



IOU Financial

Corporate Presentation

June 2022

 TSX-V: IOU
 OTC: IOU.FF

Forward-Looking Statement



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 2022 MD&A dated May 18, 2022, 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.

Please note that all dollar amounts are in CAD except where indicated.

Chairman's Letter to Shareholders



Evan Price
Chairman, IOU Financial.

Dear Fellow Shareholders,

It is said that leadership is only truly put to the test during a crisis, and the recent COVID-19 pandemic provided a golden opportunity for leaders to navigate some of the most difficult conditions in recent history.

IOU Financial quickly adapted to new challenges by putting in place a comprehensive Pandemic Resilience Plan designed to minimize losses and lay the groundwork for the inevitable recovery. During this time, they launched a retail sales channel, reimagined the next generation of its IOU360 technology platform, and restructured the Management Team to add skills in several key areas. By Q2 of 2021, when many competitors had closed their doors, IOU unveiled its Post-Pandemic Growth Plan based on three strategic pillars of growth: technology, product innovation, and distribution channels.

We can now look back at nearly 8 consecutive quarters of growth – not to mention surpassing US\$1 billion in total (cumulative) loan originations – and say “job well done”. But maybe it should not come as a surprise; after all, IOU Financial was launched at the tail end of the Great Recession, so you could say that overcoming adversity and coming out ahead is in the DNA of this team.

We are at a very exciting time in the IOU story. The drive to expand and grow IOU Financial’s business has never been as clear and as well defined as it is now, and I am confident that our Management Team has the courage, conviction and sense of purpose to lead us through an incredible period of growth. Together, we have a lot to look forward to as we help to fuel the growth of small businesses across America – and that is something that we should all feel very positive about!

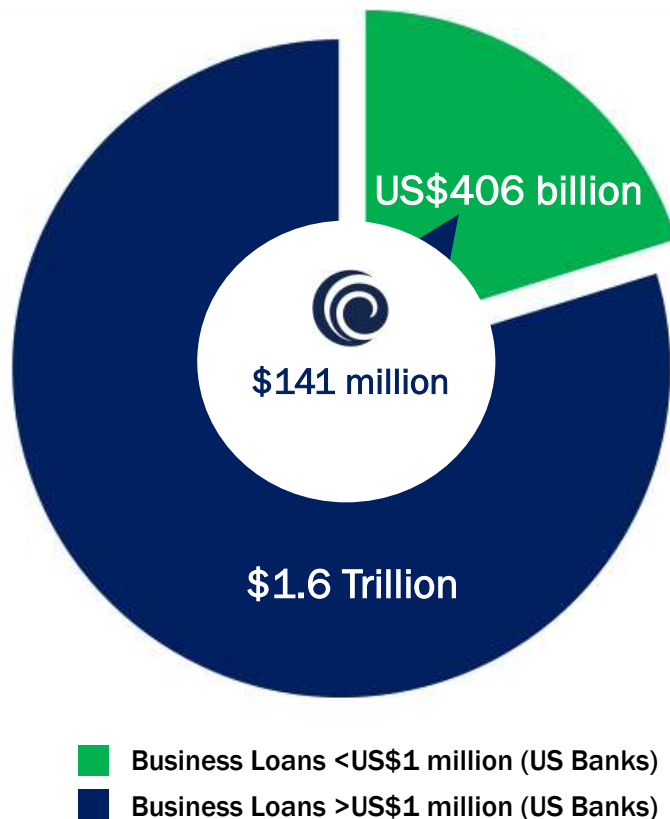
Sincerely,

A handwritten signature in black ink that reads "Evan Price". The signature is fluid and cursive, with the first name "Evan" and last name "Price" clearly legible.

A Growing Opportunity



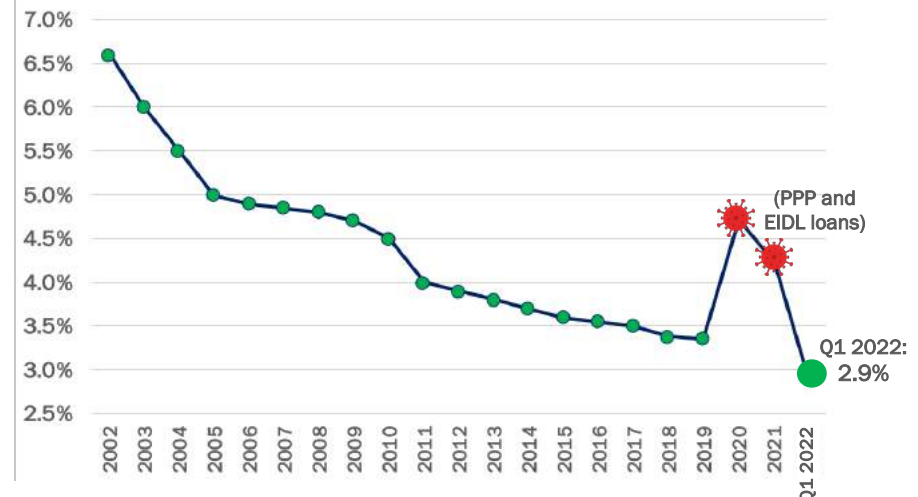
Total US bank Commercial & Industrial Loans



US C&I loan portfolio (balances) as reported by the FDIC as of December 31, 2021.
IOU Loans Under Management as of March 31, 2021.

Banks have been reducing their exposure to SMB lending for 20 years.

Small business loans as a share of total US bank loans



Source: FDIC reports on US depository institutions. (<https://www7.fdic.gov>)

Why IOU?



Small businesses need capital to grow,
but banks are slow and are reducing their exposure to small businesses.

IOU Financial is a leading alternative lender that delivers growth capital to small businesses...
very efficiently: the *IOU360* platform has reduced the small business lending process
from weeks or months to one that **can be completed in minutes and funded within hours.**

IOU Financial brings innovation and integrity to fuel the growth of small business!



Fast

Our online application
takes only minutes, and
businesses can receive
funding in as little as 24
hours.



Consistent

With fixed daily, weekly, or
biweekly payments your
clients can stay focused on
their business.



Trustworthy

We want to get to know
each business so we can
advise in the best way
possible. Thousands of
small businesses already
trust us to help with their
financing needs.



Responsible

Our credit expertise and
proprietary *IOU360*
technology ensure each
merchant's cashflow is not
stressed with a loan. Your
client's profitable growth is
our main objective. 5

Vision, Mission & Purpose



VISION

Dominate the premium broker distribution space with trust, transparency and product leadership.



MISSION

Leverage technology and experience to accelerate the delivery of innovative funding solutions.



PURPOSE

**Fuel
the growth of
Small Business.**



Lending Profile



Typical borrowers

Who?

Retail (Grocery, pharmacy, medical clinics...)

Construction (Developers, HVAC installers, plumbing...)

Wholesale (Suppliers)



Why IOU Financial?

Many small business owners get funded and renew with IOU because of the SPEED.

Others are simply unable to obtain a bank loan due to a lack of accounting documentation and/or lendable collateral.



Typical loan

Principle Amount:
US\$156,000

Interest and Fees:
US\$43,000

Term: 12 Months

Payments: Weekly

What for?

Typical “use of funds” include:

- Purchase new equipment
- Add inventory
- Increase workforce
- Invest in business expansion or marketing efforts.

A Trusted Brand



What our brokers say:

Delighted



So far, the best approvals we had from anybody all year long. I am thoroughly impressed with the patience and diligence from my team over at IOU. - Eddie



High level of communication. Efficient process and IOU made it simple and easy for the business owners. - Tim

100/100

30-day cumulative



Our rep goes above and beyond to make sure our clients are heard. Hard to find in this industry nowadays. **We look forward to funding more and more in the future.** - Anthony

What our clients say:



May 19, 2022

Great company

Great company. Used them for many years and over 15 loans. They are the easiest to work with and best rates. Can't say enough good things.



Feb 9, 2022

Best in the business

Best in the business. Honest people in a sea of sharks. Highly recommend.



April 27, 2022

Funding was easier than expected

Funding was easier than expected. The verification process went smoothly. The rep I spoke with was very helpful.

4.7/5

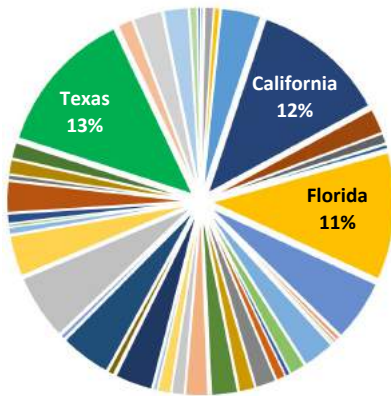
Overall score

A Diversified Risk Portfolio

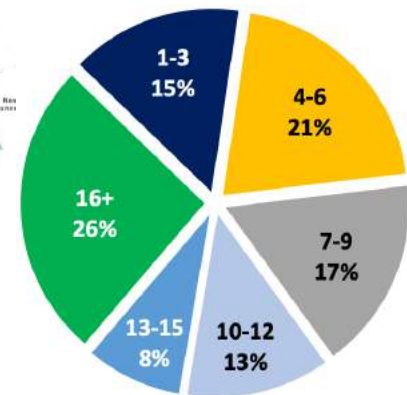


IOU's client base represents a diverse range of small businesses:

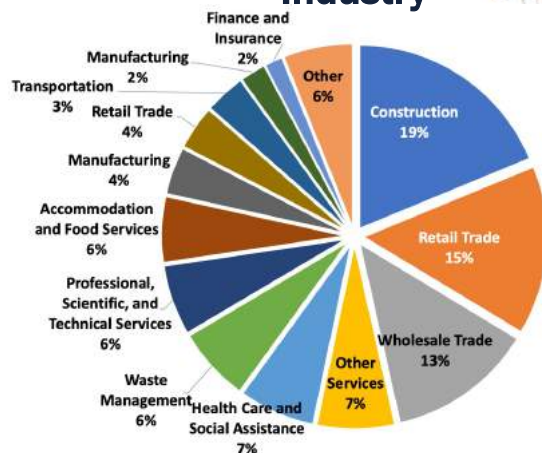
State



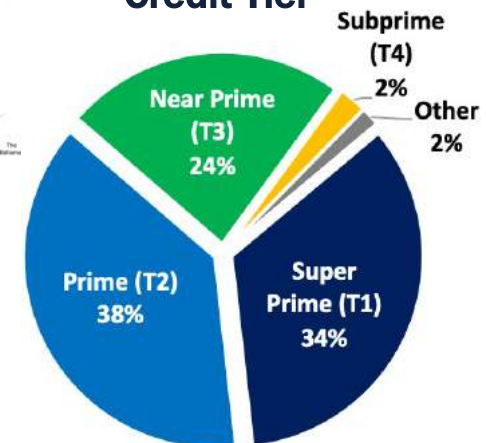
Years in Business



Industry



Credit Tier

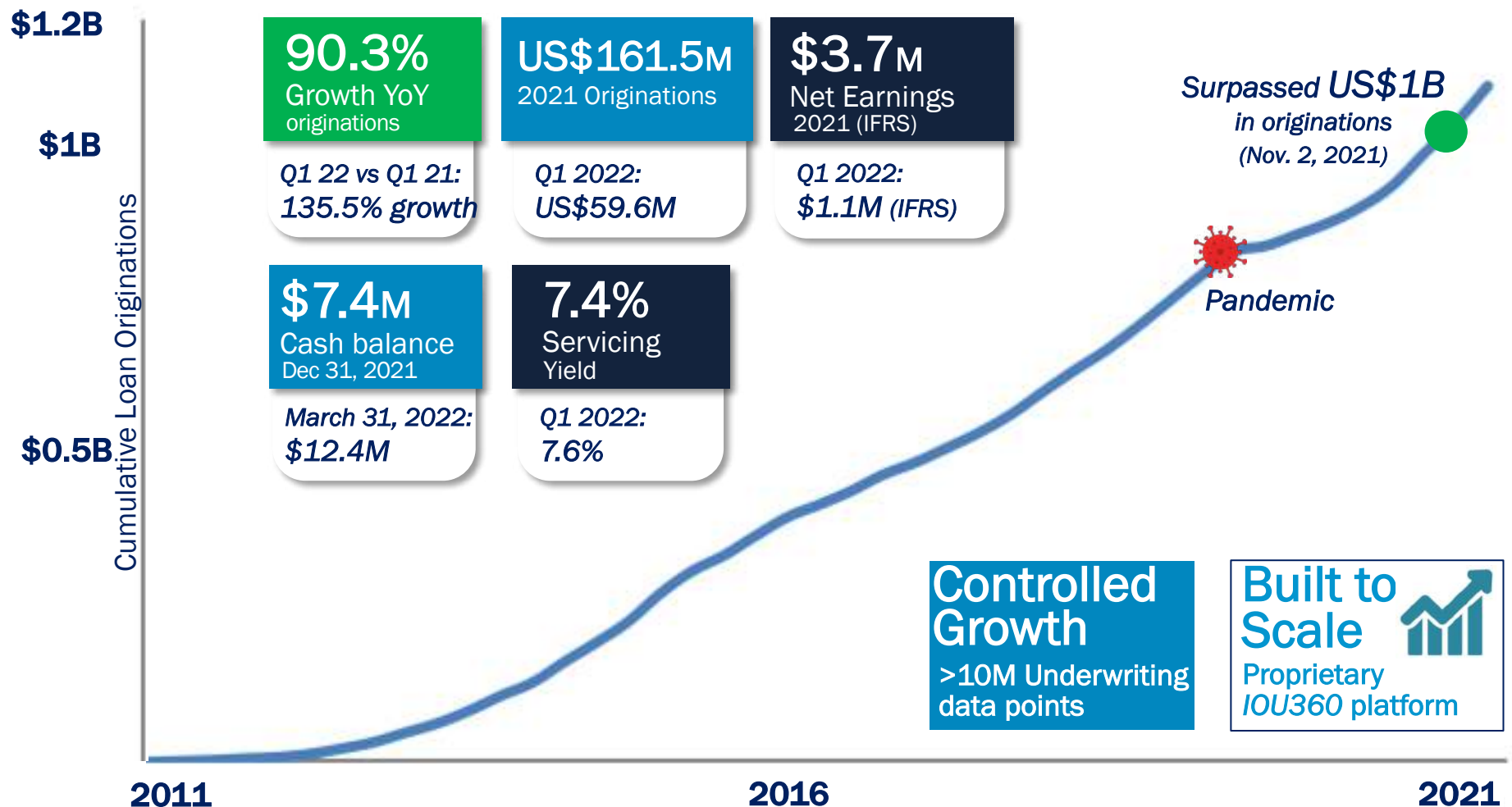


All chart data based on IOU Financial Loan Originations (volume) for the period Jan 2018 through March 2022.
Map data based on Loans Under Management (LUM) as of May 31, 2022.

FY2021 Highlights



IOU Financial's post-pandemic growth story



Performance Highlights



Loan Originations



US\$59.6 million Q1 2022
vs. US\$25.3 million Q1 2021

Steady quarterly growth in
originations since Q2 2020



90% increase in originations
(2021 vs. 2020)

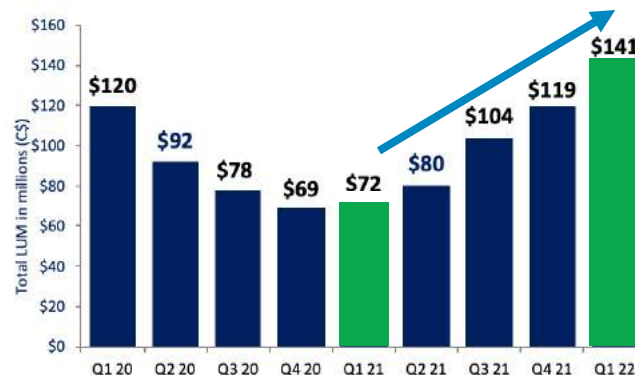


Loans Under Management (LUM)



\$141 million Q1 2022
vs. \$72 million Q1 2021

Quarterly LUM



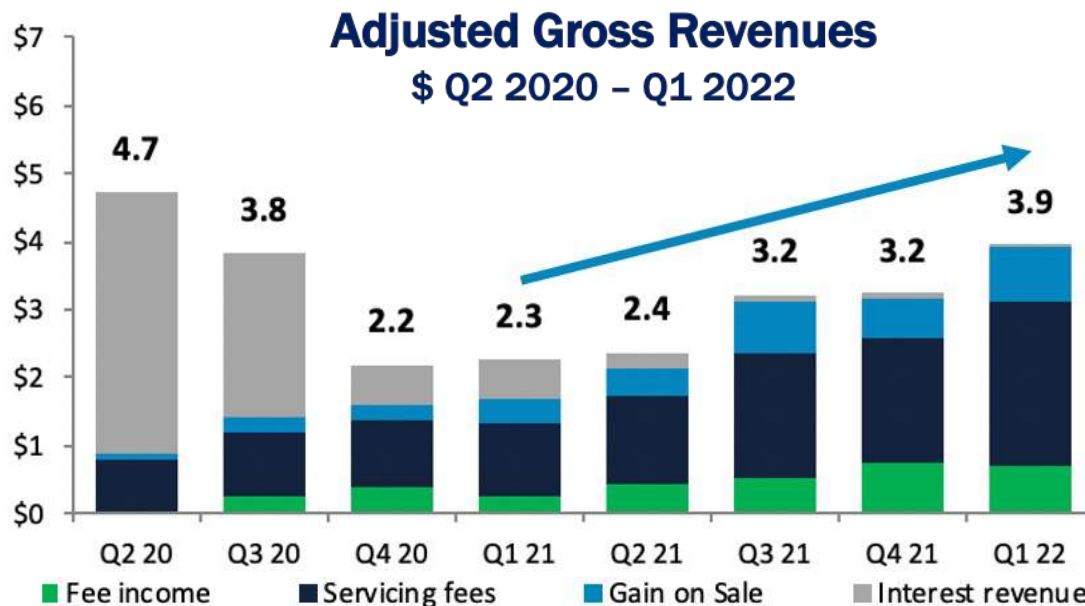
73% Increase in LUM
(2021 vs. 2020)



Performance Highlights



Adjusted Gross Revenues
increased
from \$2.3 million (Q1 2021)
to \$3.9 million (Q1 2022)



Breakdown of IOU's Revenue Streams (Q1 2022 vs Q1 2021):



Fee Income increased from \$0.3 million to \$0.7 million, primarily driven by referral fees generated by ZING Funding (IOU's retail channel).



Gain on Sale increased from \$0.3 million to \$0.8 Million, driven by profits built into the Sell Rate shared with the broker.



Servicing Fees earned from the servicing portfolio increased by \$1.1 million to \$2.4 million and are expected to increase with LUM.



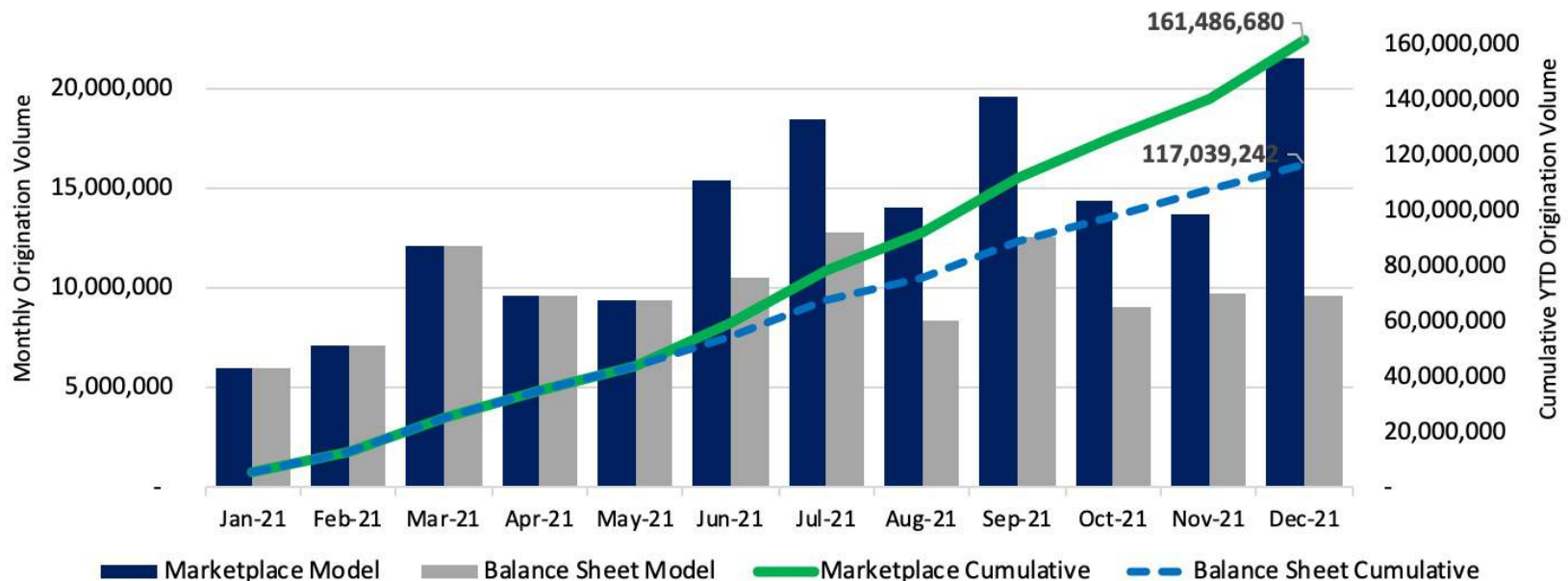
Interest Revenues (from balance sheet loans) have decreased as expected from \$0.6 million to almost zero (\$35K), with the shift to the marketplace strategy.

Marketplace Strategy



- In 2021 IOU Financial announced its migration from a Balance Sheet Strategy to a Marketplace Strategy.
 - Under a Balance Sheet Strategy loans were funded directly to – and limited by – IOU’s balance sheet.
 - Under a Marketplace Strategy loan originations are primarily sold to institutional purchasers, allowing the Company to grow originations untethered to the equity constraints of its own balance sheet AND liberating funds to invest in growth opportunities (Post-Pandemic Growth Strategy).
- IOU’s Marketplace Strategy has enabled the Company to grow loan originations by an incremental US\$41 million (approx.) in 2021 (over Balance Sheet Strategy).

2021 Originations (US\$): Marketplace (actual) vs. Balance Sheet (hypothetical) Models



2021 "Balance Sheet Originations" estimated based on a simulation for illustration purposes only and without consideration to additional equity capital injected into IOU.

Focus on Originations Growth



IOU's Post-Pandemic Growth Strategy: Investing in future growth opportunities based on three strategic pillars:



PROPRIETARY TECHNOLOGY

IOU Financial continues to invest in developing its proprietary IOU360 platform to connect Brokers, Merchants, Investors and internal stakeholders in real time – and enabling 100% of loan operations and surveillance.



PRODUCT INNOVATION

IOU introduced The Cash-Back Loan and 24-Month Loan in 2022 and is committed to introducing innovative loan products that meet the needs of a diverse range of small business owners.



WHOLESALE & RETAIL DISTRIBUTION

IOU continues to expand its wholesale (IOU Financial) and retail (ZING Funding) distribution strategies to maximize its exposure to the economic recovery through both channels.

The IOU360 technology future ecosystem



Brokers

- Interactive dashboard prioritizes loan applications.
- IOU's unique *QuickSubmit™* tool for drag-and-drop applications.



Merchants

- Real time loan status, renewals, documents, checklists, customer support.
- Data-driven & seasonal push notifications to drive retention goals.
- Cash transfer options; prepaid debit cards.



IOU Team Members

- Workflow automation for all teams.
- Agility for product, pricing, reporting.
- Prioritization of tasks based on performance algorithms.
- Automated approvals of up to 1/3 of applications based on historical data.
- Gamification of tasks, incentives, rewards.



Capital Structure



Stock symbol	TSX-V: IOU
Shares outstanding	105.0M
Options	9.4M
Warrants	Nil
Fully diluted	114.4M
Insider ownership	40.6M
Basic insider ownership (%)	39%



2-year stock chart of of June 3, 4:30 PM

	(millions)
Cash	\$12.4
Par Value of Convertible debentures	\$6.8
SPV funding debt	\$0
Commercial loans receivable balance	\$2.8
Servicing assets	\$3.7
Service Fees Receivable	\$2.3
Other Receivables	\$4.1
Servicing Portfolio	\$137.8
Market capitalization	\$21.0

Note: Financial data as of Q1 2022. Share data as of May 18, 2022. Market Capitalization as of June 2, 2022.

Adjusted Earnings (IFRS) Reconciliation



	2020	2021	TTM
Interest revenue	\$11,815,590	\$986,092	\$430,257
Servicing & fee revenue	\$5,316,742	\$10,091,366	\$12,317,767
Adjusted Gross Revenue	\$17,132,332	\$11,077,458	\$12,748,024
Interest expense	\$2,800,963	\$1,278,677	\$1,193,079
Net provision (Recovery) for loan losses	\$7,983,173	(\$925,548)	(\$1,144,752)
Cost of Revenue	\$10,784,136	\$353,129	\$48,327
Adjusted Net Revenue	\$6,348,196	\$10,724,329	\$12,699,697
Adjusted operating expense	\$9,523,257	\$11,033,325	\$12,077,982
Income tax expense	-	\$17,912	\$17,912
Adjusted Net (Loss) Earnings	(\$3,175,061)	(\$326,908)	\$603,803
Adjusted Net (Loss) Earning per Share	(\$0.03)	-0.00	\$0.01
Adjusted Net (Loss) Earnings	(\$3,175,061)	(\$326,908)	\$603,803
Non-cash gain on sales of loans	\$2,857,268	\$7,018,006	\$8,319,163
Non-cash amortization of servicing asset	(\$3,004,811)	(\$5,177,397)	(\$6,149,191)
Non-cash stock-based compensation	(\$137,345)	(\$150,213)	(\$154,379)
Non-recurring gain -net	\$640,474	\$2,358,580	\$2,299,540
Net (Loss) Earnings per IFRS	(\$2,819,475)	\$3,722,068	\$4,918,936
Net (Loss) Earnings per Share	(\$0.03)	\$0.04	\$0.05

Note: TTM refers to Trailing Twelve Months as of Q1 2022. Net earnings under IFRS are calculated by adding to adjusted net earnings: (i) gain recognized on sale of loans, and subtracting (ii) amortization of servicing asset, (iii) stock-based compensation, and (iv) non-recurring costs/(gain) listed above. These four items are adjusted for as they are either non-cash or non-recurring and do not reflect on the actual operating performance of the business.

Your Senior Management Team



IOU Financial is backed by an experienced team of dedicated professionals committed to innovation and integrity.



Robert Gloer
President & CEO



Madeline Wade
EVP Operations



Jeff Turner
EVP Risk Mitigation



David Kennedy
Chief Financial Officer



Carl Brabander
EVP Strategy



Stewart Yeung
EVP Finance



CEO's Letter to Shareholders



Robert Gloer
President and CEO

Dear Fellow Shareholders,

When Phil Marleau and I co-founded IOU Financial in 2008 we made innovation and integrity the cornerstones of everything we built. Coming out of the Great Recession small businesses were ready to rebuild but were finding it challenging to secure growth capital from traditional lending institutions. And knowing that small businesses create nearly half of all new job opportunities in America meant that helping small businesses played an important role in creating opportunities at the community level across the country. So, we built IOU Financial with real purpose: to fuel the growth of small business.

As an early pioneer of the Alternative Lending industry, IOU Financial was very well equipped to survive the COVID-19 pandemic and continue supporting small businesses during very challenging times. But we also used the opportunity to chart a new course for scalable growth: in 2021 IOU outlined an all-encompassing Post-Pandemic Growth Plan, announced its transition to a Marketplace strategy and added to its leadership team. And along the way we launched 2 new products (the IOU Cash-Back Loan and the 24-Month Term Loan), broke several of our own all-time monthly and quarterly records for loan originations, surpassed US\$1 billion in cumulative originations and achieved recognition from both American Business Awards (Achievement in Finance) and American Banker (Best Places to Work in Fintech).

This team delivered on its 2021 commitments to shareholders and is laser-focused on achieving even greater levels of scalability and growth in the months and years ahead. The ongoing development of our proprietary IOU360 platform – the only end-to-end proprietary technology platform in the industry – demonstrates our unwavering commitment to delivering quick and easy access to growth capital and becoming the preeminent alternative to banks.

I am incredibly proud of the entire IOU Financial team for its ability to deliver on its commitments to each other and to all our stakeholders. I am convinced there has never been a more exciting time to be involved in our industry, and I look forward to providing quarterly updates on our progress.

Here's to fueling the growth of small business!

A handwritten signature in blue ink, appearing to read 'R. Gloer', written over a light blue horizontal line.



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For more information:
investors@ioufinancial.com

www.ioufinancial.com

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