

FinTech Ventures Fund, LLLP Announces Disposition of Shares of IOU Financial Inc.

ATLANTA, GEORGIA--(CNW Telbec – April 19, 2017) –

FinTech Ventures Fund, LLLP (“FinTech”), announced today pursuant to National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* that, pursuant to a private agreement, it has disposed ownership of 7,000,000 common shares (“Common Shares”) of IOU Financial Inc. (“IOU”). The Common Shares disposed represent approximately 9.94% of the issued and outstanding Common Shares of IOU.

Prior to the transaction, FinTech owned 13,005,757 Common Shares of IOU and CDN\$1,000,000 in principal amount of convertible unsecured subordinated debentures (the “Debentures”) of IOU. The Debentures are convertible at their holders’ option into Common Shares at a price of \$0.75 per Common Share, representing a conversion rate of 1,333.33 Common Shares for each \$1,000 principal amount of Debentures. Prior to the transaction, if all Debentures owned by FinTech were fully converted, FinTech exercised ownership, control or direction, over 14,339,087 Common Shares, representing 19.99% of IOU’s then issued and outstanding Common Shares, calculated on a partially diluted basis assuming the full conversion of the Debentures only. Immediately after the transaction, FinTech directly owns 6,005,757 common shares of IOU and 1,000 Debentures in principal amount. Immediately after the transaction, if all Debentures owned by FinTech are fully converted, FinTech exercises ownership, control or direction, over 7,339,087 Common Shares representing 10.23% of IOU’s issued and outstanding Common Shares, calculated on a partially diluted basis assuming the full conversion of the Debentures only.

As a significant shareholder of IOU, FinTech will review and monitor its options and alternatives with respect to additional acquisitions of Common Shares in light of all relevant factors from time to time, including general market conditions, prevailing market prices for the Common Shares, the business and prospects of IOU and alternative investment opportunities available to FinTech. FinTech may explore opportunities to acquire additional Common Shares in the open market, through negotiated or private transactions or otherwise, in each case on such terms and at such times as FinTech may deem advisable and in accordance with all applicable securities laws. In the future, FinTech may cease to explore such opportunities to acquire additional Common Shares, terminate or temporarily suspend any acquisition activities in which it may be engaged or may dispose of Common Shares at any time and from time to time in the open market, through negotiated or private transactions or otherwise, in each case on such terms and at such times as FinTech may deem advisable.

An Early Warning Report respecting these transactions will be filed on the System for Electronic Document Analysis and Review (SEDAR) under IOU’s profile and can be viewed at www.sedar.com.

ON BEHALF OF FINTECH VENTURES FUND, LLLP

Serguei Kouzmine
Manager, Fintech Ventures Capital, LLC
General Partner to FinTech Ventures Fund, LLLP
(514) 789-0694