Solution Financial Reports Q2 2020 Financial Results

Vancouver, British Columbia--(Newsfile Corp. - June 26, 2020) - **Solution Financial Inc. (TSXV: SFI)** (the "**Company")** a leading provider of luxury automotive and yacht leasing in western Canada, today announced its financial results for the second quarter ending April 30, 2020.

Earnings Highlights for the Second Quarter:

- Net income increased to $39,595 and Adjusted net income(1) increased to $220,997.
- Net revenue increased 12% over the prior year quarter to $2,755,551.
- Total lease and finance portfolio grew 4.4% to $24,646,348 over the prior quarter.
- Quarterly dividend on common shares of $0.001 per share or roughly 1% returns at the Company's current share trading price of $0.44 per share.

"We were generally quite happy with our performance in the second quarter with the outbreak of COVID-19 causing major disruptions for most businesses. We saw a slow down in March, but things bounced back in April and have remained consistent through May," began Bryan Pang, the Company's CEO.

"This steady leasing performance does represent an opportunity for us and we're enthusiastic to pursue a growth-oriented equity financing round soon. COVID19 has severely impacted other leasing companies that service a wider spectrum of clientele including more traditional sub-prime clients whereas we focus on luxury and ultra luxury leasing clientele. This is a great time for us to introduce our unique leasing products to luxury dealerships in new markets who may be seeing fewer and fewer leasing options available to their end customers. We recently filed our Annual Information Form with the intention of proceeding with a short-form prospectus and we are currently reaching out to bankers about assisting with this financing. Our goal is to raise a further $10,000,000 which we can use to further increase our leasing facility to provide sufficient leasing capital to rapidly expand further across Canada into other key luxury and ultra luxury leasing markets," concluded Bryan.

Financial Results

Solution is reporting a net income of $39,595, or $0.001, per share for the quarter ending April 30, 2020. This compares to a net income of $2,943 or $0.000 per share for the quarter ending April 30, 2019.

Adjusted net income for the quarter ending April 30, 2020 was $220,997(1) or $0.003 per share compared to $117,651 or $0.001 per share for the quarter ending April 30, 2019. Adjusted Net Income excludes the non-cash accretion expense related to the convertible debentures of $51,939, share-based compensation expense of $4,612 for stock compensation, deferred income tax provision of $58,835 and amortization expense of $7,181.

Our operating cash flow for the six months ended April 30, 2020 decreased to $2,832,011, compared to $3,037,3978 for the six months ended April 30, 2019.

Lease Portfolio

At April 30, 2020, Solution had 325 vehicles in our In House lease portfolio, a net increase of 6 vehicles and $556,884 during the quarter to bring the total lease portfolio to $24.6 million.

At April 30, 2020, the average remaining lease term for the portfolio was 21.04 months, weighted by net book value for each vehicle. At April 30, 2020, Solutions' 325 leases were generating annualized rental revenue of approximately $5.57 million, a 4.22% increase during the quarter.

About Solution

Solution Financial commenced operations in 2004 and specializes in sourcing and leasing luxury and exotic vehicles, yachts and other high value assets. Solution works with a select group of automotive and marine dealerships providing lending solutions to clients who cannot obtain leasing terms with traditional Canadian financial institutions or other lenders. Typical customers include new immigrants, business owners and international students. Solution Financial provides a unique leasing experience whereby it partners with its clients to help them navigate the challenges of acquiring, insuring, maintaining and upgrading vehicles and luxury assets in Canada.

Note 1- Non-IFRS Financial Metrics

Solution provides all financial information in accordance with International Financial Reporting Standards ("IFRS"). To supplement our consolidated financial statements presented in accordance with IFRS, we are also providing with this press release, certain non-IFRS financial measures, including Adjusted Net Income. In calculating these non-IFRS financial measures, we have excluded certain transactions that are not necessarily indicative of our ongoing operations or do not impact cash flows.

Cautionary Statement Regarding Forward- Looking Statements

This press release contains "forward-looking information" as defined under applicable Canadian securities laws. This information includes, but is not limited to, statements concerning our objectives, our strategies to achieve those objectives, as well as statements made with respect to management's beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Although forward-looking information contained in this press release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information. Certain statements included in this press release may be considered a "financial outlook" for purposes of applicable Canadian securities laws, and as such the financial outlook may not be appropriate for purposes other than this press release.

The forward-looking information contained in this press release is made as of the date of this press release and should not be relied upon as representing Solution's views as of any date subsequent to the date of this press release. Except as required by applicable law, management and Solution's Board of Directors undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

For further information please contact Sean Hodgins at (778) 318-1514.

ON BEHALF OF THE BOARD

(signed) "*Bryan Pang*"
Brian Pang
President, CEO and Director

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