

Solution Financial Reports Q2 2024 Financial Results

Vancouver, British Columbia--(Newsfile Corp. - June 12, 2024) - **Solution Financial Inc. (TSX: SFI)** (the "**Company**") a leading provider of luxury and ultra luxury asset leasing in Canada, today announced its financial results for the second quarter ending April 30, 2024.

Earnings Highlights for the Quarter:

- Revenues were \$2.3 million compared to \$3.5 million in the comparative quarter.
- Net loss for the quarter was \$29,046 compared to net income of \$37,826 in the comparative quarter of 2023.
- Adjusted net income⁽¹⁾ decreased to \$28,856 compared to \$136,707 during the comparative quarter.
- Total leasing portfolio increased 10% to \$26.8 million during the quarter.

Operational Highlights for the Quarter:

- The Company's recently introduced local leasing program contributed to lease origination volumes growing 76% over the first quarter of the year (39% over the comparative quarter) to \$6.5 million. Lease originations are early indicators of longer-term lease revenue.
- The Company completed several enhancements to its proprietary lease quoting system with the goal of providing the fastest, most efficient lease quoting capabilities in the market.

"Our second quarter saw a significant increase in lease originations, driven primarily by the successful rollout of our new local market leasing program," began Bryan Pang, CEO. "Despite the general slowdown in new luxury vehicle sales, our recent debt finance restructuring has empowered us to offer a highly competitive leasing package to our network of dealerships. The tightening credit markets have impacted many competitors, creating an excellent opportunity for us to expand our lease offerings. We're enthusiastic about filling this growing market gap with our unique approach to leasing, which has helped us weather market challenges in the past, including in 2008. Leasing is more than just offering the most competitive pricing; our success lies in balancing customer credit considerations with a keen focus on the resale and remarketing potential of the underlying leased assets. This comprehensive approach derisks our strategy for long-term success under any circumstances, despite having to tighten the belt while market conditions are a bit tougher."

"Additionally, while the high-end and luxury markets have faced a slowdown, the ultra-luxury market has continued to perform well. The recent reduction in the prime lending rate in Canada is a positive indicator, suggesting that we may have reached the bottom of a challenging market period. We are enthusiastic that the recent increase in volumes, coupled with the stabilization and easing of interest rate pressures, positions Solution Financial back on a path of expansion and profitable growth," concluded Bryan.

Financial Results

Solution is reporting a net loss of \$29,046 or \$0.0003, per share for the quarter ending April 30, 2024. This compares to net income of \$37,826 or \$0.0004 per share for the quarter ending April 30, 2023.

Adjusted net income, which is more reflective of actual cash earnings, for the quarter ending April 30, 2024, was \$28,856⁽¹⁾ or \$0.0003 per share compared to \$136,707 or \$0.002 per share for the quarter ending April 30, 2023. Adjusted Net Income excludes the non-cash accretion expense related to the convertible debentures and right of use assets of \$35,103, income tax recovery of \$10,900, amortization of \$24,613, and provisions for credit losses of \$9,086.

Lease Portfolio

At April 30, 2024, Solution had 316 vehicles in its lease portfolio, a net increase of 19 vehicles over the quarter to bring the total lease portfolio to \$26.8 million.

At April 30, 2024 the average remaining lease term for the portfolio was 1.7 years, weighted by net book value for each vehicle. At January 31, 2024, Solutions' 316 leases were generating annualized gross rental and lease cash flows of approximately \$7.5 million.

About Solution

Solution Financial commenced operations in 2004 and specializes in sourcing and leasing luxury and exotic vehicles, yachts and other high value assets. Solution works with a select group of luxury automotive and marine dealerships providing lending solutions to clients who prefer more flexible leasing options than those traditionally offered by banks and other lease providers. Typical customers include new immigrants, business owners and international students who tend to upgrade their vehicles more frequently than traditional lease agreements allow. Solution Financial provides a unique leasing experience whereby it partners with its clients to help source limited edition and difficult to acquire vehicles as well as providing white glove services to clients for insuring, maintaining, upgrading, and reselling their vehicles.

Note 1- Non-IFRS Financial Metrics

Solution provides all financial information in accordance with International Financial Reporting Standards ("IFRS"). To supplement our consolidated financial statements presented in accordance with IFRS, we are also providing with this press release, certain non-IFRS financial measures, including Adjusted Net Income. In calculating these non-IFRS financial measures, we have excluded certain transactions that are not necessarily indicative of our ongoing operations or do not impact cash flows. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

Cautionary Statement Regarding Forward- Looking Statements

This press release contains "forward-looking information" as defined under applicable Canadian securities laws. This information includes, but is not limited to, statements concerning our objectives, our strategies to achieve those objectives, as well as statements made with respect to management's beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Although forward-looking information contained in this press release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information. Certain statements included in this press release may be considered a "financial outlook" for purposes of applicable Canadian securities laws, and as such the financial outlook may not be appropriate for purposes other than this press release.

The forward-looking information contained in this press release is made as of the date of this press release and should not be relied upon as representing Solution's views as of any date subsequent to the date of this press release. Except as required by applicable law, management and Solution's Board of Directors undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

For further information please contact Sean Hodgins at (778) 318-1514.

ON BEHALF OF THE BOARD

(signed) "Bryan Pang"

Bryan Pang

President, CEO and Director

Neither TSX nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

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