

PowerBand Reports First Quarter 2022 Financial Results

- Revenue of \$6.1M in Q1 2022, an increase of 144% from revenue of \$2.5M in Q1 2021
- Cost restructuring initiatives have commenced with further savings being identified

TORONTO, Ontario (May 31, 2022) — PowerBand Solutions (TSXV: PBX) (OTCQB: PWWBF) (“**PowerBand**” “**PBX**” or the “**Company**”), a comprehensive e-commerce solution transforming the online experience to sell, trade, lease, and finance vehicles, is announcing that it has filed its Interim Consolidated Financial Statements and Management’s Discussion and Analysis report for the three-month period ended March 31, 2022. These documents may be viewed under the Company’s profile at www.sedar.com. All numbers are in Canadian dollars, except otherwise noted.

Revenue for the three-month period ended March 31, 2022, when compared to the same period in 2021, increased by 144%, driven by scaling of DrivrzFinancial originations across more dealers and improving market share inside of the producing dealer network. However, the gross margin for the same period declined from 59% for the three months ended March 31, 2021, to 47% for the three months ended March 31, 2022, as the Company extended incentives to dealers in a hyper competitive pricing environment. Revenue for Q1 2022 decreased compared to Q4 2021 as inventory levels continued to trend towards record lows and used vehicle prices accelerated higher due to chip shortages. DrivrzFinancial origination activity was negatively impacted by lower industry sales activity, but also by competitive pressures for used car leasing versus retail loans, as residuals have not been adjusted for inflationary pricing.

	Three months ended		Three months ended	
	March 31, 2022	March 31, 2021	December 31, 2021	December 31, 2020
	\$	\$	\$	\$
Revenue	6,149,037	2,518,510	8,148,893	1,426,635
Gross Profit (loss)	2,899,841	1,486,987	3,754,206	117,582
Net (loss) income	(6,280,216)	(2,748,309)	(9,312,157)	(4,821,125)
EBITDA	(5,602,987)	(2,230,693)	(8,390,857)	(4,398,515)
Adjusted EBITDA	(2,872,476)	(2,134,467)	(1,774,212)	(3,275,884)

The Company is expected to close on the previously announced private placement offering of approximately CAD \$25 million which will provide sustained liquidity for steady state operations over the next 12-month period. Cash on hand at March 31, 2022 was \$4,171,805 compared to \$6,367,533 as at December 31, 2021. The working capital deficit will be addressed with the infusion of cash from the private placement offering.

Under the direction of Interim CEO Darrin Swenson, PowerBand has initiated a comprehensive review of its cost structure to identify opportunities for rationalizing expenses and will provide further updates when appropriate.

Darrin Swenson commented “the recently announced strategic partners will focus on repositioning the Company for efficiency and ultimately, profitability. There are tremendous value generative opportunities for the Company as macro conditions normalize over the next 12-18 months. We look forward to unveiling our new strategic plan prior to the end of Q3 2022.”

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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Non-IFRS Measures:

This news release contains non-IFRS financial measures; the Company believes that these measures provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. Although management believes these financial measures are important in evaluating the Company's performance, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed as alternatives to measures of financial performance determined in accordance with IFRS. Moreover, presentation of certain of these measures is provided for year-over-year comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on the Company's operating results.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements relating to the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding future plans and objectives of the Company, are forward looking statements that involve risks and uncertainties. There

can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. As a result, we cannot guarantee that any forward-looking statement will materialize, and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as at the date of this news release, and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by Canadian securities law.

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