

**A LEADING ONLINE LENDER TO SMALL BUSINESSES ACROSS NORTH AMERICA**

- **“IOU Financial Inc.** (“IOU” or the “Company”) **is a high-growth online lender** that provides fixed term loans to merchants and SMBs, predominantly in the United States.
- IOU is **publicly-listed** on the TSX Venture Exchange, headquartered in Montreal, Canada with sales and operations based near Atlanta, Georgia.
- Loans range from **US\$5,000-\$300,000**, repaid daily or weekly over a period of 6, 9, 12, 15 or 18 months.
- IOU’s average borrower has been in business for 11.6 years and borrows US\$66,060 for 11.9 months.

**INVESTMENT HIGHLIGHTS**

**5 consecutive years on PROFIT 500 List in Canada**

- IOU has consistently been ranked by PROFIT

**Massive market for small business lending**

- Former Sec. of Treasury Larry Summers forecast online lenders to capture up to a 70% share in SMB lending (total market size of ~US\$257 – 297 billion)

**Proprietary, fully integrated technology platform**

- Proprietary lending platform has reduced the loan process from weeks/months to one that can be completed easily online and funded within hours

**Loan portfolio diversified by geography & industry**

- 9,000+ loans made to borrowers across the US; no one state represents more than 20% of portfolio and no one industry represents more than 15%

**Significant data & long underwriting track record**

- Over US\$600 million\* of originated loans yield a rich data set to facilitate further improvements to underwriting

**Hybrid funding model and diversified revenue mix**

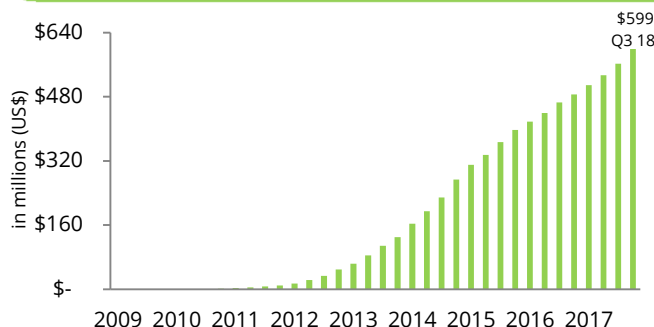
- IOU is not dependent on any one source of capital

**Strong wholesale and improving retail origination channels drives growth**

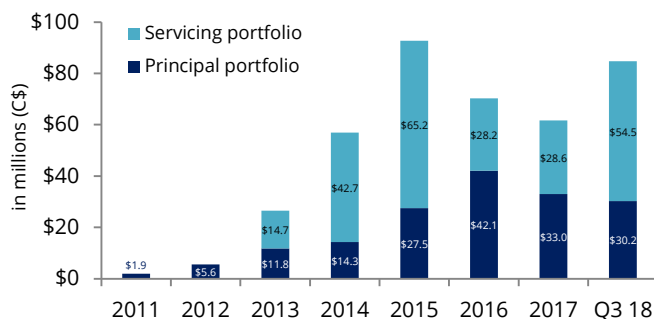
- IOU has developed a strong network of loan brokers
- Investments in retail channel increasing

\* IOU announced surpassing US\$600 million of loan origination volume subsequent to the end of Q3 18. Total loan origination volume as of Q3 18 was US\$598.7 million.

**Cumulative loans originated**

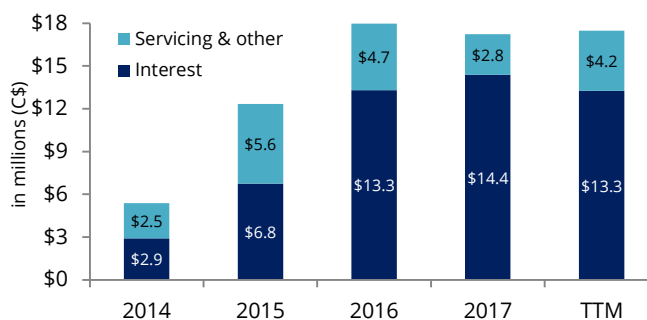


**Loans under management**



Note: TTM refers to “Trailing Twelve Months” as of Q3 18.

**Total adjusted revenues**



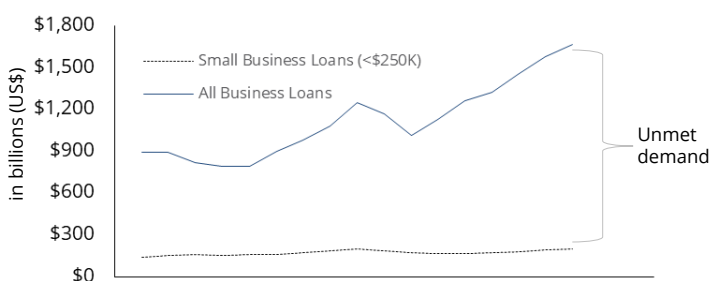
Note: “Servicing & other” revenues represent actual cash revenues and exclude certain non-cash items such as gains on servicing asset and amortization of servicing asset.

## SMALL BUSINESS LENDING MARKET OVERVIEW

### Several key factors are driving the growth in online lending to small businesses

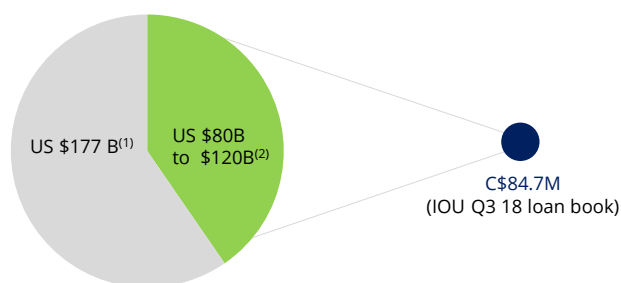
- Over the past decade, banks have largely exited the SMB loan market as they focus on larger loans
- Readily accessible institutional debt capital – attracted by strong returns available by lending in SMB market
- Tremendous innovation and use of technology to deliver superior service and speed to borrowers

### SMB lending in the USA since 2000



Source: FDIC, Q3 2016 - Commercial & Industrial Loan Balances at FDIC - Insured Institutions under \$250,000.

### Size of market & IOU's opportunity



(1) Commercial and Industrial Loan Balances at FDIC insured institutions under \$250,000  
 (2) Unmet demand for SMB lines of credit (Oliver Wyman 2013)

## COMPARATIVE METRICS VS. OTHER LENDERS & PRODUCTS

Compare:	IOU Financial	Most bank loans	Merchant cash advances or credit card receivables
Fast funding (24-48 hours)	☺	-	☑
Values cash flow as much as credit	☺	-	☑
Least amount of paperwork	☺	-	☑
Fast-track 24 hour re-financing process	☺	-	-
Builds business credit	☺	☑	-
Better Business Bureau A+ rating	☺	-	-
Easy-to-budget fixed daily payments	☺	-	-

## STOCK & SELECT FINANCIAL INFORMATION

Share price	\$0.245	Revenues	\$18.2M
52 week high	\$0.25	Revenue per share	\$0.21
52 week low	\$0.095	Earnings per share	\$0.03
Shares outstanding	87.8M	Insider ownership	25%
Market capitalization	\$21.5M	Public ownership	75%

## COMPARABLES

Online lenders	Market cap	TTM Earnings	TTM P/E ratio
Mogo Finance Technologies TSX:MOGO – C\$	\$88.2M	(\$23.2)M	n/a
LendingClub Corp. NYSE: LC – US\$	\$1,477.1M	(\$206.9)M	n/a
On Deck Capital, Inc. NYSE: ONDK – US\$	\$576.1M	\$18.7M	32.7x
<b>IOU Financial Inc. TSXV:IOU – C\$</b>	<b>\$21.5M</b>	<b>\$2.3M</b>	<b>9.3x</b>

Note: Financial information for all companies reflect trailing twelve month figures as of Sept. 30, 2018. Market caps as of Nov. 16 intra-day prices.