RSI ANNOUNCES RESOLUTION TO BILLING DISPUTE

Vancouver, B.C. February 16, 2018 – RSI International Systems Inc**. (TSX-V: RSY)** (“RSI” or the “Company”) today reported that it has reached an agreement (the “Settlement Agreement”) to settle a billing dispute with one of its customers, as first reported on November 3, 2017.

RSI President & CEO, Tim Major, commented, “Although we feel our case was strong, the prospect of a protracted and time consuming litigation with uncertain consequences led us to conclude that settlement was the best course of action, allowing us to direct our full focus on improving our business”.

Mr. Major concluded, “We worked hard and are extremely disappointed that we weren’t able to renew our business relationship with this customer. However, as a result of careful planning, the loss of this account will not change our focus of becoming free cash flow positive and continuing to progress on bringing to market new incremental innovations and features.”

Pursuant to the Settlement Agreement, the customer, who represents approximately 5% of RSI’s hotel property portfolio, will not be required to pay for services from May 1, 2017 to May 15, 2018, and as of May 15, 2018, RSI will cease to provide services. RSI will also reimburse the customer a total of $130,000 in installments over a 12 month period.

RSI began planning for the possibility of losing the affected customer a number of months ago when collection of receivables became in doubt. The Company has made, and will continue to make, restructuring and efficiency improvements while continuing to provide the high-quality customer service the Company’s customers and chains have come to expect.

For financial statement presentation, the Company has been fully providing for the affected billings in its allowance for doubtful accounts. Billings to the client between May 1, 2017 and December 31, 2017 will not be included as revenue in the Company’s 2017 fiscal year, but will be offset by the elimination of the allowance, so that earnings data will be unaffected. Given the payment agreed to in this settlement and the timing of some of the restructuring and efficiency improvements, the Company expects that it will have a period of off-trend cash flow performance until most of the benefits our restructuring take effect by the middle of 2018.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

About RSI

RSI International Systems Inc. is the developer of RoomKeyPMS, a web-based Property Management System (PMS) that incorporates a fully integrated Online Reservation Booking engine and seamless real-time connectivity to the major Global Distribution and Internet Distribution Systems. RSI markets its RoomKeyPMS and a number of other proprietary “hosted” software solutions to a wide variety of Hospitality Industry clients around the world. For more information, please see our website at www.roomkeypms.com

Cautionary Note Regarding Forward Looking Statements

This news release contains forward-looking statements. Any statements that are not strictly historical fact are considered "forward-looking statements." Forward-looking statements cannot be guaranteed and involve assumptions and are subject to a variety of risks and uncertainties

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which could cause actual events or results to materially differ from those reflected in the forward-looking statements. Readers are advised to rely on their own evaluation of such risks and uncertainties and not place undue reliance upon forward-looking statements. Any forward-looking statements made herein are made as of the date hereof, and the Company assumes no obligation and disclaims any intention to revise or update any forward-looking information and statements except as required by applicable laws.

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