

NEWS RELEASE

July 17, 2015

QWAVE CAPITAL LLC ANNOUNCES SETTLEMENT OF IOU FINANCIAL LITIGATION

MONTREAL, QUEBEC – Qwave Capital LLC (“**Qwave**”), a venture capital firm focused on promising technologically advanced companies, announced today that it has reached a settlement agreement with IOU Financial Inc. (“**IOU**”) under which IOU will withdraw its litigation and waive its shareholder rights plan as of September 23, 2015. As part of the settlement, Qwave has agreed not to take up and pay for any IOU common shares (the “**Common Shares**”) under its offer until September 23, 2015. A Notice of Extension will be sent to IOU shareholders in due course.

IOU initiated litigation in Quebec Superior Court on July 6, 2015 seeking to annul Qwave’s premium all-cash offer (the “**Offer**”) to acquire 34,000,000 IOU Common Shares for \$0.50 per Common Share.

“This settlement is a victory for IOU shareholders,” said Serguei Kouzmine, Manager, Qwave. “The settlement restores the right of shareholders to maximize the value of their investment in IOU. It also prevents any further delays in completing the Qwave Offer stemming from IOU’s litigation, provides certainty around the timing for tendering to the Offer, and avoids the potential for costly and unnecessary litigation.”

The Offer provides near-term value and liquidity for IOU shareholders. It 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 prior to the announcement of the Offer on June 15, 2015.

Full details of the terms and conditions of the Offer are set out in the formal Offer and take-over bid circular mailed to IOU shareholders on June 25, 2015. A copy of the take-over bid circular is available online at www.sedar.com.

If you have any questions regarding our offer and how to tender shares, please call our Depositary and Information Agent, Laurel Hill Advisory Group, at 1-877-452-7184 or 416-304-0211, or email assistance@laurelhill.com.

How to Tender Your Shares to the Qwave Offer

IOU shareholders wishing to accept the Offer are encouraged to tender their shares by completing the yellow letter of transmittal accompanying the documents mailed to them and returning it, together with certificates representing their IOU shares and all other documents, to the offices of Laurel Hill Advisory Group in accordance with the instructions in the yellow letter of transmittal and submit to the addresses provided therein.

If IOU shares are held by a broker or other financial intermediary, IOU shareholders should contact such intermediary and instruct them to promptly tender their IOU shares.

Shareholder Questions

Shareholders may obtain a free copy of the Offer and take-over bid circular 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 by contacting the Depositary and 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 venture capital firm focused on promising, technologically advanced companies. Qwave draws upon a management group with more than 20 years of experience and a strong track record of finding and investing in companies with breakthrough technologies and excellent potential for growth and value creation.

ON BEHALF OF QWAVE CAPITAL LLC

“Serguei Kouzmine”

Serguei Kouzmine
Manager

Forward-Looking Information

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 the withdrawal of IOU’s ongoing litigation involving Qwave and the waiver of IOU’s shareholder rights plan; the extension of the Offer and the delivery of a Notice of Extension to IOU shareholders; the completion of the Offer; the Expiry Time of the Offer; and the timing and prospects for shareholder acceptance of the Offer and the implementation thereof. 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; IOU’s compliance with the terms of its settlement agreement with Qwave; our 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; and the 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.

For further information:

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You may call our Depositary and Information Agent, Laurel Hill Advisory Group, if you have questions or requests for additional copies of the take-over bid circular and other documents filed by Qwave with the Canadian securities regulators. Questions and requests should be directed to the following telephone numbers:

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

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