

D&P HOLDINGS CONVERTS USD \$6-MILLION IN DEBENTURES TO OWNERSHIP STAKE IN POWERBAND

Texas-based Insurance Administrator Will Offer Auto Insurance on PowerBand's Virtual Platform

Vancouver, British Columbia (June 25, 2020) — PowerBand Solutions Inc. (TSXV: PBX) (OTCQB: PWWBF) (Frankfurt: 1ZVA) ("**PowerBand**", "**PBX**" or the "**Company**") is pleased to announce that its subsidiary, PowerBand Solutions US Inc. ("**PowerBand US**"), has closed on its convertible debenture financing (see news release dated March 2, 2020) and that Texas-based D&P Holdings, Inc. ("**D&P**") will immediately convert USD \$6 million of PowerBand US debentures into a direct investment in the Company's US and Canadian financing and leasing divisions.

The investment comes at the time PowerBand is set to begin lease originations for vehicles in the United States using its virtual transaction system, which will enable consumers to use their smart phones, tablets and computers to acquire and finance electric and non-electric vehicles, as easily as buying a product on Amazon.

"We have seen the PowerBand transaction platform in action and we are confident it will be widely used by both consumers and auto dealers, who are increasingly looking to carry out their automotive transactions on a digital transaction platform," said D&P CEO John Armstrong. "We are converting our debentures into an ownership stake because we are confident PowerBand's transaction platform will revolutionize the industry, allowing people to buy, sell, lease, trade and finance a vehicle from any location using their smart phones."

D&P is one of the United States' largest administrators of automotive warranty and insurance products, directly working with more than 850 dealerships in all 50 states. It is the managing general agency for The Hanover Insurance Group, which has a \$3.8-billion market valuation. To date, D&P has invested USD \$6 million in debentures in PowerBand US.

"D&P and their team are highly respected leaders in the automotive retail and insurance sectors — we welcome their decision to deepen their partnership with us. I want to thank John Armstrong for bringing his partners and national network of dealerships to PowerBand, a resource that will ensure the imminent launch of PowerBand's transaction platform will be a great success," said PowerBand CEO Kelly Jennings. "D&P will also add more value to PowerBand by offering consumers and dealers automotive insurance products directly on the PowerBand transaction platform, a major convenience for consumers."

PowerBand's first lease originations are set to begin on the leasing platform operated by MUSA Holdings, LLC ("**MUSA**"), which PowerBand acquired a 60 per cent share of in July 2019. Founded in 2016, MUSA's innovative transaction platform provides dealers and consumers with the most advanced leasing options in the industry. MUSA takes applications, calculates leases, auto-decisions applications, provides approvals back to dealer partners and prefills lease contracts accurately. Approvals can occur in seconds. As a result of its proprietary technology, MUSA was awarded a contract by Tesla Motors to become a national leasing partner in 2018.

D&P has been granted exclusive global rights to act as administrator for new insurance products being sold globally through PowerBand's transaction platform. These include administrating all requested and

approved vehicle services contracts, auto warranty products, guaranteed asset protection, down payment protection, excess wear and tear, key replacement, windshield replacement, tire and wheel, ETCH/anti-theft, lease wrap, and all ancillary products.

Under the recent agreement, D&P's debentures will convert into a 9% ownership stake in both PowerBand US and the Company's Canadian financing and leasing division, DRIVRZ Financial Inc.

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 smart phones or any other online digital devices, from any location. PowerBand's transaction platform — being trademarked under DRIVRZ — is being made available across North American and global markets.

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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.

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