

## **PowerBand Executes Unit Purchase Agreement to Acquire MUSA Auto Finance – A Leading FinTech Auto Lease Finance Company in the United States**

Vancouver, British Columbia -- (Accesswire – July 23, 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 through its wholly-owned subsidiary Powerband Solutions US Inc., and in relation to its news release dated January 23, 2019, that on July 17, 2019 it signed a Unit Purchase Agreement to acquire 60% of MUSA Holdings, LLC, and its subsidiaries, including MUSA Auto Finance, LLC ("**MUSA**"). The aggregate consideration to be paid by PowerBand is USD\$300,000 in cash, and 4,300,000 shares of PBX stock. The acquisition will transform PBX into an industry leading FinTech company in the areas of vehicle acquisition, leasing, lending, and auction services. The acquisition is subject to the approval of the TSX Venture Exchange.

### **MUSA Auto Finance**

Founded in 2016, MUSA, based in Dallas, Texas, has quickly become a FinTech leader in the auto leasing market in the United States. Its innovative technology platform modernizes the new and pre-owned vehicle leasing experience. As a result of its proprietary technology, MUSA was awarded a contract by Tesla Motors to become a national leasing partner in 2018. During the testing phase with Tesla, that was restricted to California, MUSA developed technology that takes an application, calculates a lease, auto-decisions the application, provides an approval back to dealer partners, and prefills a lease contract accurately in less than eight seconds. Tesla was so impressed with the ease of the platform that they sent USD\$50 million in Tesla leasing contracts to MUSA over a weekend and a total of USD\$90 million during the test phase. In order to accommodate the Tesla lease program MUSA filled a USD\$157.5 million financing facility to capacity in 2018, with an average FICO Score of 739. MUSA's product demand with Tesla, and dealer partners in 33 states, prompted Robert McDonald, a former Goldman Sachs V.P, to describe MUSA as "one of the fastest growing auto finance companies ever". MUSA subsequently sold the financing facility, in May 2019, in a private placement to Crestline Investors Inc.

PBX's acquisition of MUSA brings together two leading edge companies with the vision to become a one-stop SaaS platform for the entire vehicle purchase lifecycle. Franchised dealers, independent dealers, and consumers will be able to:

- Use MUSA's real-time lease origination platform to lease new and used vehicles
- Acquire pre-owned vehicles for MUSA consumers through PBX's online auction platform
- Retain customers through new lease options using the PBX-RouteOne partnership
- Resell off-lease vehicles to D2D Automotive Auctions ("**D2D**") through the PBX auction platform. D2D is a joint venture partnership owned equally by PowerBand and Bryan Hunt in the U.S.

In addition to expanding its lease origination portfolio, PBX and MUSA have plans to pursue:

- Direct-to-consumer lending platform
- Online consumer-to-consumer marketplace - connecting individual sellers with buyers who will use MUSA for lease financing

- Aggressive expansion toward nationwide operations by adding at least 15 states, bringing the MUSA's total number of states to 48.

Kelly Jennings, CEO of PowerBand, commented, "This is a transformative acquisition for PowerBand. By combining MUSA's industry-leading leasing platform with PowerBand's comprehensive used vehicle online remarketing auction platform, we have differentiated PowerBand in the automotive industry and will be able to offer dealers, commercial, rental and leasing companies, and consumers a one-stop online platform to buy, sell, trade and finance vehicles. We are excited to work with MUSA's management team to accelerate MUSA's ability to originate new leases in 2019, and beyond. We will work closely with MUSA and our partners to raise new capital and warehouse facilities. We have started conversations with automotive partners, like RouteOne, to accelerate MUSA and PowerBand's growth in the United States."

Jeff Morgan, CEO of MUSA, stated, "The executive team at MUSA is excited to join together with PowerBand, D2D Automotive Auctions, and its other strategic partners. While we specialize in new and used auto lease finance, we are continuing to enhance our technology to achieve simplicity in an otherwise complicated process. We quickly achieved Elon Musk's vision of being able to complete a transaction on the dashboard of a Tesla at delivery, and we are really excited about a new technology currently under development that we hope to announce later this year".

To finance the acquisition of MUSA, PBX has negotiated a USD\$2.5 million Bridge Note facility with Kelly Jennings, CEO and an Insider of the Company, to acquire 60% of the equity in MUSA Holdings, LLC, and to fund PBX and its subsidiary Companies. The Bridge Note has a term of six months and an interest rate of 9.0% per annum. MUSA Holdings, LLC will be a majority controlled subsidiary of PBX. At closing, MUSA Companies, LLC will be issued 2,500,000 common shares of PBX. The shares will have a minimum four month hold period and will be subject to a restriction legend under SEC Rule 144. In addition, PowerBand will issue 900,000 shares of PBX stock to MUSA Companies, LLC on the first anniversary of the closing date of the transaction, and an additional 900,000 shares of PBX stock to MUSA Companies, LLC on the second anniversary of the closing date, for a total of 4,300,000 shares of PBX, in accordance with the rules and regulations set by the TSX Venture Exchange. MUSA's leadership team will remain in place and continue to operate under the guidance of PowerBand. PBX and MUSA will work together to restructure and grow the business in 2019. Kelly Jennings and Darrin Swenson will join the Board of Directors of MUSA Holdings, LLC. The acquisition of MUSA Holdings, LLC is an arm's length transaction. There are no finder's fees payable as a result of the transaction.

### **About MUSA Auto Finance**

MUSA Auto Finance is a technology innovator in the new and pre-owned vehicle leasing industry and originates its leases from franchised and select independent dealers. In addition, in 2018 MUSA was chosen by Tesla Motors to be a national finance partner. The company is licensed in 33 states and is planning to be doing business in 48 states within the next two years. MUSA maintains its corporate offices in Dallas, Texas.

### **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

## **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.*