

PowerBand provides update on fourth quarter sales activity, highlighted by a record month in December 2021

PowerBand Solutions' DRIVRZ™ products continue to build momentum, with record monthly producing dealers, applications, originations and revenue in December 2021. The Company achieved 360 lease originations in December 2021, 15% higher than the previous monthly high-water mark established in August 2021

TORONTO, ON (January 6, 2022) - **PowerBand Solutions Inc.** (TSXV:PBX) (OTCQB:PWWBF) (Frankfurt:1ZVA) ("**PowerBand**", "**PBX**" or the "**Company**"), a comprehensive e-commerce solution transforming the online experience to sell, trade, lease, and finance vehicles is pleased to announce that the Company's DRIVRZ products demonstrated solid revenue, originations and gross margins in the fourth quarter of 2021.

Gross revenue for the fourth quarter ended December 31, 2021, was Cdn\$8 million as compared to the third quarter revenue of Cdn\$9.2 million. While the quarter started with softer originations and revenue, resulting from record low inventory levels and competitive intensity in the automotive industry, December 2021 was a record month, bolstered by transacting with a record number of producing dealers. This is a key performance indicator that has been a focus for the Company, as active dealers have surpassed 1,000. Gross margins held steady versus the third quarter and averaged 46% in 2021, which is below the 50-60% long-term target as DrivrzFinancial extended more incentives to dealers during a period of record low inventory levels. Despite many challenges, PowerBand had an exceptional year with total revenue for 2021 close to Cdn\$25 million as compared to Cdn\$3 million for the year 2020.

Lease originations in December 2021 hit 360, 15% higher than the previous record month set in August 2021. Annual run rate revenue for December 2021 hit a key milestone, eclipsing Cdn\$45 million, which is approximately 1.8x the total revenue estimated for 2021 and reinforces confidence in achieving 2022 financial targets. On November 30, 2021, PowerBand provided guidance that it is targeting Cdn\$70-90 million of revenue for 2022 at a 20-25% EBITDA margin.

While historically low inventory levels and Covid-19 continue to suppress the true earnings power of the Company in the short-term, these pressures are anticipated to gradually subside in 2022, providing strong tailwinds for originations and sales. In the first quarter of 2022, DrivrzFinancial will bring several large enterprise customers online, following an integration phase in the fourth quarter of 2021. In addition, the business unit will roll out its retail lending offering, which will solidify its competitive positioning as the first automotive solution in the U.S. that can offer leasing and loans for used vehicles nationwide, at scale, with one application.

DrivrzFinancial has also signed a contract with a U.S. Publicly traded automotive retailer to offer used car leasing and retail lines to its customers. This substantiates the Company's positioning as marketplaces, platforms and retailers aspire to monetize the retail value chain, with emphasis on end-to-end solutions that provide exposure to F&I participation.

Both DrivrzXchange and DrivrzLane continue to be on budget and schedule for launch in the first quarter of 2022. PowerBand continues to advance discussions for short-term, non-dilutive funding to bridge the Company to profitability.

Jon Lamb, President and CEO of DRIVRZ commented. “I am so proud of my team, as we have navigated truly unprecedented challenges for inventory, as well as Covid-19 restrictions. We believe 2022 is setting up to be an inflection year for the Company and that we have the most innovative and profitable digital automotive solutions in the industry. We are excited for our shareholders as we enter the next chapter of growth and commerciality for all three business units”.

Kelly Jennings, founder, and CEO commented. “Our solutions are demonstrating incredible resilience, which gives us confidence that our product offering is differentiated. We are less than three months away from three business units operating in unison, which positions the company to meet its revenue and EBITDA projections for 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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