

## MARKET STATISTICS

Exchange / Symbol	TSXV: PBX
Price (CAD):	\$0.90
Market Cap (mm):	\$151.8
Enterprise Value (mm):	\$157.3
Shares Outstanding (mm):	167.1 *
Float (%):	58.2%
Volume (3-mo. average, mm):	1.07
52-week Range:	\$0.16-\$1.49
Industry:	Internet Retail

## CONDENSED BALANCE SHEET

(CAD \$mm, except per share data)

Balance Sheet Date:	3/31/2021
Cash & Cash Equivalent:	\$3.3*
Cash/Share:	\$0.02*
Equity (Book Value):	\$5.0*
Equity/Share:	\$0.02*

\*Excludes 7/8/21 capital raise; \$12.8M from 18.8M shares

## CONDENSED INCOME STATEMENTS

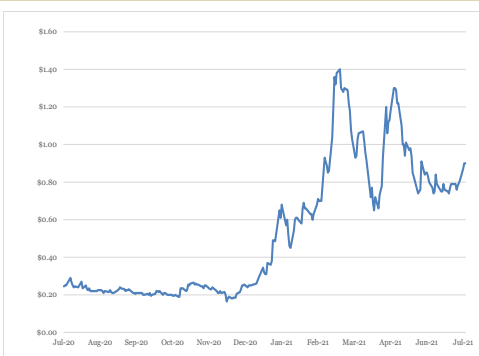
(CAD \$mm, except per share data)

FY - 12/31	Rev	Net Income	EBITDA	EPS
FY19	\$2.0	(\$8.1)	(\$5.9)	(\$0.10)
FY20	\$3.0	(\$12.8)	(\$8.8)	(\$0.11)
FY21E	\$35.4	\$5.5	\$8.7	\$0.03
FY22E	\$72.5	\$19.5	\$22.8	\$0.11

## LARGEST SHAREHOLDERS

Kelly Jennings	43,520,048
TPG Capital, LP	20,516,968
Jon Lamb	3,700,000
Darrin Swenson	3,362,726
Ivan Buzbuzian	1,575,000
IB Corporate Advisors, Inc.	1,500,000
Andrea Parliament, Director	104,300

## STOCK CHART



## COMPANY DESCRIPTION

PowerBand Solutions Inc., is a fintech provider disrupting the automotive industry. The Company's integrated, cloud-based transaction platform can facilitate transactions among consumers, dealers, funders, and manufacturers (OEMs). It is designed to enable these market players to buy, sell, trade, finance, and lease new and used, electric and non-electric vehicles, on any phone, tablet or PC connected to the internet. PowerBand's transaction platform - being trademarked under DRIVRZ™ - is being made available across North American and global markets. The Company is listed on the TSX Venture Exchange (PBX) and the OTCQB markets (PWWBF).

## SUMMARY

- Differentiated technology** – PowerBand has a first to market advantage with its differentiated and proprietary technology that meets the sophisticated needs of consumers and dealers alike. To date, the Company has invested over CAD\$5M to develop its advanced web-based platform for vehicle auction, remarketing, leasing and financial services as well as software programs for automotive dealers and consumers.
- Sizable market is ripe for disruption** – The market that the DRIVRZ platform addresses is sized at USD\$1.2T and highly fragmented with various players transacting business over multiple formats. Given the ubiquity of the internet to conduct everyday activities and commerce, traditional business models of how new and used vehicles are purchased and sold has quickly become outdated. Estimates are that only ~1% of automotive transactions are currently being done online vs. other industries with much greater e-commerce activity (such as apparel, which is ~20%+). PowerBand believes that the used vehicle industry is increasingly incorporating digital technologies in both the retail and wholesale markets. As a result, management believes this industry trend will drive strong demand for all the services and technologies that PowerBand provides.
- Multiple potential revenue sources** – The Company recognizes revenue from multiple sources such as subscriptions, license fees, origination fees, and gains on leases. The top line has shown impressive monthly growth for almost a year now from DRIVRZfinancial (auto leases), and the number of units forecasted for 2022 vs. 2021 is expected to more than double per management's estimates. Additionally, the DRIVRZxchange and DRIVRZlane business units are expected to add meaningful contributions in 2022 and beyond.
- Highly scalable business model** – The current business plan creates a capital light model with reduced risk where no vehicle ownership is required. Thus, the business model is highly scalable, keeping funds available for projected growth and continued development of PowerBand's technology.
- Key strategic partners are in place** – PowerBand's connections in the industry give the Company a significant advantage. Relationships are already in place with industry heavyweights such as Allianz Partners, MotorTrend, Bryan Hunt, and CB Auto Group, with current lease and loan lines in the billions.
- Seasoned management team** – Management and insider ownership is 50%+ with industry veterans leading the strategic direction of the Company and their interests being aligned with those of shareholders. PowerBand executives bring to the table extensive experience in the areas of automotive, fintech, and e-commerce.
- Recent capital raise adds liquidity and supports growth** – On 7/8/21, the Company closed a private placement for aggregate gross proceeds of \$12.8M. A total of 18.8M shares were issued at \$0.68. The capital raise bolsters the balance sheet and should help accelerate growth from the DRIVRZ Financial and help launch DRIVRZxchange and DRIVRZlane before the end of 2021.
- Valuation** – We are using an EV/EBITDA range of 15.0x to 25.0x with a mid-point of 20.0x. Applying this range to our F22 estimate, we arrive at a valuation range of CAD\$1.90 to CAD\$3.10, with a mid-point of CAD\$2.50. See page 7 for further details.

## BUSINESS OVERVIEW

PowerBand Solutions Inc. is a fintech provider disrupting the automotive industry by providing consumers and dealers with a streamlined buying and selling solution. The Company develops, markets, and sells access to its cloud-based transaction platform called DRIVRZ. The Company's integrated, cloud-based transaction platform can facilitate transactions among consumers, dealers, funders (think financing), and manufacturers (OEMs). The platform is designed to enable these market players to buy, sell, trade, finance, and lease new and used, electric and non-electric vehicles, on any phone, tablet or PC connected to the internet. PowerBand's transaction platform is being marketed across North America.

The Company (formerly Marquis Ventures) was incorporated in September 2009. PowerBand Solutions Global Dealer Services Inc. was a private Ontario-based Company that launched its Powerband Finance Exchange in 2003. In February 2018, the Company completed the acquisition of PowerBand through a reverse merger and changed its name to PowerBand Solutions Inc. Since then, the Company has embarked on a series of acquisitions and expansion strategies to arrive at its current form.

### Exhibit 1: PowerBand Founding Timeline



Source: Company Reports

The Company currently operates in both the US and Canada and is headquartered in Burlington, Canada. The Company is listed on the TSX Venture Exchange under the ticker symbol PBX and on the OTCQB market under the ticker symbol PWWBF.

## TECHNOLOGY PLATFORM DISRUPTING THE AUTO INDUSTRY

PowerBand has developed an advanced and proprietary online platform for vehicle auction, remarketing, leasing and financial services, as well as software programs for automotive dealers and consumers. The Company uses Microsoft's Azure cloud to host the software, and there are published iOS and Android mobile apps for use by its customers.

By unique design, certain aspects of the portal are capable of interfacing with those of dealers and finance organizations. PowerBand has invested over CAD \$5M to date and continues to contribute significant capital to enhance its software development efforts.

### Exhibit 2: The DRIVRZ Platform

DRIVRZ will be the hub of PowerBand's vertically integrated IP

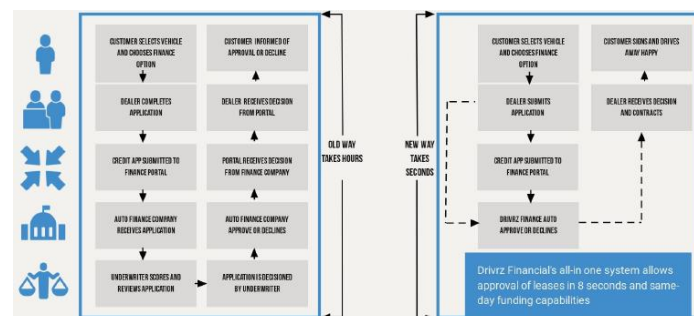


Source: Company Reports

As mentioned, PowerBand is disrupting the automotive industry by providing consumers and dealers with a streamlined buying and selling solution via its DRIVRZ platform. As the use of the internet to conduct everyday activities and commerce has become universal, the traditional business model of how new and used vehicles are purchased and sold has quickly become outdated. Most customers want to spend 30 minutes at a dealership, not 5 hours. As such, PowerBand's management believes that the vehicle industry is increasingly incorporating digital technologies in both the retail and wholesale markets.

PowerBand's platform is first targeting the auto leasing market and greatly enhances the model, as illustrated in Exhibit 3. As seen below, the DRIVZfinancial platform will eliminate 3<sup>rd</sup> party decisioning tools and the required human capital in underwriting leases. This will save millions of dollars to dealers/OEMs and shave hours of time in the process. The DRIVZ platform all-in one system will allow the approval of leases in 8 seconds and same-day funding capabilities.

### Exhibit 3: PowerBand Is Disrupting Auto Leasing



Source: Company Reports

Management believes it is likely that the trend of digital technology adoption by the auto industry will continue and drive strong demand for all the services and technologies that PowerBand provides. Consequently, the Company appears well-positioned to capitalize on this opportunity with its DRIVRZ Platform.

## THE DRIVRZ PLATFORM

PowerBand has developed a comprehensive transactional online platform for the automobile industry that is intended to revolutionize the way consumers, dealers, and other business parties such as finance and insurance organizations interact. The Company has organized operations into three distinct business units under the DRIVRZ Platform.

*Exhibit 4: Three Business Units*

<b>drivrzfinancial</b>	<b>drivrzxchange</b>	<b>drivrzlane</b>
<ul style="list-style-type: none"> <li>A unique Fintech platform for dealers aimed at EV and all used vehicle leasing</li> <li>DrivrzFinancial is currently deriving revenue from 400 dealer partners (800 Target)</li> </ul>	<ul style="list-style-type: none"> <li>A unique auction &amp; sales platform that combines wholesale, retail and consumer sales into a single source</li> <li>DrivrzXchange is currently in Pilot in NW Arkansas and expanding into 4 major markets in early Q3</li> </ul>	<ul style="list-style-type: none"> <li>Digital retail solution connecting consumers, dealers and finance sources online</li> <li>DrivrzLane is in development with target launch in Q3/21</li> </ul>

*Source: Company Reports*

### DRIVRZfinancial

As previously mentioned, the Company is initially focused on DRIVRZfinancial which launched in July 2020 and is currently the source for the majority of PowerBand's revenues. Currently, DRIVRZfinancial provides an online platform for used vehicle leasing between dealers and consumers. PowerBand also sees the EV market as a target for this business unit and was recently approved for sizable lending lines specifically related to the leasing of electric vehicles.

*Exhibit 5: DRIVRZfinancial*



- LARGE SECURED LINES FOR FUNDING**  
US \$2.9 billion in secured lease lines that can be securitized and renewed many times per annum
- AUTOMATED DECISIONING**  
The dealer is notified in seconds if their customer is approved via automated decisioning algorithms
- PRINT-READY LEASE CONTRACTS**  
The dealer can send customer information and deal information and be served back a pre-printed contract within 10 seconds
- FAST FUNDING**  
Funding is provided within 48 hours of receipt of completed contracts
- LEASE VS LOAN ADVANTAGE**  
Lower monthly payments with less upfront costs  
Shorter terms means more frequent sales opportunities  
More service opportunities  
Removes risk of negative equity associated with loans
- DEEPER CREDIT PORTFOLIO PENETRATION**  
Dealers can extend lease opportunities down to 550 Fico score

*Source: Company Reports*

Consumers and dealers come together online via DRIVRZfinancial to originate a lease on a used vehicle. Via the platform, the lease can be structured and funded between a dealer and a financial institution such as a credit union. Importantly, the lender owns the used vehicle and thus assumes the asset risk.

DRIVRZfinancial receives a transaction fee for originating the deal as well as fees for servicing the loan. And with all of this completed online quickly and easily, there is great appeal to consumers that have grown increasingly accustomed to doing all their business from a smartphone, laptop, or tablet.

DRIVRZfinancial is initially focused on providing leasing support to car dealers and OEMs. The platform will help drive multiple benefits to all involved parties (customer, dealers, and credit

unions). For example, using a lease, the customer should experience lower monthly payments vs. purchasing, which allows them to drive a car they would not be able to afford with a new car purchase.

For dealers, as lease payments are lower, it allows more room to sell additional product/services; shortens the customer life cycle and improves retention as lease customers typically return to the same dealer.

And for the credit unions, who already understand the auto space, it diversifies the same asset class, and provides a higher yield. Management believes the yield is currently enhanced in the range of 100bps to 200 bps higher.

*Exhibit 6: DRIVRZ Leasing Benefits*

<b>CUSTOMER</b>	<b>DEALERS</b>	<b>CREDIT UNIONS</b>
Lower monthly payment	Customer Retention	Already familiar with autos
Minimal alternate options for leasing luxury used cars	Shortens life cycle (customer returns sooner)	Loan rates are tighter, leasing generates higher
Traditional lease companies have avoided EV market	Lower payment leaves more room to sell add-on services like extended service contracts, GAP insurance, & other products	Shortens loan term
More options at the end of term (buy/sell/trade-	More options to sell a vehicle to a customer	Diversifies within the asset class
Can trade sooner with more flexibility		
Can not get upside down like a loan	Don't need to wholesale as many used vehicles	

*Source: Company Reports; Stonegate Capital*

Additional benefits of the DRIVRZfinancial platform include:

- Access to approximately \$2.9B in secured lease lines that can be securitized and renewed annually.
- Automated decisioning algorithms that can notify the dealer of customer approval in seconds.
- Dealer and customer information can be populated seamlessly and quickly on ready-to-print lease contracts.
- Within 48 hours of the contract being completed, funding can be provided.
- There is built-in leniency for credit scores down to 550 FICO for deeper market penetration.

DRIVRZfinancial currently has 400+ dealer partners with a goal of 800, or more than doubling this number in the near-term. Monthly recurring revenue is generated from the use of the online platform.

### DRIVRZxchange and DRIVRZlane

DRIVRZxchange and DRIVRZlane are the next points of focus for PowerBand to extend its reach within the online realm, with the goal of ultimately being a one-stop-shop for all things automotive. While both are still under development and being pilot tested, management anticipates that these offerings will begin to contribute meaningful revenues in 2022.

DRIVRZxchange will connect consumer to consumer in the used vehicle market, and DRIVRZlane will bring new and used dealer inventory onto the platform.



## Exhibit 7: Future Avenues for Growth

### WHY DRIVRZXCHANGE

Marketplace connecting sellers and buyers of all types in a safe and secure platform



- CONSUMER TO CONSUMER**  
Targets consumers wishing to sell their vehicle privately (50% of all used vehicle market)
- SAFE AND SECURE**  
All users are identity verified reducing opportunities for fraud and spam commonly associated with C2C sales
- REMOVES TRANSACTION RISK**  
Sits in the middle of a C2C transaction providing no risk money & title transfer between entities
- FLEXIBLE SALES OPTION**  
Sellers have flexibility in creating how they want to sell auction or fixed pricing with offers
- COMBINING BUYER TYPES**  
Additional buyer types being added, allowing consumers to sell directly to dealers (C2D) as well as allowing dealers to sell to other dealers (D2D).
- ADDITIONAL SERVICES**  
Buyers and sellers can soon order Vehicle history reports, maintenance, transportation and minor repairs.

### WHY DRIVRZLANE

ECommerce solution for online transactions from dealer or listing sites



- COMPLETE SHOPPING CART**  
Complete the entire process online or in-dealership, or any "hybrid" combination of steps; from any device and from any location
- LISTING SITE WITH 4.5M VEHICLES**  
New and Used vehicles
- ASSET-LIGHT MODEL -- DON'T OWN THE INVENTORY**  
Inventory listings from partner dealers and other dealership inventory
- PERSONAL HUB FOR LIFETIME RELATIONSHIP**  
Unique personal Hub webpage for each customer with all their automotive needs Communicate directly through the Hub
- OWN THE DATA, OWN THE RELATIONSHIP**  
Owning the data can be monetized and capture the lifetime value of a customer
- RELEVANT ACTIONS AND OFFERS**  
Ongoing opportunities for warranties, service plans, refinancing, accessories, etc.

Source: Company Reports

Thus, with these three business segments, PowerBand creates the opportunity for diversified, long-term, and recurring revenues within its model. Management is also considering white label and software sales opportunities with dealers and other third-parties in the future.

## Exhibit 8: DRIVRZ Revenue Sources

How does DRIVRZ make money?

	Transaction	Gain on Lease / sale of vehicles	SaaS/Subscription	Other (referral, commissions, rev share, data licensing)
<b>drivrzfinancial</b>	✓	✓	✗	✓
<b>drivrzxchange</b>	✓	✓	✗	✓
<b>drivrzlane</b>	✓	✗	✓	✓

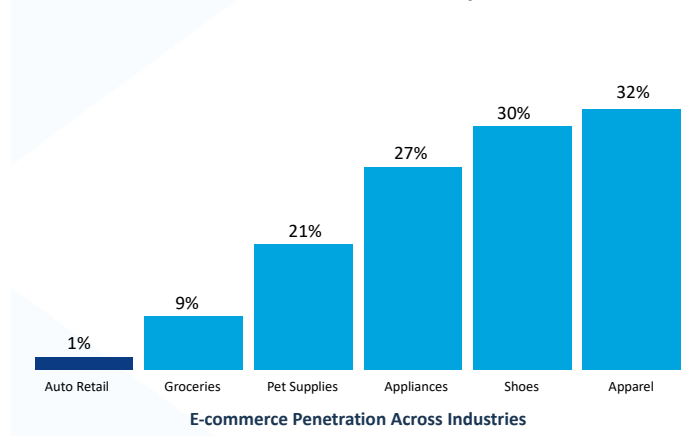
Source: Company Reports

## MARKET OPPORTUNITY

While the Automotive industry offers a huge addressable market, the industry across various categories is widely fragmented (used vehicle vs. new vs. EV, etc.). And furthermore, the retail transactions involving automobiles currently have very little representation in the e-Commerce space.

## Exhibit 9: e-Commerce Market Penetration in Automotive

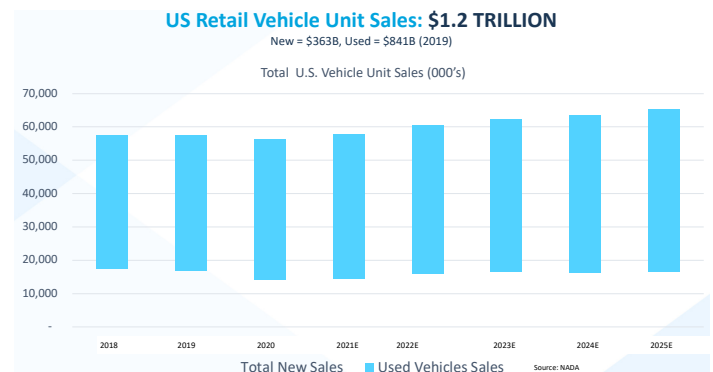
### E-Commerce Market in Automotive Only 1% Penetration!



Source: Company Reports

With healthy continued growth forecasted through 2025 for US retail vehicle sales (and as part of this EV unit sales projected to quadruple over same timeframe), a unique opportunity is created for PowerBand's DRIVRZ™ Platform. Currently, it is reported that ~50% of used car sales in the US are peer-to-peer, ~9% are top market dealers, and ~41% are transacted by the remaining smaller dealers.

## Exhibit 10: US Retail Vehicle Unit Sales



Source: Company Reports

Also, per statista.com, there are currently about 280M vehicles in operation in the US and a rising demand. Thus, used vehicle inventories are declining which is driving prices up. With this in mind, DRIVRZfinancial can quickly help consumers find and secure the used vehicle of their choice quickly online without the hassle of the traditional dealership search. Consumers realize that with ever-improving technology, today's used automobiles can keep running longer and remain in good condition.

We likewise note that currently low interest rates are encouraging capital sources, such as Credit Unions, to seek out new

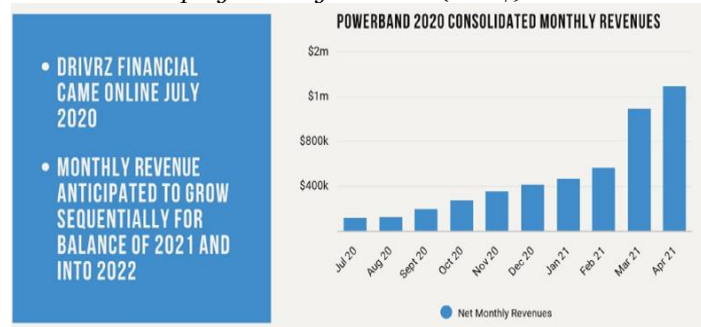
investment opportunities for higher returns, such as those potentially offered by used car leasing. So, by bringing consumers together with the lease option of their choice and a viable finance option online, DRIVRZfinancial is well-positioned to capitalize on current consumer demand coupled with the online preferences of quick and easy.

And while there are several key players with automotive sales platforms (Carvana, CarGurus, and Roadster, for example), DRIVRZfinancial has several key competitive advantages to capture significant market share including being an early mover/first to market with its lease offering as well as providing a robust operational platform with differentiated technology from which to conduct this business, among others.

## GROWTH STRATEGY AND OUTLOOK

By disrupting the automotive industry with its DRIVRZ platform, the Company is looking to drive accelerating growth. As noted in the chart below, PowerBand has been significantly ramping top line revenues for several months now, and the expectation is that the trend will continue.

*Exhibit 11: Ramping Monthly Revenues (CAD\$)*



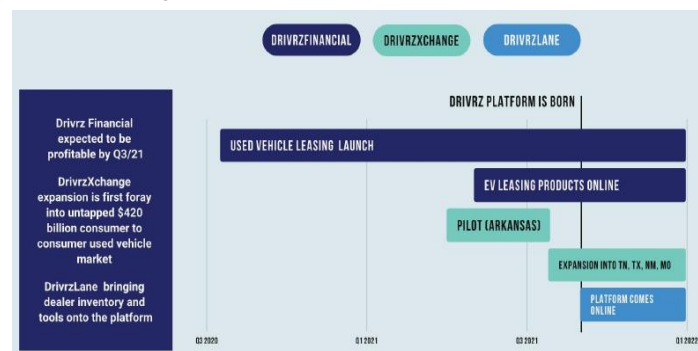
Source: Company Reports

Important factors that should help PowerBand continue to drive its growth include:

- ✓ DRIVRZfinancial currently has 400+ dealer partners with a goal of 800 in the near term.
- ✓ Expansion of its agent network of salespeople to drive additional dealer partners.
- ✓ Targeting of OEM customers.
- ✓ Targeting leases of new and used EV.
- ✓ \$2B EV lease line announced in May 2021 to support growth and winning of OEM customers.

As mentioned, PowerBand launched the lease origination portal on the DRIVRZ™ Platform in July 2020, and to date has focused on the used car leasing market. While the long-term strategic plan is to continue developing and marketing a full-service platform for the entire value chain related to consumer automotive transactions, this near-term leasing component tagged DRIVRZfinancial should generate profits to fund that plan.

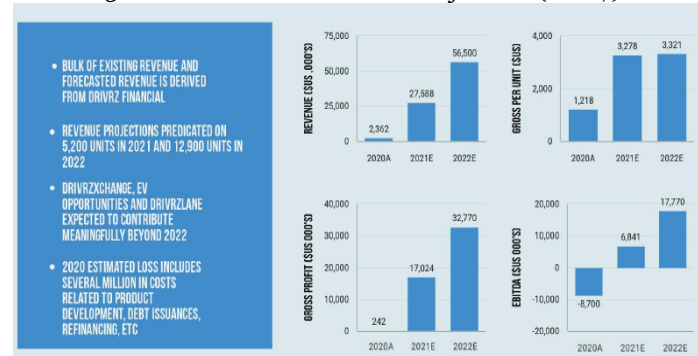
*Exhibit 12: Key Near-Term Milestones*



Source: Company Reports

Given the above, PowerBand management has provided near-term financial targets that should result as it executes its growth strategy.

*Exhibit 13: PowerBand Consolidated Projections (USD\$)*



Source: Company Reports

Again, we note that most current revenues as well as forecasted revenues are derived from DRIVRZfinancial. Additionally, management forecasts that business unit to be profitable by Q3F21 and for PowerBand Solutions to achieve profitability in 2H21. Lastly, PowerBand expects the other business units to begin making significant headway in 2022.

## RISKS

**COVID-19** – The severity and continuation of the COVID-19 outbreak could continue to cause significant disruptions to the Company's ongoing business operations. Product development, customer acquisitions, and overall operational progress may be paused or delayed given limitations to travel or restrictive quarantines that could also have a harmful effect on PowerBand's business plans and pipeline.

**Competition** - PowerBand would be unable to compete effectively if its technology were to be rendered noncompetitive or obsolete by another software development company with more novel technologies or products and/or service offerings that are more desirable or less costly. The Company is allocating a considerable amount of resources towards developing a customer support infrastructure and enhancing its software development, which requires significant capital funds, as available.

**Customer Credit** – The Company's credit risk is principally attributable to customer accounts receivable that result from use of the PowerBand platform, although there is currently no concentration of this risk associated with any one customer. However, if not properly managed, bad debt write-offs could have a significant negative effect on PowerBand's cashflow.

**Funding** – To date, the Company has incurred significant losses from operations and reported an accumulated deficit of ~CAD (\$25.6M) as of 3/31/21. With limited revenues to date, management expects to incur operating losses as it continues customer expansion and product development. Therefore, the Company will likely need to source additional financing. If the Company raises money through convertible debt or equity, there is risk of shareholder dilution. Additionally, PowerBand may not find the necessary capital under favorable terms depending on the timing and the amount of funds needed. Management most recently reported cash on hand of ~CAD \$3.3M to fund operations and development. PowerBand was issued a going concern opinion on its most recent financials but reported raising additional capital subsequent to quarter-end.

**Automotive Industry** – Should there be an industry-wide deterioration of the automotive markets, PowerBand's business would suffer. The automotive industry is one of the world's largest industries by revenue and can be greatly affected by the strengths and weaknesses of global economies and interest rate fluctuations.

## VALUATION

We are using a multiple analysis to help frame valuation. Without exact comparisons, we employed the use of various auto technology related comps in one group. We also used various internet related comps that have/are disrupting more traditional business models in retail and real-estate.

### Exhibit 14: Comp Table

#### Comparative Analysis

(all figures in \$M, except per share information)

Company Name	Symbol	Price <sup>(1)</sup>	S/O	Mrkt Cap	EV	EV/S <sup>(2)</sup>			EV/EBITDA <sup>(2)</sup>		
						2020	2021E	2022E	2020	2021E	2022E
<b><u>Auto related</u></b>											
Carvana Co.	CVNA	\$ 316.88	81.0	\$ 25,658.4	\$ 28,080.4	5.0x	2.8x	2.1x	NM	NM	156.8x
Vroom, Inc.	VRM	\$ 40.64	136.5	\$ 5,545.6	\$ 4,878.2	3.6x	1.8x	1.2x	NM	NM	NM
CarGurus, Inc.	CARG	\$ 24.90	117.1	\$ 2,915.1	\$ 2,808.5	5.1x	3.7x	3.2x	21.8x	15.8x	13.9x
Cars.com Inc.	CARS	\$ 12.96	68.6	\$ 889.6	\$ 1,377.9	2.5x	2.2x	2.1x	9.3x	7.4x	7.1x
Shift Technologies, Inc.	SFT	\$ 8.29	84.1	\$ 697.6	\$ 551.9	2.8x	1.1x	0.6x	NM	NM	NM
Open Lending Corporation	LPRO	\$ 41.36	126.8	\$ 5,219.2	\$ 5,272.9	48.4x	24.4x	17.7x	77.1x	35.8x	25.4x
CarLotz, Inc.	LOTZ	\$ 4.88	113.7	\$ 554.7	\$ 267.4	2.3x	1.0x	0.4x	NM	NM	NM
TrueCar, Inc.	TRUE	\$ 5.44	98.8	\$ 537.5	\$ 298.4	1.1x	1.1x	1.0x	29.6x	24.9x	13.0x
AutoWeb, Inc.	AUTO	\$ 2.87	13.5	\$ 38.6	\$ 40.7	0.5x	0.5x	0.5x	NM	19.6x	9.3x
Average						7.9x	4.3x	3.2x	34.5x	20.7x	37.6x
Median						2.8x	1.8x	1.2x	25.7x	19.6x	13.5x
<b><u>Other Internet</u></b>											
Amazon.com, Inc.	AMZN	\$3,696.58	504.3	\$1,864,273.0	\$1,892,522.0	4.9x	3.9x	3.3x	34.8x	25.2x	20.3x
Wayfair Inc.	W	\$ 307.09	104.2	\$ 31,998.6	\$ 33,284.6	2.4x	2.1x	1.7x	50.0x	37.8x	27.7x
Chewy, Inc.	CHWY	\$ 83.64	415.4	\$ 34,745.5	\$ 34,500.7	4.8x	3.8x	3.2x	N/A	161.1x	90.6x
Zillow Group, Inc.	ZG	\$ 119.04	247.7	\$ 29,207.4	\$ 27,000.2	8.1x	4.9x	3.4x	152.8x	49.6x	38.7x
Redfin Corporation	RDFN	\$ 61.78	104.0	\$ 6,427.7	\$ 6,399.1	7.2x	3.8x	3.0x	183.8x	154.3x	56.5x
Average						5.5x	3.7x	2.9x	105.3x	85.6x	46.8x
Median						4.9x	3.8x	3.2x	101.4x	49.6x	38.7x
PowerBand Solutions Inc.	: PBX	\$ 0.90	167.1	\$ 150.4	\$ 157.3	51.9x	4.4x	2.2x	NM	18.1x	6.9x

(1) Previous day's closing price

(2) Estimates are from Capital IQ

Source: Company Reports, Capital IQ, Stonegate Capital Partners

Based on our F22 adjusted EBITDA estimates, PowerBand is trading at an EV/EBITDA multiple of 6.9x. This compares to our auto related comps trading at a median EV/EBITDA multiple of 13.5x and our other internet related comps trading at median EV/EBITDA multiple of 38.7x. Given the comps, we believe using an EV/EBITDA range of 15.0x to 25.0x, with a mid-point of 20.0x is appropriate. Applying this multiple range to our F22 estimate, we arrive at a valuation range of CAD\$1.90 to CAD\$3.10, with a mid-point of CAD\$2.50. We also note that we are incorporating the 7/8/21 capital raise for gross proceeds of \$12.8M, with 18.8M new shares issued in our valuation range.

### Exhibit 15: Valuation Range for PowerBand

	2022 E		
	15.0x	20.0x	25.0x
Adj EBITDA	\$ 22.8	\$ 22.8	\$ 22.8
EV	342.2	456.3	570.4
Net Debt	(8.5)	(8.5)	(8.5)
Mrkt Cap	350.7	464.8	578.8
S/O	185.9	185.9	185.9
Price	\$ 1.89	\$ 2.50	\$ 3.11

Source: Company reports; Stonegate Capital Partners

## INCOME STATEMENT

**PowerBand Solutions, Inc.**  
**Consolidated Statements of Income (in CAD M\$, except per share amounts)**  
**Fiscal Year: December**

	FY 2019	FY 2020	Q1 Mar-21	Q2 E Jun-21	Q3 E Sep-21	Q4 E Dec-21	FY 2021E	FY 2022E
<b>Total revenue</b>	\$ 2.0	\$ 3.0	\$ 2.9	\$ 4.7	\$ 9.5	\$ 18.3	\$ 35.4	\$ 72.5
Total COGS	1.9	1.8	1.3	1.8	3.6	6.9	13.5	30.4
Gross profit	0.1	1.3	1.6	2.9	6.0	11.4	21.9	42.0
Salaries & wages	2.3	4.7	2.2	2.0	2.0	2.0	8.2	12.0
Professional fees	1.7	3.7	0.7	0.5	0.5	0.5	2.2	3.4
Cost of finance	-	-	0.1	0.1	0.1	0.1	0.5	0.5
SBC	0.8	2.0	0.1	0.3	0.3	0.5	1.2	1.2
Investor relations	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.2
Regulatory fees	0.2	0.2	0.1	0.1	0.1	0.1	0.3	0.3
Insurance	0.1	0.2	0.0	0.0	0.0	0.0	0.1	0.1
S&M	0.4	0.3	0.2	0.2	0.2	0.2	0.9	1.4
Rent expense	-	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Office and sundry expenses	0.3	0.5	0.2	0.1	0.2	0.1	0.6	0.9
Travel expenses	0.1	0.1	0.1	0.0	0.0	0.1	0.2	0.3
Utilities	0.1	0.1	-	0.0	0.0	0.0	0.0	0.1
Telephone	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Interest and bank charges	0.1	0.4	0.0	0.0	0.0	0.0	0.1	0.1
Amortization of intangible assets	0.5	0.7	0.2	0.2	0.2	0.2	0.9	0.9
Amortization of tangible assets	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.2
Amortization of right of use assets	0.4	0.7	0.2	0.2	0.2	0.2	0.7	0.7
Accretion	0.2	0.4	0.1	0.1	0.1	0.1	0.2	0.2
Provision for expected credit loss	-	0.4	-	-	-	-	-	-
FX loss (gain)	0.0	(0.1)	(0.0)	-	-	-	(0.0)	-
Total operating expenses	7.3	14.3	4.3	3.9	4.0	4.2	16.4	22.5
<b>Inc (loss) from operations</b>	<b>(7.3)</b>	<b>(13.1)</b>	<b>(2.7)</b>	<b>(1.0)</b>	<b>1.9</b>	<b>7.2</b>	<b>5.5</b>	<b>19.5</b>
<b>Other income (expenses):</b>								
Gain (loss) on debt settlement	(0.3)	0.2	-	-	-	-	-	-
(Loss) gain on shares issued	(0.1)	-	-	-	-	-	-	-
Interest in JV	(0.8)	(0.3)	-	-	-	-	-	-
Total other income (expenses)	(1.1)	(0.1)	-	-	-	-	-	-
<b>Inc (loss) before taxes</b>	<b>(8.3)</b>	<b>(13.2)</b>	<b>(2.7)</b>	<b>(1.0)</b>	<b>1.9</b>	<b>7.2</b>	<b>5.5</b>	<b>19.5</b>
Income taxes	0.3	0.3	-	-	-	-	-	-
<b>Net Inc (Loss)</b>	<b>(8.1)</b>	<b>(12.8)</b>	<b>(2.7)</b>	<b>(1.0)</b>	<b>1.9</b>	<b>7.2</b>	<b>5.5</b>	<b>19.5</b>
<b>EPS - Basic</b>	<b>\$ (0.10)</b>	<b>\$ (0.11)</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>	<b>\$ 0.04</b>	<b>\$ 0.03</b>	<b>\$ 0.11</b>
<b>EPS - Diluted</b>	<b>\$ (0.10)</b>	<b>\$ (0.11)</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>	<b>\$ 0.01</b>	<b>\$ 0.04</b>	<b>\$ 0.03</b>	<b>\$ 0.11</b>
Weighted avg number of shares outstanding	79.93	116.81	150.92	156.77	176.37	178.95	165.75	184.40
<b>EBITDA</b>	<b>(7.1)</b>	<b>(10.9)</b>	<b>(2.2)</b>	<b>(0.4)</b>	<b>2.5</b>	<b>7.8</b>	<b>7.6</b>	<b>21.6</b>
<b>Adjusted EBITDA</b>	<b>(5.9)</b>	<b>(8.8)</b>	<b>(2.1)</b>	<b>(0.2)</b>	<b>2.7</b>	<b>8.3</b>	<b>8.7</b>	<b>22.8</b>

Source: Company Reports, Stonegate Capital Partners estimates



## IN THE NEWS

**July 8, 2021** – PowerBand Announces Closing of \$12.8M Brokered Private Placement, Including Partial Exercise of the Agents' Option.

**June 10, 2021** – Premier Automotive Group to Offer DRIVRZ Electric Vehicle Lease Finance.

**June 8, 2021** – PowerBand Continues to Deliver Significant Growth in May 2021.

**May 27, 2021** – PowerBand and US Electric Truck Maker Atlys Sign MOU to Offer Leasing, Purchasing and Insurance Services.

**May 13, 2021** – PowerBand Brings on Proven Capital Finance Leader for Next Stage Growth of the DRIVRZ™ Suite of Products.

**May 12, 2021** – DRIVRZxchange Partners with ACERTUS to Provide Vehicle Delivery and Pickup Directly to Buyers and Sellers in North America.

**May 7, 2021** – 7,000 US Automotive Dealerships to Get Access to DRIVRZ™ for Used Car Leasing.

**May 6, 2021** – PowerBand's Month-over-month Growth Continues into April 2021.

**May 5, 2021** – PowerBand Appoints Brent Green as Chief Revenue Officer of DRIVRZfinancial.

**May 4, 2021** – Addition of USD \$2 Billion in EV Lease Lines Puts DRIVRZ™ on Road to Be Leader in Electric Vehicle Leasing.

**April 30, 2021** – PowerBand Announces Former MUSA Auto Finance CEO Stepping Down and 2020 Annual Financial Results Released.

**April 29, 2021** – DRIVRZfinancial Expanding Existing USD \$300 Million Loan Origination Credit Facility.

**April 26, 2021** – DRIVRZfinancial Expanding Footprint into Loan Originations with Initial USD \$300 Million Credit Facility.

**April 22, 2021** – PowerBand and D&P Accelerate Electric Vehicle Leasing and Insurance Strategy in US and Canada with Allianz.

**April 14, 2021** – PowerBand Clarifies Reported Gross Sales and Revenues.

**April 6, 2021** – PowerBand Posts Record 44% Gross Sales Increase in March.

## POWERBAND GOVERNANCE

**Kelly Jennings, President, Chief Executive Officer, Director** – Kelly has more than 27 years of automotive dealership ownership and management experience and has received General Motor's Triple Crown Award, Ford Motor Company President's Award, and Honda Canada's Excellence Award. His vast automotive operational, financial, and administrative expertise has led him to be the architect of the PowerBand Exchange. Kelly presently owns two domestic dealerships. Previously he worked for the World Trade Centre in Toronto, the Toronto Harbourfront Commission and Revenue Canada.

**Shibu Abraham, Chief Financial Officer** – Mr. Abraham has 25+ years of accounting and financial management experience for various private and publicly traded companies listed on stock exchanges in both Canada and the United States. Shibu received his Chartered Accountant designation from the Institute of Chartered Accountants of Ontario Canada, his CPA from the American Institute of Certified Public Accountants and holds an ACA from the Institute of Chartered Accountants of India.

**Darrin Swenson, Chief Operating Officer** – Darrin has over 24 years of automotive dealership ownership and management experience. Darrin's initial ownership experience culminated with his dealership receiving the Honda Excellence Award. Darrin's previous automotive management experience began with manufacturer relationships including Dodge, Chrysler, Jeep and then expanded to include GMC, Buick, Porsche, Audi, Jaguar, Land Rover, Volkswagen, and Mitsubishi. Darrin served as Chief Operating Officer for Hunt Automotive Group, effectively managing four franchise dealerships in adjoining states. Darrin presently presides as COO for an independent auto auction company with locations in Springdale, Arkansas, and Wichita, Kansas consigning over 350,000 vehicles and contributing over USD\$1.0 billion in sales to the retail and wholesale automobile market. Darrin is also actively involved in the roll out of D2D Auto Auctions, an automotive online remarketing network in the United States that is owned equally by PowerBand and Bryan Hunt.

**Sean Severin, Chief Technology Officer** – Sean has worked for 18 years in the field of information technology for companies focused on enterprise financial solutions, consumer, and commercial credit integrations. His experience spans technology, product development, customer relations and management operations, bringing a deep understanding of what it takes to span the gap between product and customer development.

**Jamie Chown, Chief Product Officer** – Mr. Chown has accumulated over 20 years of automotive retail experience from holding various management positions in both sales and service, leading to a position of group process and IT Manager for a large automotive group. Since 2009, Mr. Chown has been responsible for PowerBand's product development and innovation. Jamie brings a deep knowledge of both automotive and technology sectors and continues to apply his skills and knowledge to drive the PowerBand Platform to become a leading, cloud-based, automotive solution.

### Board of Directors:

**Kelly Jennings** – *Chairman*

**Bill Butler** – *Director*

**Ivan Buzbuzian** – *Director*

**Andrea Parliament** – *Director*

**Darrin Swenson** – *Director*

**Steven Lee** – *Director*

## IMPORTANT DISCLOSURES AND DISCLAIMERS

The following disclosures are related to Stonegate Capital Partners (SCP) research reports.

The information used for the creation of this report has been obtained from sources we considered to be reliable, but we can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice and SCP does not undertake to advise you of any such changes. In preparing this research report, SCP analysts obtain information from a variety of sources, including but not limited to, the issuing Company, a variety of outside sources, public filings, the principals of SCP and outside consultants. SCP and its analyst may engage outside contractors with the preparation of this report. The information contained in this report by the SCP analyst is believed to be factual, but we can neither guarantee nor represent the completeness or accuracy of the information herewith. While SCP endeavors to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. Reproduction or redistribution of this report without the expressed written consent of SCP is prohibited. Additional information on any securities mentioned is available on request. SCP does not rate the securities covered in its research. SCP does not have, nor has previously had, a rating for any securities of the Company. SCP does not have a price target for any securities of the Company.

Recipients of this report who are not market professionals or institutional investors should seek the advice of their independent financial advisor prior to making any investment decision based on this report or for any necessary explanation of its contents. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of SCP and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein.

SCP does not provide, nor has it received compensation for investment banking services on the securities covered in this report. SCP does not expect to receive compensation for investment banking services on the securities covered in this report. SCP has a non-exclusive Advisory Services agreement to provide research coverage, retail and institutional awareness, and overall Investor Relations support and for which it is currently being compensated \$3,000 per month. SCP's equity affiliate, Stonegate Capital Markets (SCM) - member FINRA/SIPC - may seek to provide investment banking services on the securities covered in this report for which it could be compensated.

SCP Analysts are restricted from holding or trading securities in the issuers which they cover. Research Analyst and/or a member of the Analyst's household do not own shares of this security. Research Analyst, employees of SCP, and/or a member of the Analyst's household do not serve as an officer, director, or advisory board member of the Company. SCP and SCM do not make a market in any security, nor do they act as dealers in securities.

SCP Analysts are paid in part based on the overall profitability of SCP and SCM. Such profitability is derived from a variety of sources and includes payments received from issuers of securities covered by SCP for services described above. No part of Analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in any report or article. This security is eligible for sale in one or more states. This security may be subject to the Securities and Exchange Commission's Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities.

## CONTACT INFORMATION

### **PowerBand Solutions, Inc.**

Kelly Jennings, Chief Executive Officer  
3385 Harvester Road  
Suite 225  
Burlington, Ontario L7N3N2  
Phone: 866-768-7653  
[www.powerbandsolutions.com](http://www.powerbandsolutions.com)

### **Investor Relations**

Stonegate Capital Partners  
8201 Preston Rd.  
Suite 325  
Dallas, Texas 75225  
Phone: 214-987-4121  
[www.stonegateinc.com](http://www.stonegateinc.com)