

PowerBand Solutions Announces Transformative Strategic Partnerships and Financing to Create Leading Automotive Fintech Platform

- **US\$20M Strategic Private Placement by J. Bryan Hunt Jr. and Joe Poulin**
- **Proposed Board Changes**

TORONTO, ON (May 10, 2022) - **PowerBand Solutions Inc.** (TSXV:PBX) (OTCQB:PWVBF) (Frankfurt:1ZVA) (“**PowerBand**“, “**PBX**” or the “**Company**“), a comprehensive trading and financing technology platform transforming the online experience to sell, trade, lease, and finance vehicles, is pleased to announce a US\$20 million private placement (the “**Private Placement**”) with an investment vehicle controlled by J. Bryan Hunt Jr. (“**Hunt**”) and JPK Capital, an investment vehicle wholly-owned by Joe Poulin. Upon closing of the Private Placement, Mr. Hunt, will assume the role of Chairman of the Board and Mr. Poulin the role of Vice-Chairman.

Darrin Swenson, incoming President and CEO commented: “We are excited to announce the next phase of growth at PowerBand – attracting a generational automotive family like the Hunt Family and an experienced technology entrepreneur like Mr. Poulin reflect the quality and reach of the underlying technology we have at the Company. Powerband has tremendous potential with this strengthened leadership team and sponsorship and is at a critical inflection point as it commercializes its disruptive automotive fintech solutions. Our vision for the Company is a growing and sustainable business model that is self-funded with internally generated cash flow, with several financing strategies available to the Company. We look forward to providing a strategic plan by the end of the third quarter of 2022. We would like to thank Kelly Jennings for his vision and stewardship since the Company’s inception and for his confidence in the new management and board of directors to guide us all through the next phases of the Company’s growth trajectory.”

Mr. Hunt, incoming Chairman of the Board commented: “The automotive industry is consistently one of the leading total addressable markets in the U.S. and has been a generational opportunity for the Hunt Family. With the Company now well capitalized and supported by strategic partners, our mission is to be one of the leading automotive technology companies in the space. We have been working diligently on a new strategic vision and look forward to sharing it with all our stakeholders.”

Mr. Poulin, incoming Vice-Chairman of the Board commented: “The automotive industry is adapting to technological evolution, and we believe Powerband offers a proprietary platform to monetize disintermediation, inside a capital-light, high-growth business model. I am specifically excited to join Bryan and Darrin to help lead this team to further the business and to offer it the technological experience and influence it needs to grow. Collectively, we see the potential to create an innovative fintech automotive marketplace.”

Both Hunt and Mr. Poulin will play an active role in the overarching corporate strategy and operations to accelerate growth from the Company’s proprietary solutions, while repositioning the cost structure to eliminate inefficiencies. Importantly, the Company is aiming to direct resources and capital to become one of the leading automotive fintech solutions in the market today.

The Company, supported by strategic partners, has concluded that the private placement dilution in the short-term is markedly offset by the accelerated growth trajectory and long-duration capital to fund

future growth. The Board understands that Powerband, under direction of the new partners, intends to be a preeminent player disrupting the automotive industry. The long-term objective is to touch a significant portion of the revenue stack, across all industry participants, in a capital-light model that offers consumers and dealers low cost and streamlined solutions. The primary focus of the Company directed by Management and the Board will be reconstructing governance and corporate culture, profitable growth with rigorous ROIC thresholds, KPI driven compensation structures for key personnel and prudent balance sheet management.

Pursuant to the Private Placement, the Company proposes to issue 85,880,000 units of the Company (each, a “Unit”) at a price of CAD\$0.30 per common share, representing a 50% premium to the Company closing share price on May 9, 2022, for gross proceeds of approximately CAD\$25,764,000. Each Unit will consist of one common share in the Company (each a “Common Share”) and one common share purchase warrant (each whole warrant a “Warrant”). Each Warrant will be exercisable for one Common Share at an exercise price of CAD\$0.40 for a period of 60 months following the Closing Date.

Proceeds of the Private Placement are expected to be used to repay certain indebtedness, fund growth initiatives, and for general corporate and working capital purposes.

The Private Placement is expected to close on or about May 20, 2022, and is subject to customary conditions including, but not limited to, conditional acceptance of the TSX Venture Exchange (the “TSXV”).

The Company may pay finder’s fees or commissions in connection with the Private Placement in accordance with the policies of the TSXV. The securities issued pursuant to the Private Placement will be subject to a four-month hold period from the closing date.

Management Update and Biographies

J. Bryan Hunt Jr., served as an employee of the J.B. Hunt Transport Inc. from 1983 through 1997. In 1997 Hunt Automotive Group was formed to own and operate new vehicle franchises in Arkansas, Oklahoma, Mississippi, and Missouri. Currently Bryan is a board member of JB Hunt Transport Services Inc. Bryan is also the Managing Member of Best Buy Here Pay Here of Arkansas, a private company with used-car operations in Arkansas, Missouri, and Oklahoma; Progressive Car Finance, a private company that provides subprime financing for automobile dealers; and 71B Auto Auction and 71B Mobile Auto Auction, both private companies engaged in the auction of automobiles, trucks, boats, and other motor vehicles to dealers and the general public in Arkansas and Kansas. A graduate of the University of Arkansas, he has degrees in marketing and transportation.

Joe Poulin, is a Canadian entrepreneur who was Vice President of Airbnb’s global luxury business from February 2017 to 2019. Prior to that, he served as the President and Chief Executive Officer of Luxury Retreats International Holdings, Inc., which he founded in 1999, until its sale to Airbnb Inc. in February 2017. Mr. Poulin serves as Chairman of the board of directors for Insurance Corporation of Barbados Limited and is on the board of advisors of Wheels Up Experience Inc. Mr. Poulin has served as Chief Executive Officer and the Chairman of SOAR Technology Acquisition Corp. since February 2021. Mr. Poulin is the Founder and Chairman of JPK Capital Holdings (Barbados) Inc., his family office headquartered in Barbados.

Darrin Swenson, is currently the Chief Operating Officer of Hunt Automotive Group (“Hunt Automotive”) as well as a board member of PowerBand. Upon his promotion, he will assume the positions of President and Chief Executive Officer of PowerBand. Mr. Swenson has over 25 years of automotive dealership ownership and management experience. Darrin served as Chief Operating Officer for Hunt Automotive Group, managing four franchise dealerships in adjoining states. Darrin presently presides as COO for an independent auto auction company with locations in Springdale, Arkansas, and Wichita, Kansas consigning over 350,000 vehicles and contributing over 1 billion dollars in sales to the retail and wholesale automobile market. Simultaneously, Darrin currently leads a team of IT professionals at PowerBand Solutions who have accomplished creating and launching D2D, a wholesale online auction platform, as well as DrivrzXchange, an online auction platform offering public consumers a new way to sell or purchase a vehicle.

About PowerBand Solutions Inc.

PowerBand Solutions Inc., listed on the TSX Venture Exchange and the OTCQB markets, is a fintech provider disrupting the automotive industry. PowerBand’s integrated, cloud-based transaction platform facilitates transactions amongst consumers, dealers, funders, and manufacturers (OEMs). It enables them to buy, sell, trade, finance, and lease new and used, electric and non-electric vehicles, on any phone, tablet or PC connected to the internet. PowerBand’s transaction platform – being trademarked under DRIVRZ™ – is being made available across North American and global markets.

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

FORWARD-LOOKING INFORMATION

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include statements regarding the objectives, business strategies to achieve those objectives, expected financial results (including those in the area of risk management), economic or market conditions, and the outlook of or involving PowerBand, its subsidiaries and its businesses. Such information is typically identified by words such as “anticipate”, “believe”, “continue”, “estimate”, “expect”, “plan”, “forecast”, “future”, “outlook”, “guidance”, “may”, “project”, “should”, “strategy”, “target”, “will” or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: future financial position, expected pro forma fully diluted ownership interest of JPK Capital and Hunt in PowerBand, anticipated use of proceeds from the Private Placement, expected timing for completing the Private Placement.

Forward-looking information is provided for the purpose of providing information about management’s expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that PowerBand believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations are based on information currently available to

PowerBand, including information obtained from third party industry analysts and other third-party sources, and the historic performance of PowerBand's businesses. Such assumptions include the timing of receipt of necessary regulatory approvals, that all conditions to the closing of the Private Placement will be satisfied, that the Private Placement will be completed on the terms set forth in the applicable transaction agreements, anticipated financial performance, current business and economic trends, the amount and timing of future dividends paid by PowerBand, business prospects, utilization of tax basis, regulatory developments, currency, exchange and interest rates, commodity prices relating to the automotive industry, , trading data, cost estimates, our ability to obtain financing on acceptable terms, and statements regarding net working capital, anticipated operational and capital expenditure reductions, the length and impact of COVID-19 on PowerBand's businesses and customers and capital expenditure requirements of PowerBand, the assumptions set forth under the "Financial Outlook" sections of our MD&A. The forward-looking information is also subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, PowerBand's actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information or the Private Placement may not be completed. These risks and uncertainties include those relating to satisfaction of the conditions to completion of the Private Placement, the risk that the Private Placement is not completed on the terms set out in the transaction agreements or at all, incorrect assessments of value when making acquisitions, increases in debt service charges, the loss of key personnel, the anticipated impact of the COVID-19 pandemic, the impact of increased inflation and the expected economic recession, fluctuations in foreign currency and exchange rates, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, reduced customer demand, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in our MD&A under the heading "Risk Factors". The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on our forward-looking information to make decisions with respect to PowerBand, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, PowerBand does not undertake to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws, unless an exemption from such registration is available.*