

## POWERBAND PROVIDES CORPORATE UPDATE

Vancouver, British Columbia -- (Newsfile Corp. – October 9, 2018) - PowerBand Solutions Inc. (TSXV: PBX) (OTCQB: PWWBF) (Frankfurt: 1ZVA) ("**PowerBand**" or the "**Company**"), a leading online auction and remarketing platform to buy and sell used vehicles, is pleased to provide the following corporate development update for its shareholders.

As we enter Fall 2018 PowerBand Solutions ("**PowerBand**" or "the **Company**") continues to build and lay the foundation for becoming the premier online marketplace for used cars in North America. We do so by analyzing global market trends and building and refining our strategy accordingly. For example, we are keeping track of the recently-announced USMCA (United States–Mexico–Canada Agreement) and how it will affect the \$70 billion-dollar automotive export market into the United States. For the time being, it looks like the automotive industry will not have to face the 20-25% duties originally proposed, which should continue to help drive our business as we expand into the United States.

Additionally, we have added personnel in key positions, including the board of directors, management, sales and software development. We also understand that partnerships and potential acquisitions, which, coupled with organic growth and product development, significantly complement the Company's plan to become the premier marketplace for not only cars but any vehicle with a Vehicle Identification Number ("**VIN**").

We continue to develop technology based on the "voice of the customer" and to develop our roadmap with a deepening focus on our mobile apps as well as the core features of our products.

We believe that we are at the cusp of significant growth and that PowerBand is poised for success due to:

- Operating in an environment in which more people are buying and selling used cars versus new cars
- The fact that people are becoming more comfortable with using online and mobile tools to purchase goods, including cars
- The industry is broken and fragmented and is in dire need of more transparency
- There is considerable consolidation and capital chasing online marketplaces for used vehicles, globally, with both the US & China having the largest market share

Having completed our public listing in February 2018 and subsequent share consolidation, we are pleased to report the following highlights since our last Corporate Update in May 2018:

### US Expansion:

Although we understand that the larger market opportunity for used vehicles is in the US, with over 40 million used vehicles transacting annually, 2018 was to be focused primarily on expanding across Canada. However, through a series of partnerships and increased demand in the PowerBand platform, and in addition to expanding across Canada, PowerBand has decided to expand into the US much sooner than anticipated. This acceleration into the US will help us achieve our objectives and goals aligning with significant partners in the automotive sector in the United States in order to increase our goal to become the premier online marketplace for buying and selling vehicles.

As part of this initiative, the Company has incorporated a Florida-based subsidiary, PowerBand Solutions US Inc., and has setup an office in Rogers, Arkansas. By operating in northwest Arkansas, PowerBand will be in a position to continue fostering commercial relationships with numerous companies in the area as well as enhancing existing partnerships with US-based Zoom Blockchain Solutions and DealerSocket.

As part of PowerBand's expansion into the US, we have engaged Mike Moen as Strategic Advisor. Mike holds MSc, EMPA, and MBA degrees and has spent over 25 years working both in the private and public sector.

Mike's extensive international experience working with technology and investment firms, including those on Wall Street and Silicon Valley, have proven to be instrumental in driving the Company's initiatives forward.

#### LeadSource Acquisition:

PowerBand completed the acquisition of LeadSource at the end of August 2018. Based in Kelowna, BC, LeadSource is a next-generation automotive private sale event marketing company. LeadSource integrates its proprietary consumer methodology with the latest in advanced database mining techniques to harvest qualified, in-equity sales leads through its customer contact center. LeadSource provides training to the dealership's staff and orchestrates all aspects of the multiday private sales events, resulting in a dynamic and transparent customer experience that is unlike any other current offering in the marketplace.

We anticipate that LeadSource will be able to secure in excess of 100 events over the course of the next 18-month period. Each event averages approximately \$10,000 in gross sales. Additional revenues are generated via transactions made on the PowerBand platform for trade-ins brought in by customers at these events. PowerBand will make \$200 for each vehicle sold through our LiveNet auction platform at these private sale events. Furthermore, and although we are in the early stages of our acquisition, and have not seen a full 12 month cycle, after approximately 40 booked events, we are already seeing an over 50% re-booking rate by existing dealers.

Since the acquisition closed on August 31<sup>st</sup>, PowerBand has seen an estimated \$20,000,000 in total value of vehicles sold, of which, 70% have been trucks. Of the approximate \$20,000,000 in value, 70% of these vehicles are new cars. We are greatly encouraged at these tremendous results only a few weeks after closing the transaction.

In order to better serve our LeadSource customers, we have developed our own internal software lead generation tool. This tool helps to provide market intelligence and a dashboard for us to monitor leads, success of events, and various metrics and key performance indicators that should increase the number of events and margins. To supplement this lead generation tool and our sales efforts, we are also in the process of establishing our own call center which will focus on automotive events. The new call center should help increase the number of leads as well as generate higher margins and ROI as well as increase the re-booking rate by existing dealerships.

Since closing our financing in February, across Canada, we have seen an uptick of over 40% in new accounts, with Western Canada growth increasing by over 70% in this same period.

We anticipate that with PowerBand's ever-increasing 240+ dealer partnership network we will easily be able to not only increase the number of events but also transactions on the

PowerBand platform. LeadSource has become an integral part of PowerBand’s Canadian sales strategy and will help to serve other revenue streams as the Company expands its presence.

#### Investor Relations:

The Company has recently taken several steps to bring awareness of PowerBand as an investment opportunity and to increase its market presence and liquidity. The Company continues to attend highly visible investor conferences focusing on microcap technology companies and will continue to post news releases as to where these shows will be. We have an extensive number of road shows and investment events planned over the next 6 months, across North America, which should help bring increased awareness to our story.

In addition to receiving a TSX-Venture and Frankfurt listing, PowerBand also has an OTCQB listing. As part of the OTCQB listing, PowerBand has also attained Depository Trust Company (“DTC”) eligibility. This will make it easier for brokers in the US to clear and settle trades and to broaden the company’s scope to trade in the US. The OTCQB and DTC eligibility will be instrumental as PowerBand expands further into the US and begins to receive more interest from potential US investors.

Renmark Financial Communications Inc. has recently been engaged by the Company to increase its presence in both the US & in Canada. By leveraging some of the relationships Renmark has in the US & in Canada, we hope to take advantage of curated events in different cities to increase our shareholder base and drive liquidity.

#### Partnerships:

##### *Zoom Blockchain Solutions*

In addition to the partnerships PowerBand already has with RouteOne, PBS Financial Systems, Quantech Software, DealerSocket, Carpages.ca, and Trader, we have also signed a Letter of Intent to form a joint venture with Zoom Blockchain Solutions to establish a disruptive automotive-related blockchain and application technologies solution, collectively known as Zoom Automotive Solutions. The Zoom Automotive Solutions alliance will include several leading automotive, technology and financial partners. This B2B and B2C blockchain application is expected to accelerate transaction and settlement times as well as remove friction from the industry and pave the way for a much improved and trusted consumer experience.

##### *TÜV Nord Mobility*

Additionally, PowerBand’s LOI to integrate business platforms with TÜV Nord Mobility, which performs technical inspections on millions of cars worldwide, will help to increase transparency and trust of vehicles transacted on the PowerBand platform, providing further ease to buyers and sellers and more easily enabling lenders to be a part of the online marketplace ecosystem. Founded in 1869 and headquartered in Hanover, Germany, the TÜV Nord Group employs more than 10,000 people in more than 70 countries and is regarded as a world leader in the Technical Inspection and Certification (TIC) industry. These inspection reports will help bring further transparency as well as confidence to buyers and sellers on the PowerBand marketplace. We believe the integration of our auction platform with TÜV NORD Mobility’s vehicle inspection service will differentiate PowerBand Solutions in the industry.

As PowerBand’s MarketPlace becomes the premier marketplace for not only cars, but any vehicle with a Vehicle Identification Number, the Company will continue to develop additional revenue streams and product offerings for the vehicular sector. Additionally, as we accumulate

more data and are able to better use artificial intelligence (“AI”) capabilities, we can help our consumers make better purchase and funding decisions on vehicles.

Since becoming a publicly traded company 10 months ago, PowerBand continues to lay the foundation to become the premier online marketplace for buying and selling used vehicles. By expanding sooner than anticipated into the US market, as well as partnering with significant players in the automotive sector, PowerBand is now poised to become a global auction marketplace leader. This credibility will enable PowerBand to hire additional team members across the Company and provide the Company with more opportunities as we continue our expansion.

## **About PowerBand**

PowerBand is a technology provider listed on the TSX Venture Exchange that is developing solutions for automotive and other industries that drive efficiency and transparency in the marketplace. PowerBand has developed and commercialized a leading-edge online auction platform that increases revenues and profit margins for its automotive dealership, Original Equipment Manufacturer, commercial fleet and rental company customers. PowerBand's remarketing platform, the PowerBand Exchange, incorporates the industry's latest auction technologies, inventory management, market intelligence, and appraisal processes.

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