

# Investor Presentation

CSE: PBIT

OTC: POSAF



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# Company Overview

# At a Glance

Founded in 2015, POSaBIT is the leading payments and point of sale provider for the cannabis industry. Upon completion of the Akerna Acquisition<sup>1</sup>, we reach 900+ locations in 27 states.



Core offering

**PAYMENTS  
+ POS**



Locations  
**500+**



Active in

**23 STATES**



Publicly Traded

**CSE: PBIT  
OTC: POSAF**



**2023 GUIDANCE<sup>2</sup>**

Revenue: \$60.0–\$63.0 million

Gross Profit: \$15–\$17 million

Adjusted EBITDA: Positive

(1) See “Explanatory Note Regarding the Akerna Acquisition”

(2) See “Financial Outlook”



# Overview

## Milestones

- \$20M guaranteed POS licensing agreement executed in 2022
- Announced acquisition of MJ Freeway and Ample Organic assets in 2023
- Total lifetime dollars raised: \$19.8MM

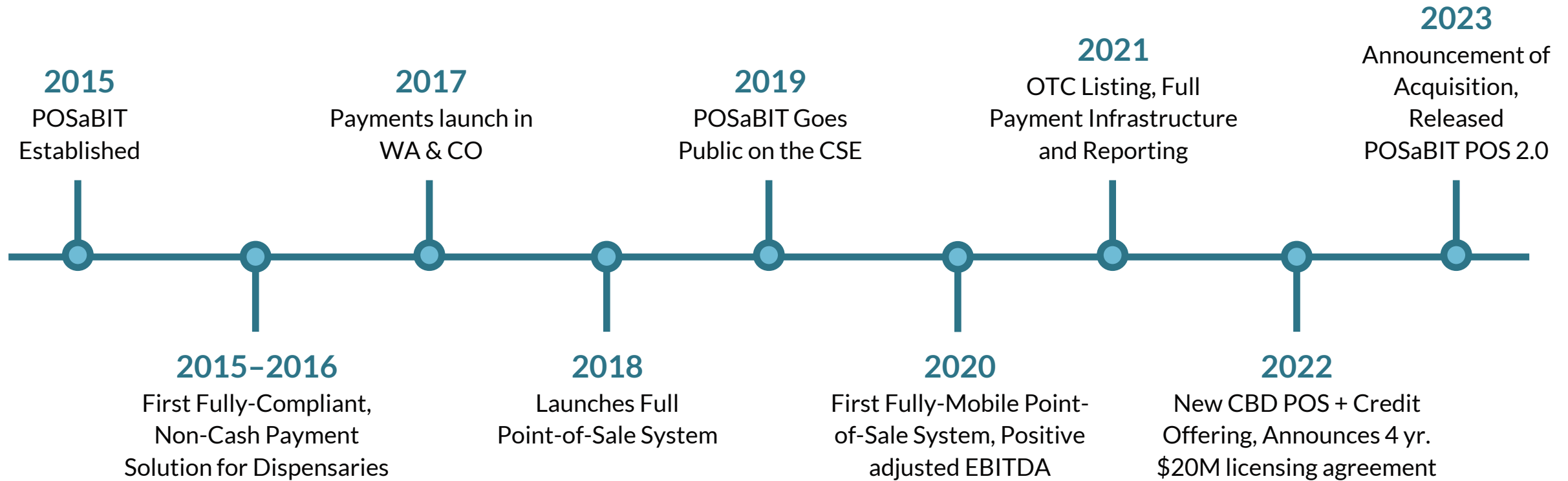
## Current Offerings

- PIN Debit Payments
- Retail and Mobile Point of Sale
- Open APIs
- Loyalty + POS Integrations
- Credit and POS for CBD

## Future Offerings

- Cultivation & Processing
- B2B Invoicing
- B2C eCommerce
- Bank Compliance Technology

# POSaBIT Timeline



# POSaBIT Leadership Team



Ryan Hamlin  
*Co-Founder/CEO*



Andy Sweet  
*Chief Technology Officer*



Julie Solomon  
*Chief Revenue Officer*



Matt Fowler  
*Chief Financial Officer <sup>1</sup>*



Oscar Dahl  
*Chief of Staff*



Sarah Mirsky-Terranova  
*Chief Compliance Officer*



Chris Baker  
*Chief Strategy Officer*

(1) Chief Financial officer of POSaBIT USA

## Board of Directors

Ryan Hamlin  
*CEO / Co-founder / Chairman*

Bruce Jaffe  
*Director*

Mike Apker  
*Director*

Don Tringali  
*Director*

Louis Camhi  
*Director*



## Key Growth Drivers

- New Merchants
- Same-store Growth
- State Legalization
- Digital Payments Penetration
- Acquisitions
- Partnerships
- New Offerings



# Why Merchants Choose POSaBIT



## Open API Platform

- Flexibility to work with partners you want
- Not locked in to one provider
- Easy integration



## Strong Compliance Framework

- Expertise in state-specific cannabis rules/regulations
- Chief Compliance Officer oversees program
- MSB + MTL, with SOC II compliance coming soon



## Best In Class Products

- Compliant PIN Debit with broadest acceptance
- Feature-rich POS platform
- Robust reporting portal



## Built and Delivered by POSaBIT





- Products developed in house: we're best to support
- POSaBIT has full control over SLAs and roadmap
- Superior experience for merchants



## Merchants Love Us

- High-touch service
- Customer-first mentality
- Innovative platform

# Point of Sale Competition (w/Akerna acquisition)

	POSaBIT	Dutchie	BioTrack	Treez	Blaze
Retail Point-of-Sale	 POSaBIT	✓	✓	✓	✓
Cultivation, Manufacturing & Distribution Software	 mj freeway	✓	✓		✓
Payments and Reporting	 POSaBIT	✓		✓	✓
State Traceability System	 mj freeway		✓		

# Payments Competition

	POSaBIT	Leading PIN Debit Provider	Leading ACH Only Platform	ATMs (cash)	Non-compliant (Credit/POB)
Full Regulatory Compliance	✓	✓	✓	✓	-
Transparent Banking Relationships	✓	✓	✓	✓	-
Custom-Built Software	✓	✓	✓	-	-
Robust Back-End Reporting Portal	✓	-	-	-	-
High-Quality Hardware	✓	-	-	-	-
24/7 Live Customer Support	✓	-	-	-	-
Open APIs + Easy Partner Integrations	✓	-	-	-	-

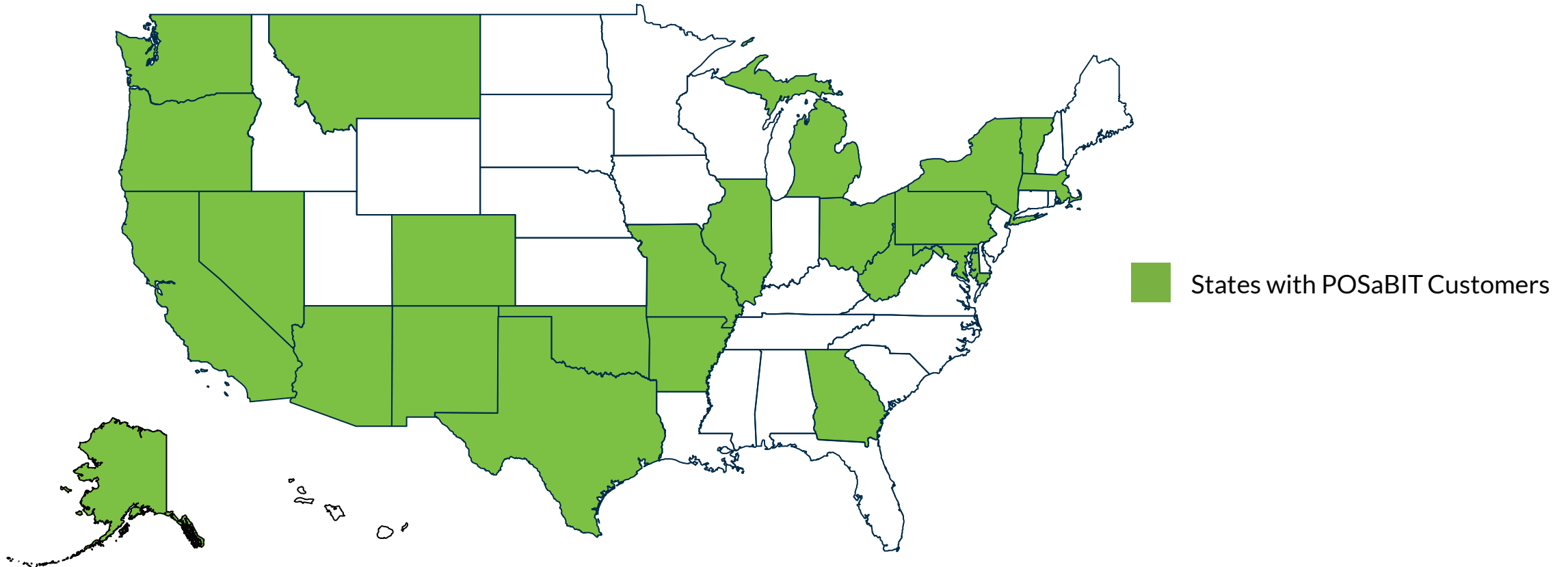
## Unlike typical retail, cash is king

- Customers **artificially limit their spending power** by taking out cash prior to their purchase.
- With a cap on their spending power, deciding on their purchase and discussing options with a budtender becomes a **lengthier process**.
- The federal reserve found that the **average cash transaction is \$21, compared to \$44 for debit cards**.
- Store **employee tips skyrocket** with card payments (dollar amounts vs. loose change).
- In typical retail environments, **cash is only used in 11%** of all transactions.
- In a cash-only dispensary, consumers are **forced to make a trip** to the ATM.

*This data comes from a combination of Federal Reserve research published online and other publicly available data.*

# Robust National Presence

POSaBIT has dispensary partners in 23 states across the country.



# Partnerships

## State Compliance



## POS and Loyalty



## eCommerce



## Data and Compliance



# Investment Highlights

# The Opportunity



## Current Market (Big)

- More than  $\frac{3}{4}$  of the US population resides in a state that legalized cannabis
- >11,800 medical and recreational dispensaries in the US
- Average store sales of \$3M annually
- Total processing opportunity (retail sales) > \$52.6B (2026)\*
- Less than 30% have some form of electronic payment processing today (and cash still dominates)
- Additional state legalization as well as full federal legalization is expected to result in a tremendous shift to digital payments (away from cash)



## Future Market (Massive)

- States that recently passed cannabis legislation, markets not yet open
- 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, MJBiz Factbook, publicly available data, and extrapolations based on those sources*

# Financial Overview

Note: 2022 Year End Financials will be updated after the April 26, 2023, Earning Release



# Q3 2022 Results

in US dollars

Three months ended

Nine months ended

	Sept 30, 2022	Sept 30, 2021	% Change	Sept 30, 2022	Sept 30, 2021	% Change
Revenue	\$10,330,937	\$6,363,578	62.3%	\$24,920,606	\$14,868,253	67.6%
Cost of good sold	7,436,410	4,935,039	50.7%	18,537,204	10,591,899	75.0%
Gross profit	2,894,527	1,428,539	102.6%	6,383,402	4,276,354	49.3%
Gross profit margin	28.0%	22.5%	+550 bps	25.6%	28.8%	-320 bps
Operating costs	2,887,233	311,574	826.7%	12,377,459	3,074,687	302.6%
Operating income (loss)	(7,294)	1,116,965	-100.7%	(5,994,057)	1,201,667	-598.8%
Other expenses (income)	(1,231,614)	(8,020,940)	84.6%	4,679,837	(9,497,422)	-149.3%
<b>Net loss</b>	<b>(1,224,320)</b>	<b>(6,903,975)</b>	<b>82.3%</b>	<b>(1,314,220)</b>	<b>(8,295,755)</b>	<b>-84.2%</b>

# 2023 Guidance



Total revenue:

**\$60M to \$63M**



Adjusted EBITDA<sup>\*</sup>:

**Positive**



Gross profit Dollars:

**\$15 - \$17M**

\*Represents a non-IFRS measure.

# Quarterly Financials

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
<b>Gross Transactional Sales</b>	\$26.7M	\$42.2M	\$47.3M	\$64M	\$87.3M	\$111.9M	\$105.6M	\$102.5M	\$129.2M	\$143.5M
<b>Revenue</b>	\$1.5M	\$2.3M	\$3.1M	\$3.5M	\$5.0M	\$6.4M	\$6.4M	\$6.4M	\$8.2M	\$10.3M
<b>Gross Profit</b>	\$292K	\$575.1K	\$767.7K	\$899.7K	\$1.3M	\$1.4M	\$1.5M	\$1.5M	\$2M	\$2.9M

# Yearly Financials

	2020	2021	2022 <sup>1</sup> GUIDANCE
Gross Transactional Sales	\$132M	\$368.8M	\$600-\$700M
Growth Rates	144%	179%	76%*
Revenue	\$7.8M	\$21.3M	\$37-40M
Growth Rates	129%	173%	81%*
Gross Profit	\$1.74M	\$5.76	\$10-10.5M
Gross Margin	22%	231%	78%*

\*Measured at the mid-point

(1) See "Financial Outlook"

# Summary Balance Sheet

	As of Sept 30, 2022	As of Dec 31, 2021
<b>Cash</b>	<b>\$8,159,289</b>	<b>\$4,418,788</b>
Total Current Assets	\$4,065,470	\$3,146,444
Non-Current Assets	\$ 403,849	\$ 338,543
Total Assets	\$12,628,608	\$7,903,775
Total Current Liabilities	\$ 9,449,174	\$5,873,959
<b>Non-Current Liabilities</b>	<b>\$5,546,000</b>	<b>\$10,736,958</b>
Total Liabilities	\$14,995,174	\$16,610,917
<b>Stockholders' Equity</b>	<b>(\$2,366,566)</b>	<b>(\$8,707,142)</b>
Total Liabilities & Equity	\$12,628,608	(\$7,903,775)

# Thank you

