PowerBand Announces Second Quarter 2023 Financial Results

TORONTO, ONTARIO (August 30, 2023) — PowerBand Solutions (TSXV: PBX) (OTCQB: PWWBF) (Frankfurt: 1ZVA) ("**PowerBand**" "**PBX**" or the "**Company**"), a comprehensive e-commerce solution transforming the online experience to 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 and six-month period ended June 30, 2023. These documents may be viewed under the Company's profile at www.sedarplus.ca.

Revenue for the second quarter of 2023 decreased to $497,549 in comparison to Q1/2023 revenue of $838,693. There were no new lease originations in the second quarter. Revenues were generated primarily from the servicing of the existing lease portfolio. During the second quarter management completed a review of certain additional lease contracts and has identified some lease contracts that may fall within the repurchase clause of the Forward Flow Purchase and Security Agreement with the Company's primary funding partner. As a result, the Company has recognized a provision for expected loss on lease contracts for $8,785,772, thereby increasing the net loss for the quarter to $11,034,604.

Adjusted EBITDA loss for the second quarter of 2023 has decreased by $533,750, in comparison to Q1/2023, due to further cost reduction measures initiated by the Company.

Cash on hand as at June 30, 2023 was $5,243,895 compared to $10,299,414 as at December 31, 2022.

	Three months ended		**Three months ended**	
	June 30, 2023	**June 30, 2022**	**March 31, 2023**	**March 31, 2022**
	$	$	$	$
Revenue	497,549	3,582,666	838,693	5,962,029
Gross Profit	70,013	1,597,795	491,691	2,748,234
Net (loss)	(11,034,604)	(5,394,652)	(3,259,361)	(5,591,868)
EBITDA	(10,694,964)	(4,636,573)	(2,929,629)	(5,038,375)
Adjusted EBITDA	(1,783,955)	(1,885,148)	(2,317,705)	(1,929,082)

The Company continues to work with its primary funding partner to re-commence the origination of leases. As a part of those discussions, in May 2023, the Company's subsidiary, Drivrz Financial, and the financial institution executed an agreement for the repurchase of an additional 32 vehicle leases, with a value of CAD $1,222,547 (US$923,374.07). The total amount will be paid in equal installments over a period of 24 months.

Following the comprehensive business reorganization of the Company over the past year, management believes that it now has the right personnel in place and the Company is in a sustainable operational position going forward. The Company is currently completing the establishment of an in-house, customer-facing, servicing department and should be able to migrate from a third-party lease servicing provider by the 4th quarter of 2023.

The Company will provide an update to shareholders on its discussions with its funding partner, and any other relevant information, when there is material news to report.

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, and funders. PowerBand's transaction platform - being trademarked under *DRIVRZ*™ - is being made available across the United States of America.

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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.

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", “believes” 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, expected benefits and results from operations, expected return to shareholders as a result of allocating growth capital and resources to the DrivrzFinancial platform, expected results of cost-saving initiatives, the resolution of lease repurchases with the financial institution, the re-commencement of lease originations through the Forward Flow Purchase and Security Agreement and the ability of PowerBand to secure additional funding lines for DrivrzFinancial 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.