IOU Financial Announces The Repurchase Of Approximately $0.3 Million Of Convertible Debentures

Successful migration to marketplace strategy enables further reduction of corporate debt, bringing year-to-date total convertible debentures repurchased to $3.5 million.

MONTREAL, Dec. 1, 2021 /CNW Telbec/ **- IOU FINANCIAL INC.** ("IOU" or "the Company") (TSXV: IOU), a leading online lender to small businesses (IOUFinancial.com), announced today that, pursuant to its announcement on September 3, 2021, it is repurchasing approximately $0.3 million of its convertible debentures in the capital of the Company (the "Debentures") at a discount per $1,000 of aggregate principal amount per Debenture. Such transactions are being carried out pursuant to repurchase agreements entered into with individual holders of Debentures.

Today's move to repurchase $0.3 million of Debentures brings the total year-to-date repurchases to $3.5 million.

"IOU's successful migration to a marketplace strategy helped to reinforce our strong cash position and gave us the opportunity to further reduce corporate debt," said Robert Gloer, CEO. "Our focus remains on maximizing our exposure to the economic recovery and in the infrastructure for growth."

The foundation for migrating towards a marketplace strategy was solidified in late 2020 when IOU entered into a loan purchase agreement with a fund managed by Neuberger Berman, which expanded the Company's roster of institutional investors and helped position IOU for growth. In its Q2 2021 Financial Results, the Company outlined how it is continuing to migrate loan originations from a loan portfolio strategy (which involves funding directly to IOU's balance sheet) to a marketplace strategy whereby its loan origination growth is primarily sold to institutional purchasers. The Company recently reported its Q3 2021 Financial Results including a record US$52.2M in loan originations and a return to profitability in the third quarter with adjusted net earnings of $0.4M.

"IOU's marketplace strategy is giving us the best of both worlds: an increased capacity to originate loans as well as the liberation of funds to invest in strategic growth initiatives and the reduction of corporate debt," concluded Gloer. "We are pleased to continue to deliver on our commitments to our partners, clients and investors."

About IOU Financial Inc.

IOU Financial Inc. is a wholesale lender that provides quick and easy access to growth capital to small businesses through a network of preferred brokers across the US and Canada. Built on its proprietary IOU360 technology platform that connects underwriters, merchants and brokers in real time, IOU Financial has become a trusted alternative to banks by originating over US$1 billion in loans to fund small business growth since 2009. IOU trades on the TSX Venture Exchange under the symbol IOU (TSXV: IOU), and on the US OTC markets as IOUFF. To learn more about IOU Financial's corporate history, financial products, or to join our broker network please visit www.IOUFinancial.com.

Forward Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of IOU including, but not limited to, the impact of general economic conditions, industry conditions, dependence upon regulatory and shareholder approvals, the execution of definitive documentation and the uncertainty of obtaining additional financing. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. IOU does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise.

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