



## **POWERBAND RELEASES Q1 2019 RESULTS; POSTS RECORD REVENUE FOR THE QUARTER; PROVIDES CORPORATE UPDATE**

Vancouver, British Columbia -- (Accesswire – May 28, 2019) - PowerBand Solutions Inc. (TSXV: PBX) (OTCQB: PWWBF) (Frankfurt: 1ZVA) ("**PowerBand**", "**PBX**" or the "**Company**"), a leading online automotive auction, remarketing and vehicle acquisition and sales platform in North America, is pleased to announce that it has released its 2019 first quarter financial results. During the period the Company generated over CAD\$550,000 in revenue, with a gross margin of \$82,500 and a net loss of approximately \$370,000, as compared to approximately CAD\$10,000 in revenue in the same period in 2018, with a gross margin of \$1,500 and a net loss of approximately \$2,980,000. The Company anticipates strong revenue growth to continue in the second quarter of 2019.

"I am excited to announce our first quarter financial and operational results," said President and COO Mike Moen. "After a restructuring period of six months we were able to reduce our monthly burn rate from approximately CAD\$350,000 to CAD\$150,000. We closed down our Western Canada operations and reduced headcount as we refocused the business in Ontario on the North-South used car market and the D2D Auto Auctions ("D2D") partnership. We are now executing on our strategic initiatives in the United States where we have access to over 2,500 dealerships in D2D's network, 8,500 dealers with Dealer Socket, and over 19,000 dealers with RouteOne. Based on our internal projections our recently granted Exporter Licence will enable us to double first quarter revenue, targeting over CAD\$1,000,000 in revenue from the projected sale of 40 used vehicles at an average sales price of \$25,000, with earnings of \$100,000, based on a projected gross margin of 10%, from the cross-border purchase and sale of used vehicles. In the first quarter we launched over CAD\$2.1 million in vehicle auctions with our dealer partners in Ontario, with the value of sold vehicles exceeding \$500,000. Assuming we had our Export Licence in place in the first quarter, revenue generated could have included the value of all vehicles launched through the PowerBand Exchange platform. I am also excited to announce last week we moved our first vehicle carrier (CAD\$150,000) to the United States. We are now aggressively implementing our growth strategy of moving the North-South used vehicle market onto PowerBand's digital inter-dealer platform.

We also continue our discussions with multiple banks and alternative financing sources to provide warehouse facilities to buy and sell used vehicles in the United States. Our goal, over the next 60 days, is to secure CAD\$30,000,000 in warehouse facilities that will enable PowerBand to continue to execute our Phase 1 plan of buying used vehicles in Canada and selling used vehicles in the United States. Phase 2 is buying and selling used vehicles within the U.S. market, and Phase 3 is buying and selling used cars directly to and from consumers which represents approximately 50% of the used car market or around 20,000,000 used vehicles in the United States<sup>(1)</sup>. We have a dedicated, experienced team of automotive industry experts and a supply chain of used vehicle dealer partners who are excited to support us as we continue to execute Phase 1. With an industry estimated 400,000 used vehicles to be exported to the U.S. in 2019<sup>(2)</sup> and average wholesale price of approximately USD\$25,000, it represents a market opportunity of USD\$10 billion per year. Based on the Company's internal projections, PowerBand anticipates that it will export over 400 vehicles in 2019, with the projected volume increasing over the next 24 months as the Company expands its floorplan and credit facilities. The Company projects 2019 gross revenue from the sale of 400 exported vehicles to reach USD\$10 million, and based on a projected 10% gross margin, net income is projected to be USD\$1.0 million."

The interim financial statements of the Company for the three months ended March 31, 2019 and 2018 and accompanying Management's Discussion & Analysis (MD&A) are available at [www.sedar.com](http://www.sedar.com).

(1) Manheim Used Vehicle Market Report (2016)

(2) Canadian used vehicle export figures from Canadian Black Book and DesRosiers Automotive Consultants.

### **About PowerBand Solutions Inc.**

PowerBand Solutions Inc. is a technology provider listed on the TSX Venture Exchange. The Company has developed and commercialized a leading-edge used vehicle online remarketing auction platform, the PowerBand Exchange, that incorporates the industry's latest auction technologies, inventory management, market intelligence, and appraisal processes. In addition, with receipt of its Exporter Licence, PowerBand is well positioned to actively participate in the USD\$10 billion cross-border used vehicle export market.

For further information, please contact:

Richard Goldman, VP Corporate Development

P: 1-866-768-7653

[rgoldman@powerbandsolutions.com](mailto:rgoldman@powerbandsolutions.com)

### **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.*

*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.*