IOU SMALL BUSINESS SURVEY REVEALS OPTIMISM DESPITE Q1 STRUGGLES

Growing concerns about bank failures offset by strong intentions to invest and grow businesses in 2023

ATLANTA, May 5, 2023 /CNW/ - **IOU FINANCIAL INC.** ("IOU" or "the Company") (TSXV: IOU), a leading online lender to small businesses (IOUFinancial.com), published today their *April 2023 State of Small Business Survey* revealing a continued positive outlook for the remainder of 2023 despite a slow start to the year.

Key findings from the responses provided by small business owners include:

- 75% rate their current state of business "positive" or "very positive" (vs. 85% in December 2022).
- Concerns regarding inflation, recession, staffing, consumer demand and public health have all increased since January 2023, and bank closures now concern 62% of respondents.
- 69% "definitely" and 24% "maybe" will invest in their business in the 2nd half of 2023.
- Despite all the economic challenges now facing many small business owners the majority believe the worst is behind them and see opportunities to grow in the remainder of the year.

"These survey results highlight the strong entrepreneurial character of small business owners and help explain how they consistently create the majority of all new opportunities in the US," said Carl Brabander, EVP Strategy of IOU Financial. "IOU is proud to fund the future of small business and be a part of their success story."

IOU's latest *State of Small Business Survey* is based on the responses of 198 small business owners provided in April, providing a margin of error of 7% with a confidence level of 95%. The full report is available in PDF form is available here.

IOU Financial offers term loans of up US$1.5 million over 36 months, as well as the IOU Cash-Back Term Loan that offers a rebate of 3% to clients with a perfect repayment history.

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 was named one of the 50 Best Places to Work in Fintech for 2022 by American Banker and 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. Forward looking statements are statements, other than statements of historical fact, that address or discuss activities, events or developments that IOU expects or anticipates may occur in the future. These forward looking statements can be identified by the use of words and phrases such as "anticipates", "believes", "estimates", "expects", "may", "plans", "projects", "should", "will", "intends", "seeks", "allows", "creates a path for", "puts in a position to" or the negative thereof or other variations thereon. These forward-looking statements are subject to and involve substantial known and unknown 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 uncertainty of obtaining additional financing, risks related to the Company's incapacity to execute on its business plan, dependence on third-party service providers, competition, dependence on key personnel, security and confidentiality risk, technological development risk, IT disruptions, maintenance of client relationships, and litigation risk. No assurance can be given that any of the events anticipated by such statements will occur or, if they do occur, what benefit IOU will derive from them. 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. Additional information concerning these and other factors can be found beginning on page 20 under the heading "Risks and Uncertainties" in IOU's management's discussion and analysis dated November 18, 2022, which is available under IOU's profile on SEDAR at www.sedar.com.

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