

Solution Financial Reports Q3 2023 Financial Results

Richmond and Vancouver, British Columbia--(Newsfile Corp. - September 13, 2023) - **Solution Financial Inc. (TSX: SFI)** (the "**Company**") a leading provider of luxury automotive and yacht leasing in Canada, today announced its financial results for the third quarter ending July 31, 2023.

Earnings Highlights for the Quarter:

- Revenues were \$3.1 million, down from the comparative quarter which was \$3.4 million.
- Net income was \$148,995 compared to net income of \$376,928 during the comparative quarter.
- Adjusted net income⁽¹⁾ was \$136,707, down from \$263,690 during the comparative quarter.
- Total lease portfolio increased back up to \$24.8 million compared to \$24.7 million during the prior quarter.

"The trends we observed in Q3 2023 were consistent with the previous quarter, notably with prime interest rates influencing leasing demand in the automotive landscape," began Bryan Pang, CEO of Solution. "During such times, we intensify our focus on enhancing our partner relationships and identifying emerging opportunities within the changing market. Our direction remains solid, we aim to elevate the visibility and understanding of Solution's distinct leasing approach, especially in Ontario. Our team has been further strengthened with the recent induction of Freddie Cheng, a respected figure in automotive leasing, which paves the way for significant growth in the region. Over the past six months, our focus has been on creating a strong foundation to adapt to market changes efficiently. With the challenges caused by COVID-19 mostly behind us and interest rate fluctuations becoming clearer, the entire team is ready to support our growing dealership network," Bryan concluded.

Solution is reporting net income of \$148,995 or \$0.002 per share for the quarter ending July 31, 2023. This compares to net income of \$376,932 or \$0.004 per share for the quarter ending July 31, 2022.

Adjusted net income, which is more reflective of actual cash earnings, for the quarter ending July 31, 2023, was \$266,201⁽¹⁾ or \$0.002 per share compared to \$528,708 or \$0.006 per share for the quarter ending July 31, 2022. Adjusted Net Income excludes non-cash accretion expense related to the convertible debentures and right-of-use assets of \$16,877, income tax provision of \$57,000, amortization expense of \$27,196, stock-based compensation of \$5,693 and non-cash credit provisions of \$10,440.

Lease Portfolio

At July 31, 2023, Solution had 302 vehicles in its lease portfolio, a net increase of 7 vehicles during the quarter to bring the total lease portfolio to \$24.8 million.

At July 31, 2023, the average remaining lease term for the portfolio was 1.9 years, weighted by net book value for each vehicle. At July 31, 2023, Solutions' 302 leases were generating annualized gross rental and lease revenue of approximately \$6.7 million.

About Solution

Solution Financial Inc. was founded in 2004 and is headquartered in Richmond, British Columbia, with offices in Calgary, Alberta and Vaughn, Ontario. Solution specializes in sourcing and leasing luxury and ultra luxury vehicles, yachts, and other limited-edition assets that tend to hold their value over time. The Company pioneered an innovative leasing program that has helped make Metro Vancouver the luxury car capital of North America. Solution utilizes a streamlined finance leasing model specializing in assets with limited supply and high resale value. This leasing alternative has proven extremely popular with affluent immigrants, international students, and business owners who may have limited credit histories in

Canada or prefer more flexible vehicle ownership options.

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"

Brian 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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