

QWAVE CAPITAL LLC ANNOUNCES ALL-CASH OFFER TO PURCHASE 30,000,000 COMMON SHARES OF IOU FINANCIAL INC. FOR \$0.50 PER COMMON SHARE

- *Offer represents a premium of 33.3% to IOU's June 12, 2015 closing price and 28.7% to IOU's 20-day volume-weighted average price on the TSX-V.*
- *The consideration under the Offer is all cash, providing shareholders with immediate liquidity and certainty of value.*
- *Opportunity for shareholders to recover a significant portion of their losses and to de-risk their investment going forward.*

MONTREAL, QUEBEC – Qwave Capital LLC (“**Qwave**”) announced today that it intends to make an offer (the “**Offer**”) to acquire 30,000,000 of the outstanding common shares (“**Common Shares**”) of IOU Financial Inc. (“**IOU**”) for \$0.50 per Common Share. The Common Shares subject to the Offer represent approximately 55.9% of the outstanding Common Shares and 50.6% of the Common Shares on a fully diluted basis.

The Offer represents a premium of 33.3% over the closing price of the Common Shares on the TSX Venture Exchange (“**TSX-V**”) on June 12, 2015, and a 28.7% premium above the volume weighted average market price of the Common Shares on the TSX-V over the last 20 trading days.

Background to the Offer

Qwave has engaged in various discussions with IOU over the past months regarding the possibility of a mutually acceptable investment transaction. Qwave originally approached IOU regarding a potential investment in IOU with another investor, culminating in the presentation of a term sheet to IOU on February 17, 2015 for an investment of \$15,000,000 in IOU at a price of \$0.58 per Common Share. The offer was rejected by the IOU board of directors without explanation.

Qwave subsequently expressed interest in investing \$2,000,000 in IOU under the terms of the proposed \$7,000,000 private placement at an issue price of \$0.50 per Common Share, announced on February 26, 2015. Once again the offer was rejected without explanation, and IOU subsequently failed to close the private placement.

On June 2, 2015, IOU announced that it had revised the terms of the private placement to issue \$2,200,000 at a significantly reduced issue price of \$0.40 per Common Share. On June 3, 2015, Qwave wrote to IOU with an offer to renew discussions regarding an investment in IOU at an offer price greater than what had been proposed under the revised private placement. Once again, IOU refused to enter into meaningful discussions regarding terms of an alternative mutually acceptable transaction. IOU has refused to provide any explanation as to why Qwave's offers to date have been unacceptable to IOU.

In the event that a consensual transaction cannot be reached, which has been Qwave's clearly stated desire from the outset of its discussions with IOU, Qwave will take its proposal directly to IOU shareholders by commencing the Offer.

Benefits To Shareholders

- **Opportunity to Recover Losses and De-risk Investment.** The Offer presents IOU shareholders with an opportunity to recover a significant portion of their losses and to de-risk their investment going forward.
- **Attractive Premium.** The Offer of \$0.50 per Common Share represents a substantial premium. The Offer represents a premium of 33.3% over the closing price of the Common Shares on the TSX-V on June 12, 2015, and a 28.7% premium above the volume weighted average market price of the Common Shares on the TSX-V over the last 20 trading days.
- **Immediate Liquidity.** The Offer provides shareholders with an opportunity to realize immediate cash consideration for all or a portion of those Common Shares that are tendered and accepted under the Offer, providing shareholders with a substantial premium and liquidity without assuming operational or market risk associated with a long-term investment in IOU.
- **Certainty of Value.** The consideration under the Offer is all cash, which provides shareholders with certainty of value.
- **No Financing Condition.** The Offer is not conditional on obtaining financing and Qwave has sufficient committed funding to fund the entire consideration payable for the Common Shares subject to the Offer.
- **Opportunity for Remaining Shareholders.** The Offer presents an opportunity for shareholders to partner with an experienced investor and to realize value on their remaining investment in IOU.

IOU has consistently underperformed in its peer group, in part as a result of its inability to attract investors and to raise capital. Qwave believes that IOU has an opportunity for growth and would benefit from the expertise it can offer as an experienced investor.

Additional Details of the Offer

Full details of the Offer will be included in a formal offer and take-over bid circular to be filed with securities regulatory authorities and mailed to IOU shareholders. Qwave has requested a shareholders list from IOU and expects to mail the offer and take-over bid circular to IOU shareholders as soon as practical following receipt of the IOU shareholders list. The Offer will be open for at least 35 days following the commencement of the Offer. The Offer will be conditional upon there having been validly deposited under, and not withdrawn from, the Offer not less than 30,000,000 Common Shares, and that number of Common Shares representing not less than a majority of the then outstanding Common Shares on a fully-diluted basis. The Offer will also be subject to other customary conditions, including receipt of all necessary regulatory clearances and approvals and the absence of material adverse changes. The Offer will not be subject to a financing condition. It is Qwave's intention that, following completion of the Offer, the Common Shares will continue to be listed for trading on the TSX-V. If more than the maximum number of Common Shares are deposited and not withdrawn under the Offer, the Common Shares to be purchased from each depositing shareholder will be determined on a *pro rata* basis.

This press release does not constitute an offer to buy or an invitation to sell, or the solicitation of an offer to buy or invitation to sell, any of the securities of IOU. Such an offer may only be made pursuant to an offer and take-over bid circular filed with the securities regulatory authorities in Canada.

Shareholder Questions

Investors may obtain a free copy of the offer and take-over bid circular when they become available and other documents filed by Qwave with the Canadian securities regulators at www.sedar.com. The offer and take-over bid circular and other documents may also be obtained for free, once they have been mailed, by contacting the Information Agent, Laurel Hill Advisory Group, toll free in North America at 1-877-452-7184, collect outside North America at 416-304-0211, or by email at assistance@laurelhill.com.

About Qwave

Qwave is a limited liability company organized under the laws of the state of Nevada, which is focused on special private equity transactions for near break-even technologically advanced companies. The manager of Qwave is Serguei Kouzmine. Dr. Kouzmine is also a Founding Partner and Board Member of the Quantum Wave Fund, a venture capital firm focused on seeking out early-stage private companies with breakthrough technologies whose primary focus is very early stage future technological leaders.

ON BEHALF OF QWAVE CAPITAL LLC

“Serguei Kouzmine”

Serguei Kouzmine
Manager

Information and statements contained in this news release that are not historical facts are “forward-looking information” within the meaning of Canadian securities legislation that involves risks and uncertainties. Forward-looking information included herein is made as of the date of this news release and Qwave does not intend, and does not assume any obligation, to update forward-looking information unless required by applicable securities laws. Forward-looking information relates to future events or future performance and reflects management of Qwave’s expectations or beliefs regarding future events. In certain cases, forward-looking information can be identified by the use of words such as “plans”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. Examples of forward-looking information in this news release include, but are not limited to, statements with respect to Qwave’s intention to make the Offer, to formally initiate the Offer and to file and mail a take-over bid circular with the securities regulatory authorities in Canada, Qwave’s assessment of the prospects of IOU, Qwave’s assessment of the effect of the Offer on IOU and the shareholders of IOU, the timing and prospects for shareholder acceptance of the Offer and the implementation thereof and the continued listing of Common Shares on the TSX-V. This forward-looking information is based, in part, on assumptions and factors that may change or prove to be incorrect, thus causing actual results, performance or achievements to be materially different from those expressed or implied by forward-looking information. Such factors and assumptions include, but are not limited to: the number of Common Shares validly deposited under, and not withdrawn from, the Offer at the expiry time of the Offer, the ability to obtain and maintain timely receipt of regulatory approvals including approval of the TSX-V of the Offer and approval of the Autorité des Marchés Financiers of the Offer; dilution; competition; loss of key employees; and additional funding requirements.

By its very nature, forward-looking information involves known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-

looking information. Such factors include, but are not limited to: the need to satisfy regulatory and legal requirements with respect to the Offer; dilution to shareholders from any equity financings; and influence of significant shareholders. Although Qwave has attempted to identify important factors that could cause actual actions, events or results to differ materially from forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated by such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

The TSX-V has neither approved nor disapproved the form or content of this release. Information concerning IOU contained in this news release and has been taken from, or is based upon, publicly available information and records on file with Canadian securities regulatory authorities and other public sources. IOU has not reviewed this news release and has not confirmed the accuracy and completeness of the information in respect of IOU contained herein. Although Qwave has no knowledge that would indicate that any statements contained herein concerning IOU taken from or based on such documents and records are untrue or incomplete, neither Qwave nor its manager Dr. Kouzmine assumes any responsibility for the accuracy or completeness of such information or for any failure of IOU or its directors or officers to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to it. The information presented regarding the percentage of Common Shares subject to the Offer is based upon publicly available information and records on file with Canadian securities regulatory authorities, and assumes that no additional Common Shares have been issued since the date of this information, including any issuances of Common Shares under the proposed private placement of Common Shares announced by IOU on June 2, 2015.

For further information:

Qwave Capital LLC
3445 Stratford Road NE, 3902
Atlanta, GA 30326

You may call our Information Agent, Laurel Hill Advisory Group, if you have questions or requests for additional copies of the Offer to Purchase and Circular when they become available. Questions and requests should be directed to the following telephone numbers:

North American Toll-Free: 1-877-452-7184
Collect Calls Outside North America: 416-304-0211
Email: assistance@laurelhill.com