and trace software system used by regulators in the State of Washington.
- The Company moved its corporate headquarters to a larger location in Kirkland, WA, which will support continued growth and expansion plans.
- Pursuant to private placement financings undertaken in conjunction with the listing, POSaBIT generated gross proceeds of \$1.3M.

“We believe our all-in-one payment and POS solution provides a unique and compelling offering that enables cash-only businesses, like those typical to the cannabis industry, to provide their consumers with an alternative to cash, while still satisfying retail customer experience expectations,” Hamlin added. “We believe the cannabis industry represents a large and growing opportunity for our offerings. With the successful completion of our listing on the CSE, we are pleased to have the additional capital needed to accelerate our growth in this rapidly expanding market. Our solution fills an unmet need, enables merchants to remain compliant in a highly regulated industry, and drives sales. We think this is a winning combination that will fuel our growth in 2019.”

POSaBIT was founded and incorporated in 2015 and is led by a team of executives with deep expertise across the technology space. POSaBIT Co-founder and CEO Ryan Hamlin brings over 27 years of software development, management experience, and entrepreneurship, including founding PlaceFull in 2011 and holding former leadership posts at Microsoft and MSN. Co-founder Jon Baugher heads up sales execution, revenue growth, and customer success utilizing his 28 years of global hardware and software technology sales experience. Full biographical information for the leadership is available [here](#).

### Reverse Takeover Transaction Details

POSaBIT, formerly Foreshore Exploration Partners Corp, changed its name to POSaBIT Systems Corporation and acquired by way of a plan of merger all of the issued and outstanding shares of POSaBIT, Inc. through the merger of its wholly-owned subsidiary with POSaBIT, Inc. as the surviving entity. POSaBIT now has a total of 75,431,225 common shares issued and outstanding, with the directors and officers of the Company, in aggregate, holding 20,434,034 shares, which are subject to escrow restrictions. In connection with the merger, POSaBIT assumed the outstanding stock options of POSaBIT, Inc. and has outstanding an aggregate of 12,305,468 stock options to acquire common shares in the capital of the company.

Tormont Group Inc. acted as advisor to POSaBIT in connection with the transaction and listing.

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## Financial Reports

Full details of the financial and operating results for the third quarter and first half of 2018 are described in the company's consolidated financial statements with accompanying notes and related management's discussion and analysis. These documents and additional information on POSaBIT are available in the final prospectus dated March 25, 2019 of the Company, a copy of which is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## Financial Outlook

POSaBIT provides guidance based on current market conditions and expectations. Please refer to the comments below regarding forward-looking statements.

For the full year ended December 31, 2018, the company currently expects:

- Transactional sales to total approximately USD \$22 million
- Revenue run rate to total approximately USD \$5 million, which includes the DoubleBeam acquisition
- To expand its footprint in California, Colorado and Washington, and enter into several other recreational legal states in the US.

For the full year 2019, the company currently expects:

- Transactional sales to be over USD \$100 million, assuming the average store processes between USD \$350,000 and USD \$500,000 per year through the POSaBIT service
- Revenue to grow in the range of approximately 80% to 100%
- Cost of sales in the range of \$5.5 million to \$6.0 million
- To expand its footprint to 5 additional recreational states and up to 10 additional medical states, based approximately on adding 2 states in the first quarter, 3 in the second quarter, 4 in the third quarter and 6 in the fourth quarter.

## 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](http://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 suggest 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 receive any future product sales revenue or 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.

Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future event or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. 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 presentation. Neither we nor any of our representatives shall have any liability whatsoever, under contract, tort, trust or otherwise, to you or any person resulting from the use of the information in this presentation by you or any of your representatives or for omissions from the information in this presentation.

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