

A woman with dark hair tied back, wearing a plaid shirt and grey overalls, is focused on working on a bicycle in a workshop. She is kneeling and adjusting the rear wheel. In the background, another person is partially visible, working on a different bicycle. The scene is dimly lit with a blue tint, suggesting an indoor workshop environment.

IOU Financial Inc.

Annual General Meeting

June 2021

TSX-V: IOU

Forward looking statements

Certain information set forth in this presentation may contain forward-looking statements. Forward-looking statements are statements, other than statements of historical fact, that address or discuss activities, events or developments that IOU Financial expects or anticipates may occur in the future. These forward-looking statements can be identified by the use of words such as "anticipates", "believes", "estimates", "expects", "may", "plans", "projects", "should", "will", or the negative thereof or other variations thereon. These forward-looking statements reflect management's current views and are based on certain assumptions including assumptions as to future economic conditions and courses of action, as well as other factors management believes are appropriate in the circumstances. Such forward-looking statements are subject to risks and uncertainties and no assurance can be given that any of the events anticipated by such statements will occur or, if they do occur, what benefit IOU Financial will derive from them.

A number of factors could cause actual results, performance or developments to differ materially from those expressed or implied by such forward looking statements, including, but not limited to risks inherent in growing a new business, dependence on third-party service providers, competition, regulatory risk, dependence on key personnel, risks related to rapid growth of IOU Financial, security and confidentiality risk, risk related to inability to attract borrowers and lenders, technological development risk, IT disruptions, maintenance of client relationships, litigation risk, volatility of stock price, and other factors that are beyond its control.

Additional information concerning these, and other factors can be found beginning on page 20 under the heading "Risks and Uncertainties" in IOU Financial's Q1 2021 MD&A dated May 20, 2021, which is available under IOU Financial's profile on SEDAR at www.sedar.com. IOU Financial does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

A profitable, growing business prior to COVID-19

- Since 2009, IOU has originated more than **CAD \$1 billion (US\$898 million)**, comprising **more than eleven thousand loans** to small businesses (SMBs) throughout the United States and Canada.
- IOU provides quick access to working capital via its **fully integrated, built from the ground-up** technology platform.
- As banks continue to move away from lending to SMBs, **IOU has proven to be a trusted alternative source of financing.**

Note: IOU was profitable for eight consecutive quarters leading into Q1 2020. Loan origination figure of US\$898 million as of Q1 2021.

Successfully navigating & emerging from COVID-19

- IOU returned to profitability in Q3 2020 after a challenging Q1 2020 and Q2 2020, where results were significantly impacted by the economic disruption of the COVID-19 pandemic due to reduced loan originations and increased provision for loan losses.
- IOU entered the COVID-19 pandemic in a strong financial position with diversified sources of capital; this has enabled IOU to continue lending, in contrast to several of IOU's competitors. IOU's corporate cash position has increased to \$11.5M since the onset of the pandemic.
- IOU's credit facilities outstanding stood at \$40.8M as of March 31, 2020. The Company has successfully been de-levered, with only \$0.6M of funding debt as of March 31, 2021.
- IOU reduced operating expenses as a part of our pandemic response plan (PRP). In Q1 2021, adjusted operating expenses decreased 7.1% to \$2.4M as compared to \$2.6M in Q1 2020.
- Loans originated in Q1 2020 was US\$38.1M. After hitting a low of US\$9.2M in Q2 2020, loan origination volume has steadily recovered, increasing to US\$25.3M during Q1 2021 as IOU gradually resumed lending to more businesses and geographical areas in the US.

Investment considerations

Fintech pioneer in a growing small business lending industry

- IOU is one of the oldest, most experienced online lenders to SMBs in North America.
- Proprietary online platform processes and underwrites loan applications extremely quickly, with approvals and loan funding occurring in as little as 24 hours.

Getting back on track to profitability

- IOU was consistently profitable heading into COVID-19. Despite the setback caused by the COVID-19 pandemic, the Company continues to work on bringing its loan origination volumes back to pre-pandemic levels and a return to profitability on an annual basis.

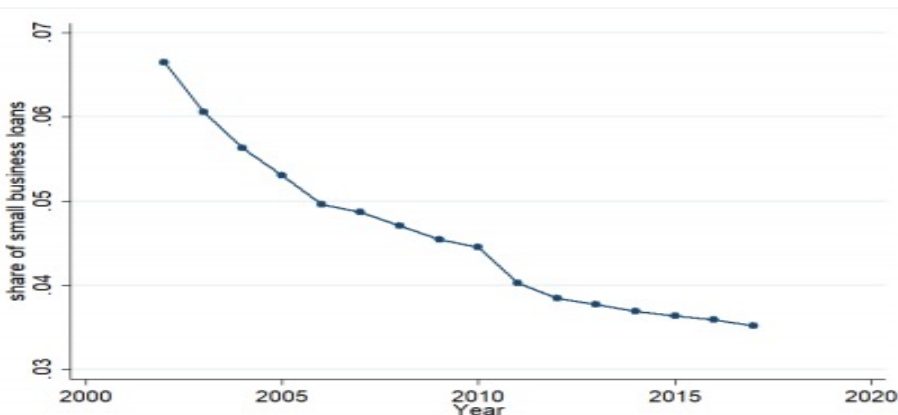
Alignment of interests with management and insiders

- Insiders own over 39% of Company's stock.

Small business lending market

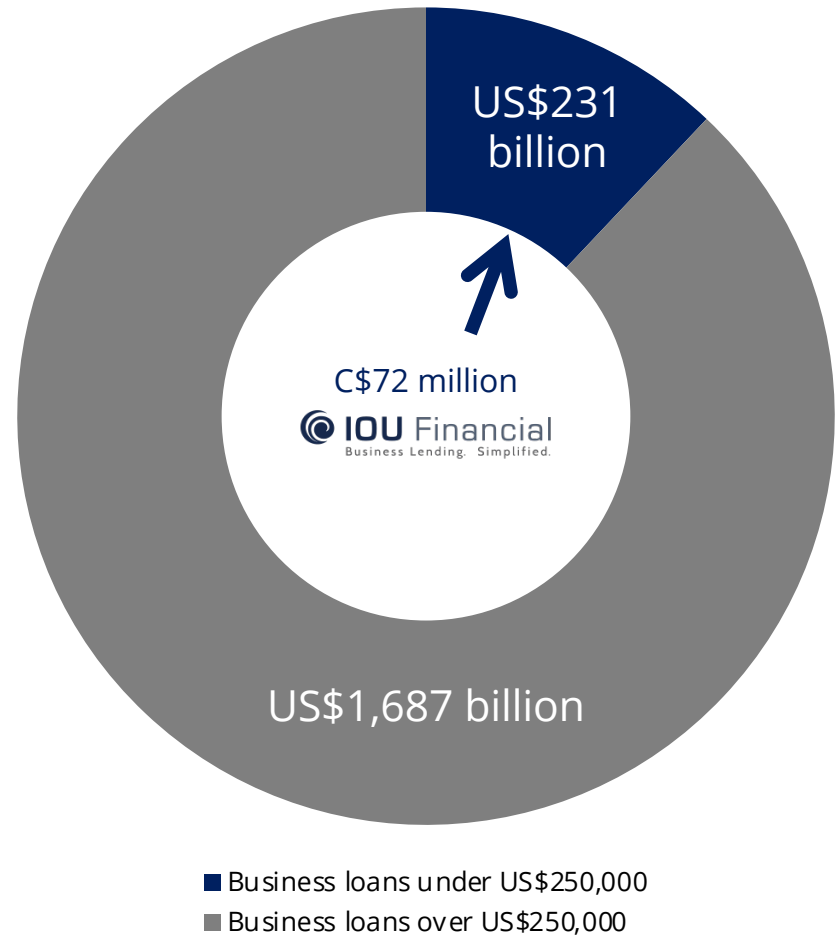
Banks have been reducing their exposure to the SMB lending market for the past two decades.

Small business loans as a share of total US bank loans



Source: Pang, H 2018, *Information Technology Improvement and Small Business Lending* utilizing data from FDIC reports on US depository institutions.

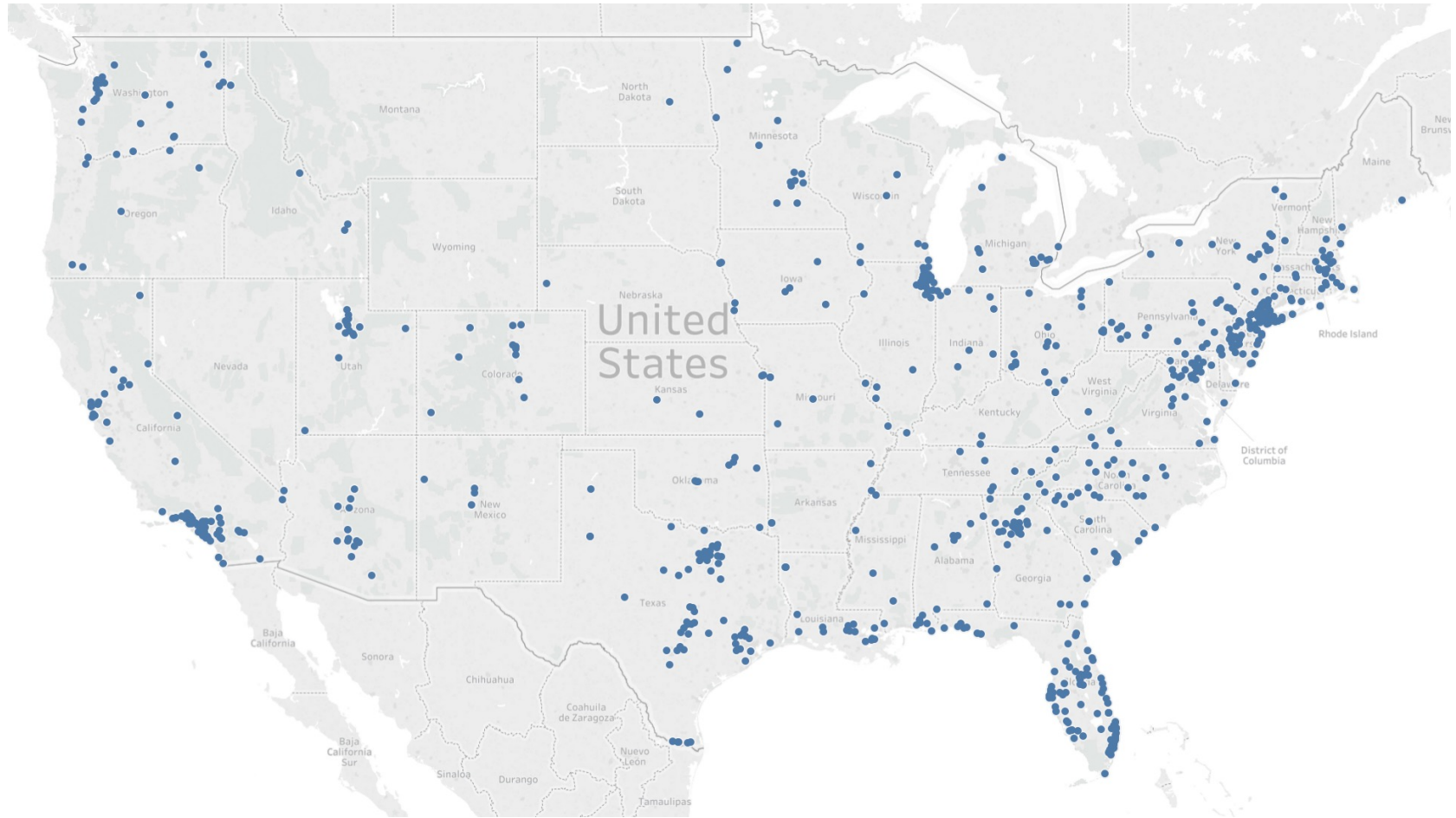
Total US Commercial & Industrial loans



Note: US C&I loan portfolio according to the FDIC as of June 30, 2019. IOU loans under management as of March 31, 2021.

Geographically diverse loan portfolio

Risk mitigation: No one state represents more than 15%, and no one industry represents more than 21% of IOU's loan portfolio.



Note: Geographic data of IOU's loans under management as of Jan. 8, 2020.

IOU's typical borrower and typical loan

Typical borrowers

- Grocery stores, pharmacies, liquor stores, contractors, wholesalers, light manufacturing, online retailers, retail stores, etc.
- Average time in business: 11.6 years.
- Near prime credit scores.

Typical loan

- Loan size: US\$10,000 to US\$500,000 in the US and up to CAN \$150,000 in Canada.
- Loan term: 6 months – 18 months, repaid either daily, weekly, or bi-weekly.
- Typical loan size: Approximately US\$100,000.
- Average term: 11.9 months
- Interest & fees on the typical \$100,000 loan: US\$27,200 to US\$32,700
- Generally used the funds for working capital purposes, to purchase new equipment, invest in an increased workforce, attend to repairs, expand their business, purchase more inventory or increase marketing efforts.

Note: All data as of Q1 2021 including average loan size of US\$78,019

Institutional funding sources

Neuberger Berman

- Strategic transaction in Q4 2020 with a fund managed by Neuberger Berman.
- US\$150M per annum loan purchase agreement over a two-year period.
- Neuberger Berman fund purchased a 15% equity stake in IOU.
- Strategic transaction provides IOU with ability to get back to pre-pandemic loan origination volumes and capitalize on the ongoing economic recovery.

Credit Suisse

- US\$50M revolving credit facility.
- Expandable to US\$100M upon IOU's request and Credit Suisse's acceptance.
- Cost of borrowing rate is 90-day US LIBOR + 4.5%.

Note: Credit Suisse cost of borrowing rate is 6% as there is a US LIBOR floor of 1.5%.

LUM growth drives revenue growth

IOU circa 2012 – 2017:

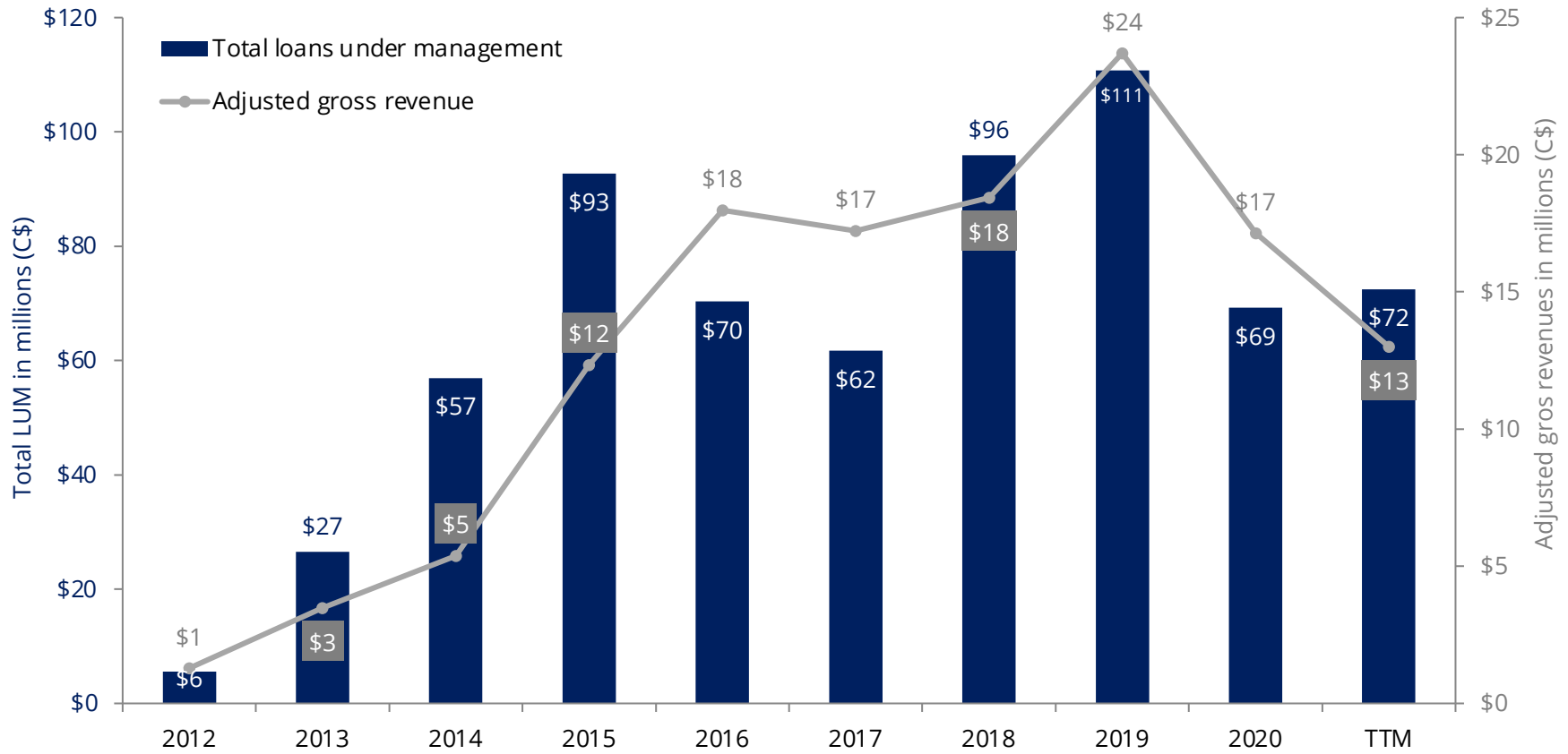
Increasing total LUM to achieve scale and profitability.

IOU circa 2018 - 2019:

Increasing total LUM drives revenue & earnings growth.

IOU circa 2020 onwards:

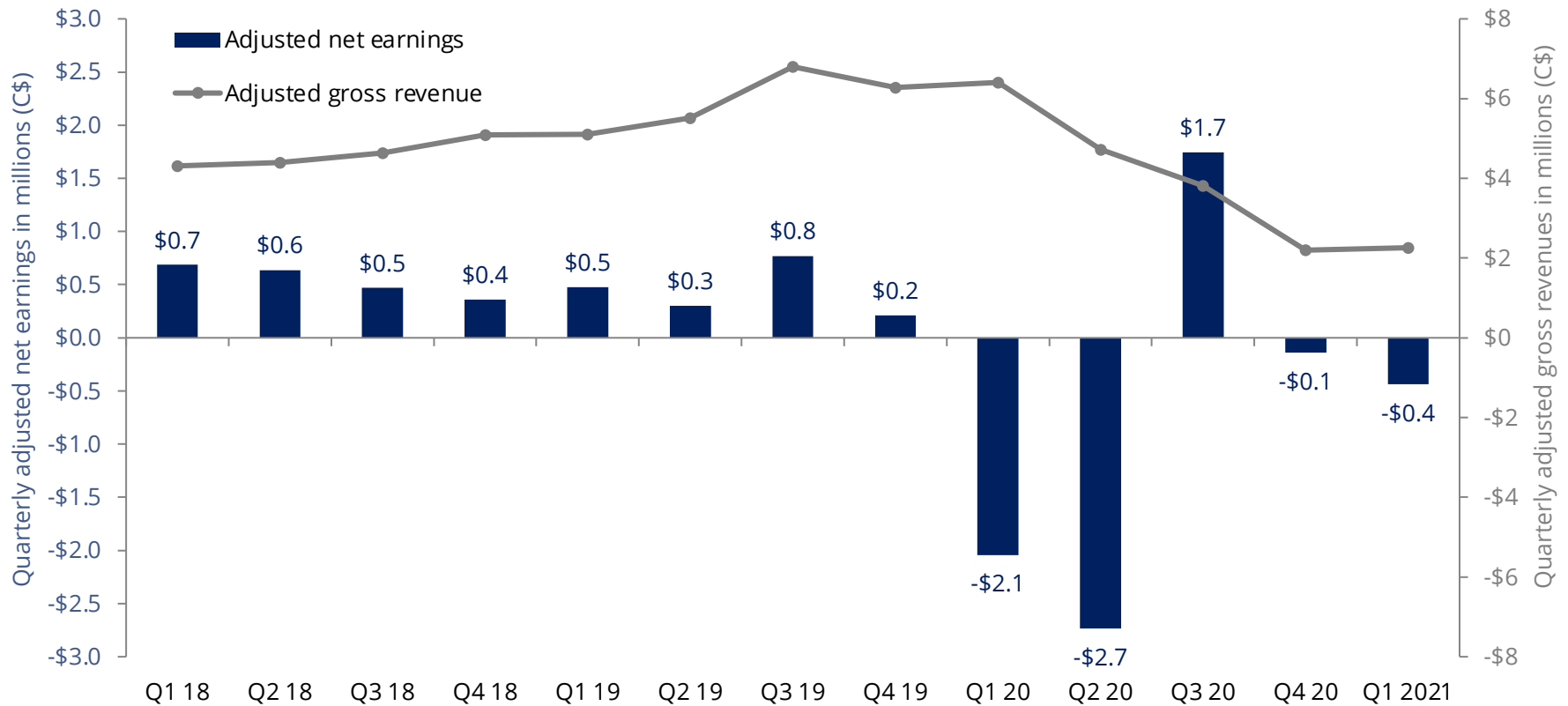
Recovery from COVID-19 and resumption of growth track.



Note: TTM LUM and adjusted gross revenues as of Q1 2021.

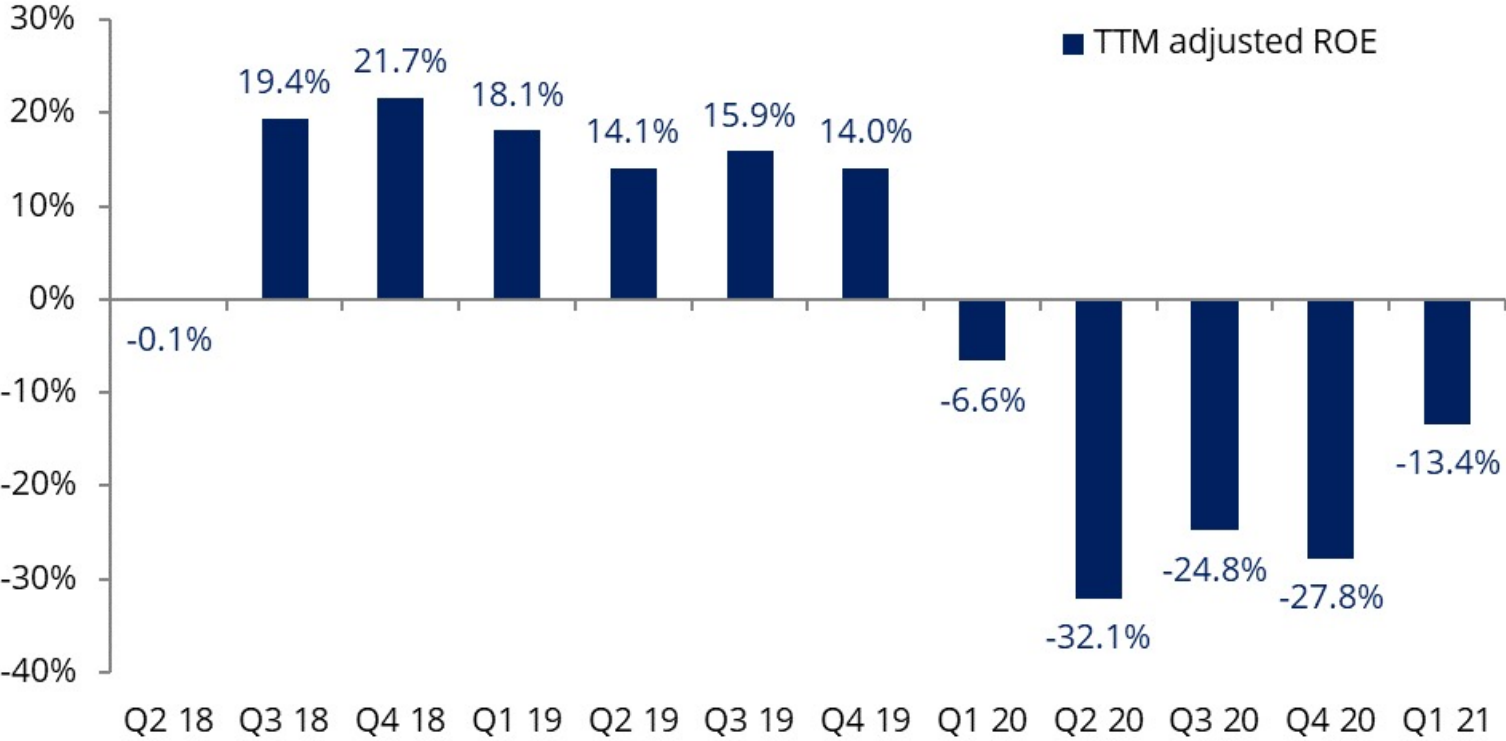
Revenue growth drives earnings growth

IOU achieved full year profitability in 2018 and was profitable leading up to COVID-19. IOU will return to a focus on profitable growth as it emerges out of the COVID-19 crisis.



Strong ROE business – COVID-19 a temporary setback

With profitability achieved in 2018, IOU demonstrated solid ROE leading into COVID-19, and is recovering as the Company emerges from the downturn.



Note: Adjusted ROE calculated by dividing TTM adjusted earnings by average shareholder's equity over the TTM time frame (5-point average over the time frame).

Growth strategy

Growth in loan originations should ultimately drive significant earnings growth

- Growth in loan originations drives LUM growth, which drives revenue growth, which drives earnings growth.
- Operating leverage inherent in business model should drive more to the bottom-line.

Investing for the Future: IOU will support the future growth in loan originations by investing in innovation and resources as part of its 2021 Post-Pandemic Growth Plan (PPGP), which is based on 3 pillars:

- **Product expansion:** The company intends to expand its ability to support the post-pandemic growth of small business with innovative new funding products designed to meet a wider range of business need.
- **Product distribution:** IOU is focused on launching initiatives to expand its network of quality brokers, adding to its sales team, and investing in marketing and communications programs to generate new levels of awareness, differentiation and growth.
- **Technology innovation:** The Company is investing in its IOU360 technology platform to better support its network of brokers, merchants and employees with a frictionless user experience for all stakeholders.

Capital structure

Stock symbol	TSX-V: IOU
Shares outstanding	104.6M
Options	10.2M
Warrants	Nil
Fully diluted	114.8M
Insider ownership	40.9M
Basic insider ownership (%)	39%
Cash	\$11.5M
Convertible debentures	\$11.7M
SPV funding debt	\$0.6M
Commercial loans receivable balance	\$8.4M
Servicing portfolio	\$63.8M
Market capitalization	\$18.8M

Note: Financial data as of Q1 2021. Share data as of May 21, 2021.

Proven & experienced management team



Phil Marleau, CFA
Chief Executive Officer
Former equity research analyst at Merrill Lynch, CSFB, and Scotia Capital



Robert Gloer
President & COO
Former SVP East Region at First Franklin Financial



David Kennedy, CPA, CA
Chief Financial Officer
Former CFO at Dale Parizeau
Morris Mackenzie CFO at Mirabaud Canada



Madeline Wade
VP, Operations
Formerly Loan Account Management Supervisor and Underwriting at First Franklin Financial



Jeff Turner
VP, Credit & Compliance
Former VP & Branch Manager at First Franklin Financial



Joshua Zickefoose, MBA
VP, Sales & Strategy
Former VP at Equifax, Sun Trust, PNC, US Bank, and Infantryman, US Army



Stewart Yeung, CPA, CA
VP, Finance & Controller
Former VP Finance at i2C Inc., Quadbridge Inc., and Sr. Accountant at KPMG



Richard Zapata
Engineering & Technology
Former Data Engineer for Cox Automotive, Georgia-Pacific, and Oracle

**Chief Executive Officer, Phil Marleau will transition to a management advisory role on June 10th, 2021 and will remain as a Director and significant shareholder of IOU Financial. Robert Gloer, COO, will transition to the role of CEO of IOU Financial on that date.*