



INVESTOR PRESENTATION

CSE:PBIT
OTC:POSAF

www.posabit.com

May 2022

All numbers presented are in USD

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COMPANY OVERVIEW

POSaBIT AT A GLANCE

POSaBIT is the leading payments infrastructure provider for the cannabis industry.

www.posabit.com

INDUSTRY FOCUS

CANNABIS

LOCATIONS

400+

ACTIVE IN STATES

18

CSE

PBIT

OTC

POSaF

2022 GUIDANCE

Revenue: \$37.0 - \$40.0 million

Gross Profit: \$9.0 - \$10.0 million

Transactional Sales: \$675 - \$730 million



POSABIT OVERVIEW

MILESTONES

Doubled Revenue each year since 2017

Expanded into 18 states

Completed integrations with a variety of industry partners (Weedmaps, I Heart Jane, Leafly, Springbig)

PRODUCT OFFERINGS

CURRENT

Payment Processing

- PIN Debit
- Point of Banking
- Consumer ACH (B2C)
- Credit for CBD

Point of Sale

Mobile POS & Payments

In-Store Payment Kiosk

POSaBIT Connect API

DEVELOPING

- *POSaBIT MSO Mgr.*
"Multi State Operator"
- *Cash Advance Program*

POSABIT LEADERSHIP TEAM

At POSaBIT, we have a superior management team with significant experience in the technology field



RYAN HAMLIN

CEO / Co-Founder

Nearly **three decades** of software development and management experience

Former Executive at **Microsoft**

Founded **PlaceFull** in 2011 and had a successful exit in 2021 to Retail Management Hero (RMH)



MATT FOWLER

CFO

Former Senior Vice President of Finance and Accounting at **AuthenticID**.

Former Vice President of Finance and Reporting at **Phytelligence**

Former Director and Corporate Controller in charge of accounting and reporting for **Rhapsody International Inc.**



JON BAUGHER

CRO / Co-Founder

Nearly **three decades** of software and technology sales experience

Former VP, Sales at **Placefull**

Has extensive senior sales leadership experience on a **national and global scale**



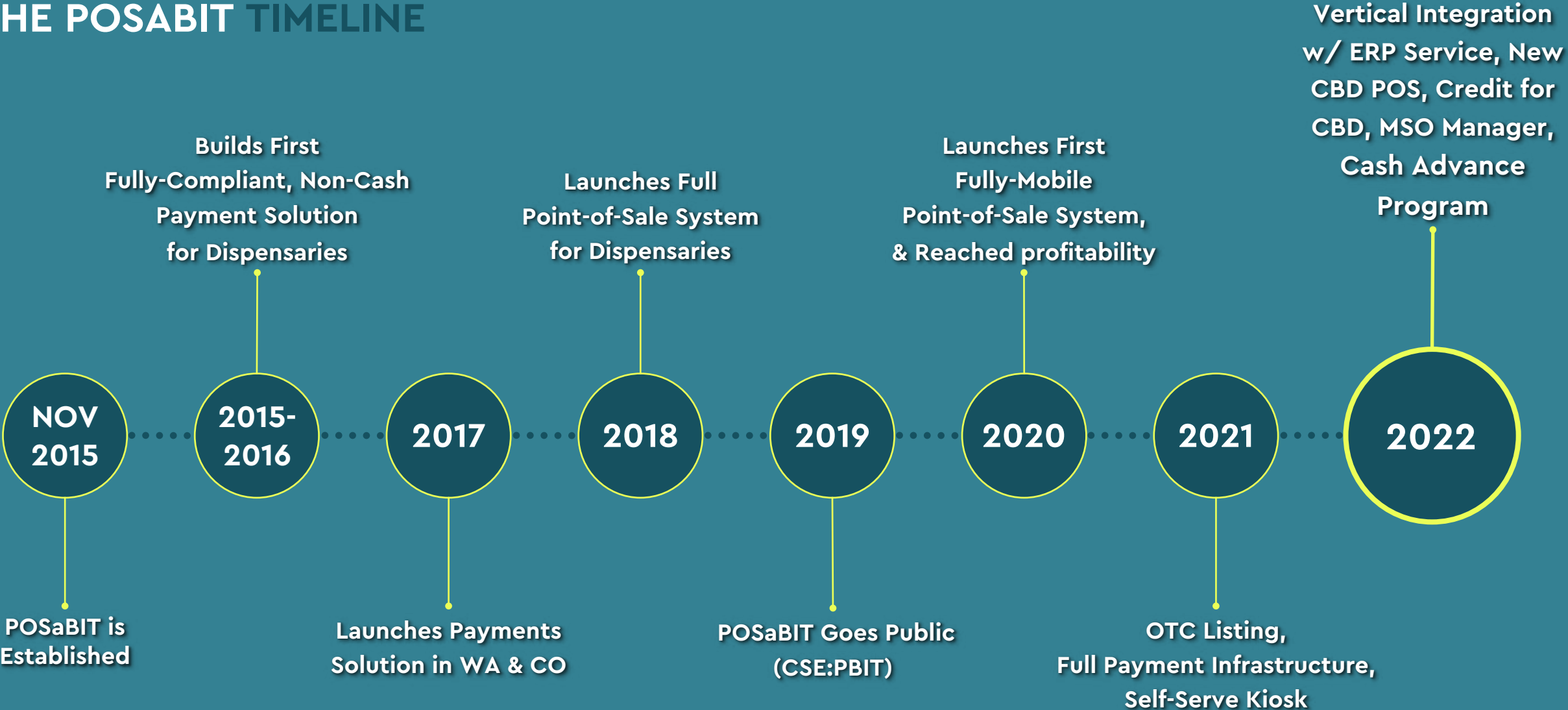
ANDY SWEET

CTO

Brings over **two decades** of software start-up experience with a proven history of **technical leadership**

Founded **Diamondsoft** and was an executive at **Shop & Support**

THE POSABIT TIMELINE



KEY GROWTH DRIVERS

NEW MERCHANTS

DIGITAL PAYMENTS PENETRATION

NEW OFFERINGS

PARTNERSHIPS

STATE LEGALIZATION

POSABIT MARKET EXPANSION

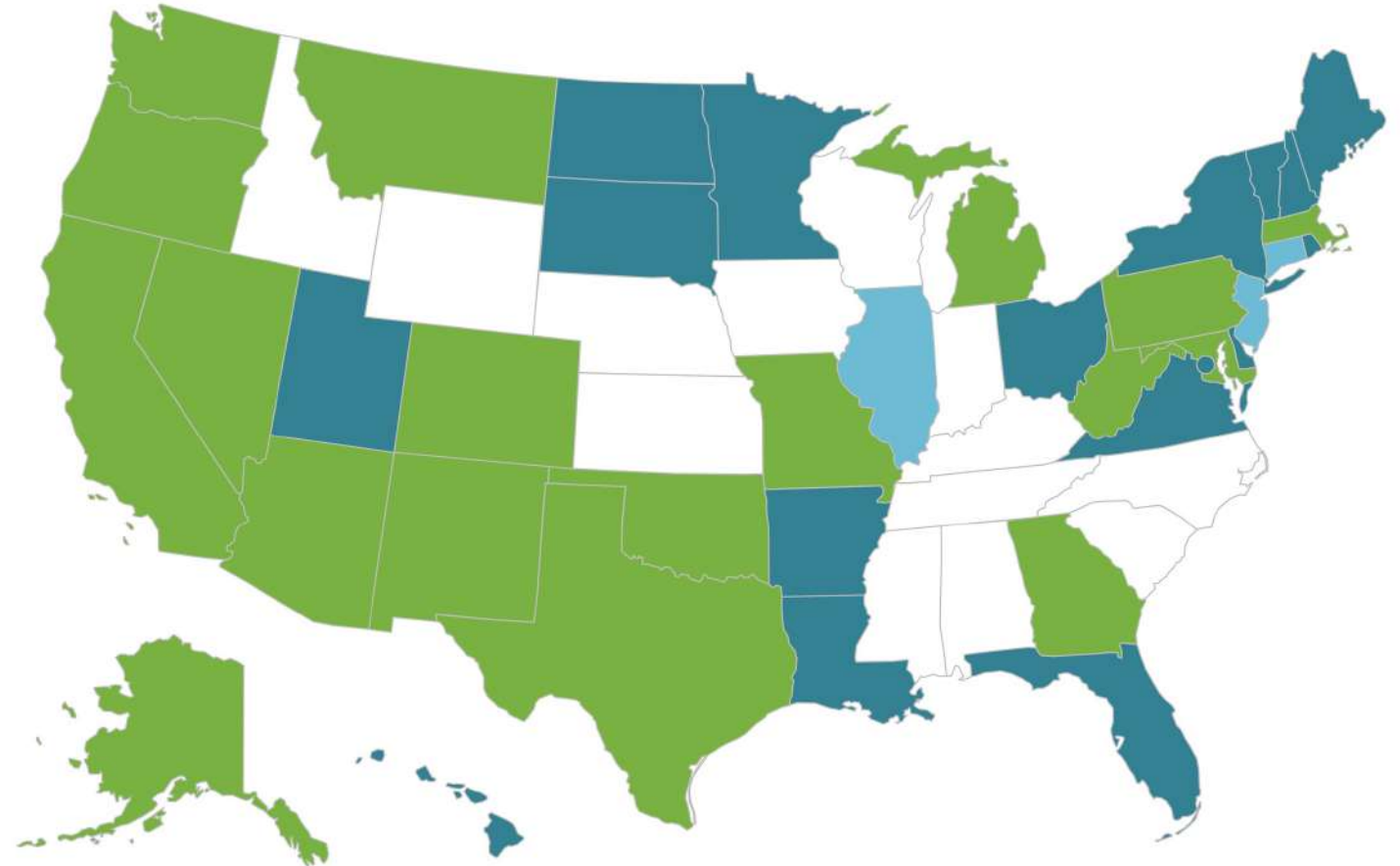
POSaBIT has dispensary partners in 18 states* across the country and plans to continue its expansion in 2022.

New Markets - Currently Onboarding Merchants in:

New Jersey, Illinois, Connecticut

Target Markets for Expansion:

Delaware, Florida, Hawaii, Louisiana, New Hampshire, New York, North Dakota, Ohio, Rhode Island, South Dakota, Vermont, Virginia, Washington D.C.



**Alaska, Washington, Oregon, California, Arizona, Nevada, Colorado, Georgia, Oklahoma, Montana, Michigan, Maryland, New Mexico, Pennsylvania, Massachusetts, Missouri, Texas, and West Virginia*

- States Where POSaBIT Currently Operates
- New Markets Onboarding NOW
- Target States for POSaBIT Expansion
- No Current Expansion Plans

POSABIT PARTNERSHIPS



ENLIGHTEN
see beyond



INVESTMENT HIGHLIGHTS

INVESTMENT HIGHLIGHTS

COMPLIANCE AS A DIFFERENTIATOR/MOAT

CANNABIS MARKET IS GROWING RAPIDLY

DIGITAL PAYMENTS PENETRATION IS LOW, BUT RISING

POSABIT HAS A BEST IN CLASS PAYMENTS
AND POINT OF SALE OFFERING

UNIT ECONOMICS ARE SUSTAINABLE AND HAVE
UPSIDE POST-LEGALIZATION

POSABIT COMPLIANCE: OUR MOAT

POSABIT IS A REGISTERED MONEY SERVICES BUSINESS WITH FINCEN AND HAS A FULL TIME CHIEF COMPLIANCE OFFICER

POSABIT CREATED A DETAILED ANTI-MONEY-LAUNDERING PROGRAM AND POLICY WITH TOP TIER REGIONAL LAW FIRM

POSABIT HAS DIRECT RELATIONSHIPS WITH OUR PROCESSORS AND BANKS TO ENSURE COMPLIANCE

THE OPPORTUNITY

CURRENT MARKET (BIG)

- 9,000+ medical and recreational dispensaries in the US
- Average store sales of \$3M annually
- Total processing opportunity \$43b+ (2025)*
- Less than 30% have some form of electronic payment processing today (and, in those stores, only 35% of transactions are electronic - 65% still cash)
- Additional state legalization as well as full federal legalization will eventually result in the majority of this shifting to digital commerce (away from cash)

FUTURE MARKET (MASSIVE)

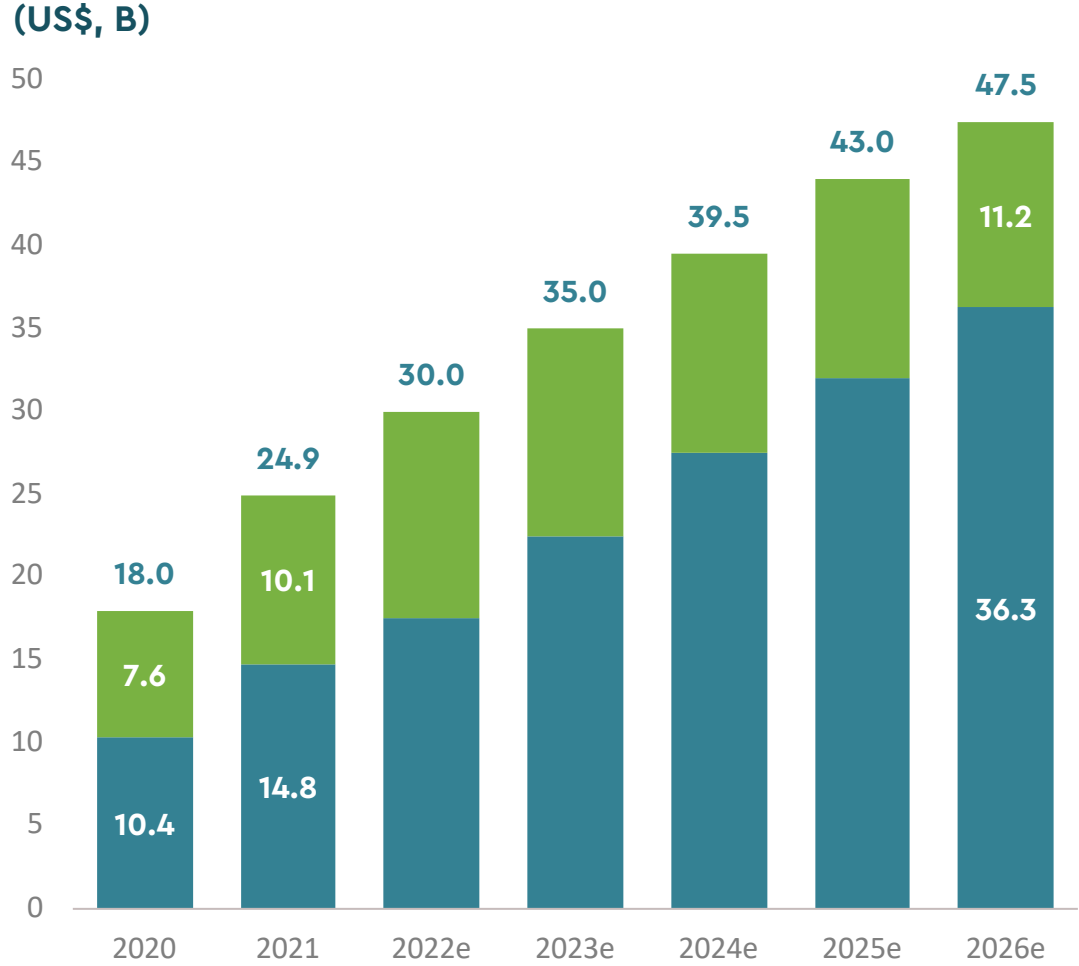
- States that recently passed cannabis legislation, market not yet open (e.g. New York)
- Continued expansion in current legal markets (e.g. Illinois, Arizona, Michigan, New Mexico)
- Future full legalization, federal level
- Continued normalization of electronic payments

**Data on this slide comes from a combination of POSaBIT internal reporting, publicly available data, and extrapolations based on those sources*

U.S. LEGAL MARKET PROJECTIONS

The U.S. Legal Market is Projected to Reach \$43B in 2025⁽¹⁾

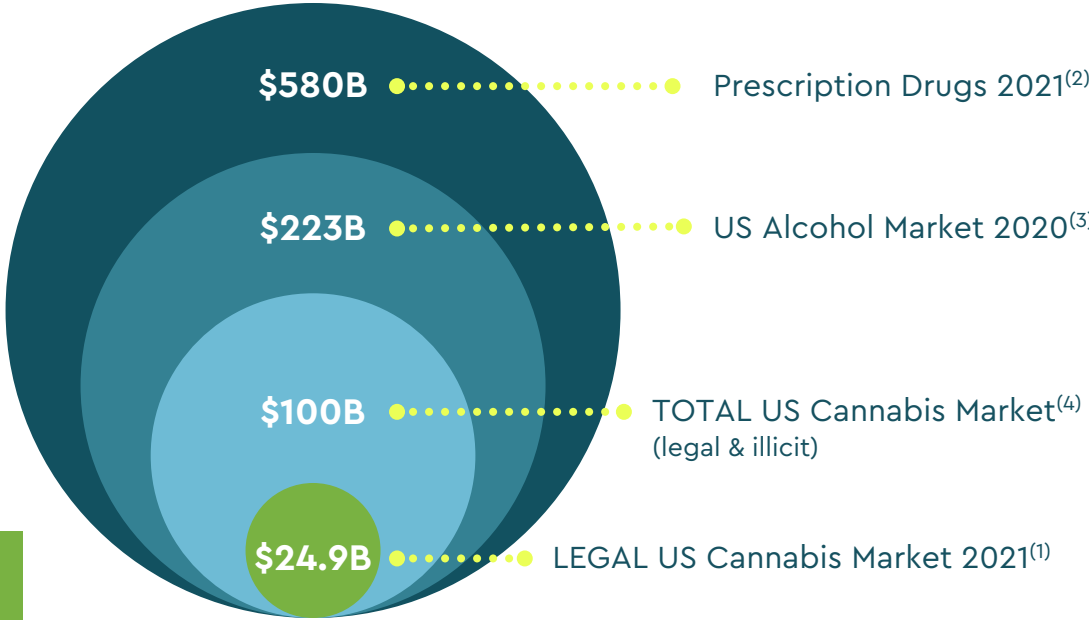
Expected to grow at a CAGR of 18%, to reach nearly \$48B by 2026⁽¹⁾



Adult-Use
23.2%
7-year CAGR

Medical
6.7%
7-year CAGR

ADDRESSABLE MARKETS



- <https://www.forbes.com/sites/irisdorbian/2021/06/18/legal-cannabis-market-projected-to-rack-up-43-billion-by-2025-says-new-study/?sh=49e7edd936b4IQVIA> Institute for Human Data Science, Global Use of Medicines, January 2022.
- Statista, <https://www.statista.com/topics/8803/alcoholic-beverages-industry-in-the-united-states/#dossierKeyfigures>
- Cowen, Research Themes 2021, page 49

DIGITAL PAYMENT PENETRATION: LOW BUT RISING

APPROXIMATELY 70% OF ALL DISPENSARIES ACROSS THE COUNTRY
REMAIN EXCLUSIVELY CASH ONLY.

CARD PAYMENTS HAVE BECOME INCREASINGLY ACCEPTED IN THE
INDUSTRY AND OFTEN PREFERRED FOR SAFETY.

STORES THAT USE DIGITAL PAYMENTS SEE STEADILY INCREASING
ADOPTION RATES OVER TIME.

WHEN STORES BEGIN TAKING DIGITAL PAYMENTS, THEY ALMOST
NEVER REVERT TO CASH-ONLY.

POSABIT'S MARKET ADVANTAGE

POSaBIT is the best payment infrastructure in the cannabis industry.

	POSABIT	THE COMPETITION			
		Leading ACH Only Platform	Leading POB Reseller	ATM Machines (cash)	Non-compliant Systems
Full Regulatory Compliance	✓	✓	✓	✓	-
Transparent Banking Relationships	✓	✓	✓	✓	-
Custom-Built Software	✓	✓	-	-	-
Robust Back-End Reporting Portal	✓	-	-	-	-
Best-in-Industry Equipment	✓	-	-	-	-
Full Suite of Payment Options	✓	-	-	-	-
Onboarding and Install Assistance	✓	-	-	-	-
Live, Expert Customer Support	✓	-	-	-	-
Host of Software & Hardware Integrations	✓	-	-	-	-

POSABIT'S GREATEST COMPETITION IS CASH

POSaBIT's Advantages over Cash



- In typical retail environments, cash is only used in 11% of all transactions (down from 16% in 2018).
- In a cash-only dispensary, consumers are forced to make a trip to the ATM.
- Customers artificially limit their spending power by taking out cash prior to their purchase.
- Cash stores are a target for criminals, digital payments create a safer environment for customers and employees
- With a cap on their spending power, deciding on their purchase and discussing options with a budtender becomes a lengthier process.
- The average card transaction is almost double the average cash transaction.
- Store employee tips skyrocket with card payments (dollar amounts vs. loose change).



The most common question we are asked is "What happens to POSaBIT when cannabis is federally legalized?"

The more pertinent question is "What will federal legalization even mean for the cannabis industry?"

- On day 1 of federal legalization, nothing will change. 7-11 won't begin selling marijuana. It won't be available on Amazon.
- There are innumerable regulations and laws and infrastructure that must be put in place across the country.
- State laws and regulations will continue to exist, including states who decide to keep cannabis illegal (see: Idaho). Similar to sports betting and online gambling.

WAVES OF LEGALIZATION

WAVE 1: THE PRESENT

Few payment processors in the industry

POSaBIT has the best infrastructure & solutions

Addressable market is sizable & rapidly expanding

WAVE 2: HIGH-RISK PROCESSING

Immediately post-federal legalization

Cannabis payments will still be considered high-risk

Market opportunity will begin to rapidly accelerate

FINANCIAL OVERVIEW

POSABIT Q4 2021 RESULTS

	Q4 2020	Q4 2021	% CHANGE
Payments	\$52.4M	\$104.7M	100%
Revenue	\$3.1M	\$6.4M	110%
Gross Profit	\$0.79M	\$1.48M	86%
Gross Profit Margin	26%	23%	-3%
Adjusted EBITDA	\$0.13M	(\$1.1)M¹	NM

POSABIT FY 2021 RESULTS

	2020	2021	% CHANGE
Payments	\$132M	\$362M	174%
Revenue	\$7.8M	\$21.3M	172%
Gross Profit	\$1.7M	\$5.8M	232%
Gross Profit Margin	22%	27%	5%
Adjusted EBITDA	\$(0.55)M	(\$1.2)M¹	NM

¹ Adjusted EBITDA for the quarter ended December 31, 2021, was as expected given planned investments made in additional resources to support rapid growth.
NM – Not Meaningful

2022 TOTAL REVENUE

\$37.0M - \$40.0M

TRANSACTION SALES FOR CARD SERVICES

\$675M - \$730M

GROSS PROFIT

\$9.0 - \$10.0M

POSABIT QUARTERLY FINANCIALS

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Gross Transactional Sales	\$15.8M	\$11.4M	\$15.6M	\$26.7M	\$42.2M	\$47.3M	\$64M	\$87.3M	\$106.0M	\$104.7M
Revenue	\$1M	\$800K	\$942.2K	\$1.49M	\$2.33M	\$3.1M	\$3.55M	\$4.96M	\$6.4M	\$6.4M
Gross Profit	\$154.5K	\$34.2K	\$70.8K	\$292K	\$575.1K	\$796.7K	\$899.7K	\$1.3M	\$1.4M	\$1.5M

POSABIT YEARLY FINANCIALS

	2019	2020	2021	E2022
Gross Transactional Sales	\$54M	\$132M	\$362M	\$675 - \$730M
Revenue	\$3M	\$7.8M	\$21.3M	\$36.0-\$40M
Gross Margin Dollars	\$296.6K	\$1.68M	\$5.8M	\$9.0 - \$10M

APPENDIX

POSABIT BOARD OF DIRECTORS

Our board combines their collective cross-industry experience to enhance and support the POSaBIT vision



RYAN HAMLIN

CEO / Co-Founder / Chairman

Former Executive at
Microsoft

Founded **PlaceFull** in 2011
and had a successful exit
in 2021 to Retail
Management Hero (RMH)



JON BAUGHER

CRO / Co-Founder / Director

Former VP, Sales at **Placefull**
Has extensive senior sales
leadership experience on a
national and global scale.



MIKE APKER

Director

Former CEO of **Oberon
Financial Technology**, Former
COO and Exec VP at **Investnet**,
20 years at **Hewlett-Packard**
and **Silicon Graphics.**



DON TRINGALI

Director

Founder and Chief Executive
Officer of **Augusta Advisory
Group**, a US-based boutique
financial and business
consulting firm.

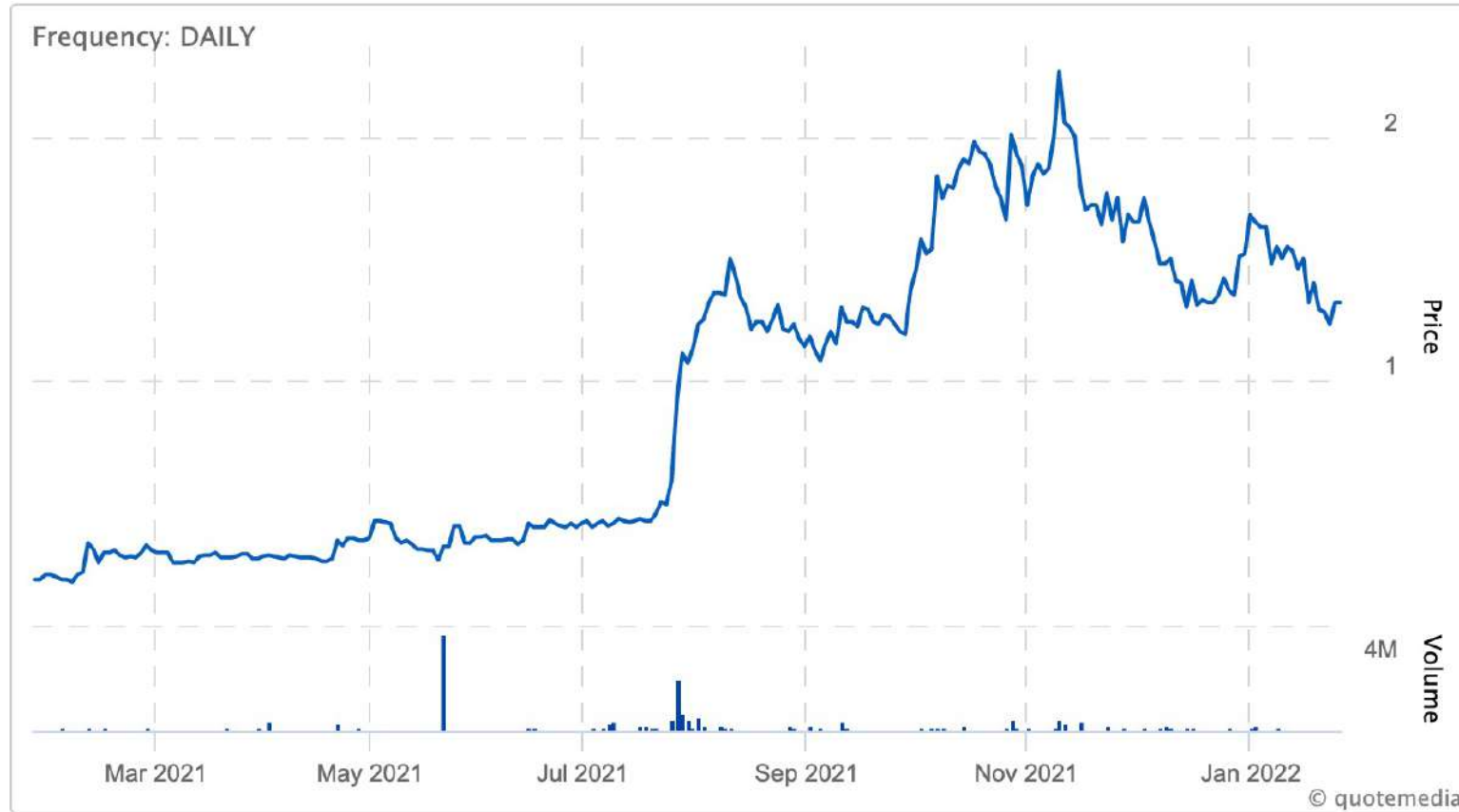


LOUIS CAMHI

Director

Founder and Chief
Investment Officer of RLH
Capital, a SPAC Focused
Investment Management
and Advisory Firm,
Former Analyst **Citadel**,
Previously Analyst at
Three Corner Global

POSABIT (CSE:PBIT AND OTC:POSAF)



52-Week Price Range:

.17 – 2.40

Shares Outstanding:

131,902,645

Fully Diluted Shares:

164,788,479

Board, Management and Associates Ownership:

37%

SUMMARY BALANCE SHEET

	As of December 31, 2020	As of December 31, 2021
Cash	\$977,654	\$4,418,788
Total current assets	\$3,341,840	\$3,484,987
Total assets	\$3,685,719	\$7,903,775
Total current liabilities	\$5,578,180	\$5,873,959
Long-term debt	\$137,849	\$134,510
Derivative Liability	\$1,026,676	\$10,602,448
Total liabilities	\$6,742,704	\$16,610,917
Stockholders' Equity	(\$3,056,985)	(\$8,707,142)
Total liabilities & Equity	\$3,685,719	\$7,903,775

THANK YOU



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