FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

IOU Financial Inc. (“**IOU Financial**” or the “**Company**”)
1 Place Ville Marie, suite 1670
Montréal, Québec
H3B 2B6

Item 2 Date of Material Change

May 1, 2017

Item 3 News Releases

A news release was issued on May 1, 2017 from Montréal, Québec and disseminated by CNW Telbec.

Item 4 Summary of Material Change

IOU Financial announced a private placement of up to $3.5 million.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On May 1, 2017, IOU Financial announced that it intends to complete a private placement of up to 17,500,000 common shares of the Company (the "Offered Shares") at a price of $0.20 per Offered Share for gross proceeds of up to $3.5 million (the "Offering"). Up to $1.5 million of the Offering will brokered by Haywood Securities Inc. The remaining portion of the Offering will be non-brokered.

The Company expects that Fintech Ventures Fund LLLP ("Fintech"), an entity controlled by Mr. Serguei Kouzmine, a director of the Company, will subscribe for approximately up to 7,500,000 Offered Shares for gross proceeds of approximately up to $1.5 million on a non-brokered basis (the "Insider Subscription"). As at May 1, 2017, Fintech beneficially owns or controls 6,005,757 common shares of the Company (the "Common Shares"), representing approximately 8.52% of the issued and outstanding Common Shares (7,339,087 Common Shares, representing approximately 10.23% of the issued and outstanding Common Shares, calculated on a partially diluted basis assuming the full conversion of all convertible debentures beneficially owned or controlled by Fintech). After the completion of the Offering, Fintech will beneficially own or control approximately up to 15.36% of the issued and outstanding Common

Shares (up to 16.62% calculated on a partially diluted basis assuming the full conversion of all convertible debentures beneficially owned or controlled by Fintech).

The net proceeds of the Offering will be used primarily by IOU Financial to finance small business loans in the Company's target markets of the United States and Canada and for general corporate purposes. The Offering is subject to regulatory approval, including the approval of the TSX-V.

The Offering may be considered a related party transaction within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions. However, the Offering is exempt from the valuation and minority approval requirements provided under such regulation, since the fair market value of the Insider Subscription is less than 25% of the market capitalization of IOU Financial. The Board of Directors of IOU Financial has approved the terms of the Offering. Mr. Kouzmine declared his interest prior to the approval by the Board of Directors of IOU Financial and abstained from voting thereon.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The following senior officer of IOU Financial is knowledgeable about the material change and this report:

David Kennedy
Chief Financial Officer
(514) 789-0694 ext. 278

Item 9 Date of Report

May 9, 2017.