RSI CONTINUES FREE CASH FLOW POSITIVE PROGRESS IN Q3

Vancouver, B.C. November 21, 2018 – RSI International Systems Inc**. (TSX-V: RSY)** ("RSI" or the "Company") has provided the following commentary further to its third quarter 2018 condensed consolidated interim financial statements as released November 21, 2018.

RSI President and CEO, Tim Major commented, "For almost two years we have worked hard to make our Company more efficient in order to reduce our monthly cash burn. I am very pleased to announce that not only have we achieved Operating Free Cash Flow positive for two consecutive quarters, but we are also positive for the year up to the end of the third quarter".

Mr. Major added, "While we are proud of this progress, we are very aware of the changing dynamics of the hotel property management system marketplace and for hospitality technology in general. With this in mind, we still believe the best way to serve our customers and best deliver value to our shareholders, is to complete the sale of our RoomKeyPMS business to NSight. We are working as fast as possible to bring this transaction to a conclusion and look forward to reporting to investors as we have further details".

On September 7, 2018, The Company announced that it had signed a binding Letter of Intent ("LOI") with NSight Inc ("NSight") for the sale of RSI's RoomkeyPMS business and assets for gross proceeds of US $4.6 million in cash, before applicable adjustments. Under the terms of the LOI, nSight will pay RSI gross proceeds of US $4.6 million for the Company's current business and assets related to the development and operation of RSI's RoomKeyPMS. This figure will be adjusted to account for the timing of certain receivables, payables, deferred revenue, prepaid costs and other items that are assumed by NSight. RSI will also incur some costs related to the disposal of its RoomKey business for certain contractual obligations. The US-dollar figure will be converted to Canadian dollars by averaging the posted Bank of Canada closing US$/CDN$ exchange rate for the seven days preceding the LOI date of September 7, 2018, and the same exchange rate for the seven days preceding the closing of the transaction. Should the exchange rate move more than five percentage points in either direction, the disadvantaged party will have the option to terminate the transaction. RSI and nSight are working towards negotiating a Definitive Agreement, to replace the binding LOI. The transaction is subject to a number of conditions, including completion of satisfactory due diligence, the entering into of definitive documentation and the receipt of all necessary regulatory and third-party approvals and consents, including approval by RSI shareholders. For further details please see the news release dated September 7, 2018.

As illustrated in Table 1 below, the Company was Operating Free Cash Flow positive in Q3 2018 by $210,473, versus a deficit of (-$156,045) in Q3 2017, for an improvement of 235%. Over the first nine months of 2018, the Company has improved its Operating Free Cash Flow to positive $109,358 versus a deficit of (-$328,098) in the first nine months of 2017. This represents an improvement of 133%.

Table 1 (*All figures C$ and taken from the Company's applicable period financial statements*)

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Cash Flow from Operations	$ (91,055)	$ (76,683)	$ 48,554	$ 112,500	$ 10,717	$ (343,840)	$ (97,194)	$ 45,935	$ 210,473
Equipment & Technology Investment	$ (203,508)	$ (201,446)	$ (158,283)	$ (174,824)	$ (166,762)	$ (55,449)	$ (27,854)	$ (22,002)	$ -
OPERATING FREE CASH FLOW	**$ (294,563)**	**$ (278,129)**	**$ (109,729)**	**$ (62,324)**	**$ (156,045)**	**$ (399,289)**	**$ (125,048)**	**$ 23,933**	**$ 210,473**
Change in Working Capital	$ 176,836	$ (49,375)	$ 19,551	$ (30,255)	$ (126,987)	$ 400,404	$ (6,900)	$ 21,129	$ (4,012)
Net Free Cash Flow	$ (117,727)	$ (327,504)	$ (90,178)	$ (92,579)	$ (283,032)	$ 1,115	$ (131,948)	$ 45,062	$ 206,461

The Company defines Operating Free Cash Flow as cash flows from business activities that are not related to working capital management and financing activities. It calculates the figure from the Statements of Cash Flows as the sum of Cash provided by / used in operating activities, minus bad debt expense, before changes in non-cash working capital items, and Cash Used in Investing Activities. Versus Basic or Net Free Cash Flow, Operating Free Cash Flow does not take into account changes to non-cash working capital items and financing activities as those activities can have significant timing components that are not directly related to the operating activities of the business during a particular period and therefore, have the potential to mask the true operational cash flow of the business.

For more information on these matters, please see the Company's Financial Statements and Management Discussion & Analysis, as released November 21, 2018. For more information on the Company's products and services, please visit www.roomkeypms.com

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 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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