



**POWERBAND SOLUTIONS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND SIX MONTHS ENDED
JUNE 30, 2022**

A large, semi-circular graphic of a globe with a grid of latitude and longitude lines, rendered in a light green color, is positioned in the bottom left corner of the page.

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Introduction

The following Management Discussion & Analysis ("MD&A") of PowerBand Solutions Inc. (the "Company", "PowerBand") has been prepared and written to comply with the requirements of National Instrument 51-102 - Continuous Disclosure Obligations and should be read in conjunction with the annual audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020, and the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and six months ended June 30, 2022, are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at August 29, 2022, unless otherwise indicated.

The unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2022, and 2021, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of PowerBand's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

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Forward-looking statements	Assumptions	Risk factors
The Company may be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned business development activities for the twelve-month period ending June 30, 2023.	The operating and business development activities of the Company for the twelve-month period ending June 30, 2023, and the costs associated therewith, will be consistent with PowerBand's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favorable to PowerBand.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in revenue, interest rate and exchange rate fluctuations; changes in economic conditions.
Management's outlook regarding future trends.	Financing will be available for PowerBand's business development and operating activities on acceptable terms; the financing market will be receptive to the Company's technological cloud-based software solution.	Industry-wide deterioration of the automotive industry; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions.
Sensitivity analysis of financial instruments.	Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material adverse changes to its results for the period ended June 30, 2023, as a result of a change in the foreign currency exchange rates or interest rates.	Changes in debt and equity markets; interest rate and exchange rate fluctuations.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond PowerBand's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause PowerBand actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should

not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Non-IFRS Measures

This MD&A and the investor deck posted on the Company's web site includes measures that are not prescribed by IFRS and as such may not be comparable to similar measures presented by other companies. Management believes that these measures are commonly employed to measure performance in our industry and are used by analysts, investors, lenders and interested parties to evaluate financial performance and the Company's ability to incur and service debt to support business activities.

Our definition of EBITDA and Adjusted EBITDA described in the section "Reconciliation and Definition of Non-IFRS Measures" will likely differ from that used by other companies and therefore comparability may be limited. These non-IFRS measures should be read in conjunction with our annual audited consolidated financial statements and the related notes thereto as at and for the year ended December 31, 2021 and the unaudited condensed interim consolidated financial statements for the three and six-month period ended June 30, 2022. Readers should not place undue reliance on non-IFRS measures and should instead view them in conjunction with the most comparable IFRS financial measures.

COVID-19 Pandemic Disclosures

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The initial spread of the COVID-19 pandemic impacted our business as we had just relaunched the lease originations in July 2020. The automotive industry experienced a dramatic decline in both new and used vehicle sales, curtailed by lockdowns and keeping buyers of vehicles out of the market. After the initial impact of the pandemic on our business we began to see demand for used vehicles and adoption of our online leasing platform.

In addition to benefiting from the adoption of the ecommerce in the used vehicle market, the pandemic also disrupted the supply chain in the automotive industry. With chip shortages and labour challenges, new vehicle manufacturers have struggled to meet the production demands and as a result, we have seen demand for used vehicles increase significantly in response to a lack of new vehicle inventory available. With this demand for used vehicle coupled with government stimulus has resulted in increase in the average price of used vehicles. This resulted in increased revenues in second and third quarter of 2021. However, in the fourth quarter of 2021 and the first and second quarter of 2022, revenue decreased due to low inventory levels, high prices of used vehicle and supply chain constraints leading to the decrease in the lease originations for the quarters. Refer to "Outlook" section for additional discussion on COVID-19 pandemic.

COVID-19 has caused heightened uncertainty and volatility in the global economy, including supply chain stress and inflationary pressure. If economic growth slows further or if a recession develops, customers may not have the financial means to lease or loan vehicles, thereby potentially having a negative impact on the Company's financial performance. Since the impact of COVID-19 is ongoing, the effect of the COVID-19 outbreaks and the related impact on the global economy may not be fully reflected in the Company's financial statements until future period. Further, volatility in the capital markets may continue, which may cause declines in the price of the Company's shares and may also affect its ability to raise working capital through equity or debt transactions.

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Company's operations and financial position is not known at this time. An estimate of the financial effect of the pandemic on the Company is not practicable at this time.

Description of the Business

PowerBand Solutions Inc. (the "Company" or "PowerBand") (formerly Marquis Ventures Inc.) was incorporated under the Business Corporations Act (British Columbia) on September 29, 2009, and is domiciled in Suite 225, 3385 Harvester Road, Ontario, Canada L7N 3N2. The registered office is located at Suite 1700, 666 Burrard Street, Vancouver, BC, Canada V6C 2X8.

In February 2018, the Company closed its Qualifying Transaction under TSX Venture Exchange ("Exchange") Policy 2.4 – Capital Pool Companies and changed its name to PowerBand Solutions Inc.

Effective February 9, 2018, the Company's shares traded on the Exchange under the symbol "PBX".

PowerBand is a technology company with all of its applications focused for the automotive industry. The software is hosted in Microsoft's Azure cloud and offers a number of distinct but interconnected product offerings to its clients. PowerBand's core products are responsive for use on any device and are complimented by mobile applications for its auction platform. All of the applications are being vertically integrated, representing a powerful technology stack for automotive retail.

The Company's management and the new leadership team is conducting a comprehensive review of the business strategy, operations, and the product lines. It is anticipated that the key focus in the near term will be on the Drivrz Financial lease originations and the DrivrzXchange operations in the U.S.

Drivrz Financial Holdings LLC (DrivrzFinancial):

In July 2019 the Company acquired a 60% interest in Drivrz Financial Holdings, LLC (formerly MUSA Holdings, LLC), a new and used vehicle leasing platform in the U.S, through its wholly owned subsidiary PowerBand Solutions US Inc. In June 2020, 9% interest in PowerBand Solutions US Inc. was disposed to third parties thereby reducing the Company's interest in PowerBand Solutions US Inc. to 91%. This in turn reduced the Company's interest in Drivrz Financial Holdings, LLC from 60% to 54.60%.

In April 2021, the Company acquired an additional 40% interest in Drivrz Financial Holdings, LLC. The Company now holds 94.60% interest in Drivrz Financial Holdings, LLC.

D2D Auto Auction LLC (DrivrzXchange):

In November 2018 the Company entered into a 50/50 joint venture agreement with Bryan Hunt, who operates D2D Auto Auctions, an online auction, remarketing platform in the U.S. A new auction platform for consumer-to-consumer transactions has been developed and is currently being marketed. It features identity verification for all parties, payment handling and processing, transportation, inspection, financing as well as mechanical and detailing services. By combining all of these features into a single platform, private sellers are able to elect to sell their vehicle via auction, fixed price or instant cash offer with no hassle, safely and securely. The development cost incurred up to June 30, 2022, amounted to \$1,363,836 (December 31, 2021 - \$808,523).

IntellaCar Solutions LLC (DrivrzLane):

In October 2020, the Company acquired 60% interest in IntellaCar Solutions LLC, that offers an extensive video and brochure library of vehicles, enabling users to review the vehicle details. This technology is used by car dealerships in the United States. The new leadership team reviewed the business strategy and the technology and is of the opinion not to pursue further product development on the DrivrzLane platform at this time and focus on the DrivrzFinancial leasing platform. Therefore, during the second quarter ended June 30, 2022, an impairment loss was booked for the goodwill recorded on acquisition, amounting to \$2,487,654, the intangible assets acquired for \$1,119,941 and for the capitalized cost of product development amounting to \$1,193,484.

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The previously reported anticipated business operations and product lines are under review by the new leadership team. This includes the (i) online auction platform; Powerband offers two distinct online auction portal -LiveNet and MarketPlace for the Canadian market, (ii) a finance portal for the Canadian market, (iii) a used car dealership license for the Canadian market, (iv) a standardized appraisal system, (v) a market intelligence report, and (vi) a digital retailing suite for utilization in the automotive industry. During the period ended June 30, 2022, an impairment loss of \$208,030 was recorded for the net value of the intangible assets.

The development of the DrivrzFinancial Loan-Lease portal previously reported under anticipated business operations (products in development stage) has been suspended until a full review of the product feasibility study is complete. Therefore, during the second quarter ended June 30, 2022, an impairment loss of \$1,552,979 was recorded, representing the development costs capitalized as of June 30, 2022.

A summary of the current and future product offerings that PowerBand provides is listed below.

Current business operations-generating revenue:

New and Used Vehicle Leasing Portal (Revenue line – Lease origination revenue)

Drivrz Financial Holdings, LLC's ("DrivrzFinancial") product offering (proprietary software that runs in a browser) streamlines leasing for consumers and dealers, as well as incorporates first-of-its-kind technology to navigate the underwriting, funding, and delivery process, allowing DrivrzFinancial to complete the entire customer experience in minutes.

Online Auction Formats – LiveNet (Revenue line – Subscription revenue)

PowerBand Canada offers two distinct online formats within its whole auction portal: LiveNet and MarketPlace. LiveNet is currently generating revenue and MarketPlace is not generating revenue.

LiveNet is a real-time, targeted, mobile online auction. LiveNet allows dealers to quickly and efficiently launch vehicle "auction calls" which are comprised of condition reports, photos, disclosures and third- party history reports to targeted networks of qualified buyers. These buyers are then encouraged to participate in a short duration auction via desktop or mobile, which results in a verified real time valuation of the described vehicle at that moment of time.

Further promotion of this product is being suspended as PowerBand's new leadership team reviews the Company's full suite of products.

Used Vehicle sales (Revenue line – Vehicle and auction sales)

PowerBand's 73.6% controlled subsidiary in Canada, Drivrz Financial Inc., is buying and selling used vehicles through its dealership license. It is anticipated that the buying and selling of vehicles by Drivrz Financial Inc., will be suspended by the end of Q3/2022.

Anticipated business operations:

DrivrzXchange

DrivrzXchange is an inclusive multi-sided marketplace (web application) that allows buyers and sellers of all types to list and/or find vehicles. It features identity verification for all parties, payment handling and processing, transportation, inspection, financing as well as mechanical and detailing services. By combining all of these features into a single platform, private sellers are able to elect to sell their vehicle via auction, fixed price or instant cash offer with no hassle, safely and securely.

DrivrXchange has been made available to the market in the first quarter of 2022. The development cost incurred up to June 30, 2022, amounted to \$1,363,836 (December 31, 2021, - \$808,523). The Company expects to generate fixed fee revenue from buyer and sellers listing the vehicle on the DrivrXchange.

Outlook

As the use of the Internet to conduct everyday activities and commerce has become ubiquitous and as the Millennial generation rises in importance, the traditional business model of how new and used vehicles are purchased and sold has quickly become outdated. Customers want to spend 30 minutes at a dealership, not 5 hours. Within this background and context PowerBand's management believes that the used vehicle industry is increasingly progressing towards incorporating digital technologies in both the retail and wholesale markets. Management believes that this industry trend represents a strong demand for the services and technologies that PowerBand provides, and the Company is well-positioned to capitalize on this opportunity.

In November 2021, the Company presented the full-year 2022 Outlook with target revenue in the range of \$70M to \$90M and lease originations of up to 1,000 per month. The 2022 Outlook was prepared based on historical facts for the nine months of 2021 and the expectations of the general economic conditions as it relates to the automotive industry at that time. Since that time, the Company has experienced lower than expected inventory levels, higher prices of used vehicles and unexpected supply chain constraints which lead to a decrease in lease originations for the relevant periods. In May 2022, the Company's new leadership team started a full review of the business strategy and the technology, in order to gain a complete understanding of the market opportunity and to steer the Company in the right direction. The review of the Company's business strategy and technology and the challenging economic conditions, both generally and specific to the automotive industry, have given rise to the need to withdraw the 2022 Outlook previously presented.

A strategic plan is being developed and as a first step there has been significant cost reduction measures taken to optimize the operations and to right-size the business units. The economic value and market feasibility of some of the development products, namely DrivrLane and the DrivrFinancial Loan-Lease platform that were under development are being re-evaluated and management has suspended further development of these products. More details on the strategic plan will be made available to the market as they are finalized. It is expected that by the end of third quarter of 2022, as notified previously, the strategic plan will be communicated to shareholders.

In 2022, the revenue from lease originations at DrivrFinancial has fallen below the previous forecasts in the first quarter and second quarter. The third quarter has not shown any sign of reversal of this trend. Therefore, the new leadership team is focusing and channeling resources to develop the lease origination business unit.

The impacts related to COVID-19 pandemic are expected to continue to pose risks to our business for the foreseeable future and could have a material adverse impact on our business, operations or financial performance in a manner that is difficult to predict.

Operational Highlights for 2022

1. In March 2022, the Company introduced to the US market the DrivrLane digital solution and the DrivrXchange auction platform. Subsequently after a comprehensive evaluation of the product under the new leadership team, it was determined to recognize an impairment loss for the product development costs for the DrivrLane digital solution that were capitalized amounting to \$1,193,484.

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2. On April 30, 2022, the Company repaid US\$3.5 million, being the balance of loan outstanding from the acquisition of the additional 40% of Drivrz Holdings, LLC. The repayment was made using the US\$1 million funds held in trust and an advance of US\$2.5 million from D2D Auto Auction.
3. On May 10, 2022, the Company announced plans to close on a US\$20 million private placement, strategic partnerships with J. Bryan Hunt Jr. and Joe Poulin, and proposed changes to board members and the leadership team.
4. On June 22, 2022, a first tranche of a non-brokered private placement offering was closed and 62,037,560 units were issued at a price of \$0.30 per unit for gross proceeds of CAD\$18,611,268. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable for one common share at an exercise price of \$0.40 for a period of 60 months following the closing date.
5. On June 22, 2022, the Company settled a loan received from D2D Auto Auction LLC on May 4, 2022, for \$4,534,092 (US\$3,519,711.36). The loan was settled through the issuance of 15,113,640 units. Each unit is comprised of one common share and one common share purchase warrants of the Company. The warrants can be exercised within a period of 60 months from the date of issuance at an exercise price of \$0.40 per share.
6. On June 29, 2022, the Company announced that it is working to integrate with CDK Global's DMS, which is an integral desking tool for enterprise dealers. The anticipated integration period is 45-90 days. This is expected to increase lease originations at DrivrzFinancial.
7. On July 15, 2022, a second and final tranche of a non-brokered private placement offering was closed, and 17,316,801 units were issued at a price of \$0.30 per unit for gross proceeds of CAD\$5,195,040. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable for one common share at an exercise price of \$0.40 for a period of 60 months following the closing date.

Discussion of Operations

Three-month period ended June 30, 2022, and June 30, 2021:

For the three-month period ended June 30, 2022, PowerBand generated revenue of \$4,135,066. Revenues are derived primarily from three sources: lease origination (\$3,576,373), subscription revenue from using the software solution (\$204,457), and Vehicle and auction sales (\$354,236).

	Three months ended June 30, 2022			Three months ended June 30, 2021		
	Canada \$	USA \$	Total \$	Canada \$	USA \$	Total \$
Revenue						
Vehicle and auction sales	354,236	-	354,236	7,253	-	7,253
Lease origination revenue	-	3,576,373	3,576,373	-	4,249,017	4,249,017
Subscription revenue	2,394	202,063	204,457	3,591	145,330	148,921
	356,630	3,778,436	4,135,066	10,844	4,394,347	4,405,191

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The revenue of US operations from lease origination decreased by \$672,644 from \$4,249,017 for the three-month period ended June 30, 2021, to \$3,576,373 for the three-month period ended June 30, 2022. The decrease was primarily due to the decrease in lease counts, from 553 for the three-month period ended June 30, 2021, to 369 for the three-month period ended June 30, 2022. Low inventory levels, high prices for used vehicles and supply chain constraints are challenges that negatively impacted the US lease origination market. The cost of lease acquisition remained high during the three-months ended June 30, 2022, due to higher vehicle prices thereby decreasing gross profit from 52% for the three-month period ended June 30, 2021, to 45% for the three-month period ended June 30, 2022. Lease origination revenue for the period ended June 30, 2022, was adjusted for claw back provisions to accommodate any customer being in a payment default. The revenue from subscription revenue increased by 39% from \$145,330 for the three-month period ended June 30, 2021, to \$202,063 for the three-month period ended June 30, 2022. The DrivrLane software platform was made available to the market in March 2022, contributing to the increased revenues for the period ended June 30, 2022.

The revenue of the Canadian operation increased by \$345,786 from \$10,844 for the three-month period ended June 30, 2021, to \$356,630 for the three-month period ended June 30, 2022. This revenue was generated primarily from the sale of vehicles in Canada through the Company's dealership license. The gross profit margin for the operation was less than 2%.

For the three-month period ended June 30, 2022, PowerBand incurred a net loss of \$10,737,296 with basic and diluted loss per share of \$0.052 as compared to net loss of \$1,855,087 and basic and diluted loss per share of \$0.011 for the three-month period ended June 30, 2021, an increase in net loss of \$8,882,209 as described below. The primary expenses that contributed to the net loss are included in the table below:

Three months ended			
	June 30, 2022		Increase/ (Decrease)
	\$	June 30, 2021	
	\$	\$	\$
Net loss	10,737,296	1,855,087	8,882,209
Expenses			
Salaries and wages	2,824,177	1,072,591	1,751,586
Share based compensation	1,138,555	308,812	829,743
Investor relations	(50,000)	372,815	(422,815)
Advertising and promotion	280,629	539,722	(259,093)
Accretion	400,110	60,076	340,034
Discount on debt	(434,828)	-	(434,828)
Unrealized gain on settlement of debt	(164,907)	-	(164,907)
Impairment of intangible assets	4,074,434	-	4,074,434
Impairment of goodwill	2,487,654	-	2,487,654

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- Salaries and wages of \$2,824,177 for the three-month period ended June 30, 2022, representing an increase of \$1,751,586 from \$1,072,591 for the three-month period ended June 30, 2021. This increase is due to the increase in headcounts for the US operations, one-time costs of \$550,056 due to severance, paid-time-off and settlements. The salaries and wages for the three-month period ended June 30, 2021, was reduced by \$583,635 from forgiveness of funds received for the United States Paycheck Protection Program. Most of these costs were incurred in the US operation to generate revenue from the lease origination fees.
- Share based compensation increased from \$308,812 for the three-month period ended June 30, 2021, to \$1,138,555 for the three-month period ended June 30, 2022, an increase of \$829,743 for expenses related to stock option grants, representing the amortization of fair market value of incentive stock options granted using the Black-Scholes valuation model and expenses related to restricted share units. For the stock options and restricted share units granted on October 26, 2021, an amortized fair market value of \$1,161,746 was recognized for the three-months period ended June 30, 2022. Also, a total of 1,000,000 restricted share units was granted to certain employees that vested immediately recognizing a fair market value of \$720,000. During the period 4,521,376 unvested stock options were cancelled as a result of employee terminations and this reduced the share based compensation by \$910,113.
- Investor relations expense decreased by \$422,815 due to cancellation of contracts with investor relation firms during the period.
- Advertising and promotion decreased by \$259,093 from \$539,722 for the three-month period ended June 30, 2021, to \$280,629 for the three-month period ended June 30, 2022. The decrease was due to the cancellation of certain market awareness programs.
- Accretion expense of \$400,110 for the three-month period ended June 30, 2022, as compared to \$60,076 for the three-month period ended June 30, 2021. The increase of \$340,034 was due to the accretion of \$339,030 recorded on the long-term debt that was settled in full during the period. Refer to note 5(a) of the consolidated financial statements.
- Discount on debt of \$434,828 resulted from the amount recorded on initial recognition of fair value of long-term debt using an effective interest rate of 13.80%, which will be amortized over a period of 18 months. Refer to note 20(b) of the consolidated financial statements.
- Unrealized gain on settlement of debt in the amount of \$164,907 represents the excess of fair value of units issued for settlement of debt. Refer to note 18(c) of the consolidated financial statements.
- Impairment of intangible assets of \$4,074,434 and impairment of goodwill of \$2,487,654 represents the impairment loss recognized on the intangible assets acquired and goodwill recognized from IntellaCar Solutions LLC., product development costs for DrivrzLane and DrivrzFinancial projects. During the period management evaluated the business strategy and the potential for subscription revenue generation from the software and determined that the fair value of the reporting unit is less than the carrying value, thereby recognizing impairment losses.

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Six-month period ended June 30, 2022, and June 30, 2021:

For the six-month period ended June 30, 2022, PowerBand generated revenue of \$10,284,103. Revenues were derived primarily from three sources: lease origination (\$9,383,336), subscription revenue from using the software solution (\$395,469), and Vehicle and auction sales (\$505,298).

	Six months ended June 30, 2022			Six months ended June 30, 2021		
	Canada	USA	Total	Canada	USA	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Vehicle and auction sales	505,298	-	505,298	138,144	-	138,144
Lease origination revenue	-	9,383,336	9,383,336	-	6,473,953	6,473,953
Subscription revenue	6,398	389,071	395,469	7,182	304,422	311,604
	511,696	9,772,407	10,284,103	145,326	6,778,375	6,923,701

The revenue of US operations comprised of lease origination and subscription revenue increased by \$2,994,032 from \$6,778,375 for the six-month period ended June 30, 2021, to \$9,772,407 for the six-month period ended June 30, 2022. The increase in lease origination revenue is from the increase in lease counts from 898 for the six-month period ended June 30, 2021, to 1,013 for the six-month period ended June 30, 2022. The revenue from subscription revenue increased by 28% from \$304,422 for the six-month period ended June 30, 2021, to \$389,071 for the six-month period ended June 30, 2022. The DrivrzLane software platform was made available to the market in March 2022, contributing to the increased revenues for the period ended June 30, 2022.

The revenue of the Canadian operation increased by \$366,370 from \$145,326 for the six-month period ended June 30, 2021, to \$511,696 for the six-month period ended June 30, 2022. This revenue was generated primarily from the sale of vehicles in Canada through the Company's dealership license.

The gross profit margin decreased from 54% for the six-month period ended June 30, 2021, to 46% for the six-month period ended June 30, 2022.

For the six-month period ended June 30, 2022, PowerBand incurred a net loss of \$17,017,512 with basic and diluted loss per share of \$0.071 as compared to net loss of \$4,603,396 and basic and diluted loss per share of \$0.023 for the six-month period ended June 30, 2021, an increase in net loss of \$12,414,116 as described below. The primary expenses that contributed to the net loss are included in the table below:

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Six months ended

	June 30, 2022		Increase/ (Decrease)
	June 30, 2022	June 30, 2021	
	\$	\$	\$
Net loss	17,017,512	4,603,396	12,414,116
Expenses			
Salaries and wages	5,388,702	3,196,630	2,192,072
Share based compensation	3,949,793	439,066	3,510,727
Investor relations	81,478	404,401	(322,923)
Advertising and promotion	1,425,441	630,139	795,302
Accretion	582,797	123,544	459,253
Discount on debt	(434,828)	-	(434,828)
Unrealized gain on settlement of debt	(164,907)	-	(164,907)
Impairment of intangible assets	4,074,434	-	4,074,434
Impairment of goodwill	2,487,654	-	2,487,654

- Salaries and wages of \$5,388,702 for the six-month period ended June 30, 2022, representing an increase of \$2,192,072 from \$3,196,630 for the six-month period ended June 30, 2021. This increase is due to the increase in headcounts for the US operations, one-time costs of \$550,056 due to severance, paid-time-off and settlements. The salaries and wages for the six-month period ended June 30, 2021, was reduced by \$583,635 from forgiveness of funds received for the United States Paycheck Protection Program. Most of these costs were incurred in the US operation to generate revenue from the lease origination fees.
- Share based compensation increased from \$439,066 for the six-month period ended June 30, 2021, to \$3,949,793 for the six-month period ended June 30, 2022, an increase of \$3,510,727 for expenses related to stock option grants, representing the amortization of fair market value of incentive stock options granted using the Black-Scholes valuation model and expenses related to restricted share units. For the most recently granted stock options and restricted share units on October 26, 2021, an amortized fair market value of \$2,300,650 was recognized for the six-months period ended June 30, 2022. Also, a total of 1,000,000 restricted share units was granted to certain employees that vested immediately recognizing a fair market value of \$720,000. During the period 4,521,376 unvested stock options were cancelled as a result of employee terminations and this reduced the share based compensation by \$910,113.
- Investor relations expense decreased by \$322,923 due to cancellation of contracts with investor relation firms and there was no expense for the three-month period ended June 30, 2022.
- Advertising and promotion increased by \$795,302 from \$630,139 for the six-month period ended June 30, 2021, to \$1,425,441 for the six-month period ended June 30, 2022. The increase was due to the high cost of certain market awareness programs during Q1 2022 that were cancelled subsequently in Q2 2022.

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- Accretion expense primarily relates to the amortization of interest expense on long-term debt. The accretion expense increased by \$459,253 from \$123,544 for the six-month period ended June 30, 2021, to \$582,797 for the six-month period ended June 30, 2022. The increase was due to the accretion of \$339,030 recorded on the long-term debt that was settled in full during the period. Refer to note 5(a) of the consolidated financial statements.
- Refer to analysis of three-months ended June 30, 2022, to June 30, 2021, for notes on discount on debt, unrealized gain on settlement of debt and impairment loss on intangible assets and goodwill.

Summary of Quarterly Results

The summary of financial results for the second quarter of 2022 and for the seven preceding quarters are noted below.

	2022/2021			
	Q2	Q1	Q4	Q3
Revenue (\$)	4,135,066	6,149,037	8,148,893	8,864,394
Net Loss (\$)	10,737,296	6,280,216	9,312,157	2,275,075
Net Loss per share (basic and diluted)	0.05	0.03	0.04	0.01

	2021/2020			
	Q2	Q1	Q4	Q3
Revenue (\$)	4,405,191	2,518,510	1,426,635	576,725
Net Loss (\$)	1,855,087	2,748,309	4,821,125	2,878,428
Net Loss per share (basic and diluted)	0.02	0.02	0.04	0.03

Revenue for Q1-Q2/2022 and Q1-Q4/2021 did not include revenue from software development as they were capitalized as intangible assets representing the cost to PowerBand for the development of the DrivrzXchange auction platform that is built under a joint venture in D2D Auto Auctions.

Most of the Company's revenue is generated from the DrivrzFinancial lease origination platform. The Company's quarterly revenue has generally trended upwards in the five quarters from Q3 2020 to Q3 2021 since the launch of the lease origination platform in the US from and the increase in the number of lease originations. The decrease in revenue in Q4/2021 to Q2/2022 is a result of the impact of low inventory levels, higher prices of used vehicle and supply chain constraints. The highest revenue was recorded in Q3 2021, due to the increase in volume of lease origination counts.

The net loss for Q2/2021 was the lowest compared to other quarters. During that quarter Drivrz Financial applied the US Paycheck Protection Program subsidiary of \$583,635 to salaries and wages, hence the net loss was comparatively low. The Net loss has decreased from Q4 2020 to Q2 2021, primarily due to the increase in revenues. The Net loss for Q4/2021 was high due to the recognition of unrealized loss on the fair value adjustment to the investment in CB Auto for \$3,676,881 and the provision for expected credit loss of \$1,445,073. See section "Discussion of Operation"-Three months ended June 30, 2022, and 2021, for discussion on Q2 2022 net loss.

Liquidity and Capital Resources

The Company's primary source of cash flow is revenue from lease originations in Drivrz Financial, proceeds from the private placement offering of common shares of the Company, proceeds from the exercise of warrants and share-based compensation and loans from related parties. The Company's approach to managing liquidity is to ensure, to the extent possible, that there is always sufficient liquidity to meet liabilities as they come due. The Company does this by continuously monitoring cash flow and actual operating expenses compared to budget.

The Company had \$18,003,178 in cash and cash equivalents on hand, at June 30, 2022, compared to \$6,367,533 as at December 31, 2021.

Cash used in operating activities was \$5,167,198 for the six-month period ended June 30, 2022, as compared to \$4,982,457 for the six-month period ended June 30, 2021. Operating activities for the six-month period ended June 30, 2022, were affected by the net loss of \$17,017,512 offset by non-cash items of \$489,573 for amortization and depreciation of the tangible and intangible assets, \$356,290 for depreciation of right of use assets, \$582,797 in accretion expense for leases and loan, \$3,949,793 in share-based compensation, impairment loss from intangible assets and goodwill of \$6,562,088, foreign exchange loss of \$165,863 and unrealized gain from change in fair value of investments by \$209,214. In addition, operating cash flows were decreased by a \$552,859 net change in non-cash working capital.

Net cash used in investing activities totaled \$1,794,540 for the six-month period ended June 30, 2022, as compared to \$2,949,611 for the six-month period ended June 30, 2021. For the six-month period ended June 30, 2022, cash used for product development reported as addition to intangible assets comprised of \$419,831 for the DrivrzLane application, \$555,313 for the DrivrzXchange auction platform and \$845,226 for developing a modern alternative platform for lenders to both loan and lease vehicles. Refer to note 13 of the consolidated financial statements. For the six-month period ended June 30, 2021, the cash was used for an equity investment in CB Auto Group.

Net cash provided by financing activities was \$18,512,727 for the six-month period ended June 30, 2022, as compared to \$9,177,878 for the six-month period ended June 30, 2021. For the six-month period ended June 30, 2022, funds were received from private placements, a related party and from exercise of warrants and options totaling \$25,385,350 as compared to \$12,217,937 for the six-month period ended June 30, 2021. Repayment of debt to related party and third-party amounted to \$6,423,607 for the six-month period ended June 30, 2022, compared to \$2,648,308 for the six-month period ended June 30, 2021.

The Company has limited operating revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing business development and operating activities.

The Company's principal contractual obligation is the lease commitments in the aggregate of \$3,986,039, primarily for office premises for DrivrzFinancial expiring in March 2027. The capital expenditures on product development for the DrivrzLane application and the DrivrzFinancial loan-lease portal projects have been suspended and the products are being evaluated before any additional costs are incurred. Management is expected to release a strategic plan for future product developments in the third quarter of 2022. Subsequent to June 30, 2022, the second and final tranche of the private placement offering was closed for net proceeds of \$5,195,040.

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As of June 30, 2022, the Company had 278,806,536 common shares issued and outstanding.

As of June 30, 2022, the Company's current liabilities comprised of the following:

- accounts payable and accrued liabilities in the amount of \$5,667,892,
- seller reserve provision of \$26,384,
- current portion of lease liability of \$729,978,
- government assistance of \$60,000, and
- due to related parties' amount of \$894,024.

In addition, at June 30, 2022 the Company had long-term debt of \$1,895,623 (discounted) and a long-term lease liability of \$2,750,313.

As of June 30, 2022, the Company had net current assets of \$13,233,111 and net current assets deficit of \$6,076,982 at December 31, 2021 (current assets less current liabilities). The working capital balance has improved for the six-month period ended June 30, 2022, because of the private placement offerings of \$18,000,251, net of share issuance costs. The second and final tranche of the private placement for net proceeds of \$5,195,040 closed subsequent to June 30, 2022.

Reconciliation and Definition of Non-IFRS Measures

The following is a description and calculation of certain measures used by management:

Gross revenue

Gross revenue is the sum of the adjusted capital cost on a lease, gain on sale of the lease, fee income from lease origination and the recurring monthly revenue from the use of the online platform to buy, lease, sell, auction, finance and insure a vehicle. The Company has an arrangement with a federally regulated financial Institution to sell all of its rights, title and interest in a leased vehicle contract by making a single upfront lease payment on the settlement date. This is a flow through facility unlike a warehouse facility wherein the value of the lease is amortized over the life of the lease.

Earnings before Interest, Taxation, Depreciation and Amortization ("EBITDA")

EBITDA is a measure used by management to evaluate operational performance. It is also a common measure that is reported on and used by investors in determining a company's ability to incur and service debt as well as a valuation methodology. Management believes EBITDA enhances the information provided in the Financial Statements. EBITDA is a non-IFRS measure and should not be considered an alternative to operating income or net income (loss) in measuring the Company's performance. EBITDA should not be used as an exclusive measure of cash flows because it does not consider the impact of working capital growth, capital expenditures, debt principal reductions and other sources and uses of cash which are disclosed in the consolidated statements of cash flows.

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The following chart reflects the calculation of EBITDA:

	Three months ended		Three months ended	
	June 30, 2022	June 30, 2021	March 31, 2022	March 31, 2021
	\$	\$	\$	\$
Net (loss) income	(10,737,296)	(1,855,087)	(6,280,216)	(2,748,309)
Add: Interest	63,248	37,630	73,178	24,803
Add: Depreciation and amortization	424,499	373,587	421,364	429,345
Add: Current and deferred tax expense (recovery)	-	-	-	-
Add: Accretion	400,110	60,076	182,687	63,468
EBITDA	(9,849,439)	(1,383,794)	(5,602,987)	(2,230,693)

EBITDA loss for the three months ended June 30, 2022, is relatively higher as compared to the three months ended March 31, 2022, due to decrease in revenue for the period, increase in share based compensation expenses and the impairment losses on intangible assets and goodwill.

Adjusted EBITDA

Adjusted EBITDA, defined as Earnings before Interest, Taxation, Depreciation, Amortization, Share Based Compensation expense, Provision for expected credit loss, foreign exchange loss, and loss from debt settlement and shares issued and other one-time costs is an additional measure used by management to evaluate cash flows and the Company's ability to service debt. Adjusted EBITDA is a non-IFRS measure and should not be considered an alternative to operating income or net income (loss) in measuring the Company's performance.

The following chart reflects the Company's calculation of Adjusted EBITDA:

	Three months ended		Three months ended	
	June 30, 2022	June 30, 2021	March 31, 2022	March 31, 2021
	\$	\$	\$	\$
EBITDA as above	(9,849,439)	(1,383,794)	(5,602,987)	(2,230,693)
Add: Share based compensation	1,138,555	308,812	2,811,238	130,254
Add: Foreign exchange loss (gain)	57,199	(44,794)	108,664	(34,028)
Add: Impairment of goodwill	2,487,654	-	-	-
Add: Impairment of intangible assets	4,074,434	-	-	-
Add: (Gain) on debt settlement	(164,907)	-	-	-
Add: Unrealized loss (gain)	(19,823)	-	(189,391)	-
Add: Severance cost	550,056	-	-	-
Adjusted EBITDA	(1,726,271)	(1,119,776)	(2,872,476)	(2,134,467)

The adjusted EBITDA for the three-month period ended June 30, 2022, decreased by 40% or \$1,146,205 compared to the three-month period ended March 31, 2022. Management believes adjusted EBITDA is a more appropriate key performance indicator to measure as the two major items that flow through the income statement are human capital costs and amortization and depreciation (non-cash), and therefore better reflects the Company's performance.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

New Accounting Standards and recent pronouncements

The standards listed below include only those which the Company reasonably expects may be applicable to the Company in the current period and at a future date.

Property, plant and equipment (Amendments to IAS 16)

IAS 16, Property, plant and equipment has been revised to incorporate amendments issued by the IASB in May 2020. The amendments prohibit an entity from deducting from the cost of property, plant and equipment the proceeds from selling items produced before the asset is available for use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

IAS 1 Presentation of Financial Statements has been revised to incorporate amendments issued by the IASB in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company is in the process of evaluating the impact of the standard on its consolidated financial statements.

Capital risk management

The Company manages and adjusts its capital structure based on available funds in order to support its business development efforts, completing and implementing its strategic partnerships, developing a customer support infrastructure, enhancing its software development efforts, and for general and administrative expenditures. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. As of June 30, 2022, the capital structure of the Company consisted of common shares, common share purchase warrants, stock options and restricted share units.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Financial Instruments

The 50% ownership of D2D Auto Auction LLC (D2DAA) and the controlling interests in Drivrz Financial Holdings, LLC (formerly MUSA Holdings, LLC) and IntellaCar Solutions LLC in the United States exposes the Company to risks associated with fluctuations in foreign currency exchange rates. To date, the Company has not used derivative financial instruments to manage this risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company is not successful in generating revenue through the addition of customers to the PowerBand Platform, or the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. In the future, the Company expects to generate cash flow primarily from operating activities.

As of June 30, 2022, the Company had net current assets of \$13,233,111 (current assets less current liabilities).

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to accounts receivable from customers that utilize its PowerBand Platform service offering. The Company has no significant concentration of credit risk arising from operations as the monthly accounts receivable from any one customer will not negatively impact the cash flow of the Company.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate significantly due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, prices and foreign exchange rates. Management believes the risk of loss related to market risk to be remote.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates.

Fair value hierarchy

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13 - *Financial Instruments: Fair Value Measurement* ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The fair value of cash, accounts receivables, accounts payables and accrued liabilities all approximate their carrying values due to their short-term nature. Cash is measured at fair value using Level 1 inputs. The accounts payable and accrued liabilities, loan, and due to related parties' balances are classified as Level 2.

Related Party Transactions

(a) Compensation of key management personnel of the Company

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Board of Directors, corporate officers, including the Chief Executive Officer, the President, the Chief Financial Officer, Chief Operating Officer and the Chief Technology Officer.

Key management personnel compensation for the six months ended June 30, 2022, and 2021 was as follows:

i. CEO (former)	\$40,000 (2021 - \$90,000)
ii. President (former)	\$167,638 (2021 - \$147,617)
iii. Chief Financial Officer	\$75,000 (2021 - \$75,000)
iv. Chief Technology Officer	\$87,480 (2021 - \$83,268)
v. Chief Executive Officer (previously COO)	\$114,424 (2021 - \$112,377)
vi. Share based compensation	\$1,340,206 (2021 - \$31,359)

At June 30, 2022, the total amount payable to key management personnel of the Company amounted to \$538,635 (December 31, 2021 - \$742,554) and recorded in Accounts payable and accrued liabilities.

(b) Loans from Shareholders, Officers and Directors

- (i) As at June 30, 2022, the due to related parties loan balance of \$565,918 (December 31, 2021 - \$348,645), consisted of funds received from four (2021 – two) shareholders for working capital. This loan was interest bearing at 9% per annum due on demand. During the period ended June 30, 2022, two shareholders advanced \$216,530 for working capital. Also, refer to note (iii) and note 25.
- (ii) On July 17, 2019, the Company and a shareholder (former CEO) entered into a Bridge Note agreement of \$2,500,000 due on January 17, 2020, with an interest rate of 9% per annum. On April 1, 2021, an amount of \$1,000,000 outstanding on the Bridge Note was settled by issue of 800,000 common shares in the Company. As at June 30, 2022, the Company owed \$nil (December 31, 2021 - \$nil) to the shareholder against the Bridge Note.

On March 9, 2021, the Company and the shareholder (former CEO) entered into another loan agreement for \$2,351,678 due on demand with an interest rate of 2.25% per annum. As at June 30, 2022, the Company owed \$1,966,907 (December 31, 2021 - \$1,966,907) on this loan.

During the six-month period ended June 30, 2022, the shareholder (former CEO) advanced total of \$1,697,905 for operating expenses and the amount that is outstanding on this advance as of June 30, 2022, is \$357,106 (December 31, 2021, is \$642,710).

Total repayments to the shareholder (former CEO) during the period was \$2,000,000.

The remaining loan balance outstanding of \$2,324,013 is payable after 18 months from the close of the first tranche of the private placement on June 22, 2022. This is reported as a long-term debt and is measured at fair value on initial recognition. The fair value is determined using an effective interest rate of 13.80% taking into account the rate that the Company would have obtained a similar debt. The present value of the debt at June 30, 2022, is \$1,895,623 and interest accretion of \$6,437 and discount on debt of \$434,828 was recorded for the period ended June 30, 2022, in the consolidated statements of loss.

- (iii) On May 4, 2022, a loan agreement was executed between the Company and D2D Auto Auction LLC for total amount of \$4,534,092 (US\$3,519,711.36) at an interest rate of 3.75% per annum. On June 22, 2022, the principal and interest on the loan was repaid in full by issue of 15,113,640 units in the Company. See Note 18(c).

An additional advance of \$328,106 (US\$254,622) was provided by D2D Auto Auction LLC for operating expenses. The balance of this loan on June 30, 2022 is \$328,106 (US\$254,622). See Note 25.

(c) Transactions with Related Parties

During the six-month period ended June 30, 2022, the Company paid for expenses \$14,905 (2021 - \$16,923) and charged subscription fee of \$5,390 (2021 - \$7,138) to companies controlled by the former CEO. The expenses are in connection with the cost of generating the subscription revenue for the use of the auction platform.

The Company and its joint venture partner D2DAA are developing a consumer-focused platform called DrivrzXchange that is an inclusive multi-sided marketplace that allows buyers and sellers of all types to list and/or find vehicles. The Company has capitalized total cost of \$1,363,836 (December 31, 2021 - \$808,523) on this project as of June 30, 2022. As at June 30, 2022, the accounts receivable from D2DAA is \$80,100 (December 31, 2021 - \$192,566).

PowerBand has advanced a total of \$2,796,262 to IntellaCar Solutions LLC (DrivrzLane) for product development and working capital purposes, since the day PowerBand acquired 60% interest. This inter-company loan is eliminated upon consolidation. The new leadership team is reviewing the operations and the suite of products offered by DrivrzLane. The extent of loss, if any, on this investment will be determined upon completion of such review.

On July 8, 2021, the Company closed a private placement offering for aggregate gross proceeds of \$12,775,901 for total of 18,788,900 common shares at a price of \$0.68 per share. Certain key management personnel of the Company subscribed for 250,000 common shares for gross proceeds of \$170,000.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares. As at June 30, 2022 the Company had 278,806,536 (December 31, 2021 - 198,227,060) common shares issued and outstanding. As at June 30, 2022 there were 90,599,654 (December 31, 2021 - 15,526,730) warrants outstanding which entitle the holders to purchase one common share of the Company. Stock options outstanding as of June 30, 2022, were 14,350,374 (December 31, 2021 - 21,321,750) which entitle the holders to purchase one common share of the Company. The number of exercisable stock options as at June 30, 2022 was 9,340,250.

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As of the date of this MD&A, the capital structure of the Company representing the total issued and outstanding common shares at August 29, 2022, on a fully diluted basis is as follows:

Common shares at June 30, 2022	278,806,536
Shares issued from second tranche of private placement	17,316,801
Shares issued from vesting of RSUs	1,142,125
Common shares at August 29, 2022	297,265,462
Warrants outstanding at June 30, 2022	90,599,654
Warrants issued from second tranche of private placement	17,316,801
Warrants outstanding at August 29, 2022	107,916,455
Stock options outstanding at June 30, 2022	14,350,374
Stock options cancelled and forfeited	(1,841,571)
Stock options outstanding at August 29, 2022	12,508,803
Restricted share units at June 30, 2022	5,025,000
Shares issued from vesting of RSUs	(1,142,125)
Unvested RSUs cancelled	(1,276,042)
Restricted share units at August 29, 2022	2,606,833
Total Issued and outstanding common shares at August 29, 2022	420,297,553

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the timeperiods specified in securities legislation; and

- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the development and implementation of automotive industry-related software. These risk factors, although not exhaustive, could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of software platform and the operation of its auction and finance portal services. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to generate positive operating cash flow, or to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans or reduce or terminate some or all of its activities.

Dilution Risk

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or securities convertible into common shares. The constating documents of the Company will allow it to issue, among other things, an unlimited number of common shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The size of future issues of common shares or securities convertible into common shares or the effect, if any, that future issues and sales of the common shares will have on the price of the common shares cannot be predicted at this time. Any transaction involving the issue of previously authorized but unissued common shares or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Profitability

There can be no assurance that the Company and its subsidiaries will earn profits in the future or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue business development and marketing activities. The Company's operating expenses, and capital expenditures may increase in subsequent years in relation to the engagement of consultants, partners and personnel to advance the Company's product offering. If the Company does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Foreign Exchange

The Company will be subject to foreign exchange risks relating to the relative value of the Canadian dollar as it expands its product offering to other jurisdictions, namely the United States. Presently, the Company supports its operations by raising financing in Canadian dollars and incurs expenditures in both Canadian and United States dollars.

Competition

PowerBand competes with many other automotive software development companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire sufficient number of customers to achieve profitability, recruit or retain qualified employees or acquire the capital necessary to fund its operations. The Company's inability to compete with other automotive software development companies for these resources would have a material adverse effect on the Company's results of operation and business.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of PowerBand may have a conflict of interest in negotiating and concluding terms respecting such participation.

Principal Shareholder with Controlling Interest

A proposed private placement offering could result in certain number of principal shareholders owning a significant number of common shares of the Company. As a result, these shareholders could have influence over the management and affairs of the Company. This concentration of ownership may also have the effect upon any possible corporate activities associated with a change of control.

Dividends

To date, PowerBand has not paid any dividends on its outstanding securities and does not expect to do so in the foreseeable future. Any decision to pay dividends on the common shares will be made by the board of directors on the basis of the Company's earnings, financial requirements and other conditions.

Litigation

In August 2018 the Company was served a Notice of Civil Claim in the Superior Court of British Columbia by Advanced Media Solutions Limited ("AMSL"), a Company incorporated pursuant to the laws of the British Virgin Islands. AMSL is seeking payment of USD\$450,000. The Company disputes the facts set out in the Civil Claim and has filed a Response to Civil Claim, as well as a Counterclaim to the Plaintiff and other individuals and entities involved for damages. The Company believes the claim is without merit. The Company has assessed the claims totaling \$450,000 as highly unlikely to be successful.

In May 2019 the Company was served a Notice of Civil Claim in the Superior Court of British Columbia by Paul Mountney and Paulette Mountney, a former consultant of the Company and the sole shareholder of LeadSource Canada Inc., respectively. The amount of the Claim is approximately \$565,000. The Company believes the claim is without merit. On December 20, 2021, the Supreme Court of British Columbia issued a consent order to dismiss the action of Paul Mountney and Paulette Mountney against the Company.

Frunzi v. MUSA Auto Holdings, LLC, Texas District Court, Dallas County, Case # DC-18-14445:

Mr. Frunzi's employment was terminated for cause on September 5, 2018. Mr. Frunzi subsequently asserted a claim for breach of his employment agreement. He seeks money damages in the amount of the severance payment specified in his employment agreement, which is an amount comprised of 18 months' base salary, his prior year's bonus, and health insurance premiums for 18 months. He also seeks the value of the profit interest units that vested under his grant agreement before his employment was terminated. In addition to money damages, Mr. Frunzi seeks a declaratory judgment that MUSA breached his employment agreement and an accounting that can be used to determine the value of the profit interest units that vested before the termination. The amount in controversy is about \$427,500, not including the value of any profit interest units claimed by Frunzi. The case was expected to proceed to trial in Dallas County on March 30, 2021, which was postponed to August 9, 2022. The court did not hold a trial and ordered the parties to arbitration. MUSA Auto Holdings, LLC brought a counterclaim against Frunzi for breaching his employment agreement because it required that he surrender to us all the company material when he was terminated. He conceded in his deposition that he retained sensitive information. We cannot prove damages to any degree of certainty but have pled for injunctive relief to seek our outside counsel fees.

Jeff Schagren v. Drivrz Financial LLC, 116th Judicial District Court, Dallas County, Texas, Case # DC-21-14150: Mr. Sharen filed suit against Drivrz Financial LLC asserting a claim for breach of contract. Mr. Schagren alleges that Drivrz Financial LLC failed to pay certain severance obligations allegedly owed to him. He is seeking recovery of approximately \$200,000. Drivrz Financial LLC denies the allegations. The case was set for trial on December 5, 2022. On May 13, 2022, the parties reached an out of court settlement, which resulted in full and complete mutual releases of all claims asserted or that could have been asserted between the parties.

D&P Holdings, Inc. v. PowerBand Solutions US Inc. and MUSA Auto Finance, LLC, Case No. 2021-82453, in the 295th Judicial District Court, Harris County, Texas. D&P Holdings, Inc. sued the Company and certain of its affiliates asserting a claim for breach of contract. Plaintiff alleges that the company breached an agreement that appointed Plaintiff as the exclusive provider of certain Finance and Insurance products to be offered to the Company's customers. Plaintiff has not quantified the amount of damages sought in the case. The Company denies Plaintiff's allegations and intends to vigorously defend against the claims asserted.

Foreign Operations

As of June 30, 2022, the Company only had operations that were located in Canada and the United States.

The Company may also decide in the future to commence operations in another country. As such, the Company may be exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction.

Subsequent Events

Subsequent to the period ended June 30, 2022, the following corporate activities occurred:

1. On July 15, 2022, the Company closed on \$5,195,040 of the second and final tranche of a Private Placement financing, representing 17,316,801 units at a price of \$0.30 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant, and each warrant shall entitle the holder thereof to acquire one common share at an exercise of \$0.40 per warrant share for a period of five years following the date of issuance.
2. In July 2022, the Company repaid loan amounts totaling \$450,432 (US\$350,000) owed to related parties. (See Note 20)
3. Subsequent to the period ended June 30, 2022, the Company issued 1,142,125 common shares to employees from the vesting of Restricted share units granted.
4. As part of the overall strategic review of the operations and individual business units by the new leadership team, on August 11, 2022, the Company's subsidiary, DrivrzFinancial paid \$2,466,660 (US\$1,928,540) for the repurchase of lease units sold to a financial institution. This action was predicated on the terms of the contract with the financial institution, resulting from incomplete information on the lease application submitted by the customer. Management has implemented procedures to ensure that this does not repeat in the future.

Additional Information

For additional information, please see www.powerbandsolutions.com and the Company's profile on SEDAR at www.sedar.com.