

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

- **“IOU Financial Inc.** (“IOU” or the “Company”) **is a technology-enabled 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-\$500,000**, 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\$69,338 for 11.9 months.

**INVESTMENT HIGHLIGHTS**

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

- IOU has consistently been ranked by PROFIT

**Large, rapidly growing SMB online lending market**

- Online small business lenders originated approximately US\$12 billion in 2017, representing a 55% CAGR from 2015 to 2017 (\$5 billion in 2015)

**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\$666 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

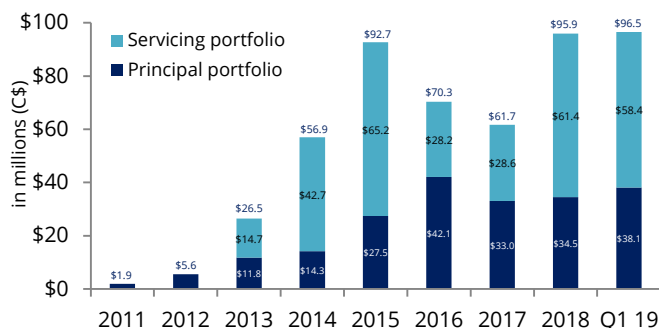
**Strong wholesale and improving retail origination channels drives growth**

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

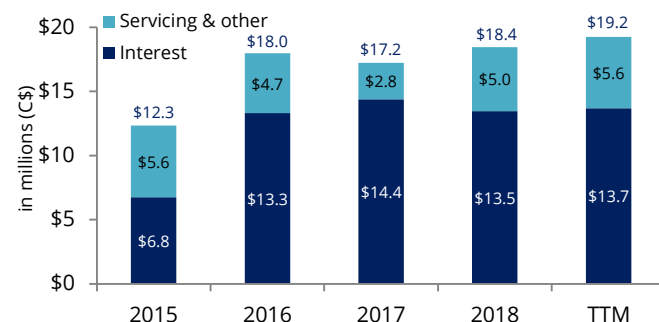
**Cumulative loans originated**



**Loans under management**



**Total adjusted revenues**



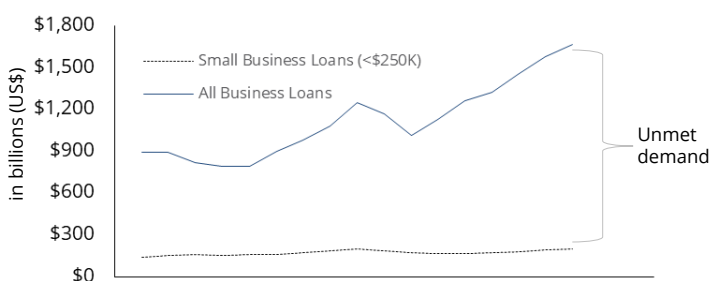
Note: "Servicing & other" revenues represent actual cash revenues and exclude certain non-cash items such as gains on servicing asset and amortization of servicing asset.

## SMALL BUSINESS LENDING MARKET OVERVIEW

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

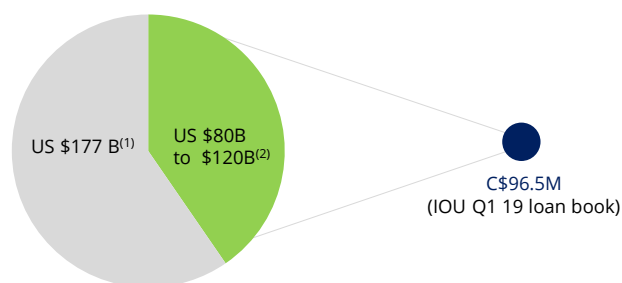
- Over the past decade, banks have largely exited the SMB loan market as they focus on larger loans
- Readily accessible institutional debt capital – attracted by strong returns available by lending in SMB market
- Tremendous innovation and use of technology to deliver superior service and speed to borrowers

#### 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	<b>\$0.19</b>	Revenues (IFRS)	<b>\$19.6M</b>
52 week high	\$0.27	Revenue per share	\$0.22
52 week low	\$0.15	Earnings per share	\$0.03
Shares outstanding	88.2M	Insider ownership	37%
Market capitalization	\$16.7M	Public ownership	63%

### COMPARABLES

Online lenders	Market cap	TTM Earnings	TTM P/E ratio
On Deck Capital, Inc. NYSE:ONDK – US\$	\$304.2M	\$35.5M	8.6x
Funding Circle Holdings LSE:FCH – £	£345.6M	(£49.3)M	n/a
MOGO Finance Tech TSXV:MOGO – C\$	\$118.4M	(\$23.1)M	n/a
<b>IOU Financial Inc. TSXV:IOU – C\$</b>	<b>\$16.7M</b>	<b>\$2.7M</b>	<b>6.2x</b>

Note: Financial information for all companies reflect trailing twelve month figures as of Mar. 31, 2019. Market caps as of July 2/19 closing prices.