POSaBIT Reports First Quarter 2026 Financial Results

POSaBIT Posts Profitable Adjusted EBITDA of ~$1M
POSaBIT Increases Cash On-Hand by nearly ¾ Million Dollars in Q1
POSaBIT Grows YoY Gross Profit by 29%

TORONTO / SEATTLE May 27, 2026 – POSaBIT Systems Corporation (CSE: PBIT, OTC: POSAF) (the "Company" or "POSaBIT"), a leading provider of point of sale and payment solutions for the cannabis industry, today announced its financial results for the first quarter ended March 31, 2026.

"POSaBIT entered 2026 with strong momentum and Q1 reflected the continued execution of our long-term strategy," said Ryan Hamlin, CEO and Co-founder of POSaBIT. "We once again had a profitable quarter, with approximately $1M in Adjusted EBITDA and a significant increase of cash on-hand. Our Gross Profit was up 29% over Q1 of 2025. The business is operating at a high-level, our new Brand software platform continues to gain traction in the market, and we are excited about the remainder of 2026."

The Company also highlighted continued progress around cannabis rescheduling efforts, specifically the reclassification of medical cannabis as a Schedule 3 drug in the United States, which management believes could create significant long-term opportunities for POSaBIT and the broader cannabis industry.

"The recent momentum around cannabis rescheduling continues to be very encouraging," said Hamlin. "Recent federal actions related to state-licensed medical cannabis, along with additional procedural hearings expected next month regarding recreational rescheduling efforts, are important developments for the industry. We continue to believe the regulatory environment is moving in a positive direction and could ultimately create meaningful opportunities for cannabis operators, technology providers and financial services companies like POSaBIT."

Hamlin added, "Perhaps most importantly, industry conversations around the future potential for broader credit card processing capabilities continue to become increasingly optimistic. While there is still work to be done on the regulatory side, we believe the long-term direction is very positive. If traditional credit card acceptance eventually becomes available to the cannabis industry, it would be a true game changer for both retailers and companies like POSaBIT."

Hamlin concluded, "POSaBIT remains focused on disciplined execution, long-term profitability and strategic growth opportunities. We believe the cannabis industry is continuing to mature and evolve, and POSaBIT is exceptionally well positioned for the future."

Balance Sheet
As of March 31, 2026, the Company had cash and cash equivalents of approximately $2.5 million compared to $1.76 million as of December 31, 2025. This represents a 42% increase for the period.

Financial Results

in US Dollars	**Year ended**		
	March 31, 2026	**March 31, 2025**	**% Chg.**
Revenue	**$2,132,089**	**$2,842,704**	**(25)%**
Cost of goods sold	**$(177,402)**	**$(1,327,149)**	**86%**
Gross profit	**$1,954,687**	**$1,515,555**	**29%**
Gross profit margin	***92%***	***53%***	***15%***
Operating costs	**$(2,184,481)**	**$(2,635,146)**	**17%**
Operating loss	**$(206,005)**	**$(1,125,992)**	**82%**
Other (expenses) income	**$(85,475)**	**$1,976**	**(4425)%**
Income (loss)	**$(291,480)**	**$(1,124,016)**	**74%**

The following table reconciles Revenue, as reported, to Adjusted Revenue for the quarter ended March 31, 2026.

in US Dollars	**March 31, 2026**
Revenue as reported	**$2,132,089**
Add: Cash receipts from licensing contracts	**$1,57,500**
Deduct: Licensing support revenue	**$(386,250)**
Adjusted Revenue	**$3,283,339**

The following table reconciles Gross Profit, as reported, to Adjusted Gross Profit for the quarter ended March 31, 2026.

in US Dollars	**March 31, 2026**
Gross Profit as reported	**$1,954,687**
Add: Cash Receipts from Licensing contracts	**$1,537,500**
Deduct: Licensing Support Revenue as reported	**$(386,250)**
Adjusted Gross Profit	**$3,105,937**
Adjusted Gross Profit Margin	**94.6%**

The following table reconciles Net Income or Loss, as reported, to Adjusted EBITDA for the quarter ended March 31, 2026.

in US Dollars	**March 31, 2026**
Loss, as reported	**$(291,480)**
Less: Foreign exchange gain, as reported	**$(23,789)**
Add: Share-based comp, as reported	**$47,581**
Add: Amortization and depreciation, as reported	**$654**
Add: Credit loss provision and bad debts, as reported	**$415**
Add: Finance costs, as reported	**$142,313**
Add: Interest accretion, as reported	**$2,135**
Add: Transaction costs, as reported	**$19,972**
Less: Other income, as reported	**$(7,567)**
EBITDA	**$(109,766)**
Deduct: Licensing support revenue, as reported	**$(386,250)**
Deduct: Interest income (licensing revenue), as reported	**$(71,793)**
Add: Cash receipts from licensing agreement, as reported	**$1,537,500**
Adjusted EBITDA	**$969,691**

Conference Call Information

Date: May 27, 2026
Time: 4:30 PM Eastern Time
Toll Free: 888-506-0062
International: 973-528-0011
Participant Access Code: 624647
Webcast URL: https://www.webcaster5.com/Webcast/Page/2708/54067

Conference Call Replay Information:

The replay will be available approximately 1 hour after the completion of the live event.

Toll Free: 877-481-4010
International: 919-882-2331
Replay Passcode: 54067
Webcast Replay URL: https://www.webcaster5.com/Webcast/Page/2708/54067

Financial Reports

Full details of the financial and operating results are described in the Company's consolidated financial statements for the quarter ended March 31, 2026, together with the accompanying notes. The consolidated financial statements and additional information about POSaBIT are available on the Company's website at www.posabit.com/investor-relations or on SEDAR+ at www.sedarplus.ca.

Non-IFRS Measures

Adjusted Revenue, Adjusted Gross Profit (and Adjusted Gross Profit Margin) and Adjusted EBITDA are non-IFRS measures used by management that do not have any prescribed meaning by IFRS and may not be comparable to similar measures presented by other companies. The Company defines Adjusted Revenue as gross revenue, minus license support revenue, plus actual licensing cash received as part of POSaBIT's licensing deals. The Company defines Adjusted Gross Profit as Adjusted Revenue less company cost of goods sold, and Adjusted Gross Profit Margin as a percentage of Adjusted Gross Profit as compared to Adjusted Revenue. The Company defines Adjusted EBITDA as net income or loss generated for the period as reported, before interest, taxes, depreciation and amortization and further adjusted to remove changes in fair values and expected credit losses, foreign exchange gains and/or losses, impairments. The Company believes these non-IFRS measures are useful metrics to evaluate its core operating performance and uses these measures to provide shareholders and others with supplemental measures of its operating performance. The Company also believes that securities analysts, investors and other interested parties, frequently use these non-IFRS measures in the evaluation of companies, many of which present similar metrics when reporting their results. We caution readers that Adjusted

Revenue, Adjusted Gross Profit (and Adjusted Gross Profit Margin) and Adjusted EBITDA are not substitutes for gross revenue, gross profit or profit/loss, respectively.

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 suggesting future outcomes or the negative thereof or similar variations. Forward-looking statements may include, among other things, statements about: our expectations regarding annual cost reductions; our future customer concentration; our expectations around industry change as a result of cannabis rescheduling, our anticipated cash needs and our estimates regarding our capital requirements; 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.

Important factors that could cause actual results to differ materially from POSaBIT's expectations include consumer sentiment towards POSaBIT's products, 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.

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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 work with payment processors to enable cashless payment options for cannabis retailers. We work tirelessly to build better financial services and transaction methods for merchants. We bring cutting-edge, AI driven 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.

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